



To,

The Secretary  
Bombay Stock Exchange Ltd,  
1<sup>st</sup>Floor, New Trading Ring  
Rotunda Building, P J Towers  
Dalal street, Fort  
MUMBAI - 400,001



## **Gayatri BioOrganics Limited**

*(Formerly Gayatri Starchkem Limited)*

CIN: L24110TG1991PLC013512

**30<sup>th</sup> Annual Report 2020 - 21**

## 30<sup>th</sup> Annual General Meeting

**Day** : Monday

**Date** : 27<sup>th</sup> September, 2021

**Time** : 11.30 A.M.

**Venue** : 30th Annual General Meeting of the Members of GAYATRI BIOORGANICS LIMITED (the 'Company') will be held through Video Conferencing in accordance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular No. 20/2020, 14/2020 and 17/2020 dated 5th May, 2020, 8th April, 2020 and 13th April, 2020.

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**COMPANY INFORMATION**

CIN: L24110TG1991PLC013512

Sri T.V. Sandeep Kumar Reddy	Chairman	(DIN : 00005573)
Sri C.V. Rayudu	WholeTime Director	(DIN : 03536579)
Smt. T. Sarita Reddy (Resigned on 1st June 2021)	Non Executive Director	(DIN : 00017122)
Sri P. V. Narayana Rao	Independent Director	(DIN : 07378105)
Sri Ch.R.Seshaprasad	Independent Director	(DIN : 08490735)
Sri Murali Vittala	Independent Director	(DIN : 08688453)

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  
Chinna Balreddy Building, Adjacent Lane  
To ITC Kakatiya Hotel, Begumpet, Hyderabad-500016  
Email:nageswararao207@gmail.com  
nageswararaog@rediffmail.com

**INTERNAL AUDITOR :**

Vas & Co.,  
Chartered Accountant  
Office : 5-2-392/5, Hyderbasthi,  
R.P. Road, Secunderabad.  
Email: gurazadass@yahoo.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 :**

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

## 30<sup>th</sup> Annual Report 2020-2021

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Dear Members,

Invitation to attend the 30<sup>th</sup> Annual General Meeting on Monday, September 27, 2021

You are cordially invited to attend the 30<sup>th</sup> Annual General Meeting of the Company to be held on Monday, September 27, 2021 at 11.30 AM IST through video conferencing. The notice convening the Annual General Meeting is attached herewith.

In order to enable ease of participation of the Members, we are providing below the key details regarding the meeting for your reference:

S.No	Particulars	Details
1	Link for live webcast of the AGM	<a href="https://www.evotingindia.com">https://www.evotingindia.com</a> under shareholders/members login by using the remote e-voting credentials
2	Link for remote e-voting	<a href="http://www.evotingindia.com">www.evotingindia.com</a> .
3	Helpline number for VC participation	Phone: 040 2381 8475 EmailID: <a href="mailto:info@vccilindia.com">info@vccilindia.com</a>
4	Cut-off date for e-voting	17th September 2021
5	Time period for remote e-voting	Commences at 9 AM IST on 24th September, 2021 and ends at 5 PM IST on 26th September, 2021
6	Book closure dates	9th September, 2021 to 13th September, 2021 (both days inclusive)
7	To temporarily update e-mail address	<a href="mailto:info@gayatribioorganics.com">info@gayatribioorganics.com</a>
8	Last date for publishing results of the e-voting	30th September 2021
9	Registrar and Share Transfer Agent contact details	M/s Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad 500018 Phone: 040 2381 8475 EmailID: <a href="mailto:info@vccilindia.com">info@vccilindia.com</a>

Place: Hyderabad

Date: 1st September 2021

Yours truly

**Sneha Murlimanohar Bangad**  
Company Secretary

## NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the Members of GAYATRI BIOORGANICS LIMITED (the 'Company') will be held through Video Conferencing, on 27th, September at 11:30 A.M 2021 [Optionally, with the name of the platform) in accordance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular No. 20/2020, 14/2020 and 17/2020 dated 5th May, 2020, 8th April, 2020 and 13th April, 2020 respectively, to transact the following businesses:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2021 and the Reports of the Board of Directors and Auditors thereon; and
2. To appoint a Director in place of Shri. T. V. Sandeep Kumar Reddy , who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

1. NIL

**By Order of the Board**

Place: Hyderabad  
Date: 1<sup>st</sup> September, 2021

**T.V. Sandeep Kumar Reddy**  
Chairman  
DIN :00005573

## 30<sup>th</sup> Annual Report 2020-2021

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### NOTES:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://www.gayatribioorganics.com>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

### THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins at **9:00 AM on 24th September, 2021 and ends at 5:00 PM on 26th September 2021** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date (record date) of 17th September, 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or</li> </ol>



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	<p>click on <a href="https://evoting.cdslindia.com/Evoting/Evoting">https://evoting.cdslindia.com/Evoting/Evoting</a>. Login. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on “Shareholders” module.
  - 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below: For Physical shareholders and other than individual shareholders holding shares in Demat.
 

PAN Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

    - Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. Dividend Bank Details OR Date of Birth (DOB) Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
    - If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.
- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen.

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However, shareholders 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 to be also 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.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz [info@gayatribioorganics.com](mailto:info@gayatribioorganics.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

## **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

## **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

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All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

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

Place: Hyderabad  
Date: 1st September, 2021

**T.V. Sandeep Kumar Reddy**  
Chairman  
DIN :00005573

**BOARD'S REPORT**

To  
The Members of  
Gayatri BioOrganics Limited

Your Directors present the 30th Annual Report along with the Audited Financial Statements and the Auditor's Report thereon for the period ended 31st March, 2021.

**\* FINANCIAL SUMMARY:**

<b>Particulars</b>	<b>(Rs. in lakhs)</b>	
	<b>31.03.2021</b>	<b>31.03.2020</b>
Net Sale Income from Operations		
Other Operating Income		
Income from operations	0	0
Other Income	0	8508.51
Total Income	0	8508.51
Total Expenditure	49.74	61.5
Finance Charges		
Depreciation		
Provision for Taxation	0	0
Net Profit / (Loss)	(49.74)	8447.01

<b>Particulars</b>	<b>(Rs. in lakhs)</b>	
	<b>31.03.2021</b>	<b>31.03.2020</b>
Revenue(Net of Excise)	—	—
Operating Expenses discontinuing operations		
Profit before Tax from discontinuing operations	(49.74)	8447.01
Income Tax Expense	—	—
Profit after Tax from discontinuing operations	(49.74)	8447.01
Total Assets related to discontinuing operations	—	—
Total Liabilities related to discontinuing operations	—	—

**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:**

N 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, Hyderabad, as the Internal Auditors of your Company. The Internal Auditors are submitting their reports on quarterly basis.

**SECRETARIAL AUDITORS:**

Mr. Y. KoteswarRao, Practicing Company Secretary, was appointed to conduct the Secretarial Audit of the Company for the financial year 2020-21, as required under Section 204 of the Companies Act, 2013 read with Rule 9 there-under. The secretarial audit report for F.Y 2020-21 annexed to this Board's Report as Annexure-I.

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### **DIRECTORS & KEY MANAGERIAL PERSONNEL:**

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

The independent directors of the company are highly qualified and stalwarts in their respective field 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, five 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.

As on 1st April, 2019 Smt. Sneha Murlimanohar Bangad was appointed as Company Secretary and Compliance Officer and Sri. Achanta PrabhakarRao was appointed as Chief Financial Officer of the company. The term of office of Mr. C.V. Rayudu expires on 17th May 2020. He was reappointed by the shareholders in the Twenty Ninth Annual General meeting as per the provisions of the Companies Act.

### **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>

### **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 are available at notes to accounts, The policy on related party transaction as approved by Audit Committee and Board of Directors is posted under website of the Company.

### **EXTRACT OF ANNUAL RETURN:**

Pursuant to the Sec 92 (3) of the Companies Act, 2013. A copy of the annual return for the financial year ender 31st March, 2021 has been placed on the website of the Company [www.gayatribioorganics.com](http://www.gayatribioorganics.com) under investors.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT :**

#### **a. Business Environment**

The company completed the BTA agreement, now the company is pursuing various options for future course of action.

#### **b. Industry Structure and Developments**

The company completed the BTA agreement, now the company is pursuing various options for future course of action.

#### **c. Opportunities and threats**

The company completed the BTA agreement, now the company is pursuing various options for future course of action.

**d. Outlook**

The company completed the BTA agreement, now the company is pursuing various options for future course of action

**e. Risks and Concerns**

The company completed the BTA agreement, now the company is pursuing various options for future course of action.

**f. Internal Control Systems and their adequacy**

The Company has adequate internal control systems commensurate with the activities of the Company.

**g. Operational performance**

The company completed the BTA agreement now the company is pursuing various options for future course of action.

**Material developments in human Resources/Industrial Relations front, including people employed:**

On 1 st June 2021 Smt. Saritha Reddy resigned as a Director due to her personal reasons except that there are no other changes/appointments in the management team.

**PARTICULARS OF EMPLOYEES**

At present there are no employees whose particulars are to be given under Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, as amended from time to time.

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, are currently not applicable as there are no employees and also no Director or KMP who is drawing remuneration from the Company except Mr. C.V. Rayudu Whole Time Director, Mr. Achanta Prabhakar Rao, CFO and Smt. Sneha Murlimanohar Bangad, Company Secretary whose details are reported in MGT-9.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE OUTGO:**

The Company did not have any activities either relating to Conservation of Energy or Technology Absorption and therefore the provisions relating to Conservation of Energy or Technology Absorption are not applicable. The Company did not have any foreign exchange earnings and foreign exchange outgo during the year.

**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, 2021

**NOMINATION AND REMUNERATION POLICY:**

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

**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



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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 BluecraftAgro 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.

### **BTA CLOSED :**

On 14th August 2019 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, Sadasivpetmandal, Medak Dist. Telangana and Unit 2 situated at Balabadrapuram Village, Biccavole Mandal, East Godavari Dist. Andhra Pradesh" as per the agreed terms. The company is pursuing various options for future course of action.

There are no Material Changes and Commitments affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this Report.

### **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, 2021 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, 2020 and of the profit and loss of the Company for the year;
- iii) The Directors have taken proper and sufficient care for their maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors had prepared the annual accounts on a 'going concern' basis;
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

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

**RISK MANAGEMENT:**

The Company's senior management oversees the management of the risks. The Company's senior management ensures that all the risks that the organization faces such as Strategic, Operational, Compliance, Financial and other risks are governed by appropriate policies and procedures and that the risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of the risk.

**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 is 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.

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**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

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**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED March 31, 2021**

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Gayatri BioOrganics Limited,**  
B3, 3rd Floor, 6-3-1090, TSR Towers,  
Raj Bhavan Road, Somajiguda,  
Hyderabad- 500082.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gayatri BioOrganics Limited.**, CIN No. 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 our opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit. I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Gayatri BioOrganics Limited** for the financial year ended on 31st March, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment 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 as amended 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);

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### **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

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#### ANNEXURE - 'A'

To,  
The Members,  
**Gayatri BioOrganics Limited,**  
B3, 3rd Floor, 6-3-1090, TSR Towers,  
Raj Bhavan Road, Somajiguda,  
Hyderabad- 500082.

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

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

Place: Hyderabad  
Date: 2<sup>nd</sup> August, 2021

**Y. Koteswara Rao**  
Practicing Company Secretary  
ACS No.: 3785  
C.P.No. 7427  
UDIN No : A003785C00072356

## 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,  
**Gayatri BioOrganics Limited,**  
B3, 3rd Floor, 6-3-1090, TSR Towers,  
Raj Bhavan Road, Somajiguda,  
Hyderabad- 500082.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. GAYATRI BIOORGANICS LIMITED ('the company') 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 and its officers, I hereby certify that none of the Directors of the Board of the Company a stated below for the financial year ending on 31 March, 2021. Have been debarred or disqualified from being appointed or continuing a Directors of companies by the Securities Exchange Board Of India, Ministry of Corporate Affairs, or any other Statutory Authority.

S.No.	Name of the Director	DIN	Date of Appointment
1.	VENKATASANDEEP KUMAR REDDY TIKKAVARAPU	00005573	02/12/1991
2.	VENKATA RAYUDU CHINTALAPUDI	03536579	27/09/2011
3.	VENKATA NARAYANA RAO PALURI	07378105	30/05/2019
4.	RAMACHANDRA SHESHAPRASAD CHODAVARAPU	08490735	30/05/2019
5.	MURALI VITTAL08688	08688453	30/01/2020

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 the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad  
Date: 2<sup>nd</sup> August, 2021

**Y. Koteswara Rao**  
Practicing Company Secretary  
ACS No.: 3785  
C.P.No. 7427  
UDIN No : A003785C000723581

**Certificate on Compliance of Corporate Governance**

To,  
The Members,  
**Gayatri BioOrganics Limited,**  
B3, 3rd Floor, 6-3-1090, TSR Towers,  
Raj Bhavan Road, Somajiguda,  
Hyderabad- 500082.

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, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation • 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 knowledge 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, 2021.

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

Place: Hyderabad  
Date: 2<sup>nd</sup> August, 2021

**Y. Koteswara Rao**  
ACS No.: 3785  
C.P.No. 7427  
UDIN No : A003785C000723603

## **CORPORATE GOVERNANCE REPORT FOR THE YEAR 2020-21**

### **1. Overview of Corporate Governance of Gayatri Bio Organics Limited**

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

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

### **2. Board of Directors**

On 31st March, the Board of directors 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. On 1st June 2021, Mrs. T. Saritha Reddy has resigned as the director of the company due to her personal reasons.

Shares held by Non Executive Directors and Individual Directors is Nil.

#### **(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 (Resigned on 1st June 2021)
Sri. C.V. Rayudu	Whole Time Director
Sri P. Venkata Narayana Rao	Non Executive & Independent Director
Sri CH. Rama Chandra Sessa Prasad	Non Executive & Independent Director
Sri Vittala Murali	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 29th September, 2020.

Name	Category	Board Meetings Attended	Attendance at the last AGM	No. of Directorships held in other Listed Companies
Sri. T.V. Sandeep Kumar Reddy	Promoter-Chairman	5	Yes	3
Smt. T. Sarita Reddy	Non-Executive & Promoter Director	5	Yes	2
Sri. C.V. Rayudu	Whole Time Director	5	Yes	1
Sri P. Venkata Narayan Rao	Non-Executive & Independent Director	5	Yes	2
Sri. CH. Rama Chandra Sessa Prasad	Non-Executive & Independent Director	5	Yes	2
Sri. Vittala Murali	Non-Executive & Independent Director	5	Yes	2



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### (b) Board Meetings held during the year 2020-21:

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 2020-21 the Board Meeting was held Five times as follows:

S. No	Date of Board Meeting
1.	30 Jun 2020
2.	13 Aug 2020
3.	31 Aug 2020
4.	13 Nov 2020
5.	12 Feb 2021

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

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

Name of Director	Sri.T.V. Sandeep Kumar Reddy
Director Identification No	00005573
Date of Appointment	02.12.1991
Occupation	Industrialist
Relationship between directors inter-se	Husband of Mrs. T. Sarita Reddy (Director)
Nature of Expertise in specific functional area	29 years of experience in the Construction Industry
Directorship in Listed entities	3
Membership of Committees of other Listed Companies (includes only Audit Committee and Stakeholders Relationship Committee)	5
Shareholding in the Company	3,44,96,617 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 P. Vekata Narayana Rao is the chairman of the audit committee.

The audit committee at the Board level acts as a link between the independent auditors, internal auditors, the management and the Board of directors and oversees the financial reporting process. The audit committee interacts with the internal auditors, independent auditors, secretarial auditors and cost auditors and reviews

and recommends their appointment and remuneration. The audit committee is provided with all necessary assistance and information to enable it to carry out its functions effectively.

## **Powers of Audit Committee**

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

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

## **Role of Audit Committee**

The role of the Audit Committee shall include the following

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the 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;

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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 2019-20 and all the then members of the Committee have attended all the meetings held in the following dates:

<b>S. No</b>	<b>Date of Audit Committee Meetings</b>
1.	30 Jun 2020
2.	13 Aug 2020
3.	13 Nov 2020
4.	12 Feb 2021

**ii. Composition of Committee and Attendance:**

The Composition of Audit Committee is as under.

**ii. Composition of Committee and Attendance:**

The Composition of Committee as mentioned in the following table

S. No.	Name of the Director	Category	Designation	Number of meetings held	Attendance at meetings
1.	Sri. CH. Rama Chandra Sesha Prasad	Non Executive Independent Director	Chairman	2	2
2.	Sri. Venkata Narayanarao Paluri	Non Executive Independent Director	Member	2	2
3.	Sri. Murali Vittala	Non - Promotor Non Executive Independent Director	Member	2	2

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

**iii. Terms of Reference**

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

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

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### Remuneration Policy:

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

### 5. Stakeholders Relationship Committee

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

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	2	2
2.	Sri. C. V. Rayudu	Non-Promoter Executive Director	Member	2	2
3.	Sri. Venkata Narayanarao Paluri	Non-Promoter Non Executive Independent Director	Member	2	2

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, 2021.

### 6. General Body Meetings :

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

Year	Venue	Day and Date	Time
2019-20	AGM of Gayatri Bioorganics Limited (the 'Company') was held through Video Conference	Tuesday, 29 <sup>th</sup> day of September, 2020	3.00 P.M.
2018-19	"KLN Prasad Auditorium" The Federation of Telangana Chambers of Commerce and Industry (FTCCI), Federation House, 11-6-841, Hyderabad-500004	Monday, 30 <sup>th</sup> day of September, 2019	4.00 P.M.
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 <sup>th</sup> 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 <sup>th</sup> day of September, 2017	10.00 A.M.
2015-16	KLN PRASAD AUDITORIUM FAPCCI Building, Federation House, Red Hills, Hyderabad – 500 004	Wednesday, 28 <sup>th</sup> September, 2016	4.30 P.M

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

AGM Date	Description of Item
Tuesday, 29th September, 2020	Nil
Monday, 30th September, 2019	Nil
Wednesday, 19th September, 2018	Nil
Monday 25th September, 2017	Nil
Wednesday 28 <sup>th</sup> 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 <sup>th</sup> 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 : NIL

### (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.

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.

**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.)
	<b>Name</b>	<b>Executive Director Mr.C.V.Rayudu</b>	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,00,000	18,00,000
	(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)	18,00,000	18,00,000
	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)
		Venkata Narayana Rao Paluri	Ch.R. Sesa Prasad	Murali Vittala	Mr.T.V. Sandeep Kumar Reddy	Mrs.T. Sarita Reddy	
1	Independent Directors						
	Fee for attending board and committee meetings	40000	40000	30000	-	-	1,10,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	40000	40000	30000	-	-	1,10,000
2	Other Non-Executive Directors						
	Fee for attending board and committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	40000	40000	30000	-	-	1,10,000
	Total Managerial Remuneration						
	Overall Ceiling as per the Act	NA	NA	NA	NA	NA	NA



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

S.No	Particulars of Remuneration	CFO	CS	Total
1	Remuneration for the year 2020-2021	5,04,000	2,40,000	7,44,000
	<b>Total ( A )</b>	5,04,000	2,40,000	7,44,000

### 8. Means of Communication

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

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

### 9. General Shareholder's information:

In view of the situation arising due to COVID-19 global pandemic, the 30th Annual General Meetings of the company shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM) on 27th, September at 11:30 A.M 2021. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

**Financial Calendar:** 1st of April, 2021 to 31st of March, 2022

#### Results for the quarter ending:

30th June, 2021	Second week of August , 2021
30th September, 2021	Second week of November, 2021
31st December, 2021	Second week of February, 2022
31st March, 2022	Third/ Fourth week of May, 2022

Date of Book closure: The Share Transfer Books of the Company shall remain closed from **Thursday, 9th September, 2021 to Monday 13th September, 2021** (both days inclusive) for the purpose of ensuring Annual General Meeting.

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

**Dividend:** No dividend was recommended during the year.

ISIN No : INE 052E01015

Scrip Code : 524564

Depository Connectivity : CDSIL & NSDL

The Listing fee for the year 2021-2022 has been paid to BSE Ltd.

## Market Price Data:

High, low during each month and trading volumes of the Company's Equity Shares during the last financial year 2020-21 at The Bombay Stock Exchange Limited (BSE) is as under:

DATE	BSE		
	High	Low	Qty Traded
Apr-20	1.39	1.39	300
May-20	1.39	1.39	244
Jun-20	1.78	1.33	4144
Jul-20	3.57	1.86	55184
Aug-20	5.08	3.64	51014
Sep-20	7.02	5.08	35339
Oct-20	8.68	7.06	93345
Nov-20	6.92	5.35	8243
Dec-20	5.35	4.72	55788
Jan-21	5.1	4.4	20813
Feb-21	5.35	3.47	46489
Mar-21	7.75	5.61	49926

## 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

## Share Transfer System :

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

## Distribution of Shareholding as on 31st March, 2021 :

Sl. No.	Category	Shareholders		Shares	
		Nos.	%	Nos.	%
1	Upto - 500	19699	92.77	2969544	3.77
2	501 - 1000	988	4.65	796649	1.01
3	1001 - 2000	312	1.47	463990	0.59
4	2001 - 3000	89	0.42	229743	0.29
5	3001 - 4000	32	0.15	112210	0.14
6	4001 - 5000	27	0.13	129912	0.16
7	5001 - 10000	37	0.17	289168	0.37
8	10001 and above	51	0.24	73796926	93.67
	<b>Total</b>	<b>21235</b>	<b>100</b>	<b>78788142</b>	<b>100</b>

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### **Dematerialization of shares and liquidity:**

As on 31st March, 2021, 73.17% (5,76,47,200 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:

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

### **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: 1<sup>st</sup> September, 2021

**T.V. Sandeep Kumar Reddy**  
Chairman  
DIN : 00005573

**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, 2021.

**By Order of the Board**

Place : Hyderabad  
Date: 1<sup>st</sup> September, 2021

**T.V. Sandeep Kumar Reddy**  
Chairman  
DIN : 00005573

### 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, 2021 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 : 1<sup>st</sup> September, 2021

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of

### **GAYATRI BIOORGANICS LIMITED**

#### **Report on the Audit of Financial Statements**

##### **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, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement for the year then 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 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 31st March 2021, and its profit, total comprehensive income, 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

##### **Information Other than the 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 Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the accuracy

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

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

### **Auditor's Responsibility for the Audit of Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 explaining 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 B". 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 797(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, in our opinion and to the best of our knowledge and belief and according to the information and 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.

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

Chartered Accountants  
Firm Registration No. 009399S

**G NAGESWARA RAO**

Partner  
Membership No. 207300

Place : Hyderabad

Date: 14.06.2021

UDIN:**21207300AABKZ8459**



### “Annexure A” to the Independent Auditors’ Report

The Annexure referred to in the Independent Auditors Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2021:

1. In respect of 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 of 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.

2. 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.
3. According to the information and explanations given to us, 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.
4. 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.
5. According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
7. According to information and explanations given to us, in respect of statutory dues:
  - a. The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.
  - b. There were no undisputed amounts payable in respect of the above were in arrears as at March 31, 2021 for a period of more than six months from the date on when they become payable.
  - c. Details of dues of income tax, sales tax and value added tax which have not been deposited as on March 31, 2021 on account of disputes are given below 31, 2020 on account of disputes are given below:

d.

Name of statute	Nature of dues	Forum 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
Value Added Tax Act and associated VAT Rules	VAT Penalty	AP VAT - Hyderabad	2011 to 2016	1,65,46,610	1,65,46,610
Agricultural Market Committee	Market Cess	The Secretary Agriculture Market Committee Sadasivpet	2009-10 to 2012-13	93,35,696	93,35,696

There are no dues of Service Tax, Customs Duty, Goods and Service Tax and Excise duty that have been not deposited as at March 31, 2021 on account of Disputes.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures during the year.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. 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.
12. The Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. 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.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

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

Place : Hyderabad  
Date: 14.06.2021  
UDIN: **21207300AAABKZ8459**

**G NAGESWARA RAO**  
Partner  
Membership No. 207300

### **“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of Gayatri Bioorganics Limited.**

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

We have audited the internal financial controls over financial reporting of GAYATRI BIOORGANICS LIMITED (“the Company”) as of March 31, 2021 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and 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 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 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 evidenceto 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 31,2021

we have considered the disclaimer reported above in determining the nature, timing and extent of auditors applied in our Audit of March 31,2021 Financial statements of the company, and the Disclaimer does not effectour 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  
UDIN : 21207380AAABKZ8459

Place : Hyderabad  
Date: 14.06.2021

# 30<sup>th</sup> Annual Report 2020-2021

## BALANCE SHEET AS AT 31 MARCH 2021

(₹ in Lakhs)

PARTICULARS	Note	As At 31st March 2021	As At 31st March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Financial Assets			
(i) Investments	2.1	0.15	0.15
(iii) Other Financial Assets	2.2	9.06	8.88
		9.21	9.03
<b>Current assets</b>			
(a) Financial Assets			
(i) Trade receivables	2.3(a)	48.46	48.46
(ii) Cash and cash Equivalents	2.3(b)	43.76	95.60
(iii) Other Financial Assets	2.3(d)	11.97	11.97
(b) Other Current Assets	2.4	145.97	144.31
		250.15	300.33
Assets held for sale	2.5	—	—
<b>TOTAL ASSETS</b>		<b>259.36</b>	309.37
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	2.6	7,878.81	7,878.81
(b) Other Equity	2.7	(11,176.70)	(11,126.96)
		<b>(3,297.88)</b>	(3,248.14)
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	2.8	170.16	170.16
		170.16	170.16
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	2.9 (a)	3,340.35	3,340.35
(ii) Trade payables	2.9 (b)	44.19	44.58
(b) Other Current Liabilities \$	2.9 (c)	2.54	2.42
		3,387.09	3,387.35
Liabilities held for sale	2.5	—	—
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>259.36</b>	309.37
		<b>(0.00)</b>	(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

**T.V. Sandeep Kumar Reddy**

Chairman

DIN : 00005573

As per our report of even date attached

for **Gayatri BioOrganics Limited**

**C.V. Rayudu**

Director

DIN : 03536579

**Sneha Muralimanohar Bangad**

Company Secretary

Place : Hyderabad

Date: 14<sup>th</sup> June, 2021

# Gayatri BioOrganics Limited

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2021

(₹ in Lakhs)

PARTICULARS	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
<b>Continuing Operations</b>		
<b>INCOME</b>		
Sale of products (net)	—	—
Other operating revenues	—	—
Revenue from operations	2.10(a) —	—
Other income	2.10(b) —	6.37
<b>Total Revenue</b>	<b>—</b>	<b>6.37</b>
<b>EXPENSES</b>		
Cost of materials consumed	2.10(c) —	—
Change in inventory of finished goods and work-in-progress	2.10(d) —	—
Employee benefits expense	2.10(e) <b>28.48</b>	28.07
Finance costs	2.10(f) <b>0.10</b>	0.58
Depreciation	—	—
Other expenses	2.10(g) <b>21.15</b>	32.85
<b>Total expenses</b>	<b>49.74</b>	61.50
<b>Profit/ (loss) before exceptional items and tax from Continuing Operations</b>	<b>(49.74)</b>	(55.13)
Exceptional items	—	—
<b>Profit/ (loss) before tax from Continuing Operations</b>	<b>(49.74)</b>	(55.13)
Current tax	—	—
<b>Profit/ (loss) from Continuing Operations (A)</b>	<b>(49.74)</b>	(55.13)
<b>Discontinuing Operations</b>		
<b>Profit/(Loss) before tax from discontinuing operations</b>	—	—
<b>Exceptional Items</b>	2.10(b) —	8,502.15
Current tax	—	—
<b>Profit/ (loss) for the year from discontinuing Operations (B)</b>	<b>—</b>	8,502.15
<b>Profit/ (loss) for the year (A+B)</b>	<b>(49.74)</b>	8,447.01
<b>Other Comprehensive Income</b>		
<b>Discontinuing Operations</b>		
<b>Items that will not be reclassified to Profit or Loss</b>		
Re-measurement gains (losses) on defined benefit plans	—	—
<b>Total Other Comprehensive Income</b>	<b>—</b>	<b>—</b>
<b>Total Comprehensive Income / (Loss)</b>	<b>(49.74)</b>	8,447.01
<b>Earning per equity share (Nominal value of share Rs. 10)</b>		
<b>Discontinued Operations</b>		
Basic	<b>(0.06)</b>	10.72
Diluted	<b>(0.06)</b>	10.72

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

**T.V. Sandeep Kumar Reddy**

Chairman

DIN : 00005573

for **Gayatri BioOrganics Limited**

**C.V. Rayudu**

Director

DIN : 03536579

**Sneha Muralimanohar Bangad**

Company Secretary

Place : Hyderabad

Date: 14<sup>th</sup> June, 2021

## 30<sup>th</sup> Annual Report 2020-2021

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021

(₹ in Lakhs)

PARTICULARS	As at 31st March 2021	As at 31st March 2020
<b>A. Cash Flow from Operating Activities</b>		
(Loss) before tax	(49.74)	8,447.01
Adjustments for :		
- Depreciation and Amortization	—	—
- Finance Costs	0.10	0.58
<b>Operating Profit Before Working Capital Changes</b>	<b>(49.64)</b>	<b>8,447.59</b>
<b>Changes in operating assets and liabilities:</b>		
<b>(Increase) / Decrease in Operating Assets:</b>		
- Non-current Financial Assets & Other Assets	(0.18)	—
- Trade Receivables	—	3.96
- Changes For Assets Held For Sale	—	—
- Current Financial Assets	—	0.81
- Other current assets	(1.66)	(7.57)
<b>Increase / (Decrease) in Operating Liabilities:</b>		
- Trade Payables	(0.39)	11.61
- Changes For Liabilities Held For Sale	—	—
- Other Current Liabilities	0.12	2.42
<b>Cash (used in) / generated from Operations</b>	<b>(51.74)</b>	<b>8,458.82</b>
<b>Net cash (used in) Operating Activities (A)</b>	<b>(51.74)</b>	<b>8,458.82</b>
<b>B. Cash Flow from Investing Activities</b>		
- Capital expenditure on Property, Plant and Equipment, including capital advances	—	—
- Interest Received /Reversed for Wrong Entry	—	—
<b>Net cash flow (used in) investing activities (B)</b>	<b>—</b>	<b>—</b>
<b>C. Cash Flow from Financing Activities</b>		
- Interest and Finance Charges paid	(0.10)	(0.58)
<b>Net cash flow from financing activities (C)</b>	<b>(0.10)</b>	<b>(0.58)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(51.84)</b>	<b>8,458.24</b>
<b>Cashflow from discountinue operations</b>	<b>—</b>	<b>(8,385.64)</b>
<b>Cash and Cash Equivalents at the beginning of year</b>	<b>95.60</b>	<b>23.00</b>
<b>Cash and Cash Equivalents at the end of year (Refer Note - 2.3(b) &amp; 2.5)</b>	<b>43.76</b>	<b>95.60</b>
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

**T.V. Sandeep Kumar Reddy**  
Chairman  
DIN : 00005573

for **Gayatri BioOrganics Limited**

**C.V. Rayudu**  
Director  
DIN : 03536579

**Sneha Muralimanohar Bangad**  
Company Secretary

Place : Hyderabad  
Date: 14<sup>th</sup> June, 2021

# Gayatri BioOrganics Limited

## Statement of Changes in Equity for the year ended on March 31, 2021

### For the year ended March 31, 2020

(₹ 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, 2020	78,788,142	7,878.81	10.00	299.32	(19,883.29)	(11,695.15)
Profit for the year	—	—	—	—	8,447.01	8,447.01
Other comprehensive income	—	—	—	—	—	—
<b>Balance as at March 31, 2021</b>	<b>78,788,142</b>	<b>7,878.81</b>	<b>10.00</b>	<b>299.32</b>	<b>(11,436.27)</b>	<b>(3,248.14)</b>

### For the year ended March 31, 2021

(₹ 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, 2020	78,788,142	7,878.81	10.00	299.32	(11,436.27)	(3,248.14)
Profit / (Loss) for the year	—	—	—	—	(49.74)	(49.74)
Other comprehensive income	—	—	—	—	—	—
<b>Balance as at March 31, 2021</b>	<b>78,788,142</b>	<b>7,878.81</b>	<b>10.00</b>	<b>299.32</b>	<b>(11,486.02)</b>	<b>(3,297.88)</b>

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

**T.V. Sandeep Kumar Reddy**

Chairman

DIN : 00005573

for **Gayatri BioOrganics Limited**

**C.V. Rayudu**

Director

DIN : 03536579

**Sneha Muralimanohar Bangad**

Company Secretary

Place : Hyderabad

Date: 14<sup>th</sup> June, 2021



## 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 Andhra Pradesh and Telangana. The Company's equity share is listed on the BSE Limited.

#### 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.

## 30<sup>th</sup> Annual Report 2020-2021

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### 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 ts accrue) provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis.

## **Finance Lease**

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

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

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

## **viii) Government Grants and Subsidies:**

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

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

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

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

## **ix) Financial Instruments:**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transactions 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.

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## ***Financial assets at fair value through profit or loss***

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

## ***Financial liabilities***

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

## ***Equity instruments***

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

## ***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 1 (ii), 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***



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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 (iii) 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

Amendment to Ind AS 19 - Plant amendments curtailment and settlements.

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

## Gayatri BioOrganics Limited

Notes to the financial statements for the period ended March 31, 2021 (Continued)

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
<b>2.1 Investments</b>		
<b>Quoted Investment in equity instruments (fully paid up)</b>		
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
<b>Unquoted Investment in equity instruments (fully paid up)</b>		
1,000 equity share of Sri Lakshmi Engineering Limited	0.27	0.27
Less: Provision for Impairment	(3.26)	(3.26)
<b>Total investments, net of impairment</b>	<b>0.15</b>	<b>0.15</b>
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 2021	As at 31 March 2020
<b>Unsecured, considered good</b>		
Security deposits	9.06	8.88
	<b>9.06</b>	8.88

## 30<sup>th</sup> Annual Report 2020-2021

Notes to the financial statements for the period ended March 31, 2021 (Continued)

	As at 31 March 2021	As at 31 March 2020
<b>(₹ in Lakhs)</b>		
<b>2.3 Financial Assets (Current)</b>		
<b>(a) Trade receivables</b>		
Unsecured, considered good	<b>48.46</b>	48.46
	<b>48.46</b>	48.46
<b>(b) Cash and cash Equivalents</b>		
Cash on hand	<b>0.61</b>	—
Balance with banks		
On current accounts	<b>43.15</b>	95.60
	<b>43.76</b>	95.60
<b>(c) Other Financial Assets</b>		
<b>Unsecured, considered good</b>		
Interest accrued on Deposits with Banks	<b>11.97</b>	11.97
	<b>11.97</b>	11.97
<b>2.4 Other Current Assets</b>		
Tax deducted at source	—	0.18
Balance with government Authority	<b>129.31</b>	127.56
Income Tax Credit Receivable	<b>12.41</b>	12.41
Prepaid expenses	<b>0.07</b>	—
Advance to suppliers	<b>4.17</b>	4.15
	<b>145.97</b>	144.31

**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 Balabradrapuram 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 March 31, 2019 while operation of Unit-2 are carried out till November 30, 2018. The Company recognised gain on transfer of business undertaking on August 14, 2019 after 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 in the previous year. Hence as the transfer is complete there were no Corresponding values in the current Financial Year"

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, 2021(Nil):

# Gayatri BioOrganics Limited

Notes to the financial statements for the period ended March 31, 2021(Continued)

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
<b>(a) Assets held for Sale</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	—	—
Capital Work in Progress	—	—
<b>Other non-current financial assets</b>		
Security deposits	—	—
<b>Other non-current assets</b>		
Capital advances	—	—
Advance for land	—	—
<b>(A)</b>	—	—
<b>Current Assets</b>		
<b>Inventories</b>		
Raw materials	—	—
Work-in-progress	—	—
Finished goods	—	—
Stores and spares and others	—	—
<b>Trade receivables</b>		
Unsecured, considered good	—	—
<b>Cash and cash equivalents</b>		
Cash on hand	—	—
Balance with banks	—	—
in current accounts	—	—
Fixed Deposit	—	—
<b>Other current assets</b>		
Advance to suppliers	—	—
Balance with government authorities	—	—
Income Tax Credit Receivable	—	—
Prepaid expenses	—	—
Staff advance	—	—
<b>(B)</b>	—	—
<b>Total Assets held for sale</b>	—	—

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Notes to the financial statements for the period ended March 31, 2021 (Continued)

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
<b>(b) Liabilities held for Sale</b>		
<b>Financial Liabilities</b>		
<b>Non-current borrowing</b>		
From Bank for Vehicle loan	—	—
<b>Financial Liabilities</b>		
<b>Current borrowing</b>		
Secured Cash credit from bank	—	—
Unsecured Loans repayable on demand from Others	—	—
Bank Overdraft	—	—
Trade Payables	—	—
<b>Other Financial Liabilities</b>		
Payables for capital goods	—	—
Employee liabilities	—	—
<b>Other Current Liabilities</b>		
Advances from customers	—	—
Statutory liabilities	—	—
Advances from employee	—	—
<b>Provisions (Current and Non-current)</b>		
Gratuity	—	—
Compensated absences	—	—
<b>Total Liabilities held for sale</b>	<u>—</u>	<u>—</u>
<b>Net (Liabilities) held for Sale</b>	—	—

Notes to the financial statements for the period ended March 31, 2021 (Continued)

**c) Break up of Statement of Profit and Loss of Discontinuing Operations classified as held for sale for the year ended March 31, 2021 pending completion of various conditions precedent as per BTA:** (₹ in Lakhs)

	For the year ended on 31 March 2021	For the year ended on 31 March 2020
<b>INCOME</b>		
Revenue from Operations	—	—
Revenue from Operations	—	—
Other Income	—	—
<b>Total Revenue</b>	—	—
<b>EXPENSES</b>		
Cost of materials consumed	—	—
Change in inventory of finished goods and work-in-progress	—	—
Employee benefits expense	—	—
Finance costs	—	—
Depreciation	—	—
Other expenses	—	—
<b>Total Expenses</b>	—	—
<b>Net (loss) from Discontinuing Operations</b>	—	—

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

	For the year ended on 31 March 2021	For the year ended on 31 March 2020
Cash Flow from Operating Activities	—	(15,735.85)
Cash Flow from Investing Activities	—	7,197.24
Cash Flow from Financing Activities	—	(1.26)
<b>Net increase / (decrease) in cash and cash equivalents</b>	—	(8,539.87)
Cash and Cash Equivalents at the beginning of year	—	154.24
Cashflow to continue operations	—	—
<b>Cash and Cash Equivalents at the end of year</b>	—	(8,385.63)

**(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 no segment wise reporting.

**(f)** As at March 31, 2021 the Company has accumulated losses of ₹ 11,485.36 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.

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Gayatri BioOrganics Limited  
Notes to the financial statements for the period ended March 31, 2021  
Property, Plant & Equipment

(₹ in lakhs unless otherwise stated)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles - Owned	Office Equipments	Computers	Total
<b>Year ended March 31, 2020</b>								
<b>Gross carrying amount</b>								
Opening gross carrying amount	-	-	-	8.08	8.01	7.42	9.79	9,071.69
Opening gross carrying amount classified as held for sale	901.47	1,392.15	6,744.78					
Additions during the year	-	-	-	-	-	-	-	-
Deferred Government Grant	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Assets Transferred as per BTA	(901.47)	(1,392.15)	(6,744.78)	(8.08)	(8.01)	(7.42)	(9.79)	(9,071.69)
Attributable Borrowing Costs	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-
<b>Closing gross carrying amount</b>								
<b>Accumulated depreciation and impairment</b>								
Opening accumulated depreciation	-	-	-	-	-	-	-	-
Opening accumulated depreciation classified as held for sale	-	410.16	1,802.29	4.54	6.01	2.82	5.41	2,231.23
Depreciation charge during the year	-	98.20	988.50	0.88	0.50	1.15	1.09	1,090.32
Deferred Government Grant	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Assets Transferred as per BTA	-	(508.36)	(2,790.79)	(5.43)	(6.51)	(3.97)	(6.50)	(3,321.55)
<b>Closing accumulated depreciation</b>								
<b>Net Carrying Amount as at March 31, 2020</b>								
<b>Year ended March 31, 2021</b>								
<b>Gross carrying amount</b>								
Opening gross carrying amount	-	-	-	-	-	-	-	-
Opening gross carrying amount classified as held for sale	-	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	-	-
Deferred Government Grant	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Assets Transferred as per BTA	-	-	-	-	-	-	-	-
Attributable Borrowing Costs	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-
<b>Closing gross carrying amount</b>								
<b>Accumulated depreciation and impairment</b>								
Opening accumulated depreciation	-	-	-	-	-	-	-	-
Opening accumulated depreciation classified as held for sale	-	-	-	-	-	-	-	-
Depreciation charge during the year	-	-	-	-	-	-	-	-
Deferred Government Grant	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Assets Transferred as per BTA	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation</b>								
<b>Net Carrying Amount as at March 31, 2021</b>								

# Gayatri BioOrganics Limited

Notes to the financial statements for the period ended March 31, 2021 (Continued)

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
<b>2.6 Equity Share Capital:</b>		
<b>(a) Authorised</b>		
9,00,00,000 (previous year March 2018 : 9,00,00,000) equity shares of ₹ 10 each	9,000.00	9,000.00
	<b>9,000.00</b>	<b>9,000.00</b>
<b>Issued, subscribed and paid-up</b>		
78,788,142 (previous year March 2018 : 78,788,142) equity shares of ₹ 10 each	7,878.81	7,878.81
	<b>7,878.81</b>	<b>7,878.81</b>

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares</b>				
At the commencement of the year	78,788,142	7,878.81	78,788,142	7,878.81
<b>At the end of the year</b>	<b>78,788,142</b>	<b>7,878.81</b>	<b>78,788,142</b>	<b>7,878.81</b>

**(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, 2021		As at March 31, 2020	
	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



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Notes to the financial statements for the period ended March 31, 2021 (Continued)

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>2.7 Other Equity</b>		
<b>Central / State subsidy</b>		
At the commencement of the year	10.00	10.00
<b>At the end of the year</b>	<b>10.00</b>	10.00
<b>Securities Premium</b>		
At the commencement of the period	299.32	299.32
<b>At the end of the year</b>	<b>299.32</b>	299.32
<b>Retained Earnings</b>		
<b>At the commencement of the year</b>	<b>(11,436.27)</b>	(19,883.29)
Add / (Less) : (Loss) for the year	<b>(49.74)</b>	8,447.01
Add / (Less) : Re-measurement gains(losses) on defined benefit plans	—	—
<b>At the end of the year</b>	<b>(11,486.02)</b>	(11,436.27)
	<b>(11,176.70)</b>	(11,126.96)

**(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
	<b>170.16</b>	<b>170.16</b>

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.

# Gayatri BioOrganics Limited

Notes to the financial statements for the period ended March 31, 2021 (Continued)

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>2.9 Financial Liabilities (Current)</b>		
<b>2.9 (a) Borrowings</b>		
Unsecured Loans repayable on demand		
From Others -Refer note (i) below	3,340.35	3,340.35
	<b>3,340.35</b>	<b>3,340.35</b>

(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 2021	As at 31 March 2020
<b>2.9 (b) Trade payables</b>		
Trade payables		
Dues to Micro, Small and Medium Enterprises	—	—
Others	44.19	44.58
	<b>44.19</b>	<b>44.58</b>

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-21	31-Mar-20
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	—	—

## 30<sup>th</sup> Annual Report 2020-2021

Notes to the financial statements for the period ended March 31, 2021 (Continued)

(₹ in Lakhs)

Particulars	For the Year ended on 31 March 2021	For the Year ended on 31 March 2020
<b>2.9 (c) Other Current Liabilities</b>		
Advances from customers	—	—
Employee benefit liabilities	1.16	1.79
Statutory liabilities	1.38	0.63
Provision for expenses	—	—
	<b>2.54</b>	2.42
<p>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:</p>		
<b>2.10</b>		
<b>(a) Revenue from Operations</b>		
Sale of Products	—	—
Other operating revenues		
Miscellaneous income	—	—
	—	—
<b>(b) Other income</b>		
Interest income - others	—	—
Miscellaneous income	—	6.37
Profit on Sale of Business	—	8,502.15
	—	8,508.51
<b>(c) Cost of materials consumed</b>		
Raw materials and packing materials consumed	—	—
Inventory of material at the beginning of the period	—	2,370.12
Purchases	—	—
Inventory of material at the end of the period	—	—
Inventory Transferred	—	(2,370.12)
	—	—
<b>(d) Change in inventory of finished goods and work in progress</b>		
Finished goods	—	916.59
Work-in-progress	—	411.41
Less: Inventories at the end of the year	—	—
Finished goods	—	—
Work-in-progress	—	—
Increase/ (decrease) in stock	—	1,328.01
Increase/ (decrease) in excise duty due to closing inventory	—	—
Less: Transferred Stock	—	(1,328.01)
<b>Increase/ (decrease) in Inventories</b>	<b>—</b>	<b>—</b>

## Gayatri BioOrganics Limited

Notes to the financial statements for the period ended March 31, 2021 (Continued)

(₹ in Lakhs)

Particulars	For the Year ended on 31 March 2021	For the Year ended on 31 March 2020
<b>(e) Employee benefits expenses</b>		
Salaries, wages and bonus	25.99	25.33
Contribution to provident fund and other funds (Refer note 12)	2.46	2.36
Staff welfare expenses	0.04	0.38
Directors' remuneration	—	—
	<b>28.48</b>	28.07
<b>(f) Finance costs</b>		
Interest expense	0.03	0.57
Bank charges	0.07	0.01
	<b>0.10</b>	0.58
<b>(g) Other expenses</b>		
Consumption of stores and spares	—	—
Power and fuel	—	—
Rent (Refer note 2.13)	—	1.50
Packing expense	—	—
Repairs	—	—
- Buildings	—	—
- Plant and machinery	0.20	—
- Others	0.09	0.30
Rates and taxes	0.15	4.85
Insurance	—	—
Vehicle hire and maintenance	0.64	1.17
Travelling expenses	0.19	1.73
Contract labour charges	—	—
Legal and professional fees	8.85	11.77
Auditors Remuneration	3.73	0.48
Cash discount	—	—
Freight outward	—	—
Freight Inward	—	—
Commission	—	—
Directors sitting fee	0.88	—
Printing and stationery	0.48	2.80
Telephone and other communication expenses	0.02	0.01
Water expenses	—	—
Security expenses	—	—
Bad Debts written off	—	—
Miscellaneous expenses	5.92	8.26
	<b>21.15</b>	32.85

## 30<sup>th</sup> Annual Report 2020-2021

Notes to the financial statements for the period ended March 31, 2021 (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 2021	As at 31 March 2020
i. Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for	—	—
ii. Contingent liabilities		
a. Customs and Sales Tax	<b>202.68</b>	202.68
b. Claim against The Company not acknowledged as debts	<b>197.14</b>	197.14
c. Excise Duty	<b>852.42</b>	852.42
d. Service Tax	—	21.51
iii. Agricultural Market Committee	<b>93.36</b>	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.

Notes to the financial statements for the period ended March 31, 2021 (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 which is 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. The amount recognised as an expense towards contribution to provident fund aggregated to 2.46 in lakhs (Previous year: 2.36 lakhs including employee state insurance).

**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. But as the company has transferred all the employees as a condition of BTA, it has only employees recruited in the previous financial year with liability only as Provident Fund for Contribution plans and hence no defined benefit obligation in the financial year

**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-21	For the year ended 31-Mar-20		
Obligation at beginning of the year	—	321.88		
Current service cost	—	—		
Interest cost	—	—		
Past service cost	—	—		
Actuarial (gain)/ loss	—	—		
Benefits paid	—	—		
Transferred as a BTA	—	(321.88)		
<b>Obligation as at the end of the year</b>	<b>—</b>	<b>—</b>		
Current Portion	—	—		
Non- Current Portion	—	—		
<b>Expense recognised in the Statement of Profit and Loss</b>				
Current service cost	—	—		
Interest cost	—	—		
Expected return on plan assets	—	—		
Past service cost	—	—		
Net actuarial loss/(gain) recognised in the year	—	—		
<b>Amount in "Employee benefits expense"</b>	<b>—</b>	<b>—</b>		
<b>Amount recognised in balance sheet</b>				
<b>Particulars</b>	<b>As at 31-Mar-21</b>	<b>As at 31-Mar-20</b>	<b>As at 31-Mar-19</b>	<b>As at 31-Mar-18</b>
Present value of funded obligations	—	—	321.88	359.67
Fair value of plan assets	—	—	—	—
<b>Net liability</b>	<b>—</b>	<b>—</b>	<b>321.88</b>	<b>359.67</b>

## 30<sup>th</sup> Annual Report 2020-2021

Notes to the financial statements for the period ended March 31, 2021 (Continued)

### Summary of actuarial assumptions

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Discount Rate (p.a.)	0.00%	—
Salary escalation rate (p.a.)	0.00%	—

**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: ₹ Nil 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 NIL (previous year 1.5 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-21	(₹ in Lakhs) As at 31-Mar-20
<b>Deferred tax liability</b>		
Excess of depreciation provided in accounts over depreciation allowable under income tax law	—	—
<b>Deferred tax asset</b>		
Business loss under income tax law	—	—
<b>Net</b>	—	—

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.

Notes to the financial statements for the period ended March 31, 2021 (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-21	For the year ended 31-Mar-20
Net profit/(Loss) for the year from continued operations (₹ in lakhs)	—	—
Net profit/(Loss) for the year from discontinued operations (₹ in lakhs)	(49.74)	8,447.01
Net profit for calculation of basic earnings per share from discontinued operations	(49.74)	8,447.01
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
<b>Earnings per share of par value ₹ 10 – Basic/Diluted Discontinued Operations</b>	<b>(0.06)</b>	10.72

**2.16** 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. Mr. P V Narayana Rao, Director
2. Mr CH R Sessa Prasad, Director
3. Mr V Murali, Director

**Enterprises where key management personnel have control or significant influence**

1. C V RAYUDU
2. A Prabhakar Rao, CFO

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

Nature of transaction	For the year ended 31-Mar-21	For the year ended 31-Mar-20
<b>Sitting Fees Paid</b>		
T Sandeepkumar Reddy	—	0.12
T Sarita Reddy	—	0.15
P V Narayana Rao	0.32	—
CH R Sessa Prasad	0.32	—
V Murali	0.24	—
<b>Managerial remuneration</b>		
C V Rayudu	16.82	18.00
A Prabhakar Rao	5.04	—

**C) Balances payable to related parties are as follows:**

Nature of balance	For the year ended 31-Mar-21	For the year ended 31-Mar-20
<b>Unsecured loans</b>		
T Sandeep Kumar Reddy	170.16	170.16



## 30<sup>th</sup> Annual Report 2020-2021

Notes to the financial statements for the period ended March 31, 2021 (Continued)

### 2.17 Financial instruments

(₹ in Lakhs)

Particulars	Fair value hierarchy			
	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			Level 1	Level 2
<b>31-Mar-21</b>				
<b>Financial Asset</b>				
Investments	0.15		0.15	
Trade receivables	48.46			48.46
Cash and cash Equivalents	0.61			0.61
Bank balances other Cash and Other Financial Assets	43.15 11.97			43.15 11.97
<b>Total</b>	<b>104.33</b>	<b>—</b>	<b>0.15</b>	<b>104.18</b>
<b>Financial Liability</b>				
Trade payables	44.19			44.19
Borrowings	3,340.35			3,340.35
<b>Total</b>	<b>3,384.55</b>	<b>—</b>	<b>—</b>	<b>3,384.55</b>
<b>31-Mar-20</b>				
<b>Financial Asset</b>				
Investments	0.15		0.15	
Trade receivables	44.86			48.46
Cash and Cash Equivalents	—			—
Bank balances other than Cash and Cash equivalents	95.60			95.60
Other Financial Assets	11.97			11.97
<b>Total</b>	<b>156.17</b>	<b>—</b>	<b>0.15</b>	<b>156.02</b>
<b>Financial Liability</b>				
Trade payables	44.58			44.58
Borrowings	3,340.35			3,340.35
<b>Total</b>	<b>3,384.93</b>	<b>—</b>	<b>—</b>	<b>3,384.93</b>

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, 2020 (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 in the previous financial year and the transfer as per BTA is completed on August 14, 2019. 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 and 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.

As per our report of even date attached

**For N G RAO & ASSOCIATES**

Chartered Accountants

For Gayatri BioOrganics Limited

**G. Nageswara Rao**

Partner

**T.V. Sandeep Kumar Reddy**

Chairman

DIN : 00005573

**C.V. Rayudu**

Director

DIN : 03536579

**Sneha Muralimanohar Bangad**

Company Secretary

Place: Hyderabad

Date: 14<sup>th</sup> June, 2021

## Gayatri BioOrganics Limited

(Formerly Gayatri Starchkem Limited)

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