



Gayatri BioOrganics Limited

(Formerly Gayatri Starchkem Limited)

CIN: L24110TG1991PLC013512

28th Annual Report 2018 - 19

28th Annual General Meeting

Day : **Monday**

Date : **30th September, 2019**

Time : **4.00 P.M.**

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

CONTENTS

Board of Directors	1
Notice	2
Director's Report	10
Annexures to Directors' Report	16
Report on Corporate Governance	32
Auditors' Report	45
Balance Sheet	52
Profit & Loss Account	53
Cash flow Statement	54
Notes to Accounts	56

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 :07378105)

(Resigned on 12th July, 2019)

Sri J. N. Karamchetti

Non Executive Independent Director (DIN : 00940963)

Sri T. R. Rajagopalan

Non Executive Independent Director (DIN :08490735)

(Resigned on 12th July, 2019)

Sri P.V. Narayana Rao

Additional Non Executive Independent Director

(Appointed on 30th May 2019)

(DIN :07378105)

Sri Ch. Ramachandra Seshaprasad

Additional Non Executive Independent Director

(Appointed on 30th May 2019)

(DIN : 08490735)

Chief Financial Officer

Sri Achanta Prabhakar Rao

Company Secretary

Smt. Sneha Murlimanohar Bangad

STATUTORY AUDITOR:

M/S. N G RAO & ASSOCIATES,
Chartered Accountants,
H.No.6-3-1186/A/6 (New No.325), 2nd Floor
ChinnaBalreddy Building, Adjacent Lane
To ITC Kakatiya Hotel, Begumpet, Hyderabad-500016
Email:nageswararao207@gmail.com
nageswararaog@rediffmail.com

SECRETARIAL AUDITOR :

Y. KOTESWARA RAO
H.No.48-345,Ganesh Nagar Colony, Chinthal,
HMT Road, Hyderabad - 500 054.

**REGISTRAR AND SHARE
TRANSFER AGENT :**

M/s Venture Capital and Corporate
Investments Private Limited,
12-10-167, Bharat Nagar, Hyderabad 500018.

**REGISTERED OFFICE & INVESTOR
RELATION DEPT :**

B3, 3rd Floor, 6-3-1090, Rajbhavan Road,
Somajiguda, Hyderabad - 500 082.
Ph: 040-66100111, Fax: 040-66100333
E-mail: info@ gayatribioorganics.com

FACTORY :

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

28th Annual Report 2018-2019

NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of the members of GayatriBioOrganics Limited will be held at the "KLN Prasad Auditorium" The Federation of Telangana Chambers of Commerce and Industry (FTCCI), Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad - 500 004 on Monday, 30th day of September, 2019 at 4.00 P.M to transact the following business:

ORDINARY BUSINESS:

1. To receive consider, approve and adopt the Audited Financial Statements at 31st March, 2019 and the Report of Directors' and the Auditors thereon.
2. To appoint a Director in place of Smt. T. Sarita Reddy (DIN:00017122), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. Regularization of Appointment of Sri P. Venkata Narayana Rao (DIN: 07378105) as an Independent Non Executive Director:-

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

"RESOLVED THAT pursuant to the provisions of Sections 149,152 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, approval of the members of the company be and is hereby given to the appointment of Sri P. Venkata Narayana Rao (DIN: 07378105), who was appointed by the Board of Directors as an Additional Non Executive Independent Director of the Company with effect from May 30th 2019 pursuant to the provisions of section 161(1) of the Companies Act, 2013 and pursuant to the applicable Articles of Association of the company, and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of the independent directorship as provided in section 149(6) of the Act and he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority, who is eligible for appointment, on recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Non Executive Director of the Company, who shall hold office for a period of five years from the date of appointment and whose office shall not, henceforth, be liable to retire by rotation.

RESOLVED FURTHER THAT to give effect to this resolution the Board of Directors be and are hereby authorised to do all the acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

4. Regularization of Appointment of Sri. Ramachandra Seshaprasad.CH (DIN : 08490735) as an Independent Non Executive Director:-

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 Sections 149,152 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, approval of the members of the company be and is hereby given to the appointment of Sri. Ramachandra Seshaprasad. CH (DIN : 08490735), who was appointed by the Board of Directors as an Additional Non Executive Independent Director of the Company with effect from May 30th 2019 pursuant to the provisions of section 161(1) of the Companies Act, 2013 and pursuant to the applicable Articles of Association of the company, and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of the independent directorship as

provided in section 149(6) of the Act and he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority, who is eligible for appointment, on recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Non Executive Director of the Company, who shall hold office for a period of five years from the date of appointment and whose office shall not, henceforth, be liable to retire by rotation.

RESOLVED FURTHER THAT to give effect to this resolution the Board of Directors be and are hereby authorised to do all the acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

By Order of the Board

Place: Hyderabad
Date: 14.08.2019

T.V. Sandeep Kumar Reddy
Chairman
DIN :00005573

28th Annual Report 2018-2019

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 Tuesday 24th September, 2019 to Monday 30th September, 2019 (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 2018-19 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 2018-19, 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. S.V. Krishna Reddy, Practicing Company Secretary (Membership No.53083) 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.
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. (Annexure: 1)
19. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special businesses is annexed hereto.

28th Annual Report 2018-2019

Annexure : 1

Statement provided pursuant to the provisions of Regulation 36 of SEBI (LODR) Regulations, 2015 read with Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India:

Regularization of P. Venkata Narayana Rao (DIN:07378105) as an Independent Director

1	Name	VENKATA NARAYANA RAO PALURI
2	Date of Birth	15/05/1960
3	Date of Appointment	30.05.2019
4	Qualifications	Chartered Accountant
5	Expertise in specific functional Area	Practicing chartered accountant with thorough exposure to manufacturing, Banking infra and other key sectors
6	Directorship held in other public companies (Excluding foreign companies and Section 8 Companies)	nil
7	Memberships/Chairmanships of Committees of other Public Companies (Includes only Audit Committee and Stakeholder's Relationship Committee)	nil
8	Number of shares held in the company	0
9	Relationship between Directors inter-se	nil

Regularization of Sri. Ramachandra Seshaprasad.CH (DIN : 08490735) as an Independent Director

1	Name	Ramachandra Seshaprasad.Ch
2	Date of Birth	28.01.1950
3	Date of Appointment	30.05.2019
4	Qualifications	B.COM, PG IN LL&PM
5	Expertise in specific functional Area	Expert in HR & Admin
6	Directorship held in other public companies (Excluding foreign companies and Section 8 Companies)	nil
7	Memberships/Chairmanships of Committees of other Public Companies (Includes only Audit Committee and Stakeholder's Relationship Committee)	nil
8	Number of shares held in the company	0
9	Relationship between Directors inter-se	nil

**By Order of the Board
For Gayatri Bioorganics Limited**

Place: Hyderabad
Date: 14.08.2019

T.V. Sandeep Kumar Reddy
Chairman
DIN :00005573

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 28th Annual General Meeting to be held on Monday 30th September, 2019 at 4.00 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
27 th September, 2019 (9.00 a.m)	29 th September, 2019 (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 23.09.2019, being the cut off 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:

28th Annual Report 2018-2019

	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# 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 GayatriBioOrganics 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 Friday 27th September, 2019 at 9.00 A.M and ends on Sunday 29th September 2019 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 23rd September, 2019, 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.

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

ITEM NO. 3

Mr. P. Venkata Narayana Rao was appointed as an Additional Non Executive Independent Director w.e.f 30th May 2019. in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. Nomination and Remuneration Committee has recommended regularization of Mr P. Venkata Narayana Rao. as an Independent Non Executive Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

Section 149 and Section 152 inter alia specifies that:

- (a) Independent Directors shall hold office for a term of upto five consecutive years, and shall be eligible for re-appointment for a further period of five years, subject to passing of Special Resolution by the Shareholders in General Meeting; and
- (b) An Independent Director shall not be liable to retire by rotation at the AGM. In the opinion of the Board Mr. P. Venkata Narayana Rao he is a person of integrity, possesses the relevant expertise and experience, fulfils the conditions specified in the said Act and the rules made there under and is independence of the management of the Company and he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

The terms and conditions of appointment of the above Director shall be open for inspection by the Members at the Registered Office of the Company during Normal Business Hours on any working day. Members may note that the requisite declarations under Section 149(7) of the Companies Act, 2013 have been furnished by the Independent Non Executive Directors confirming compliance with the provisions of Section 149 (6) of the Companies Act, 2013. Upon the confirmation of the appointment of him as Independent Non Executive Director by the Members of the Company, the appointment shall be formalized by the issue of a letter of appointment by the Company to the said Independent Non Executive Director. The Board accordingly recommends the Resolutions at Item No. 3 of this Notice for the approval of the Members as Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives other than Mr. P. Venkata Narayana Rao in any way concerned or interested, financially or otherwise, in the Resolution at Item No.3 of this Notice.

ITEM NO. 4

Sri. Ramachandra Seshaprasad.CH (DIN : 08490735) was appointed as an Additional Non Executive Independent Director w.e.f. 30th May 2019 in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. Nomination and Remuneration Committee has recommended regularization of Mr.Ramachandra Seshaprasad.CH as an Independent Non Executive Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

Section 149 and Section 152 inter alia specifies that:

- (a) Independent Directors shall hold office for a term of upto five consecutive years, and shall be eligible for re-appointment for a further period of five years, subject to passing of Special Resolution by the Shareholders in General Meeting; and
- (b) An Independent Director shall not be liable to retire by rotation at the AGM. In the opinion of the Board Mr. Ramachandra Seshaprasad.CH he is a person of integrity, possesses the relevant expertise and experience, fulfils the conditions specified in the said Act and the rules made there under and is independence of the management of the Company and he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

The terms and conditions of appointment of the above Director shall be open for inspection by the Members at the Registered Office of the Company during Normal Business Hours on any working day. Members may note that the requisite declarations under Section 149(7) of the Companies Act, 2013 have been furnished by the Independent Non Executive Directors confirming compliance with the provisions of Section 149 (6) of the Companies Act, 2013. Upon the confirmation of the appointment of him as Independent Non Executive Director by the Members of the Company, the appointment shall be formalized by the issue of a letter of appointment by the Company to the said Independent Non Executive Director. The Board accordingly recommends the Resolutions at Item No. 4 of this Notice for the approval of the Members as Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives other than Mr. Ramachandra Seshaprasad.CH is in any way concerned or interested, financially or otherwise, in the Resolution at Item No.4 of this Notice.

28th Annual Report 2018-2019

BOARD'S REPORT

To
The Members of
Gayatri BioOrganics Limited

Your Directors present the Twenty Eighth Annual Report along with the Audited Financial Statements and the Auditor's Report thereon for the period ended 31st March, 2019.

FINANCIAL RESULTS

Particulars	(Rs. in lakhs)	
	31.03.2019	31.03.2018
Net Sale Income from Operations	15547.85	17105.68
Other Operating Income	—	233.78
Income from operations	15547.85	17339.46
Other Income	210.44	1187.20
Total Income	15758.29	18526.67
Total Expenditure	17308.96	20441.02
Finance Charges	470.84	18.71
Depreciation	928.61	696.46
Provision for Taxation	—	—
Net Profit / (Loss)	(1550.67)	(1914.35)

*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.

Particulars	(Rs. in lakhs)	
	31.03.2019	31.03.2018
Revenue(Net of Excise)	15758.29	18526.67
Operating Expenses discontinuing operations	17308.96	20441.02
Profit before Tax from discontinuing operations	1550.67	1914.35
Income Tax Expense	-	-
Profit after Tax from discontinuing operations	1550.67	1914.35
Total Assets related to discontinuing operations	14275.32	14383.79
Total Liabilities related to discontinuing operations	22660.96	21232.40

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:

M/s. N G Rao & Associates, Chartered Accountants, are the Statutory auditors of the company appointed for 5 years i.e from conclusion of 27th Annual General Meeting until the conclusion of the 32nd Annual General Meeting of the company

INTERNAL AUDITORS:

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

SECRETARIAL AUDITORS:

Y. Koteswarrao, Practicing Company Secretary, was appointed to conduct the Secretarial Audit of the Company for the financial year 2018-19, as required under Section 204 of the Companies Act, 2013 read with Rule 9 there-under. The secretarial audit report for F.Y 2018-19 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, 2019.

DIRECTORS & KEY MANAGERIAL PERSONNEL:

Smt. T.SarithaReddy (DIN:00017122), retires by rotation at the forth coming annual general meeting and being eligible, offers herself 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, four Board meetings and four audit committee meetings were convened and held the details of which are given in the corporate governance report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

On 1st April, 2019 SNEHA MURLIMANOHAR BANGAD was appointed as Company Secretary and Compliance Officer and ACHANTA PRABHAKAR RAO was appointed as Chief Financial Officer 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, 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.

28th Annual Report 2018-2019

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a. Business Environment

In F.Y 2018-19 the operations are carried in the company pending of transfer of assets and liabilities pursuant to BTA entered into with Bluecraft Agro Private Limited. The transfer has not consummated as on the date of the Balance sheet. The company is pursuing various options for future course of action.

b. Industry Structure and Developments

In F.Y 2018-19 the operations are carried in the company pending of transfer of assets and liabilities pursuant to BTA entered into with Bluecraft Agro Private Limited. The transfer has not consummated as on the date of the Balance sheet. The company is pursuing various options for future course of action.

c. Opportunities and threats

In F.Y 2018-19 the operations are carried in the company pending of transfer of assets and liabilities pursuant to BTA entered into with Bluecraft Agro Private Limited. The transfer has not consummated as on the date of the Balance sheet. The company is pursuing various options for future course of action.

d. Out look

In F.Y 2018-19 the operations are carried in the company pending of transfer of assets and liabilities pursuant to BTA entered into with Bluecraft Agro Private Limited. The transfer has not consummated as on the date of the Balance sheet. The company is pursuing various options for future course of action.

e. Risks and Concerns

In F.Y 2018-19 the operations are carried in the company pending of transfer of assets and liabilities pursuant to BTA entered into with Bluecraft Agro Private Limited. The transfer has not consummated as on the date of the Balance sheet. The company is pursuing various options for future course of action..

f. Internal Control Systems and their adequacy

In F.Y 2018-19 the operations are carried in the company pending of transfer of assets and liabilities pursuant to BTA entered into with Bluecraft Agro Private Limited. The transfer has not consummated as on the date of the Balance sheet. The company is pursuing various options for future course of action..

g. Operational performance

In F.Y 2018-19 the operations are carried in the company pending of transfer of assets and liabilities pursuant to BTA entered into with Bluecraft Agro Private Limited. The transfer has not consummated as on the date of the Balance sheet. The company is pursuing various options for future course of action..

h. Human Financial Resources / Industrial Relations

In F.Y 2018-19 the operations are carried in the company pending of transfer of assets and liabilities pursuant to BTA entered into with Bluecraft Agro Private Limited. The transfer has not consummated as on the date of the Balance sheet. The company is pursuing various options for future course of action.

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, 2019

NOMINATION AND REMUENRATION POLICY:

A committee of the Board named as "Nomination and Remuneration Committee" has been constituted to comply with the provisions of section 178, Schedule IV of the Companies Act 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.

CONCLUSION OF SLUMP SALE :

The Company has completed the Slump Sale as per the Business Transfer Agreement (BTA) dated 28th November, 2016 for sale of its business undertaking of manufacturing and selling of starch and its derivatives along with its units namely "Unit 1 situated at NH-9, Nandi Kandi Village, Sadasivapet Mandal, Medak District, Telangana and Unit 2 Situated at Balabadrapuram Village, Biccavole Mandal, East Godavari District, Andhra Pradesh as per the agreed terms.

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, 2019 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, 2019 and of the profit and loss of the Company for the year;

28th Annual Report 2018-2019

- 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 company secretary regarding compliance of conditions of corporate governance also forms the part of the annual report.

HUMAN RESOURCES:

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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

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.

PENALTIES IMPOSED BY STOCK EXCHANGE FOR NOT APPOINTING COMPANY SECRETARY :

Non appointment of CS and Compliance Officer for the quarter ended 31st December, 2018, Rs.108560/- for 92 days.

Non appointment of CS and Compliance Officer for the quarter ended 31st December, 2019, Rs.106200/- for 90 days.

LISTING OF SECURITIES:

- (a) The Company's Shares are listed with BSE Limited, PhirozeJeejeebhoy Towers, Dalal Street, Mumbai - 400 023.
- (b) The Company paid Listing fees for the year 2019-20 to BSE Limited.

REPLY TO ADVERSE REMARKS OF AUDITORS' REPORT:

With regard to qualified opinion, The Company had to sell it's 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.

ACKNOWLEDGEMENTS:

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

By Order of the Board

Place: Hyderabad
Date: 14.08.2019

T.V. Sandeep Kumar Reddy
Chairman
DIN :00005573

28th Annual Report 2018-2019

Y. KOTESWARA RAO

Practicing Company Secretary

H.No.48-345, Ganeshnagar Colony

Chinthal, HMT Road

Hyderabad – 500 054

Phone: 040 40210182 (office)

Cell: 98491-69831

FORM NO.MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2019

[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,
Hyderabad, Telangana

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. GAYATRI BIOORGANICS LIMITED, CIN: L24110TG1991PLC013512** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I, hereby report that in my opinion, the company has, during the audit period ended on 31st March, 2019 ('Audit Period') generally 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 **the Company** for the financial ended on 31st March, 2019 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, Overseas Direct Investment and External Commercial Borrowings;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company:-
 - 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, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
 - 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 regarding the Companies Act and dealing with client **(Not Applicable during the audit period)**;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable during the audit period)** and;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable during the audit period)**;

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. 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, SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 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 changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were 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 the 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:

Listing / Trading approval is pending before the BSE regarding 1,70,06,802 Equity Shares of Rs. 10/- each resulting from Conversion of 20,00,000 6% cumulative Optionally Redeemable Preference Shares of Rs.100/- each .

Place: Hyderabad
Date: 14.08.2019

Y. Koteswara Rao
ACS No. 3785
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.

28th Annual Report 2018-2019

Y. KOTESWARA RAO

Practicing Company Secretary

H.No.48-345, Ganeshnagar Colony
Chinthal, HMT Road
Hyderabad – 500 054
Phone: 040 40210182 (office)
Cell: 98491-69831

ANNEXURE - 'A'

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

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

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

Place: Hyderabad
Date: 14.08.2019

Y. Koteswara Rao
ACS No. 3785
C.P.No. 7427

Y. KOTESWARA RAO

Practicing Company Secretary

H.No.48-345, Ganeshnagar Colony

Chinthal, HMT Road

Hyderabad – 500 054

Phone: 040 40210182 (office)

Cell: 98491-69831

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulations 34 (3) and Schedule V para C clause (10) (i) of the **Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015**).

To,

The Members

M/s. GAYATRI BIOORGANICS LIMITED

Hyderabad, Telangana

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. **GAYATRI BIOORGANICS LIMITED CIN: L24110TG1991PLC013512** and having registered office at B3, 3RD FLOOR, 6-3-1090, TSR TOWERS RAJ BHAVAN ROAD, SOMAJIGUDA, HYDERABAD - 500082 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No.	Name of the Director	DIN	Date of Appointment
1.	VENKATA SANDEEP KUMAR REDDY TIKKAVARAPU	00005573	02/12/1991
2.	TIKKAVARAPU SARITA REDDY	00017122	24/01/2000
3.	JAWAHARLAL NEHRU KARAMCHETTI	00940963	30/10/2006
4.	VENKATA RAYUDU CHINTALAPUDI	03536579	27/09/2011
5.	VENKATA NARAYANA RAO PALURI	07378105	30/05/2019
6.	RAMACHANDRA SESHAPRASAD CHODAVARAPU	08490735	30/05/2019

Ensuring the eligibility for the each Director appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad

Date: 14.08.2019

Y. Koteswara Rao

Practicing Company Secretary

ACS No. 3785

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.

28th Annual Report 2018-2019

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: 14.08.2019

T.V. Sandeep Kumar Reddy
Chairman
DIN : 00005573

**ANNEXURE-IV
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019**

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

28th Annual Report 2018-2019

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	60.66	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	60,97,290	-	60,97,290	7.74	-	-	60,97,290	7.74	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	5,38,87,938	-	5,38,87,938	68.40	-	-	5,38,87,938	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)	5,38,87,938	-	5,38,87,938	68.40	-	-	5,38,87,938	68.40	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	4,52,200	62,100	5,14,300	0.65%	4,52,200	62,100	5,14,300	0.65%	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs -	0	5,000	5,000	0.01%	0	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	5,000	5,19,300	0.66	-
2. Non-Institutions									
a) Bodies Corp.	84,815	93,000	1,77,815	0.23	1,24,648	83,000	2,07,648	0.26	0.03
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 2 lakhs	10,08,511	31,20,040	41,28,551	5.24	12,27,003	31,04,940	43,31,943	5.50	0.26
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakhs	52,20,339	1,29,300	6,51,339	0.83	3,52,611	83,700	4,36,311	0.55	-0.28
c) Others (specify)									
Non Resident Indians	76,949	8,35,000	9,11,949	1.16	73,858	8,18,400	8,92,258	1.13	-0.03
Overseas Corporate	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	11,260	-	11,260	0.01	-	12,754	12,754	0.02	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)	74464002	4324140	78788142	100	74543702	4244440	78788142	100	

(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 company				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	01.04.2018	1,84,99,990	23.48		
	Changes during the year	N.A.	N.A.			
	At the end of the year	31.03.2019	1,84,99,990	23.48	1,84,99,990	23.48
2	SBI LARGE & MIDCAP FUND					
	At the beginning of the year	01.04.2018	4,52,200	0.57		
	Changes during the year	N.A.	N.A.			
	At the end of the year	31.03.2019	4,52,200	0.57	4,52,200	0.57

28th Annual Report 2018-2019

3	PARSOTAMBHAI CHANABHAI GAJERA					
	At the beginning of the year	01.04.2018	1,00,000	0.13		
	Changes during the year	NA	NA			0
	At the end of the year	31.03.2019	1,00,000	0.13	1,00,000	0.13
4	BHARAT NAGRAJ KANUNGO					
	At the beginning of the year	01.04.2018	70,999			
	Changes during the year	NA	NA			
	At the end of the year	31.03.2019	70,999	0.09	70,999	0.09
5	MRIDULA JAIN					
	At the beginning of the year	01.04.2018	42,600	0.05		
	Changes during the year	N.A.	N.A.			
	At the end of the year	31.03.2019	42,600	0.05	42,600	0.05
6	KAMLESHE KUMAR KHEMCHAND MUTTA					
	At the beginning of the year	01.04.2019	52,451	0.05		
	Changes during the year	N.A.	N.A.			
	At the end of the year	31.03.2019	39,000	0.05	39,000	0.06
7	PNB:PRINCIPAL TRUSTEE:PNB MUTUAL FUND					
	At the beginning of the year	01.04.2018	38,400	0.05		
	Changes during the year	N.A.	N.A.			
	At the end of the year	31.03.2019	38,400	0.05	38,400	0.06
8	KLB SECURITIES PVT. LTD.					
	At the beginning of the year	01.04.2018	33,260			
	Changes during the year	N.A.				
	At the end of the year	31.03.2019	33,260	0.03	33,260	0.03
9	STAR SECURITIES PRIVATE LIMITED					
	At the beginning of the year	01.04.2018	32,900	0.04		
	Changes during the year					
	At the end of the year	31.03.2019	32,900	0.04	32,900	0.05
10	VENKATA KRISHNA REDDY YERBAKA					
	At the beginning of the year	01.04.2018	32,400	0.04		
	Changes during the year					
	At the end of the year	31.03.2019	32,400	0.04	32,400	0.05

(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	01.04.2018	3,44,96,617	43.78	3,44,96,617	43.78
	Changes during the year	-	-	-	-	-
	At the end of the year	31.03.2019	3,44,96,617	43.78	3,44,96,617	43.78
2	TIKKAVARAPU SARITA REDDY					
	At the beginning of the year	01.04.2018	48,80,279	6.19	48,80,279	6.19
	Changes during the year	-	-	-	-	-
	At the end of the year	31.03.2019	48,80,279	6.19	48,80,279	6.19

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

28th Annual Report 2018-2019

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	72,000	72,000	48,000	60,000	75,000	3,36,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	72,000	72,000	48,000	60,000	75,000	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)	72,000	72,000	48,000	60,000	75,000	3,36,000
	Total Managerial Remuneration						
	Overall Ceiling as per the Act	NA	NA	NA	NA	NA	NA

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: 14.08.12019

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 2018-19	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 2018-19 as compared to 2017-18.	Director's / CFO/ CS Name	% increase in remuneration
	Mr.C.V.Rayudu Whole Time Director	No Change
	CFO	Nil
iii. Percentage increase in the median remuneration of employees in the financial year 2018-19 as compared to 2017-18	—	—
iv. No. of permanent employees on the roll	As on 31.3.2019 278	As on 31.3.2018 291
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.	Ch. Venkata Rayudu	1860000
2.	N. Shiva Sharanappa	1512804
3.	Kamlesh Rawat	1131672
4.	S.V. Srinivasan	1124424
5.	Jai Prakash	962616
6.	Venkata Siva Shankar Kumar Gundala	938796
7.	Mohandas Hegde K	840164
8.	Nitin Wamana Rao Vanjari	783528
9.	B. Pandu	783528
10.	Y. Bhaskar Reddy	663960

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, 2019.

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: 14.08.2019

T.V. Sandeep Kumar Reddy
Chairman
DIN : 00005573

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2018-19

1. Overview of Corporate Governance of Gayatri Bio Organics Limited

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 trustee 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 promptly discharging its statutory and social obligations. The Board of directors supports the broad principles of corporate governance and is committed to align and direct the actions of the company to achieve the objectives of transparency, accountability and integrity.

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

2. Board of Directors

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

(a) Composition:

The 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 (Resigned)	Non Executive & Independent Director
Sri J. N. Karamchetti	Non Executive & Independent Director
Sri T. R. Rajagopalan (Resigned)	Non Executive & Independent Director
Sri P.V. Narayana Rao	Additional Non Executive & Independent Director
Sri Ch. Ramachandra Sessa Prasad	Additional 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 19th September 2018.

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	Yes	NIL
Sri. J.N. Karamchetti	Non-Executive & Independent Director	4	No	4
Sri. T.R. Rajgopalan	Non-Executive & Independent Director	5	Yes	3

(b) Board Meetings held during the year 2018-19:

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 2018-19 the Board Meeting was held Four times as follows:

S. No	Date of Board Meeting
1.	30th May, 2018
2.	13th August 2018
3.	22nd August 2018
4.	13th November 2018
5.	14th February 2019

(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	Smt.T. Saritha Reddy
Director Identification No	00017122
Date of Appointment	24.01.2008
Occupation	Industrialist
Relationship between directors inter-se	Wife of Sri.T.V. Sandeep Kumar Reddy
Nature of Expertise in specific functional area	-
Directorship in Listed entities	Gayatri Sugars Limited Gayatri BioOrganics Limited
Membership of Committees of other Listed Companies (includes only Audit Committee and Stakeholders Relationship Committee)	2
Shareholding in the Company	48,80,279 shares

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

28th Annual Report 2018-2019

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 reports submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up there on;
-

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, 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 2018-19 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. 30th May, 2018
2. 13th August 2018
3. 22nd August 2018
4. 13th November 2018
5. 14th February 2019

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 no Nomination and Remuneration Committee Meeting was held during the Financial Year 2018-19.

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.

28th Annual Report 2018-2019

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 <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.

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, 2019.

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
2017-18	"FTAPCCI Surana Auditorium" The Federation of Telangana Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), Federation House, 11-6-841, Hyderabad-500004	Wednesday, 19 th day of September, 2018	12.00 P.M.
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

28th Annual Report 2018-2019

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

AGM Date	Description of Item
Wednesday 19 th September, 2018	Nil
Monday 25 th September, 2017	Nil
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 30 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. However the company has appointed Smt. SNEHA MURLIMANO HAR BANGAD as the company secretary and compliance officer of the company with effect from 1/04/2019.

(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.

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 with in 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 28th Annual General Meeting of the members of Company will be held at "KLN Prasad Auditorium" The Federation of Telangana Chambers of Commerce and Industry (FTCCI), Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad - 500 004 on Monday, 30th day of September, 2019 at 4.00 P.M

Financial Calendar: 1st of April, 2019 to 31st of March, 2020

Results for the quarter ending:

30th June, 2019	Second week of September, 2019
30th September, 2019	Second week of November, 2019
31st December, 2019	Second week of February, 2020
31st March, 2020	Third/ Fourth week of May, 2020

Date of Book closure: The Share Transfer Books of the Company shall remain closed from **Tuesday, 24th September, 2019 to Monday 30th September, 2019** (both days inclusive) for the purpose of ensuing Annual General Meeting. ensuing Annual General Meeting.

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

Dividend: No dividend was recommended during the year.

ISIN No : INE 052E01015

Scrip Code : 524564

Depository Connectivity : CDSIL & NSDL

The Listing fee for the year 2019-2020 has been paid to BSE Ltd.

28th Annual Report 2018-2019

Market Price Data:

High, low during each month and trading volumes of the Company's Equity Shares during the last financial year 2018-19 at The Bombay Stock Exchange Limited (BSE) is as under:

DATE	BSE		
	High	Low	Qty Traded
May 2018	7.85	5.51	11536
June 2018	5.51	4.67	9109
July 2018	4.95	4.90	516
August 2018	5.00	4.50	15324
September 2018	4.48	3.23	17687
October 2018	3.40	2.73	3220
November 2018	2.80	2.47	19066
December 2018	3.43	2.83	13024
January 2019	3.38	2.23	2924
February 2019	2.23	2.23	558
March 2019	2.31	2.09	32435

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 onemonth from the date of lodgement for transfer,transmission, sub-division consolidation,renewal etc. Such modified share certificatesare delivered to the shareholders immediately.

Distribution of Shareholding as on 31st March, 2019 :

S.No	Category	Shareholders		Shares	
		Nos.	%	Nos.	%
1.	Up to - 500	19607	92.68	2981025	.38
2.	501 - 1000	992	4.69	799075	.10
3.	1001 - 2000	321	1.52	476214	0.06
4.	2001 - 3000	86	0.41	222674	0.03
5.	3001 - 4000	33	0.16	115363	0.01
6.	4001 - 5000	28	0.13	134227	0.02
7.	5001 - 10000	43	0.20	332744	0.05
8.	10001 and above	46	0.22	782820098	99.36
	Total	21156	100.00	787881420	100.00

Dematerialization of shares and liquidity:

As on 31st March, 2019, 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

Plant Locations:

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

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

Address for Correspondence:

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

Compliance Certificate:

Certificate from Practicing Company Secretary Mr. Y. Koteswar Rao 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 : 14.08.2019

T.V. Sandeep Kumar Reddy
Chairman
DIN : 00005573

28th Annual Report 2018-2019

Y. KOTESWARA RAO
Practicing Company Secretary

H.No.48-345, Ganeshnagar Colony
Chinthal, HMT Road
Hyderabad – 500 054
Phone: 040 40210182 (office)
Cell: 98491-69831

Certificate on Compliance of Corporate Governance

To,
The Members
M/s. GAYATRI BIOORGANICS LIMITED
Hyderabad, Telangana

I have examined the compliance of the conditions of Corporate Governance by **M/s. GAYATRI BIOORGANICS LIMITED** ('the Company') CIN: **L24110TG1991PLC013512** for the year ended on March 31, 2019, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. 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 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 the SEBI Listing Regulations for the year ended on March 31, 2019.

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

Place: Hyderabad
Date: 14.08.2019

Y. Koteswara Rao
ACS No. 3785
C.P.No. 7427

**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 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, 2019.

For **Gayatri BioOrganics Limited**

T.V. Sandeep Kumar Reddy

Chairman

DIN : 00005573

Place : Hyderabad
Date : 14.08.2019

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, 2019 and to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We further certify that:
 - i) There have been no significant changes in internal control during this year.
 - ii) There have been no significant changes in accounting policies during this year.
 - iii) There have been no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system.

For **Gayatri BioOrganics Limited**

C.V. RAYUDU
Whole-Time Director

Place : Hyderabad
Date : 14.08.2019

INDEPENDENT AUDITOR'S REPORT

To

The Members of

GAYATRI BIO ORGANICS LIMITED

Opinion

We have audited the accompanying Ind AS Financial Statements of GAYATRI BIOORGANICS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's including Annexure to Board Report, but does not include the Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring

28th Annual Report 2018-2019

the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS Financial Statements of the current period and are therefore the key

audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Ind ASs specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - (h) 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, as amended 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 pending litigations on its financial position in its Ind AS Financial Statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (i) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **N.G. RAO & ASSOCIATES**
Chartered Accountants
Firm Registration No. 009399S

G NAGESWARA RAO
Partner
Membership No. 207300

Place : Hyderabad
Date : May 30, 2019

Annexure A to the Independent Auditor's report

(Referred to in paragraph (1) (g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of GAYATRI BIOORGANICS LIMITED ("the Company") as of March 31, 2019 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 ("the Guidance Note"). 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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 Ind AS 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 Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures 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 Ind AS 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 controls over financial reporting on criteria based on or considering the essential components of internal controls 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, 2019.

We have considered the disclaimer reported above in determining the nature, timing and extent of auditors applied in our Audit of March 31, 2019 Financial statements of the Company, and the Disclaimer does not effect our opinion on the Financial statements of the Company.

For **N.G. RAO & ASSOCIATES**

Chartered Accountants
Firm Registration No. 009399S

G NAGESWARA RAO

Partner
Membership No. 207300

Place : Hyderabad

Date : May 30, 2019

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 has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered deed of allotment /conveyance deed provided to us, we report that, the title deeds of the immovable property being a building which is freehold, are held in the name of the Company as at the balance sheet date.

Immovable properties of leasehold lands and buildings constructed thereon whose title deeds have been pledged as security for loans, working capital facilities guarantees etc. are held in the name of Company based on certified copies of the title deeds provided to us, as the original title deeds are with the lenders for which confirmation of pledge have been received from lenders.
- (ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals, and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) The Company has not granted any loans, made investment or provided and hence reporting under clause (iv) of the Order is not applicable. guarantees to which the provision of section 185 or 186 of the Act would apply,
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribe by the Central Government under sub-section (1) of section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax, Custom Duty, Goods and Service Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Custom Duty, Goods and Service Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income Tax and Sales tax, Value Added Tax which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of statute	Nature of dues	Forrum where dispute	Period to which the amount Relates	Amount Involved (Rs.)	Amount Unpaid (Rs.)
The Customs Act, 1961	Customs Duty	CESTAT-Bangalore	FY 1994-1995	37,21,553	37,21,553
Central Excise Act, 1944	Excise duty including penalty	CESTAT-Hyderabad	02/2010 to 08/2014	8,52,42,349	8,52,42,349
Central Excise and Service Tax	Service Tax including penalty and interest	Kakinada Office Circle	July'2012 to March'2016	21,50,793	21,50,793
Value Added Tax Act and associated VAT Rules	VAT Penalty	AP VAT - Hyderabad	2011 to 2014	66,64,610	66,64,610

There are no dues of Service Tax, Custom Duty, Goods and Service Tax, and Excise Duty that have not been deposited as at March 31, 2019 on account of disputes.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not borrowed any loan from government, financial institutions and have not issued any debentures during the year.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, 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 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 and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For N.G. RAO & ASSOCIATES
Chartered Accountants
Firm Registration No. 009399S

Place : Hyderabad
Date : May 30, 2019

G NAGESWARA RAO
Partner
Membership No. 207300

28th Annual Report 2018-2019

BALANCE SHEET AS AT 31 MARCH 2019

(₹ in Lakhs)

PARTICULARS	Note	As At 31st March 2019	As At 31st March 2018
ASSETS			
Non-current assets			
(a) Financial Assets			
(i) Investments	2.1	0.15	0.15
(iii) Other Financial Assets	2.2	8.88	—
		9.03	0.15
Current assets			
(a) Financial Assets			
(i) Trade receivables	2.3(a)	52.42	150.95
(ii) Cash and cash Equivalents	2.3(b)	23.00	—
(iii) Other Financial Assets	2.3(d)	12.78	11.97
(b) Other Current Assets	2.4	136.74	—
		224.93	162.91
Assets held for sale	2.5	14,275.32	14,383.79
TOTAL ASSETS		14,509.29	14,546.86
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	2.6	7,878.81	7,878.81
(b) Other Equity	2.7	(19,573.97)	(18,119.68)
		(11,695.15)	(10,240.87)
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	2.8	170.16	170.16
		170.16	170.16
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	2.9 (a)	3,340.35	3,340.35
(ii) Trade payables	2.9 (b)	32.97	44.81
		3,373.32	3,385.17
Liabilities held for sale	2.5	22,660.96	21,232.40
TOTAL EQUITY AND LIABILITIES		14,509.29	14,546.86
		(0.00)	(0.00)

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

for **N.G. RAO & ASSOCIATES**
Chartered Accountants

G. Nageswara Rao
Partner

Place : Hyderabad
Date: 30th May, 2019

As per our report of even date attached
for **Gayatri BioOrganics Limited**

T.V. Sandeep Kumar Reddy
Chairman
DIN : 00005573

C.V. Rayudu
Director
DIN : 03536579

Gayatri BioOrganics Limited

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2019

(₹ in Lakhs)

PARTICULARS	For the Year Ended 31st March 2019	For the Year Ended 31st March 2018
Continuing Operations		
INCOME		
Revenue from operations	—	—
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)	—	—
Discontinuing Operations		
Profit/(Loss) before tax from discontinuing operations (Note 2.17)	(1,550.67)	(1,914.35)
Current tax	—	—
Profit/ (loss) for the year from discontinuing Operations (B)	(1,550.67)	(1,914.35)
Profit/ (loss) for the year (A+B)	(1,550.67)	(1,914.35)
Other Comprehensive Income		
Discontinuing Operations		
Items that will not be reclassified to Profit or Loss		
Re-measurement gains (losses) on defined benefit plans	96.38	(212.53)
Total Other Comprehensive Income	96.38	(212.53)
Total Comprehensive Income / (Loss)	(1,454.29)	(2,126.89)
Earning per equity share (Nominal value of share Rs. 10)		
Discontinued Operations		
Basic	(1.85)	(2.70)
Diluted	(1.85)	(2.70)

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

for **N.G. RAO & ASSOCIATES**

Chartered Accountants

G. Nageswara Rao

Partner

Place : Hyderabad

Date: 30th May, 2019

As per our report of even date attached

for **Gayatri BioOrganics Limited**

T.V. Sandeep Kumar Reddy

Chairman

DIN : 00005573

C.V. Rayudu

Director

DIN : 03536579

28th Annual Report 2018-2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

(₹ in Lakhs)

PARTICULARS	As at 31st March 2019	As at 31st March 2018
A. Cash Flow from Operating Activities		
Changes in operating assets and liabilities: (Increase) / Decrease in Operating Assets:		
- Non-current Financial Assets & Other Assets	(8.88)	—
- Trade Receivables	98.53	—
- Current Financial Assets	—	5.82
- Other current assets	(136.74)	—
Increase / (Decrease) in Operating Liabilities:	—	—
- Trade Payables	(11.84)	(268.10)
Cash (used in) / generated from Operations	(58.93)	(262.28)
Net cash (used in) Operating Activities (A)	(58.93)	(262.28)
B. Cash Flow from Investing Activities		
- Capital expenditure on Property, Plant and Equipment, including capital advances		
- Interest Received	(0.81)	—
Net cash flow (used in) investing activities (B)	(0.81)	—
C. Cash Flow from Financing Activities		
Net cash flow from financing activities (C)	—	—
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(59.74)	(262.28)
Cashflow from discountinue operations	82.74	262.28
Cash and Cash Equivalents at the beginning of year	—	—
Cash and Cash Equivalents at the end of year (Refer Note - 2.3(b) & 2.5)	23.00	—

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

As per our report of even date attached

for **N.G. RAO & ASSOCIATES**

Chartered Accountants

G. Nageswara Rao

Partner

Place : Hyderabad

Date: 30th May, 2019

for **Gayatri BioOrganics Limited**

T.V. Sandeep Kumar Reddy

Chairman

DIN : 00005573

C.V. Rayudu

Director

DIN : 03536579

Gayatri BioOrganics Limited

Statement of Changes in Equity for the year ended on March 31, 2019

For the year ended March 31, 2018

(₹ in Lakhs)

Particulars	Share Capital		Other Equity			Total
	No. of Equity Shares	Paid up Share Capital	Central/ State subsidy	Securities Premium	Retained Earnings	
Balance as at April 1, 2017	78,788,142	7,878.81	10.00	299.32	(16,302.11)	(8,113.98)
Profit for the year	—	—	—	—	(1,914.35)	(1,914.35)
Other comprehensive income	—	—	—	—	(212.53)	(212.53)
Balance as at March 31, 2018	78,788,142	7,878.81	10.00	299.32	(18,429.00)	(10,240.86)

For the year ended March 31, 2019

(₹ in Lakhs)

Particulars	Share Capital		Other Equity			Total
	No. of Equity Shares	Paid up Share Capital	Central/ State subsidy	Securities Premium	Retained Earnings	
Balance as at April 1, 2018	78,788,142	7,878.81	10.00	299.32	(18,429.00)	(10,240.87)
Profit / (Loss) for the year	—	—	—	—	(1,550.67)	(1,550.67)
Other comprehensive income	—	—	—	—	96.38	96.38
Balance as at March 31, 2019	78,788,142	7,878.81	10.00	299.32	(19,883.29)	(11,695.16)

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

As per our report of even date attached
for **N.G. RAO & ASSOCIATES**
Chartered Accountants

G. Nageswara Rao
Partner

for **Gayatri BioOrganics Limited**

T.V. Sandeep Kumar Reddy
Chairman
DIN : 00005573

C.V. Rayudu
Director
DIN : 03536579

Place : Hyderabad
Date: 30th May, 2019

NOTES TO ACCOUNTS

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. The Company’s equity share is listed on the BSE Limited.

In November 2016, the Company has entered into a Business Transfer Agreement (BTA) for transfer of its business undertaking of manufacturing and selling of starch and its derivatives along with its two units on a “slump sale” basis subject fulfilment of certain conditions as mentioned in BTA. Pending various conditions, the Company has presented revenues, expenses, assets and liabilities of the business undertaking as ‘discontinuing operations’ in accordance with Ind AS 105 – Non-current Assets Held for Sale and Discontinued Operations.

B. Basis of preparation and 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. The presentation of the Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

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

The principal accounting policies are set out below:

i) Revenue recognition:

Sale of Goods

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the

price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

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.

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.

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 benefits 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 benefit is accrued) 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.

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 instrument 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.

DE recognition

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 the Company is Indian rupee (INR).

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 than 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)

Assets held for sale

The Company has entered into a Business Transfer Agreement (BTA) in November 2016 for transfer of its business undertaking of manufacturing and selling of starch and its derivatives along with its two units on a "slump sale" basis subject fulfilment of certain conditions as mentioned in BTA. Pending various conditions precedent which is expected to complete within a period of 12 months, the Company has considered the business of two units as discontinued operations and disclosed accordingly. Refer Note 2.5 for further details.

Standards/Amendments issued but not yet effective:

At the date of issuance of these financial statements, the Company has not applied the following new Accounting Standards and amendments to the existing Indian Accounting Standards that have been issued by Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 but were not effective for the year under consideration.

1. Ind AS 116 Leases

General impact of application of Ind AS 16 Leases

Ind AS 116 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. Ind AS 116 will supersede Ind AS 17 Leases when it becomes effective for accounting periods beginning on or after April 1, 2019. The Company intend to apply Modified Retrospective Approach for transition to Ind AS 116 and take the cumulative adjustments to retained earnings on the date of initial application i.e. April 1, 2019. In contrast to lessee accounting, Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

Impact of the new definition of a lease

The change in definition of a lease mainly relates to the concept of control. Control is considered to exist if the customer has:

- the right to obtain substantially all of the economic benefits from the use of an identified asset; and
- the right to direct the use of that asset.

The Company will apply the definition of a lease and related guidance set out in Ind AS 116 to all lease contracts entered into or modified on or after April 1, 2019 (whether it is a lessor or a lessee in the lease contract). It is expected that the new definition in Ind AS 116 will not change significantly the scope of contracts that meet the definition of a lease for the Company.

Impact on Lessee Accounting

Operating leases

Ind AS 116 will change how the Company accounts for leases previously classified as operating leases under Ind AS 17, which were off-balance sheet. On initial application of Ind AS 116, for all leases (except as mentioned in short term leases below), the Company will:

- a) Recognise right-of-use assets and lease liabilities in the Balance Sheet, initially measured at the present value of the future lease payments;
- b) Recognise depreciation of right-of-use assets and interest on lease liabilities in statement of profit or loss;
- c) In the statement of cash flows, classify: (i) cash payments for the principal portion of the lease liability within financing activities; (ii) cash payments for the interest portion of the lease liability within financing activities and (ii) short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability within operating activities.

Short term leases

For short term leases (lease term of 12 months or less) and leases of low-value assets, the Company will opt to recognise a lease expense on a straight-line basis as permitted by Ind AS 116.

The Company is evaluating the requirements of Ind AS 116 and its impact on the financial statements. The Company do not expect that the adoption of this new standard will have any material impact on the financial statements of the Company in future periods.

The Company has elected certain available practical expedients on transition.

2. Amendments to existing Indian Accounting Standards or proposed new standards as mentioned below are not expected to have any significant impact on the Company's financial statements:

Amendments to Ind AS 109 – Prepayment features with negative compensation and modifications of financial liabilities

Amendments to Ind AS 28 – Long term interest in associates and joint ventures

Amendments to Ind AS 103 Business combinations and Ind AS 111 Joint arrangements

Amendment to Ind AS 23 Borrowing costs

Amendments to Ind AS 19 – Plan amendments, curtailments and settlements

Amendments to Ind AS 12 –Income tax consequences of dividends and Uncertainty over income tax treatments

28th Annual Report 2018-2019

Notes to the financial statements for the period ended March 31, 2019 (Continued)

(₹ in Lakhs)

	As at 31 March 2019	As at 31 March 2018
2.1 Investments		
Quoted Investment in equity instruments (fully paid up)		
3,000 equity shares of S.S.Organics Limited	0.30	0.30
7,100 equity share of East, West Travel and Trade Links Limited	2.84	2.84
Unquoted Investment in equity instruments (fully paid up)		
1,000 equity share of Sri Lakshmi Engineering Limited	0.27	0.27
Less: Provision for Impairment	(3.26)	(3.26)
Total investments, net of impairment	0.15	0.15
Aggregate amount of quoted investment	3.14	3.14
Aggregate book value of un-quoted investments	0.27	0.27
Aggregate value of impairment in value of Investments	3.26	3.26
The management has assessed that carrying value of the investments approximate to their fair value.		

2.2 Other Financial Assets (Non-current)*

(₹ in Lakhs)

	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Security deposits	8.88	—
	8.88	—

Notes to the financial statements for the period ended March 31, 2019 (Continued)

(₹ in Lakhs)

	As at 31 March 2019	As at 31 March 2018
2.3 Financial Assets (Current)		
(a) Trade receivables		
Unsecured, considered good	52.42	150.95
	52.42	150.95
(b) Cash and cash Equivalents		
Balance with banks		
On current accounts	23.00	—
	23.00	—
(c) Other Financial Assets		
Unsecured, considered good		
Interest accrued on Deposits with Banks	12.78	11.97
	12.78	11.97

	As at 31 March 2019	As at 31 March 2018
2.4 Other Current Assets		
Capital advances	—	—
Balance with government Authority	122.22	—
Income Tax Credit Receivable	12.41	—
Advance to suppliers	2.10	—
	136.74	—

2.5 The Company has entered into a Business Transfer Agreement (BTA) in November 2016 for transfer of its business undertaking of manufacturing and selling of starch and its derivatives along with its units namely “Unit 1 situated at NH-9, Nandi Kandi Village, Sadasivpet mandal, Medak Dist. Telangana and Unit 2 situated at Balabadrapuram Village, Biccavole Mandal, East Godavari Dist. Andhra Pradesh” on a “slump sale” basis subject fulfilment of certain conditions as mentioned in BTA. Operations of Unit-1 are carried out in the Company till 01/04/2019 while operation of Unit-2 are carried out till November 30, 2018. The Company will recognise any gain or loss arising on transfer of business undertaking on completion of various conditions precedent as mentioned in BTA.

Pending various conditions precedent, the Company has presented revenues, expenses, assets and liabilities of the business undertaking as ‘discontinuing operations’ in accordance with Ind AS 105 – Non-current Assets Held for Sale and Discontinued Operations. It is expected that the business undertaking is likely to get disposed off within 12 months from the balance sheet date accordingly, gain or loss arising on the de-recognition of the said business undertaking will be recognised on its transfer.

Break up of major assets and liabilities of Discontinuing Operations classified as held for sale pursuant to above BTA are as follows as at March 31, 2019:

28th Annual Report 2018-2019

Notes to the financial statements for the period ended March 31, 2019 (Continued)

(₹ in Lakhs)

	As at 31 March 2019	As at 31 March 2018
(a) Assets held for Sale		
Non-Current Assets		
Property, Plant and Equipment	6,840.46	4,657.13
Capital Work in Progress	—	620.15
Other non-current financial assets		
Security deposits	250.52	194.31
Other non-current assets		
Capital advances	70.53	153.56
Advance for land	17.73	22.61
(A)	7,179.24	5,647.76
Current Assets		
Inventories		
Raw materials	2,370.12	3,548.61
Work-in-progress	411.41	270.10
Finished goods	916.59	1,313.17
Stores and spares and others	721.96	623.68
Trade receivables		
Unsecured, considered good	2,426.77	2,429.01
Cash and cash equivalents		
Cash on hand	15.54	10.69
Balance with banks in current accounts	138.69	102.30
Fixed Deposit	18.00	18.00
Other current assets		
Advance to suppliers	50.70	264.81
Balance with government authorities	12.99	122.52
Income Tax Credit Receivable	—	12.41
Prepaid expenses	9.93	—
Staff advance	3.37	20.72
(B)	7,096.08	8,736.03
Total Assets held for sale	14,275.32	14,383.79

Gayatri BioOrganics Limited

Notes to the financial statements for the period ended March 31, 2019 (Continued)

(₹ in Lakhs)

	As at 31 March 2019	As at 31 March 2018
(b) Liabilities held for Sale		
Financial Liabilities		
Non-current borrowing		
From Bank for Vehicle loan	1.26	2.85
Financial Liabilities		
Current borrowing		
Secured Cash credit from bank	—	4,946.93
Unsecured Loans repayable on demand from Others	—	2,271.55
Bank Overdraft	—	1.42
Trade Payables	21,866.60	13,065.31
Other Financial Liabilities		
Payables for capital goods	6.15	13.50
Employee liabilities	322.55	135.81
Other Current Liabilities		
Advances from customers	7.97	164.55
Statutory liabilities	61.72	176.63
Advances from employee	—	3.51
Provisions (Current and Non-current)		
Gratuity	321.88	359.67
Compensated absences	72.83	90.67
Total Liabilities held for sale	22,660.96	21,232.40
 Net (Liabilities) held for Sale	 (8,385.64)	 (6,848.61)

28th Annual Report 2018-2019

Notes to the financial statements for the period ended March 31, 2019 (Continued)

- c) **Break up of Statement of Profit and Loss of Discontinuing Operations classified as held for sale for the year ended March 31, 2019 pending completion of various conditions precedent as per BTA:** (₹ in Lakhs)

	For the year ended on 31 March 2019	For the year ended on 31 March 2018
INCOME		
Revenue from Operations	15,547.85	17,339.46
Other Income	210.44	1,187.20
Total Revenue	15,758.29	18,526.67
EXPENSES		
Cost of materials consumed	10,849.77	15,137.76
Change in inventory of finished goods and work-in-progress	255.26	(991.17)
Employee benefits expense	1,308.13	1,276.11
Finance costs	470.84	18.71
Depreciation	928.61	696.46
Other expenses	3,496.35	4,303.15
Total Expenses	17,308.96	20,441.02
Net (loss) from Discontinuing Operations	(1,550.67)	(1,914.35)

- (d) **The net cash flow position of discontinuing operations for the year is as follows:**

	For the year ended on 31 March 2019	For the year ended on 31 March 2018
Cash Flow from Operating Activities	10,210.48	1,850.75
Cash Flow from Investing Activities	(2,394.16)	(1,125.71)
Cash Flow from Financing Activities	(7,692.33)	(525.85)
Net increase / (decrease) in cash and cash equivalents	123.99	199.19
Cash and Cash Equivalents at the beginning of year	113.00	176.09
Cashflow to continue operations	(82.75)	(262.28)
Cash and Cash Equivalents at the end of year	154.24	113.00

- (e) The entire discontinuing operations of the Company is related to one operating segment namely, "Maize Processing and its sales in India" and accordingly there is only
- (f) As at March 31, 2019 the Company has accumulated losses of ₹ 19,883.28 lakhs which has completely eroded the net worth of the Company. However, 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 with all necessary assistances including financial and operational, pending finalisation and crystallisation of business plans consequent to BTA.

Gayatri BioOrganics Limited
Notes to the financial statements for the period ended March 31, 2019
Property, Plant & Equipment

(₹ in lakhs unless otherwise stated)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles - Owned	Office Equipments	Computers	Total
Year ended March 31, 2018								
Gross carrying amount								
Opening gross carrying amount classified as held for sale	911.44	1,355.62	2,343.25	6.30	8.01	3.65	5.36	4,633.64
Additions during the year	0.29	26.37	1,314.24	1.59	-	0.12	4.43	1,347.03
Disposals	(15.14)	-	(5.78)	-	-	-	-	(20.92)
Assets included in a disposal group classified as held for sale (Note 2.8)	(896.59)	(1,382.00)	(3,651.71)	(7.89)	(8.01)	(3.77)	(9.79)	(5,959.75)
Closing gross carrying amount	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment								
Opening accumulated depreciation classified as held for sale	-	135.35	466.27	0.78	2.00	0.89	0.88	606.16
Depreciation charge during the year	-	136.52	553.14	1.79	2.00	0.92	2.09	696.46
Disposals	-	-	-	-	-	-	-	-
Assets included in a disposal group classified as held for sale (Note 2.8)	-	(271.87)	(1,019.41)	(2.56)	(4.00)	(1.80)	(2.96)	(1,302.62)
Closing accumulated depreciation	-	-	-	-	-	-	-	-
Net Carrying Amount as at March 31, 2018	-	-	-	-	-	-	-	-
Year ended March 31, 2019								
Gross carrying amount								
Opening gross carrying amount classified as held for sale	896.59	1,382.00	3,651.71	7.89	8.01	3.77	9.79	5,959.75
Additions during the year	4.88	10.15	3,093.07	0.19	-	3.65	-	3,111.94
Disposals	-	-	-	-	-	-	-	-
Assets included in a disposal group classified as held for sale (Note 2.8)	(901.47)	(1,392.15)	(6,744.78)	(8.08)	(8.01)	(7.42)	(9.79)	(9,071.69)
Closing gross carrying amount	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment								
Opening accumulated depreciation classified as held for sale	-	271.87	1,019.41	2.56	4.00	1.80	2.96	1,302.62
Depreciation charge during the year	-	138.29	782.88	1.98	2.00	0.92	2.09	928.15
Deferred Government Grant	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Assets included in a disposal group classified as held for sale (Note 2.8)	-	(410.16)	(1,802.29)	(4.54)	(6.01)	(2.72)	(5.05)	(2,230.77)
Closing accumulated depreciation	-	-	-	-	-	-	-	-
Net Carrying Amount as at March 31, 2018	-	-	-	-	-	-	-	-

28th Annual Report 2018-2019

Notes to the financial statements for the period ended March 31, 2019 (Continued)

(₹ in Lakhs)

	As at 31 March 2019	As at 31 March 2018
2.6 Equity Share Capital:		
(a) Authorised		
9,00,00,000 (previous year March 2018 : 9,00,00,000) equity shares of ₹ 10 each	9,000.00	9,000.00
	9,000.00	9,000.00
Issued, subscribed and paid-up		
78,788,142 (previous year March 2018 : 78,788,142) equity shares of ₹ 10 each	7,878.81	7,878.81
	7,878.81	7,878.81

(b) Reconciliation of the shares outstanding at the beginning and at the end of the Year:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the year	78,788,142	7,878.81	78,788,142	7,878.81
At the end of the year	78,788,142	7,878.81	78,788,142	7,878.81

(c) Rights preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is eligible for one vote per share. The dividend, if any, proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The Company declares and pays dividend in Indian rupees.

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
T Sandeep Kumar Reddy	34,496,617	43.78	34,496,617	43.78
Fursa Mauritius	18,499,990	23.48	18,499,990	23.48
T Indira	6,788,752	8.62	6,788,752	8.62
T Sarita Reddy	4,880,279	6.19	4,880,279	6.19

Notes to the financial statements for the period ended March 31, 2019 (Continued)

(₹ in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
2.7 Other Equity		
Central / State subsidy		
At the commencement of the year	10.00	10.00
At the end of the year	10.00	10.00
Securities Premium		
At the commencement of the period	299.32	299.32
At the end of the year	299.32	299.32
Retained Earnings		
At the commencement of the year	(18,429.00)	(16,302.11)
Add / (Less) : (Loss) for the year	(1,550.67)	(1,914.35)
Add / (Less) : Re-measurement gains(losses) on defined benefit plans	96.38	(212.53)
At the end of the year	(19,883.29)	(18,429.00)
	(19,573.97)	(18,119.68)

(i) Securities Premium Account:

Securities premium is created due to premium on issue of shares.

These reserve is utilised in accordance with the provisions of the Companies, Act.

2.8 Financial Liabilities (Non-Current)

Borrowings

Unsecured Term loans

From Director	170.16	170.16
	170.16	170.16

Pursuant to the Company entering into Business Transfer Agreement (BTA) in November 2016 for transfer of business undertaking of manufacturing and selling of starch and its derivatives along with its two 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). This loan was originally carried an interest 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.

28th Annual Report 2018-2019

Notes to the financial statements for the period ended March 31, 2019 (Continued)

(₹ in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
2.9 Financial Liabilities (Current)		
2.9 (a) Borrowings		
Unsecured Loans repayable on demand		
From Others -Refer note (i) below	3,340.35	3,340.35
	3,340.35	3,340.35

- (i) Pursuant to the Company entering into Business Transfer Agreement (BTA) in November 2016 for transfer of business undertaking of manufacturing and selling of starch and its derivatives along with its two units, no interest has been charged on the basis of mutual agreement from October 01, 2016 on the outstanding loan.

Particulars	As at 31 March 2019	As at 31 March 2018
2.9 (b) Trade payables		
Trade payables		
Dues to Micro, Small and Medium Enterprises	—	—
Others	32.97	44.81
	32.97	44.81

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:

Particulars	For the year ended as at	
	31-Mar-19	31-Mar-18
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	—	—
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	—	—
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	—	—
The amount of interest accrued and remaining unpaid at the -end of the year	—	—
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	—	—

Notes to the financial statements for the period ended March 31, 2019 (Continued)

(₹ in Lakhs)

Particulars	For the Year ended on 31 March 2019	For the Year ended on 31 March 2018
2.10		
(a) Revenue from Operations		
Sale of Products	15,547.85	17,105.68
Other operating revenues		
Miscellaneous income	—	233.78
	15,547.85	17,339.46
(b) Other income		
Interest income - others	9.71	1.27
Miscellaneous income	200.73	112.80
Liability in excess of OTS for SICOM and PNB term Loan- written back	—	1,073.13
	210.44	1,187.20
(c) Cost of materials consumed		
Raw materials and packing materials consumed	—	—
Inventory of material at the beginning of the period	3,612.46	1,995.05
Purchases	9,607.42	16,755.18
Inventory of material at the end of the period	(2,370.12)	(3,612.46)
	10,849.77	15,137.76
(d) Change in inventory of finished goods and work in progress		
Inventories at the beginning of the year		
Finished goods	1,313.17	454.21
Work-in-progress	270.10	137.89
Less: Inventories at the end of the year		
Finished goods	916.59	1,313.17
Work-in-progress	411.41	270.10
Increase/ (decrease) in Inventories	255.26	(991.17)
(e) Employee benefits expenses		
Salaries, wages and bonus	1,179.92	1,116.03
Contribution to provident fund and other funds (Refer note 12)	71.21	90.17
Staff welfare expenses	37.04	49.94
Directors' remuneration	19.97	19.97
	1,308.13	1,276.11
(f) Finance costs		
Interest expense	461.02	0.60
Bank charges	9.82	18.11
	470.84	18.71

28th Annual Report 2018-2019

Notes to the financial statements for the period ended March 31, 2019 (Continued)

(₹ in Lakhs)

Particulars	For the Year ended on 31 March 2019	For the Year ended on 31 March 2018
(g) Other expenses		
Consumption of stores and spares	365.95	183.66
Power and fuel	1,694.00	2,259.81
Rent (Refer note 2.13)	20.19	27.96
Packing expense	354.43	379.52
Repairs		
- Buildings	2.34	2.67
- Plant and machinery	35.30	95.02
- Others	6.73	32.14
Rates and taxes	22.23	35.60
Insurance	7.85	27.27
Vehicle hire and maintenance	49.42	45.56
Travelling expenses	64.70	50.95
Contract labour charges	431.05	452.90
Legal and professional fees	59.50	29.09
Auditors Remuneration	0.48	8.36
Cash discount	—	6.91
Freight outward	101.25	325.50
Freight Inward	52.96	175.46
Commission	6.77	6.54
Directors sitting fee	3.84	2.96
Printing and stationery	4.89	5.34
Telephone and other communication expenses	3.93	5.12
Water expenses	—	12.00
Security expenses	62.03	85.70
Bad Debts written off	—	7.61
Miscellaneous expenses	146.51	39.49
	3,496.35	4,303.15

Notes to the financial statements for the period ended March 31, 2019 (Continued)

2.11 Capital commitments and contingent liabilities

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

Changes in the present value of defined benefit obligation

(₹ in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
i. Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for	—	140.00
ii. Contingent liabilities		
a. Customs and Sales Tax	103.86	103.86
b. Claim against The Company not acknowledged as debts	197.14	197.14
c. Excise Duty	852.42	852.42
d. Service Tax	21.51	21.51
iii. Agricultural Market Committee	93.36	—

The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company is contesting the above demand and the management including its tax advisors believes that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations. Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

28th Annual Report 2018-2019

Notes to the financial statements for the period ended March 31, 2019 (Continued)

2.12 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 and belongs to the discontinuing operations. The amount recognised as an expense towards contribution to provident fund and employee state insurance aggregated to ₹ 70.20 in lakhs (Previous year: ₹ 70.05 lakhs).

Defined benefit plan:

The Company operates defined benefit plans that provide gratuity benefits to employees. 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.

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

Changes in the present value of defined benefit obligation (₹ in Lakhs)

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Obligation at beginning of the year	359.67	141.44
Current service cost	20.89	23.20
Interest cost	28.77	11.32
Past service cost	—	3.08
Actuarial (gain)/ loss	(87.46)	180.63
Benefits paid	—	—
Obligation as at the end of the year	321.88	359.67
Current Portion	39.03	19.10
Non- Current Portion	282.85	340.57
Expense recognised in the Statement of Profit and Loss		
Current service cost	20.89	23.20
Interest cost	28.77	11.32
Expected return on plan assets	—	—
Past service cost	—	3.08
Net actuarial loss/(gain) recognised in the year	(87.46)	180.63
Amount in "Employee benefits expense"	(37.79)	218.23
Amount recognised in balance sheet		

Particulars	As at 31-Mar-19	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16
Present value of funded obligations	321.88	359.67	141.44	127.58
Fair value of plan assets	—	—	—	—
Net liability	321.88	359.67	141.44	127.58

Notes to the financial statements for the period ended March 31, 2019 (Continued)

Summary of actuarial assumptions

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Discount Rate (p.a.)	7.65%	8.00%
Salary escalation rate (p.a.)	5.00%	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.

Leave encashment :

The Company has recognized amount of ₹ NIL lakhs (previous year: ₹ 52.93 lakhs) as expense in the Statement of Profit and Loss in respect of compensated absences.

2.13 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 ₹ 11 lakhs (previous year ₹ 6 lakhs) has been included under "Rent" in the Statement of Profit and Loss.

2.14. Income tax expense

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

Particulars	As at 31-Mar-19	As at 31-Mar-18
Deferred tax: (₹ in Lakhs)		
Deferred tax liability		
Excess of depreciation provided in accounts over depreciation allowable under income tax law	(541.15)	(463.98)
Deferred tax asset		
Business loss under income tax law	541.15	463.98
Net	—	—

Tax losses includes business losses, short term and long term capital loss that can be carried forward under Income Tax Act, 1961 up to eight assessment years immediately succeeding the assessment year for which the loss was first computed, including unabsorbed depreciation can be carried forward to indefinite period.

Deferred tax assets on carry forward unused tax losses have been recognised to the extent of deferred tax liabilities on taxable temporary differences available. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax asset.

28th Annual Report 2018-2019

Notes to the financial statements for the period ended March 31, 2019 (Continued)

2.15. Earnings per share (EPS)

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

(₹ in Lakhs)

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Net profit/(Loss) for the year from continued operations (₹ in lakhs)	—	—
Net profit/(Loss) for the year from discontinued operations (₹ in lakhs)	(1,454.29)	(2,126.89)
Net profit for calculation of basic earnings per share from discontinued operations	(1,454.29)	(2,126.89)
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 ₹ 10 – Basic/Diluted Discontinued Operations	(1.85)	(2.70)

The Company is incurred loss during the year and previous years. Hence, the Company does not required to contribute any amount towards contribution to Corporate Social Responsibility as per section 135 of Act.

2.16 Related party transactions

A) Related parties

Key management personnel (KMP) represented on the Board of Directors

1. T Sandeep Kumar Reddy, Chairman and Promoter Director
2. C V Rayudu, Whole Time Director
3. T Sarita Reddy, Director, Wife of Chairman and Promoter Director

Enterprises where key management personnel have control or significant influence

1. Deep Corporation Private Limited

B) Related parties with whom transactions have taken place during the year: (₹ in lakhs)

Nature of transaction	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Rent paid		
Deep Corporation Private Limited	6.48	17.77
Sitting Fees Paid		
T Sandeepkumar Reddy	0.48	0.48
T Sarita Reddy	0.60	0.60
Managerial remuneration		
C V Rayudu	19.97	19.97

C) Balances payable to related parties are as follows:

Nature of balance	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Unsecured loans		
T Sandeep Kumar Reddy	170.16	170.16

Notes to the financial statements for the period ended March 31, 2019 (Continued)

2.17 Financial instruments

(₹ in Lakhs)

Particulars	Fair value hierarchy			
	Total	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
31-Mar-19				
Financial Asset				
Investments	0.15		0.15	
Trade receivables	150.95			150.95
Other Financial Assets	11.97			11.97
Total	163.06	—	0.15	162.91
Financial Liability				
Trade payables	44.81			44.81
Borrowings	3,510.51			3,510.51
Total	3,555.32	—	—	3,555.32
31-Mar-18				
Financial Asset				
Investments	0.15		0.15	
Trade receivables	150.95			150.95
Other Financial Assets	17.79			17.79
Total	168.88	—	0.15	168.73
Financial Liability				
Trade payables	312.91			312.91
Borrowings	3,510.51			3,510.51
Total	3,823.42	—	—	3,823.42

The management assessed that the fair values of financial assets approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. For financial assets and financial liabilities that are measured at fair value, the carrying amounts are equal to the fair value.

Notes to the financial statements for the period ended March 31, 2019 (Continued)

2.18 Financial Risk Management Objectives and Strategy:

The Company pursuant to the shareholder approval has agreed to dispose substantial portion of the business undertaking and major financial assets and liabilities including related risks are pertaining to that business undertaking.

Pending various conditions precedent, the Company has presented revenues, expenses, assets and liabilities of the business undertaking as 'discontinuing operations' in accordance with Ind AS 105 – Non-current Assets Held for Sale and Discontinued Operations. It is expected that the business undertaking is likely to get disposed off within 12 months from the balance sheet date. The management believes that it is expected to remain in business post disposal of the business undertaking, hence it has prepared its financial statements without any modification in going concern assumptions.

Major risk belongs to the discontinued operations of the Company which are Credit risk and Liquidity risk etc.

Credit Risk: Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and bank balances and trade receivables.

Liquidity Risk: Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company invests its surplus funds in various marketable securities and other financial instruments to ensure that the sufficient liquidity is available. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects.

2.19 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as level of dividend on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder's value.

No changes were made in the objectives, policies or processes for managing capital during the current period.

2.20. Figures for the previous year have been regrouped / rearranged, wherever necessary, to conform to current year's classification.

For Gayatri BioOrganics Limited

G Nageswara Rao
Partner

T.V. Sandeep Kumar Reddy
Chairman
DIN : 00005573

C V Rayudu
Director
DIN : 03536579

Place: Hyderabad
Date: 30-05-2019

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 28th Annual General Meeting of the company, to be held on 30th day of September, 2019 at 4:00 P.M at the "KLN Prasad Auditorium", The Federation of Telangana Chambers of Commerce and Industry (FTCCI), 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 2018-19
2.	Re-appointment of Smt. T. Sarita Reddy (DIN: 00007122) as the Director who retires by rotation
3.	Ratification of the appointment of Mr. P.V. Narayana Rao as an Independent Director
4.	Ratification of the appointment of Mr. Ramachandra Sesha Prasad. Ch as an Independent Director

Signed this..... day of..... 2019.

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 28th Annual general meeting of the company, to be held on **Monday, 30th day of September, 2019 at 4:00 P.M at the "KLN Prasad Auditorium", The Federation of Telangana Chambers of Commerce and Industry (FTCCI), 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