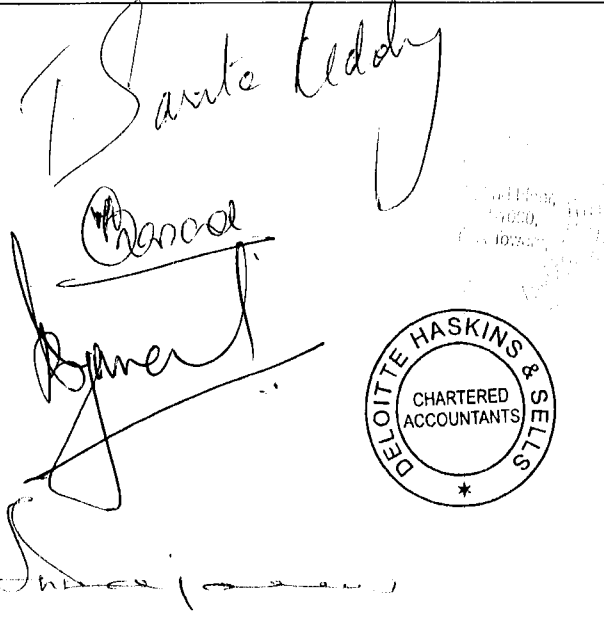


FORM A

Format of Covering Letter of the Annual Audit Report to be filed with Stock Exchanges
(Under Clause 31(a) of the Listing Agreement)

1.	Name of the Company :	Gayatri Sugars Limited
2.	Annual financial statements for the year ended :	31 st March, 2015
3.	Type of Audit Qualification	<p>The following matter formed the basis for Matter Emphasis on the Financial Statements:</p> <p>Emphasis of Matter (Page of Annual Report)</p> <p>Note 30 relating to the accumulated losses amounting to ₹ 1,253,287,646 which has completely eroded the net worth of the Company as on that date. The Company has also made reference to the Board For Industrial and Financial Reconstruction (BIFR) on August 5, 2013 under Section 23 of Sick Industrial Companies (Special Provisions) Act, 1985. The Company incurred Loss of ₹ 623,771,436 during the year ended March 31, 2015 and the Current Liabilities exceeded its Current Assets by ₹ 1,060,886,507. These conditions, along with other matters as set forth in the said note, including dependence on continuous support from its promoters to make it economically viable, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements have been prepared on a going concern basis for the reasons stated in the said note.</p> <p>Our opinion is not qualified in respect of this matter.</p>
4.	Frequency of qualification	Emphasis of matter given for third time.
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>Emphasis of Matter</p> <p>Attention drawn to Note no 30 of the Financial Statements (Page of the Annual Report)</p>

10/11/2015
10/11/2015
10/11/2015

		<p>As at March 31, 2015 the accumulated losses amounted to ₹ 1,253,287,646 which has completely eroded the net worth of the Company. The Company has made a reference to the Board for Industrial and Financial Reconstruction (BIFR) on August 5, 2013 under Section 23 of Sick Industrial Companies (Special Provisions) Act, 1985. Further, the Company is dependent on continuous support from its promoters. As of March 31, 2015 the promoters have arranged an un-secured loan of ₹ 264,208,771. Further during the year, the un-secured loan of ₹ 250,000,000 has been converted to 6% Cumulative Preference Shares at a face value of Rs 10 each for a tenure of not exceeding 9 years. The financial statements have been prepared on a going concern basis based on a Comfort letter received from its promoters for continuous support to the Company with all necessary assistance including financial and operational to continue with the operations of the Company. Promoters are hopeful that Company would be able to generate sufficient profits in the foreseeable future to make it economically viable.</p>
6.	Additional comments from the board/audit committee chair:	NIL
7.	<p>Signatures :</p> <ol style="list-style-type: none"> 1. Mrs. T. Sarita Reddy – Executive Director 2. Mr. V.R.Prasad – Chief Financial Officer 3. Partner, Deloitte Haskins & Sells Chartered Accountants – Statutory Auditors of the Company 4. Mr.T. R Rajagopalan - Audit Committee Chairman 	



GAYATRI SUGARS LIMITED

**TWENTIETH ANNUAL REPORT
2014-15**



20th Annual General Meeting

Day : Saturday

Date : 26th September, 2015

TIME : 11.30 A.M.

Venue : Surana Udyog Hall,
FTAPCCI,
Federation House,
D.No. 11-6-841, Red Hills,
Hyderabad – 500 004.

TWENTIETH ANNUAL REPORT 2014-15

CORPORATE INFORMATION

BOARD OF DIRECTORS

Smt. T Indira Subbarami Reddy	Chairperson/Director (DIN: 00009906)
Sri. T V Sandeep Kumar Reddy	Vice Chairman/Director (DIN: 00005573)
Smt. T Sarita Reddy	Executive Director (DIN: 00017122)
Sri. S Venkata Swamy	Director (DIN: 00020620)
Sri. T R Rajagopalan	Director (DIN: 00020643)
Sri. J N Karamchetti	Director (DIN: 00940963)

CHIEF FINANCIAL OFFICER

Mr. V.R. Prasad

COMPANY SECRETARY/ COMPLIANCE OFFICER

Ms. Munmun Baid

REGISTERED OFFICE

B2, 2nd Floor, 6-3-1090, TSR Towers,
Rajbhavan Road, Somajiguda,
Hyderabad - 500 082.
Phone Nos: 23414823/24/25/26
Fax No: 23414827
Email: gayatrisugars@gmail.com

CORPORATE IDENTITY NUMBER

L15421TG1995PLC020720

AUDITORS

M/s Deloitte Haskins & Sells
Chartered Accountants
Secunderabad

COST AUDITORS:

M/s Narasimha Murthy & Co
Cost Accountants,
Hyderabad

BANKERS

Andhra Bank
Union Bank of India
Bank of Baroda
State Bank of India
Punjab National Bank

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Venture Capital and Corporate
Investments Private Limited
H.No. 12-10-167, Bharat Nagar,
Hyderabad – 500018.
Ph: 040-23818475, 23818476

FACTORIES

Kamareddy Unit

Adloor Yellareddy Village,
Sadasivanagar Mandal,
Nizamabad District,
Telangana.
Phone No: (08468) 203331

Nizamsagar Unit

Maagi Village,
Nizamsagar Mandal,
Nizamabad District,
Telangana.
Phone No: (08465) 275577
Fax No: (08465) 275800

NOTICE

NOTICE is hereby given that the 20th ANNUAL GENERAL MEETING of the Shareholders of M/s. Gayatri Sugars Limited will be held on Saturday, the 26th day of September, 2015 at 11:30 A.M. at Surana Udyog Hall, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House, D.No. 11-6-841, Red Hills, Hyderabad – 500 004, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2015, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Sri. T.V. Sandeep Kumar Reddy [DIN: 00005573] who retires by rotation and being eligible, offers himself for re-appointment.

3. TO APPOINT AUDITORS AND FIX THEIR REMUNERATION

To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of next AGM of the Company at such remuneration plus service tax, out-of pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

4. **ORDINARY RESOLUTION FOR RATIFICATION OF REMUNERATION PAYABLE TO M/S. NARASIMHA MURTHY & CO., APPOINTED AS COST AUDITORS OF THE COMPANY FOR THE F.Y 2015-16.**

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Narasimha Murthy & Co., Cost Accountants appointed as Cost Auditors by the Board of Directors of the Company to audit the cost records of Sugar, Power and Distillery divisions of the Company for the financial year 2015-16, for a remuneration of Rs. 1,50,000 (Rupees One Lakh Fifty Thousand) per annum plus applicable service tax and out of pocket expenses that may be incurred, be and is hereby ratified.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. REFERENCE TO THE BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR) ON THE EROSION OF NET WORTH OF THE COMPANY:

To consider and if thought fit, to pass with or without modification, the following resolution as an **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of the Companies Act, 1956 and other provisions if any, since the net worth of the Company has eroded 100% net worth of the Company, Board of Directors of the Company be and are hereby authorized to file an application including applications made if any, earlier with necessary documents to the Board for Industrial and Financial Reconstruction (BIFR) for rehabilitation of the Company”.

“RESOLVED FURTHER THAT Smt. T. Sarita Reddy, Executive Director of the Company be and is hereby authorized to file the reference with Hon’ble BIFR and to submit any other information in any form and manner as may be required by the said Board and to appoint representatives / counsel or authorize any of the employees of the Company to the said Board or any other authority in this regard”.

6. ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION OF COMPANY *INTERALIA* PURSUANT TO THE COMPANIES ACT, 2013

To consider and if thought fit, to pass with or without modification, the following resolution as an **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association which is available for public inspection at the Registered Office of the Company and on the company’s website, be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to undertake all such acts, deeds, matters and things to finalise and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.

**For and on behalf of the Board
Gayatri Sugars Limited**

Place : Hyderabad
Date : 14th August, 2015

**(T. Sarita Reddy)
Executive Director**

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Registered Office of the Company by not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution / authority as applicable, issued on behalf of the nominating organization.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

2. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2015 to 26th September, 2015 (Both days inclusive).
4. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
6. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
7. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
8. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s. Venture Capital and Corporate Investments Private Limited).
9. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
10. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to **M/s. Venture Capital and Corporate Investments Private Limited**, Share Transfer Agents of the Company for their doing the needful.
11. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
12. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and

correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.

13. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.

14. Brief Resume of the Directors:

At the ensuing Annual General Meeting, Sri. T.V. Sandeep Kumar Reddy, Director retire by rotation and being eligible offers himself for re-appointment. The relevant information as required under Clause 49 of Listing Agreement concerning Corporate Governance Code in respect of appointment / re-appointment of Directors is given below for information of the Members;

Sri. T.V. Sandeep Kumar Reddy joined Gayatri Sugars in 1995, he has vast experience in the sugar sector. His other ambitious forays include Infrastructure Projects, Real Estate and Bio-organics. He has done his Masters in Construction Engineering and Management from the University of Michigan, USA and also holds a Bachelor's Degree in Civil Engineering from Purdue University, USA. He envisions the Gayatri Group becoming the leading business house of modern India.

15. Electronic copy of the Annual Report for 2014-2015 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014-2015 is being sent in the permitted mode.
16. Members may also note that the Notice of the 20th Annual General Meeting and the Annual Report for 2014-2015 will also be available on the Company's website www.gayatrisugars.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: csmunmun@gayatri.co.in / compliance.gayatrisugars@gayatri.co.in.

17. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by M/s Central Depository Services Limited (CDSL).

The instructions for e-voting are as under:

(A) In case of members receiving e-mail

(I) Instructions for e-voting

- (i) Log on to the e-voting website www.evotingindia.com during the voting period.
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "Gayatri Sugars Limited" from the drop down menu and click on "SUBMIT"

Twentieth Annual Report

- (iv) Now enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Physical Form	For Members holding shares in Demat Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of your name and the Folio Number in the PAN field. Eg. If your name is Ramesh Kumar with Folio Number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on Gayatri Sugars Limited on which you choose to vote.
- (xi) 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.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

(xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(B) In case of members receiving the Physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:

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

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

The e-voting period commences on 23 September, 2015 (09:00 A.M.) and ends on 25 September, 2015 (05:00 P.M.). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19 September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e 19 September, 2015.

Mr. Y. Koteswara Rao, Practicing Company Secretary (Membership No. 3785) and has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer, after scrutinising the votes cast at the meeting through poll and through e-voting will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer’s report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer’s report shall be placed on the website of the Company www.gayatrisugars.com and on the website of www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.

18. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours 9:00 a.m. to 5:00 p.m. on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

**For and on behalf of the Board
Gayatri Sugars Limited**

Place : Hyderabad
Date : 14th August, 2015

**(T. Sarita Reddy)
Executive Director**

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

Item No. 4:

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records of Sugar, Power and Distillery divisions of the Company.

Based on the recommendation of the Audit Committee, the Board has, considered and approved the appointment of M/s. Narasimha Murthy & Co., Cost Accountants as the cost auditors for the financial year 2015-16 at a remuneration of Rs.1.50 lac per annum plus applicable service tax and reimbursement of out of pocket expenses.

The Board recommends this resolution for approval of the Members by way of ratification.

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

Item No. 5:

It is brought to the attention of members that the Sugar selling price fallen down year after year due to surplus domestic Inventory. Sugar output production in India is ahead of consumption for the fifth successive year. The Closing inventory of Sugar as of September, 2014 in the Country was 75.00 lakh Tonnes and the production of sugar during the season 2014-15 was 280.00 lakh Tonnes resulting excess inventory over the domestic demand of 240.00 Lakh Tonnes Quintals resulting in decline of average sugar prices from Rs. 2900 to Rs.2250 in local market. For the Sugar Season 2014-15, the Central Government fixed the Fair and Remunerative Price (FRP) for Sugar Cane at Rs 2200/- per Tonne for Basic recovery rate of 9.5% with a premium of Rs 2.32 for every 0.1% increase in the Recovery rate which is 7.68 % higher than the price of the previous year season. The Central Government is increasing the FRP at a higher year after year resulting steep rise in the Cane cost. Due to the reasons explained above, the company incurred losses year after year and led to erosion of Net worth of the company for more than 100% for the Financial Year 2014-15.

Hence the Board of Directors at their meeting held on 14th August, 2015 decided to make a reference of the Company to the BIFR since the Company has become a sick Company under Section 3(1)(o) of the Sick Industrial Companies(Special Provision) Act, 1985. Hence in order to pursue the matter, the Board proposes to seek the approval of the members by way of special resolution and hence a special resolution as set out in the notice is recommended for the member's approval.

None of the Directors are interested or concerned in this resolution.

Item No. 6:

The Articles of Association ("AoA") of the Company as presently in force since its incorporation of the Company i.e. year 1995. The existing AoA are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013 ("the Act").

The Act is now largely in force with Rules thereon. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014,

MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal"). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several regulations of the existing AoA of the Company require alteration, deletions, modifications and rephrasing in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act except to which provision is made in the new set of articles. The Members attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- (a) Existing definitions have been aligned with the Act;
- (b) new provisions relating to appointment of chief executive officer and chief Financial officer, in addition to manager and company secretary;
- (c) new provisions relating to appointment of a person as Chairperson and Managing Director or Chief Executive Officer;
- (d) existing articles have been streamlined and aligned with the Act;
- (e) the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included.
- (f) general powers has been included i.e wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transations as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

The proposed new draft AoA is being uploaded on the Company's website www.gayatrisugars.com under investor section for perusal by the shareholders. The proposed new draft AoA is also available for inspection at the Registered Office of the Company on all working days, except Saturdays, between 10.00 a.m. and 12.00 noon up to the conclusion of AGM.

None of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned in the said Special Resolution.

The Board of Directors of the Company recommends the Resolution to be passed as a Special Resolution as set out in Item No. 6 of the accompanying Notice for approval of the members.

**For and on behalf of the Board
Gayatri Sugars Limited**

Place : Hyderabad
Date : 14th August, 2015

**(T. Sarita Reddy)
Executive Director**

DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting before you the 20th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

1. FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS:

The performance during the period ended 31st March, 2015 has been as under:

(Rupees in Lakhs)

Particulars	2014-15	2013-14
Gross Income	23836.06	20311.76
Profit /(Loss) Before Interest, Depreciation and Exceptional Item	(1552.74)	1144.18
Finance Charges	2173.41	2168.95
Gross Profit/(Loss) before Depreciation and Exceptional Item	(3276.15)	(1024.77)
Provision for Depreciation	1149.40	1262.53
Net Profit (Loss) Before Tax and Exceptional Item	(4875.55)	(2287.30)
Exceptional Item	1362.16	-
Provision for Tax	-	-
Net Profit/(Loss) After Tax	(6237.71)	(2287.30)
Balance of Profit/(Loss) brought forward	(6062.02)	(3774.72)
Balance available for appropriation	(12299.73)	(6062.02)
Proposed Dividend on Equity Shares	-	-
Tax on proposed Dividend	-	-
Transfer to General Reserve	-	-
Surplus carried to Balance Sheet	(12299.73)	(6062.02)

REVIEW OF OPERATIONS:**Performance during the financial year 2014-15**

Your Directors are pleased to report that during the year under review, the Company crushed 7.14 Lakh Tonnes of Sugar cane and 7.91 Lakh Quintals of Sugar was produced with an average recovery of 11.07%.

The Company registered a gross turnover of Rs. 23,836 Lakhs for the year ended 31st March, 2015 against Rs. 20,312 Lakhs for the year ended 31st March, 2014. The growth of 17.35% in gross turnover was mainly due to high sale volume of sugar. The Company incurred loss of Rs. 1552.74 before Interest, Depreciation and Exceptional Item due to fall down of sugar price for the year 2014-15 compared to the loss of Rs. 1144.18 Lakhs for the year 2013-14 and net loss of Rs. 6237.71 Lakhs compared to the loss of Rs. 2287.30 Lakhs.

Prospects for the financial year 2015-16:

The excess inventory of sugar over the demand will lead to further decline in Sugar selling prices leading to erosion of viability of Sugar business.

Recently, the Central Government announced measures as under which will encourage the Sugar Industry to get better prices for Ethanol.

- (i) Export incentive of Rs. 4,000 per Tone to encourage export of Raw Sugar from the Country.
- (ii) Replaced the policy of procurement of Ethanol by Oil producing Companies from Tender method to fixed price.
- (iii) Removal of 12.5% Excise Duty on Ethanol from crushing season 2015-16.

2. RESERVES:

Due to inadequate profits, no amount has been transferred to Reserves.

3. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

Under the Scheme of Amalgamation between GSR Sugars Private Limited and Gayatri Sugars Limited, the Company had allotted 66,10,210 6% Cumulative optionally convertible Preference Shares of Rs.10/- each and the same were due for redemption on April 1, 2015. The company has approached the members to vary the terms of 66,10,210 6% cumulative optionally convertible Preference shares and accordingly the Preference shareholders have approved the waiver of arrears of preference dividend on 66,10,210 6% cumulative optionally convertible Preference shares of Rs.10/- each till 01.04.2015 and changed the nomenclature of 66,10,210 6% cumulative optionally convertible Preference shares to 6% 66,10,210 cumulative redeemable Preference shares.

4. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During the period under review and the date of Board's Report there was no change in the nature of Business.

5. DIVIDEND:

As the Company incurred losses during the year under review, the Directors could not recommend dividend on Preference Shares and also on Equity Shares.

6. UN PAID / UN CLAIMED DIVIDEND:

There is no Un paid / Un claimed Dividend.

7. BOARD MEETINGS:

The Board of Directors duly met 5 (five) times on 26.05.2014, 11.08.2014, 12.11.2014, 13.02.2015 and 27.03.2015 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year under review, the Company has appointed Mr. J.N. Karamchetti as Independent Director for term of 5 years (first term) and Mr. T.R. Rajagopalan and

Mr. S. Venkata Swamy for a term of 5 years (Second term) by way of special resolution as per the provisions of Section 149 of the Companies Act, 2013.

Mr. P Maruthi Babu has resigned from the post of Director of the Company w.e.f. 11.08.2014.

Pursuant to the provisions of section 152 of the Companies Act, 2013 and in accordance with the provisions of Articles of Association of the Company, Sri. T.V. Sandeep Kumar Reddy (DIN: 00005573), Director of the Company, is liable to retire by rotation and being eligible, offers himself for re-appointment.

Mr. B. Sankara Rao has resigned from the post of Compliance officer of the Company w.e.f. 20.07.2015 and consequently Ms. Munmun Baid was appointed as Company Secretary cum Compliance Officer of the Company.

9. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Company has received a declaration from Sri. S Venkata Swamy, Sri. T R Rajagopalan and Sri. J N Karamchetti, Independent directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

10. COMMITTEES OF BOARD

Pursuant to requirement under Companies Act, 2013 and Listing Agreement, the Board of Directors has constituted various committees of Board such as Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Stakeholders Relationship Committee. The details of Composition and terms of reference of these committees are mentioned in the Corporate Governance Report.

11. VIGIL MECHANISM:

Vigil Mechanism Policy has been established by the Company for directors and employees to report instances of unethical behaviour, actual or suspected, fraud or violation of Company's code of conduct or ethics policy, and genuine concerns pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013. The same has been placed on the website of the Company.

12. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your Company has constituted a committee known as "**Internal Complaints Committee**" to protect the women employees from sexual harassment, with the following members:

1. Mrs. Sarita Reddy, Executive Director as Presiding Officer.
2. V.R. Prasad, Chief Financial Officer, Member
3. S.Murali Krishna, Purchase Manager, Member
4. Leena Joseph Member, NGO

During the year under review, there were no cases filed pursuant to the Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

13. DIRECTOR'S RESPONSIBILITY STATEMENT:

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) 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.
- (f) 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.

14. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JOINT VENTURES:

There are no Companies which have become or ceased to be its Subsidiaries, Joint Venture or Associate Companies during the year.

15. EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 is provided as **Annexure- I**.

16. STATUTORY AUDITORS:

M/s Deloitte Haskins & Sells (Firm's Registration No. 008072S) Statutory Auditors of the company retire at the ensuing annual general meeting and are eligible for reappointment. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has received a written consent from the auditors to their re-appointment and a certificate to the effect that their re-appointment, if made, would be in accordance with the Companies Act, 2013 and the rules framed there under and that they have satisfied the criteria provided in Section 141 of the Companies Act, 2013.

The Board recommends the re-appointment of M/s Deloitte Haskins & Sells, as the statutory auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

17. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 134(3)(f) & Section 204 of the Companies Act, 2013, Secretarial audit report as provided by Mr. Y. Koteswara Rao Practicing Company Secretary is annexed to this Report as **Annexure -II**.

18. QUALIFICATIONS IN AUDIT REPORTS:

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made—

(a) Explanation Regarding Statutory Auditors Report:

The Board has duly reviewed the Statutory Auditor's Report on the Financial Statements for the year ended March 31, 2015 and has noted that the same does not have any reservation, qualification or adverse remarks.

(b) Explanation Regarding Secretarial Audit Report:

The Board has duly reviewed the Secretarial Audit Report on the Compliances according to the provisions of section 204 of the Companies Act 2013, and the same does not have any reservation, qualifications or adverse remarks.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

The required information as per Sec. 134 (3) (m) of the Companies Act 2013 and Rule 8(3) of Companies (Accounts) Rules, 2014 is provided hereunder:

A. Conservation of Energy:

i.) The steps taken or impact on conservation of energy:

ii.) Step taken by the Company for utilizing alternate source of energy:

Condensate juice heaters were modified for heating of raw juice by passing through hot water into condensate heaters.

iii.) Capital investment on energy conservation equipments:

During the year, there was no investment on energy conservation equipment.

B. Technology Absorption:

i.) Efforts made towards Technology Absorption:

1. Installation of fan less cooling towers.
2. Installation of automation for mill and boiler F.D. Fans.

ii.) The benefit derived like product improvement, cost reduction, product development or import substitution, etc.

Cost reduction of around Rs. 25 Lakhs out of above.

iii.) Details of Technology imported during the last 3 years reckoned from the beginning of the financial year:

During the period of last three years, there was no import of Technology.

iv) Expenditure incurred on Research & Development:

There was no expenditure incurred on Research and Development.

C. Foreign Exchange Earnings and Out Go:

Foreign Exchange Earnings : NIL

Foreign Exchange Outgo : NIL

20. DETAILS RELATING TO DEPOSITS, COVERING THE FOLLOWING:

Your Company has not accepted any deposits falling within the meaning of Sec. 73, 74 & 76 of the Companies Act, 2013 read with the Rule 8(V) of Companies (Accounts) Rules 2014, during the financial year under review.

21. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

- i). Demand of Rs.1,38,81,669/- was raised by the Commissioner of Customs, Central Excise & Service Tax, Hyderabad-1 Commissionerate, being the amount equal to 10% or 5% of the value of Exempted goods i.e Electricity sold by the company for the period Nov-2006 to Dec-2010 in the case of Kamareddy Unit and for the period Mar-2006 to Mar-2012 in the case of Nizamsagar Unit.

Electricity is not an exempted product and as such the provision of rule 6(1), 6(2) and 6(3) of CCR 2004 are not applicable. The CENVAT credit availed on common inputs and utilised in the production of Electricity is required to be reversed to the extent of such inputs / input services utilised in generation of Electricity. Since the company reversed the CENVAT credit to the extent of such value utilised in electricity generation, the demand under rule 6(1), 6(2) & 6(3) of the CCR, 2004 is not sustainable in law in the light of the judicial decisions by various h'ble tribunals.

The requirement of pre deposit of the balance dues is waived and stay against recovery is granted during the pendency of the appeal by the Customs, Excise & Service Tax Appellate Tribunal (CEASTAT), Bangalore.

- ii) A demand for Rs. 22,14,159/- for Financial Year 2011-12 & 2012-13 was raised by the Commercial Tax Officer (Audit), Secunderabad Division, Hyderabad, being ITC restrictions on Coal & VAT payable on Harvesting Machine receipts.

Steam coal was used for generation power which was used for manufacturing of Distillery Products and eligible for availment of input tax credit. As sugar cane is not liable for tax as per entry 50 of Sch-1 of APVAT Act, 2005 the activity of harvesting of sugar cane is not liable to tax.

Stay order was granted for 50% of the disputed tax till the disposal of the case and balance 50 % was paid on 26.03.2014.

22. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company's internal control system is aimed at proper utilisation and safeguarding of the Company's resources and promoting operational efficiency. The internal audit process reviews the in-system checks, covering significant operational areas regularly.

The Company's Audit Committee is responsible for reviewing the Audit Report submitted by the Internal Auditors. Suggestions for improvements are considered and the Audit Committee follows up on the implementation of corrective actions. The Audit Committee also invites the Statutory and Internal Auditors for regular meetings to ascertain their views on the adequacy of internal control systems and keeps the Board of Directors informed of its observations from time to time.

23. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As required by clause 49 of the listing agreement with the Stock Exchange, a detailed Management Discussion and Analysis Report is presented in the corporate governance forming part of the Annual Report.

24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

LOANS:

The Company has not given any loans during the year under review.

GUARANTEES:

During the year company has extended the following guarantees:

SNo.	Name of the Entity	Details
1.	Syndicate Bank	Corporate Guarantee for Rs.11.50 Crs on behalf of the cane suppliers for the credit facility extended to the cane suppliers by Syndicate Bank.
2.	Jain Irrigation Systems Pvt Ltd.	Corporate Guarantee for Rs.0.50 Crs on behalf of the cane suppliers for the purchase of PVC Pipes and Drip Irrigation Equipment by cane suppliers.
3.	Netafim Irrigation India Pvt Ltd.	Corporate Guarantee for Rs.0.25 Crs on behalf of the cane suppliers for the purchase of PVC Pipes and Drip Irrigation Equipment by cane suppliers.
4.	EPC Industries Ltd.	Corporate Guarantee for Rs.0.10 Crs on behalf of the cane suppliers for the purchase of PVC Pipes and Drip Irrigation Equipment by cane suppliers.
5.	Union Bank of India	Corporate Guarantee for Rs.20.00 Crs on behalf of the cane suppliers for the credit facility extended to the cane suppliers by Union Bank of India.

INVESTMENTS:

The Company has not made any investments during the period under review.

25. STATUTORY COMPLIANCE:

The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company in all respects.

26. RISK MANAGEMENT POLICY:

Your Company follows a comprehensive system of Risk Management. Your Company has adopted a procedure for assessment and minimization of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the well structured risk management process.

27. CORPORATE SOCIAL RESPONSIBILITY POLICY:

Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy but the Company is involved in some of the social activities like organizing health camps, providing drinking water facility and fumigation in the nearby villages of the factories.

28. RELATED PARTY TRANSACTIONS:

Your Company has formulated a policy on related party transactions which has been placed on the website of the company i.e. www.gayatrisugars.com

The details of Related Party Transactions are annexed in Form AOC-2 as **Annexure -III**.

29. FORMAL ANNUAL EVALUATION:

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule IV and rules made there under, the independent directors of the company had a meeting on 13.02.2015 without attendance of non-independent directors and members of management. In the meeting the following matters were taken up:

- (a) Review of the performance of non-independent directors and the Board as a whole;
- (b) Review of the performance of the Chairperson of the company, taking into account the views of Executive directors and Non-Executive Directors;
- (c) Assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting also reviewed and evaluated the performance of non-independent directors. The Company has 3 (three) non-independent directors namely: i.) Smt. T. Indira Subbarami Reddy – Director ii.) Smt. T. Sarita Reddy – Whole-Time Director iii.) Sri. T. V. Sandeep Kumar Reddy - Director. The meeting recognized the significant contribution made by the non- independent directors.

The meeting also reviewed and evaluated the performance of the Board as whole in terms of the following aspects:

- ◆ Preparedness for Board/Committee meetings.
- ◆ Attendance at the Board/Committee meetings.
- ◆ Monitoring the effectiveness of the company's governance practices.
- ◆ Ensuring a transparent board nomination process with the diversity of experience, knowledge, perspective in the Board.
- ◆ Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for financial and operational control and compliance with the law and relevant standards.

Evaluation by Board:

The Board has carried out the annual performance evaluation of its own performance, the Directors individually (excluding the director being evaluated) as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into

consideration various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, effectiveness in developing Corporate governance structure to fulfill its responsibilities, execution and performance of specific duties etc. The Board decided that the performance of individual directors, its own performance and working of the committees is excellent.

30. DISCLOSURE ABOUT COST AUDIT:

As per section 148 of the Companies Act, 2013 and rule 14 of the Companies (Audit and Auditors) Rules, 2014, Company requires to appoint a Cost Auditors. The Board of directors and the Audit Committee of the Board has approved the appointment of M/s Narasimha Murthy & Co., as Cost Auditor to audit the cost records of Sugar, Power and Distillery division of the Company for the financial year 2015-16 the same has been proposed to the shareholders for approval.

31. RATIO OF REMUNERATION TO EACH DIRECTOR:

REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished hereunder:

S. No	Name	Designation	Remuneration paid FY2014-15 ₹. lakhs	Remuneration paid FY2013-14 ₹. lakhs	Increase in remuneration from previous year ₹. lakhs	Ratio/Times per Median of employee remuneration
1	T.Sarita Reddy	Executive Director	36,99,000/-	36,99,000/-	-	3.10%
2	V.R.Prasad	Chief Financial Officer	14,79,200/-	13,76,700/-	1,02,500/-	1.24%

None of the employees is drawing Rs. 5,00,000/- and above per month or Rs.60,00,000/- and above in aggregate per annum, the limits prescribed under Section 197(12) of the Companies Act, 2013.

32. LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to Bombay Stock Exchange where the Company's Shares are listed.

33. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

As required by clause 49 of the listing agreement with the Stock Exchange, a detailed Corporate Governance Report is presented in a separate section forming part of the this report as **Annexure -IV**.

34. EMPLOYEE RELATIONS:

Your Directors are pleased to record their sincere appreciation of the contribution by the staff at all levels in the improved performance of the Company.

35. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels, to the continued growth and prosperity of your Company.

Your Directors also wish to place on record their appreciation of Business Constituents, Banks and other Financial Institutions and Shareholders of the Company like for their continued support for the growth of the Company.

For and on behalf of the Board

T. Sarita Reddy
Executive Director

T.V. Sandeep Kumar Reddy
Vice Chairman

V R Prasad
Chief Financial Officer

Munmun Baid
Company Secretary & Compliance Officer

Place : Hyderabad

Date : 14th August, 2015

Certificate on compliance of conditions of corporate governance as per Clause 49 of the Listing Agreement with the Stock Exchanges

To
The Members of
Gayatri Sugars Limited

We have examined the compliance of conditions of corporate governance by Gayatri Sugars Limited (“the Company”) for the year ended 31st March 2015, as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchanges in India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We 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.

**For VAS & CO.
Chartered Accountants
Firm’s Registration Number: 0045375**

**G. S.S. Srinivas
Partner
Member ship No.020901**

Place : Hyderabad
Date : 14th August, 2015

DECLARATION BY CEO OF THE COMPANY ON CODE OF CONDUCT

I, T Sarita Reddy, Executive Director, hereby declare that as provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the senior management personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended 31st March 2015.

For Gayatri Sugars Limited

Place : Hyderabad
Date : 14th August, 2015

T. Sarita Reddy
Executive Director

CEO AND CFO CERTIFICATION

As required by sub-clause V of Clause 49 of the Listing Agreement with the Stock Exchanges, we have certified to the Board that for the financial year ended 31st March 2015, the Company has complied with the requirements of the said sub-clause.

For Gayatri Sugars Limited

For Gayatri Sugars Limited

T. Sarita Reddy
Executive Director

V. R. Prasad
Chief Financial Officer

Place : Hyderabad
Date : 14th August, 2015

EXTRACT OF ANNUAL RETURN (Annexure- I)

As on the financial year ended on 31/03/2015

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

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN :	L15421TG1995PLC020720
(ii)	Registration Date :	15/06/1995
(iii)	Name of the Company:	Gayatri Sugars Limited
(iv)	Category / Sub-Category of the Company:	Company Limited by Shares/Indian Non Government Company
(v)	Address of the Registered office and contact details:	B2, 2nd Floor, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad, Telengana-500082.
(vi)	Whether listed company :	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:	Venture Capital And Corporate Investments Private Limited.12-10-167, Bharat Nagar, Hyderabad, 500018, Phone : +91 040 23818475/23818476/23868023 Fax : +91 040-23868024

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

S.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of theCompany
1	Sugar	15421	83.78%
2	Rectified Spirit	15519	11.73%
3	Power	40102	4.37%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

S.No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Nil	Nil	Nil	Nil	Nil

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year(01.04.2014)				No. of Shares held at the end of the year (31.03.2015)				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/HUF	13812353	0.00	13812353	31.60	13812353	0.00	13812353	31.60	0.00
(b) Central Govt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c) State Govt (s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(d) Bodies Corp.	11228535	0.00	11228535	25.69	11228535	0.00	11228535	25.69	0.00
(e) Banks / FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(f) Any Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-Total (A) (1)	25040888	0.00	25040888	57.30	25040888	0.00	25040888	57.30	0.00
(1) Foreign									
(a) NRIs - Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Other - Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c) Bodies Corp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(d) Banks / FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(e) Any Other....	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-Total (A) (2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Shareholding of Promoter(A) = (A) (1) + (A) (2)	25040888	0.00	25040888	57.30	25040888	0.00	25040888	57.30	0.00
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Banks/FI	794	0.00	794	0.00	794	0.00	794	0.00	0.00
(c) Central Govt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(d) State Govt (s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(e) Venture Capital funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(f) Insurance Companies	1749904	0.00	1749904	4.00	1442276	0.00	1442276	3.30	0.70
(g) FII's	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(h) Foreign Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(i) Others (Specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-Total (B)(1)	1750698	0.00	1750698	4.00	1443070	0.00	1443070	3.30	0.70

Twentieth Annual Report

Category of Shareholders	No. of Shares held at the beginning of the year(01.04.2014)				No. of Shares held at the end of the year (31.03.2015)				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non- Institutions									
(a) Bodies Corp									
i. Indian	8326301	0.00	8326301	19.05	8315002	0.00	8315002	19.03	0.02
ii. Overseas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(a) Individuals									
i. Individual shareholders holding nominal share capital up toRs. 1 lakh	6677852	36779	6714631	15.36	6676821	36581	6713402	15.36	0.00
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1692071	23669	1715740	3.93	2028569	23669	2052238	4.70	0.77
(C) Others (Specify)									
Non Resident Individuals	39127	0.00	39127	0.09	29413	0.00	29413	0.07	0.02
Clearing Member	116258	0.00	116258	0.27	109630	0.00	109630	0.25	0.02
Sub-Total (B)(2)	16851609	60448	16912057	38.70	17159435	60250	17219685	39.41	0.83
Total Shareholding of Public= (B) (1) + (B) (2)	18602307	60448	18662755	42.70	18602505	60250	18662755	42.70	1.53
C. Shares held by custodian for GDRs & ADRs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total(A+B+C)	43643195	60448	43703643	100	43643393	60250	43703643	100	1.53

(ii) Shareholding of Promoters:

S. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged encumbered to total shares	
1	Gayatri Projects Limited	1163607	2.66	0.00	1163607	2.66	0.00	0.00
2	Gayatri Fin-holdings Pvt Ltd	7169450	16.40	0.00	7169450	16.40	0.00	0.00
3	T.S.R. Holdings Pvt Ltd	2895478	6.63	0.00	2895478	6.63	0.00	0.00
4	Subbarami Reddy Tikkavarapu	3255814	7.45	0.00	3255814	7.45	0.00	0.00
5	Sandeep Kumar Reddy Tikkavarapu	6763031	15.47	9.72	6763031	15.47	9.72	0.00
6	Indira Subbaramireddy Tikkavarapu	3793508	8.68	8.35	3793508	8.68	8.35	0.00
	Total	25040888	57.30	18.08	25040888	57.30	18.08	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

S. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	25040888	57.30	25040888	57.30
	Date wise Increase /Decrease in PromotersShare holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	There is no Increase/Decrease in the promoters' shareholding during the year.			
	At the End of the year	25040888	57.30	25040888	57.30

Twentieth Annual Report

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S.No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year																																												
			No. of shares	of total % shares of the company	No. of shares	% of total shares of the company																																											
	At the beginning of the year	1. Mohan Project Contractors P Ltd 2. IFCI LTD 3. Lalitha Rajesh 4. Laxmipat 5. SSJ Finance & Securities pvt. Ltd. 6. Utkarsh Manoharlal 7. Munna Lal 8. Manemma 9. Jugalkishor 10. Narender Surana	7708789 1749904 140391 100000 63935 61650 59550 53112 52379 46420	17.64 4.00 0.32 0.23 0.15 0.14 0.14 0.12 0.12 0.11	7708789 1749904 140391 100000 61650 59550 53112 52379 46420	17.64 4.00 0.32 0.23 0.14 0.14 0.12 0.12 0.11																																											
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):		<table border="1"> <thead> <tr> <th colspan="2">IFCI Limited</th> <th colspan="2">Manemma</th> <th colspan="2">Narender Surana</th> </tr> <tr> <th>Date</th> <th>Purchase / (Sale)</th> <th>Date</th> <th>Purchase/ (Sale)</th> <th>Date</th> <th>Purchase/ (Sale)</th> </tr> </thead> <tbody> <tr> <td>30/06/2014</td> <td>(264405)</td> <td>05/12/2014</td> <td>(149)</td> <td>20/06/2014</td> <td>(20000)</td> </tr> <tr> <td>31/10/2014</td> <td>(833)</td> <td></td> <td></td> <td>08/08/2014</td> <td>(8000)</td> </tr> <tr> <td>21/11/2014</td> <td>(8348)</td> <td></td> <td></td> <td>31/12/2014</td> <td>(3500)</td> </tr> <tr> <td>20/02/2015</td> <td>(27501)</td> <td></td> <td></td> <td>06/03/2015</td> <td>(10000)</td> </tr> <tr> <td>27/02/2015</td> <td>(6541)</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		IFCI Limited		Manemma		Narender Surana		Date	Purchase / (Sale)	Date	Purchase/ (Sale)	Date	Purchase/ (Sale)	30/06/2014	(264405)	05/12/2014	(149)	20/06/2014	(20000)	31/10/2014	(833)			08/08/2014	(8000)	21/11/2014	(8348)			31/12/2014	(3500)	20/02/2015	(27501)			06/03/2015	(10000)	27/02/2015	(6541)							
IFCI Limited		Manemma		Narender Surana																																													
Date	Purchase / (Sale)	Date	Purchase/ (Sale)	Date	Purchase/ (Sale)																																												
30/06/2014	(264405)	05/12/2014	(149)	20/06/2014	(20000)																																												
31/10/2014	(833)			08/08/2014	(8000)																																												
21/11/2014	(8348)			31/12/2014	(3500)																																												
20/02/2015	(27501)			06/03/2015	(10000)																																												
27/02/2015	(6541)																																																
	At the End of the year (or on the date of separation, if Separated during the year)	1. Mohan Project Contractors P Ltd 2. IFCI LTD 3. Lalitha Rajesh 4. Laxmipat 5. SSJ Finance & Securities pvt. Ltd. 6. Utkarsh Manoharlal 7. Munna Lal 8. Manemma 9. Jugalkishor 10. Uma Rajendra	7708789 1442276 140391 100000 63935 61650 59550 52963 52379 52308	17.64 3.30 0.32 0.23 0.15 0.14 0.14 0.12 0.12 0.12	7708789 1442276 140391 100000 61650 59550 52963 52379 52308	17.64 3.30 0.32 0.23 0.14 0.14 0.12 0.12 0.12																																											

(v) Shareholding of Directors and Key Managerial Personnel:

S.No	For Each of the Directors and KMP		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	of total % shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1.TV.Sandeep Kumar Reddy 2.T. Indira Reddy 3. Ramalinga Prasad Veeravali	6763031 3793508 100	15.47 8.68 0.00	6763031 3793508 100	15.47 8.68 0.00
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	There is no Increase/Decrease in the Directors and Key Managerial Personnel shareholding during the year.				
	At the End of the year	1.TV.Sandeep Kumar Reddy 2.T.Indira 3. Ramalinga Prasad Veeravali	6763031 3793508 100	15.47 8.68 0.00	6763031 3793508 100	15.47 8.68 0.00

V. INDEBTEDNESS:

**Indebtedness of the Company including interest outstanding/accrued but not due for payment
(Amount in Rupees)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	107,42,10,776/-	51,79,74,771/-	-	159,21,85,547/-
ii) Interest due but not paid	66,67,768/-	-	-	66,67,768/-
iii) Interest accrued but not due	1,33,13,221/-	19,32,308/-		1,52,45,529/-
Total (i+ii+iii)	109,41,91,765/-	51,99,07,079/-		161,40,98,844/-
Change in Indebtedness during the financial year				
Addition	22,84,05,518/-	-	-	22,84,05,518/-
Reduction	-	24,94,06,225/-	-	24,94,06,225/-
Net Change	22,84,05,518/-	24,94,06,225/-	-	(2,10,00,707)/-
Indebtedness at the end of the financial year				
i) Principal Amount	120,89,63,297/-	26,42,08,771/-	-	147,31,72,068/-
ii) Interest due but not paid	9,92,58,751/-	62,92,083/-	-	10,55,50,834/-
iii) Interest accrued but not due	1,43,75,235/-	-	-	1,43,75,235/-
Total (i+ii+iii)	132,25,97,283/-	27,05,00,854/-		159,30,98,137/-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

S.No	Particulars of Remuneration	Name of Whole-time Director				Total Amount
		T.SARITA REDDY				
1	Gross salary					
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27,00,000/-				27,00,000/-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	6,75,000/-				6,75,000/-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-				-
2	Stock Option	-				-
3	Sweat Equity	-				-
4	Commission - as % of profit - others, specify...	-				-
5	Others, please specify Provident Fund Contribution	3,24,000/-				3,24,000/-
	Total (A)	36,99,000/-				36,99,000/-
	Ceiling as per the Act					

B. Remuneration to other Directors:

S.No	Particulars of Remuneration	Name of Directors				Total Amount
		TR Raja Gopalan	P Maruthi Babu	S Venkata Swamy	J N Karam Chetty	
	3.Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	9,000/-	4,000/-	5,000/-	5,000/-	23,000/-
Total (1)		9,000/-	4,000/-	5,000/-	5,000/-	23,000/-
		T Indira Subbarami Reddy	T V Sandeep Kumar Reddy			
	4. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	5,000/-	4,000/-	-	-	9,000/-
Total (2)		5,000/-	4,000/-	-	-	9,000/-
Total (B) = (1)+(2)		14,000/-	8,000/-	5,000/-	5,000/-	32,000/-
Total Managerial Remuneration						
Overall Ceiling as per the Act						

C. Remuneration to other Directors key managerial personnel other than MD/MANAGER/WTD:

S.No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	14,79,200/-	14,79,200/-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	
2	Stock Option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission- as % of profit- others, specify...	-	-	-	
5	Others, please specify	-	-	-	
	Total (A)	-	-	14,79,200/-	14,79,200/-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

For and on behalf of the Board

T. Sarita Reddy
Executive Director

T.V. Sandeep Kumar Reddy
Vice Chairman

V R Prasad
Chief Financial Officer

Munmun Baid
Company Secretary & Compliance Officer

Place : Hyderabad
Date : 14th August, 2015

(Annexure –II)
FORM NO.MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2015

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

To,
The Members,
M/s. Gayatri Sugars Limited
Hyderabad, Telangana State.

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I, hereby report that in my opinion, the company has, during the audit period ended on 31st March, 2015 ('Audit Period') 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 Sugars Limited** for the period ended on 31st March, 2015 according to the provisions of:

- i. The Companies Act, 2013 (**the Act**) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') to the extent applicable to the Company:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not Applicable during the audit period**);
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 (**Not Applicable during the audit period**);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable during the audit period**);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable during the audit period**) and;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable during the audit period**);

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India (**Not notified during the audit period and hence not applicable to the Company**).
- ii. The Listing Agreements entered into by the Company with the Stock Exchanges.

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

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the following laws applicable specifically to the Industry to which the Company belongs, as identified by the management, that is to say;

- a.) Sugar Cess Act, 1982
- b.) Levy Sugar Price Equalisation Fund Act, 1976 (**as intimated by the Company, not applicable to it during the audit period under review**)
- c.) Food Safety and Standards Act, 2006
- d.) Essential Commodities Act, 1955
- e.) Sugar Development Fund Act, 1982
- f.) Export (Quality Control and Inspection) Act, 1963 (**as intimated by the Company, not applicable to it during the audit period under review**)
- g.) Agricultural and Processed Food Products Export Act, 1986 (**as intimated by the Company, not applicable to it during the audit period under review**)

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

Place: Hyderabad
Date: 14.08.2015

Y. KOTESWARA RAO
ACS No.:3785
C.P. No.: 7427

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

'ANNEXURE A'

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

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

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

Place: Hyderabad
Date: 14.08.2015

Y. KOTESWARA RAO
ACS No.:3785
C.P. No.: 7427

FORM NO. AOC.2 (Annexure-III)

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

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

1. Details of contracts or arrangements or transactions at arm's length basis

S. No	Description	Details	Details	Details
(a)	Name(s) of the related party and nature of relationship	Deep Corporation Pvt Ltd Company under common management	TSR Foundation Trust under common management	Mohan Project Contractors Pvt Ltd Major Share Holder
(b)	Nature of contracts/ arrangements/transactions	Lease Agreement for housing Registered and Corporate Office	Donation to charitable trust	Un-Secured Loan Received
(c)	Duration of the contracts/ arrangements/transactions	5 Years Commenced from 01.08.2010	NA	NA
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	1400 sq.ft of the premises on monthly rental of Rs.70,000/- with an escalation of 5% for ever year	NA	Un Secured Loan with interest of 9.50% per annum payable at the end of the financial year. The lender has an option to convert the loan in full or partly into equity or preference shares of the company.
(e)	Justification for entering into such contracts or arrangements or transactions	The lease rental was fixed as per the prevailing market rate	Donation for public charitable purpose	The loan is raised for closure of high cost loan and to meet working capital requirement of the company.

Corporate Governance Report: (Annexure –IV)

A. Corporate Governance Philosophy

The Company is a firm believer in core values of Corporate Governance Code. The company fully understands the rights of its shareholders to have information on the performance of the company and considers itself a trustee of its shareholders. The company is committed to good corporate governance, adherence to Statutory and regulatory prescriptions, care for environment and social responsibility.

The Company has adopted a code of conduct for members of the Board and senior management, who have all affirmed in writing their adherence to the code.

B. Board of Directors

The composition of the Board is well balanced with expertise drawn from Industry, Management, Financial and Agriculture. The Company has Non executive Chairman.

i) Composition and category of directors as on 31st March 2015

Category	No. of Directors
Executive Directors	1
Non Executive Non Independent Directors	2
Non Executive Independent Directors	3

ii) Attendance of each director at the Board meetings held during the year and at the last Annual General meeting and the Number of other Boards / Board committees in which the Directors are either Member or Chairman.

Twentieth Annual Report

	Mrs. T. Indira Subbarami Reddy	Mrs. T. Sarita Reddy	Mr. T. V. Sandeep Kumar Reddy	Mr. T.R. Rajagopalan	Mr. P. Maruthi Babu	Mr. T. Venkata Swamy	Mr. J.N. Karamchetti
Category	Chairperson Promoter Director	Executive Director	Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director
Date of appointment	21/07/2005	21/07/2005	15/06/1995	01/06/2001	15/04/2010	30/01/2001	30/09/2014
Directorship in other Public Companies	5	3	10	1	2	-	1
Directorship in Board of Private Companies	14	17	6	2	1	-	-
Chairmanship in Committees of Board of other Companies	-	-	2	1	-	-	-
Membership in Committees of Board of other Companies	1	2	3	1	2	-	-
No. of Board Meetings held / attended	5/5	5/5	4/5	5/5	2/2	5/5	3/3
Attendance at the last AGM held on Sept.30, 2014	No	No	Yes	Yes	No	Yes	Yes
No. of Shares Held as on 31/03/2015	3793508	0	6763031	0	701	0	0

During the Financial year 2014-15, Five Board meetings were held on 26th May 2014, 11th August 2014, 12th November 2014, 13th February 2015 and 27th March 2015.

C. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 177 of the Companies Act, 2013.

i.) 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 an outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

ii.) 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 the statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by Management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties.
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

iii.) Review of information by Audit Committee:

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

- iv.) The previous Annual General Meeting of the Company was held on 30.09.2014 and Chairman of the Audit Committee, attended previous AGM.
- v.) The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

The Company has complied with all the requirements of Clause 49 (II) (A) of the Listing Agreement relating to the composition of the Audit Committee. During the financial year 2014-2015, (4) four meetings of the Audit Committee were held on the 26.05.2014, 11.08.2014, 12.11.2014 and 13.02.2015.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No. of meetings held	No. of meetings attended
Sri. T R Rajagopalan	Chairman	NED (I)	4	4
Smt. T. Sarita Reddy	Member	ED	4	4
Sri. P Maruthi Babu@	Member	NED(I)	4	2
Sri. J.N. Karam Chetti*	Member	NED(I)	4	2

* Appointed w.e.f. 30.09.2014

@ Resigned w.e.f. 11.08.2014

NED (I) : Non Executive Independent Director

ED : Executive Director

D. Nomination and Remuneration Committee:

This committee has a mandate to evaluate compensation and benefits for Executive Directors.

Composition of the Nomination and Remuneration Committee and the details of Meetings held and attendance during the Financial Year 2014-15.

The Nomination and Remuneration Committee consists entirely of Non Executive Directors and the Composition is as follows:

Name	Designation	Category
Sri. T R Rajagopalan	Chairman	NED (I)
Sri S Venkata Swamy	Member	NED (I)
Sri. P Maruthi Babu@	Member	NED(I)
Sri. J.N. Karam Chetti*	Member	NED(I)

No Meetings were held during the period under review.

* Appointed w.e.f. 30.09.2014

@ Resigned w.e.f. 11.08.2014

NED (I) : Non Executive Independent Director

The Remuneration Policy of the Company is annexed as Annexure-V.

Remuneration and sitting fees paid to directors during the Financial year 2014-15.

Name of the Director	Category	Remuneration payable /paid	
		Salary & Perks (Rs.Lakhs)	Sitting fees (Rs.Lakhs)
Smt. T Indira Subbarami Reddy	Non Executive Chairperson	—	5,000
Sri T V Sandeep Kumar Reddy	Executive Vice Chairman	—	4,000
Sri T R Rajagopalan	Non Executive/ Independent	—	9,000
Sri. P Maruthi Babu@	Non Executive/ Independent	-	4,000
Sri S Venkata Swamy	Non Executive/ Independent	—	5,000
Sri J.N. Karamchetti	Non Executive/ Independent	—	5,000
Smt. T Sarita Reddy	Executive Director	36.99	—

E. Stakeholders Relationship Committee:

Terms of reference

The Committee was constituted to specifically look into the redressal of shareholder and investor complaints like transfer of shares, non receipt of balance sheet and non receipt of declared dividend.

i) Composition of the Stakeholders Relationship Committee and the details of Meetings held and attendance during the Financial Year 2014-15.

The Stakeholders Relationship Committee meeting was held during the Financial year 2014-15 on 28th January, 2015.

Name	Designation	Category	No. of meetings held	No. of meetings attended
Sri. S Venkata Swamy	Chairman	NED (I)	1	1
Sri. T V Sandeep Kumar Reddy	Member	ED	1	1
Smt. T Sarita Reddy	Member	ED	1	1

ii) Name and designation of Compliance officer.

Ms. Munmun Baid is the Compliance Officer.

iii) The status of investor queries / complaints is as under:-

No. of Investor queries / complaints received in the year 2014-15	Pending at the end of the year 2014-15	No. of pending share transfers
Nil	Nil	Nil

F. MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company had met during the year on 13.02.2015 to review the performance of non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had accessed the quality, quantity and timeliness of flow of information between the company, management and the Board.

The Company had also further during the year, conducted Familiarisation programme for Independent Directors of the Company and the details of such familiarisation programmes are disseminated on the website of the Company www.gayatrisugars.com

G. General Body Meetings

i) The Annual General Meetings (AGMs) of the company have been held at the following places during the last three years.

Year	Venue	Day and Date	Time	Special Resolution passed
2013-14	KLN Prasad Auditorium, Federation House, D.No 11-6-841, Red Hills, Hyderabad-500004.	Tuesday the 30 th day of September, 2014	11.30 A.M	1. Appointment of Mr. TR Rajagopalan as Independent Director. 2. Appointment of Mr. S Venkata Swamy as Independent Director. 3. Appointment of Mr. J N Karamchetti as Independent Director. 4. Increase in Authorised Share Capital of the Company. 5. Issue and Offer of Cumulative Redeemable Preference Shares on a Private Placement basis. 6. Increasing the Borrowing Powers of the Company and creation of Security on the Properties of the Company.
2012-13	KLN Prasad Auditorium, Federation House, D.No 11-6-841, Red Hills, Hyderabad-500004.	Monday the 30 th day of September 2013	10.00 A.M	1. Reappointment of T. Sarita Reddy as Executive Director.
2011-12	Surana Udyog Hall, Federation House, D.No 11-6-841, Red Hills, Hyderabad-500004.	Tuesday the 25 th day of September 2012	4.00 P.M	No Special Resolution was passed.

All the Special Resolutions placed before the shareholders' at the above meetings were approved.

ii). Special Resolutions passed through postal ballot during the financial year 2014-15:

During the year 2014-2015, Pursuant to section 110 of the Companies Act, 2013 the shareholders of the Company approved the following resolutions by means of Postal Ballot. The Postal Ballots were conducted by Mr. Y. Koteswara Rao, Practicing Company Secretary who was appointed by the Board of Directors of the Company at their meeting held on 13th February, 2015 as the Scrutinizer.

Details of the Voting Pattern:

Details of the voting results in respect of Resolution passed for Variation in terms of 6610210 6% Cumulative Optionally Convertible Preference Shares of Rs.10/- each of the Company:

Promoter/ Public	No. of shares held (1)	No. of votes polled (2)	% of Voters Polled on outstanding shares (3)=[(2)/ (1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/ (2)]*100	% of Votes against on votes polled (7)=[(5)/ (2)]*100
Promoter and Promoter Group	1710210	1710210	100	1710210	0	100	0
Public – Institutional holders	4900000	4900000	100	4900000	0	100	0
Public-Others	0	0	0	0	0	0	0
Total	6610210	6610210	100	6610210	0	100	0

The Number of votes polled in favour of the Special Resolution is 6610210 (100.00 % of the total valid votes). Thus, the Special Resolution has therefore been approved by the Shareholders with requisite majority.

The Resolutions were approved by the overwhelming majority of the Preference shareholders. The results were also published in Business Standard and Andhra Prabha and intimated to the Stock Exchange.

a) Conducted the postal ballot exercise:

The Postal Ballot was conducted by Mr. Y. Koteswara Rao, Practicing Company Secretary, Hyderabad as Scrutinizer to scrutinize the Postal Ballots in a fair and transparent manner. The Scrutinizer submitted his report on the following dates as provided in the table, with the Company and based on the said report, results of Postal Ballot were declared by Executive Director on following dates as tabled below:

Date of the notice of the postal ballot	Last date for receipt of the postal ballot	Date of the Scrutinizers report	Declaration of Results by the company
13 th February, 2015	19 th March, 2015	20 th March, 2015	20 th March, 2015

b) Procedure for Postal Ballot

After receiving the approval of the Board of Directors, Notice of the Postal Ballot, text of the Resolution and Explanatory Statement, relevant documents, Postal Ballot Form and self-addressed postage pre-paid envelopes will be sent to the preference shareholders to enable them to consider and vote for or against the proposal within a period of 30 days from the date of dispatch. The calendar of events containing the activity chart will be filed with the Registrar of Companies within 7 days of the passing of the Resolution by the Board of Directors. After the last date for receipt of ballots, the Scrutinizer, after due verification, submits the results to the Chairman. Thereafter, the Chairman declares the result of the Postal Ballot. The same will be published in the Newspapers and displayed on Website and Notice board.

H. Disclosures

i) Disclosures on materially significant related party transactions

There have been no materially significant related party transactions with the Company's Promoters, Directors, the Management, their subsidiaries or relatives which may have potential conflict with the interests of the company. The necessary disclosures regarding the transactions with Related Parties are given in the Notes to the Accounts.

ii) Risk Management

The Risk Management Committee has formed to identify risks and then manage threats that could severely impact or bring down the organization and identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats.

The company has constituted a Risk Management company with the following directors

1. T. Sarita Reddy, Executive Director – Chairman
2. T. V. Sandeep Kumar Reddy, Director – Member
3. J.N. Karamchetti, Independent Director – Member
4. V.R. Prasad, Chief Financial Officer – Member

Term of Reference:

- ◆ To consider the Company's risk management strategies
- ◆ To consider, review and approve risk management policies and guidelines
- ◆ To decide on risk levels, risk appetite and related resource allocation
- ◆ To approve major decisions affecting the Company's risk profile or exposure and give such directions as it considers appropriate
- ◆ To approve major risk management activities such as hedging transactions
- ◆ To review the Company's approach to risk management and approve changes or improvements to key elements of its processes and procedures

- ◆ Provide any information/reports as and when required by the Board
- ◆ And any other matters as per the risk policy of the Company

iii) Whistle blower policy:

Company has established a Vigil Mechanism System/ Whistle blower policy for directors and employees to report concerns about unethical behaviour, 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 Non-compliance by the company, penalties and strictures imposed on the company by the Stock Exchanges, SEBI or any Statutory Authorities or any matter related to capital markets.

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

v) 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 Clause 49 of the Listing Agreement and are being reviewed from time to time.

l) Means of Communication

The quarterly, half yearly un-audited Financial results and the annual audited Financial results are published in leading News Papers namely Business Standard and Andhra Bhoomi.

The results are also displayed on the Company's web site www.gayatrisugars.com and Official news releases, presentations made to media are displayed on the Company's website

J) Management's Discussion and Analysis Report 2014-15

Global Trends In Sugar:

The Global Sugar Industry is passing through tough times with surplus production of sugar for the last 5 years since 2011 onwards. The sugar production for the year 2014 -15, reached around 169 Millions Tonnes against the estimated of consumption of 167 Millions Tonnes leaving a surplus of about 2 million Tonnes.

Though for the short term, the outlook of sugar industry is challenging, but long term outlook will be bright as the technology of conversion of cane juice directly as ethanol for the purpose of blending with petrol or alternative to petrol. The consumption of sugar in Developing Countries is expecting to increase.

Indian Sugar Industry:

Sugar Production:

India is the second largest sugar producer in the world with the production of around 28 million Tonnes and highest sugar consuming country in the world and also is the second largest agro processing industry in the country. Sugar output production in India is a head of consumption for the fifth successive year, mainly because of increase of Acreage in the sates of Maharastra, Karnataka and Uttar Pradesh.

Sugar Price:

The excess inventories of sugar in domestic market lead to fall down of sugar price to Rs. 2100 Per quintal during the year 2014-15 which is the lowest during the last 6 years. Whereas comparing the Sugar price in domestic market decreased from Rs 2600 per quintal for the season 2012-13 to Rs. 2100 per quintal for the season 2014-15 with decrease of 19.23% where as the cost of Cane was increased year by year.

Sugar Cane price:

The Central Government is increasing the Fair & Remunerative Price (FRP) year after year. The FRP was increased from Rs.1700 per ton for the sugar year 2012-13 to Rs.2200 for the year 2014-15 with the recovery of 9.5% percent linked with an additional premium amount of Rs.2.32 ps for every increase of 0.1% in the recovery. For the sugar season 2015-16 the FRP fixed at Rs.2300 for recovery of 9.5% with an additional premium amount of Rs.2.42 ps for every increase of 0.1% in the recovery. The Fair & Remunerative Price (FRP) was increased by 35.30% compared with Sugar Year 2012-13 to Sugar Year 2015-16.

Government Policies:

Indian sugar mill are waiting for implementing Rangarajan Committee's recommendation of mandating sugar cane price linking with realization price of sugar and its by products. The Central Government announced the increase of export subsidy from Rs.2227 per metric tone to Rs.4000 per metric tone in the month of February 2015. But the India Sugar mills could not avail the advantage of the subsidy as the decision was announced in the month of February, 2015 that is almost at end of the Crushing Season, by then the major quantity of sugar cane was already crushed. Further the international market price of sugar price was fallen down to all time low. The Central Government announced the compulsory blending of Ethanol from the existing 5% to 10% in order to encourage the production of Ethanol and replaced the policy of procurement of Ethanol by Oil producing Companies from Tender method to fixed price method.

Outlook:

Please refer to the Directors' Report

Company's performance:

Operational Performance,

During the Financial Year 2014-15, the Overall performance of the Company both the units viz. Kamareddy and Nizamsagar put together are as under:

Production:

Details	Financial Year 2014-15	Financial Year 2013-14
Total Cane Crushed	7,14,529 Tonnes	6,96,987 Tonnes
Sugar Production	7,91,191 Quintals	7,58,000 Quintals
Recovery	11.06 %	10.92%
Molasis production (Tonnes)	32,369 Tonnes	31,261 Tonnes
Power Exported (lakh units)	243.43 lakh Units	215.00 lakh Units
Distillery Unit: Rectified Spirit (RS) & Impured Spirit (IS) Production	94.36 lakh Liters	73.18 lakh Liters

Segment wise performance:**Sugar:**

During the year under review, the crushing operations for the crushing season 2014-15 were started at Kamareddy Unit on 9th November 2014 and closed on 16th March, 2015. The operations at Nizamsagar Unit started on 10th November 2014 and closed on 24th March, 2015.

During the Crushing Season 2014-15, at both the units, 7.14 Lakh Tonnes of Sugar Cane was crushed and 7.91 Lakh Quintals of Sugar produced with an average recovery of 11.07% comparing to the previous season figures of 6.97 Lakh Tonnes of Sugar Cane and Sugar of 7.58 Lakhs Quintals with an average recovery of 10.92%. In detail, at Kamareddy Unit, 3.93 Lakh Tonnes of Sugar Cane was crushed (Previous Season 3.77 Lakh Tonnes) and produced sugar of 4.40 Lakhs Quintals (Previous Season 4.21 Lakh Quintals) with an Average Recovery of 11.18% (Previous Season 11.13%) and at Nizamsagar Unit 3.21 Lakh Tonnes (Previous Season 3.20 Lakh Tonnes) of Sugar Cane and produced sugar of 3.51 Lakhs Quintals (Previous Season 3.37 Lakh Quintals) with an Average Recovery of 10.94% (Previous Season 10.71%).

Distillery:

During the Financial Year, the Distillery unit produced Rectified Spirit (RS) of 91.84 Lakh Liters and Impure Spirit (IS) of 2.46 Lakh Liters, totally 94.36 lakh Liters (compared to the previous year of Rectified Spirit (RS) of 70.47 Lakh Liters and Impure Spirit (IS) 2.71 Lakhs Liters totally 73.18 lakh ltrs).

Power:

The Export of Power during the crushing season 2014-15 was to the extent of 243.43 Lakh kwh (Kamareddy Unit 60.84 Lakh kwh & Nizamsagar Unit 182.59 lakh kwh) as compared to the previous year season of 215.00 lakh kwh (Kamareddy Unit - 54.68 Lakh kwh & Nizamsagar Unit - 160.32 Lakh kwh).

Manufacturing:

The Company is continuously implementing better manufacturing methods to increase operational efficiencies and to eliminate process losses. This has resulted in achieving higher of Recovery of 11.06% for the year 2014-15 compared to 10.92% in the 2013-14.

Awards:

The Nizamsagar Sugar Unit awarded “PLATINUM AWARD” for BEST CO-GENERATION for the season 2014-15 and “SILVER AWARD” for BEST TECHNICAL EFFICIENCY for the Season 2014-15 by the South Indian Sugarcane & Sugar Technologists’ Association (SISSTA).

Financial Review:

Capital:

During the year the company issued 2.50 crore 6% Cumulative Redeemable Preference Share of Rs.10/- each against un-secured loan and are due for Redemption on or before September 30, 2023.

Net worth:

The net worth of the company eroded due to losses incurred by the company for the last 5 years.

Long Term Debt:

The Long Term Borrowings stood at Rs. 6362.55 Lakhs as on 31.03.2015 against Rs.8892.02 Lakhs as at 31.03.2014.

Working Capital:

The working capital borrowings stood at Rs. 6552.74 as at 31st March 2015, against Rs. 6041.20 Lakhs as at 31st March 2014.

Gross Block of Assets:

The Gross block of Tangible assets stood at Rs. 13670.29 Lakhs as at 31.03.2015 against Rs. 14680.20 Lakhs as at 31.03.2014. During the year an amount of Rs. 466.15 Lakhs was adjusted in gross block in pursuant to the notification of Schedule II to the Companies Act, 2013 by considering the revised estimated useful life of some of the assets to align the useful life with those specified in Schedule II. During the year, the WDV of goodwill as at 01.04.2014 amounting to Rs.606.16 Lakhs was amortised by charging to profit & loss account under exceptional item.

Inventories:

The value of Inventories stood at Rs. 12494.87 Lakhs as at 31.03.2015 against Rs. 13230.73 Lakhs as at 31.03.2014. The decrease in the value of Inventories is due to decline in the rate adopted in valuation of finished stock of sugar.

K) Compliance of Insider Trading Norms

The Company has adopted the code of internal procedures and conduct for listed Companies notified by the Securities Exchange Board of India prohibiting insider trading.

L) General Shareholders’ information

a) Date, Time and Venue of AGM

Day, Date and Time	Saturday, the 26 th day of September, 2015 at 11:30 A.M.
Venue	Surana Udyog Hall, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, Hyderabad – 500004.

b) Profile of Directors seeking reappointment/appointment and ratification/approval of Central Government

Brief resume of Directors and nature of their expertise in functional areas	Directorships / Committee Memberships in other companies	Shareholding in the Company
<p>Mr. T V Sandeep Kumar Reddy Vice Chairman Joined Gayatri Sugars in 1995, he has vast experience in the sugar sector. His other ambitious forays include Infrastructure Projects, Real Estate and Bio-organics. He has done his Masters in Construction Engineering and Management from the University of Michigan, USA and also holds a Bachelor's Degree in Civil Engineering from Purdue University, USA. He envisions the Gayatri Group becoming the leading business house of modern India.</p>	<p>He is director in 10 Public Limited Companies and in 6 Private Limited Companies and he is a member in 3 Committees of the Board of other Companies.</p>	<p>6763031</p>

Sri. T.V. Sandeep Kumar Reddy is not disqualified under Section 164(2) of the Companies Act, 2013.

c) Financial year : 1st April, 2014 to 31st March, 2015

Calendar for Reporting

Quarter Ending	Release of Results
June 30, 2015	August 14, 2015
September 30, 2015	November 14, 2015
December 31, 2015	February 14, 2015
March 31, 2015	May 15, 2015

- d) Date of Book closure : from 23th September, 2015 to 26th September, 2015 (both days inclusive).**
- e) Dividend Payment date : Not Applicable.**
- f) Listing on Stock Exchanges : The Bombay Stock Exchange Ltd. PJ Towers, Dalal Street, Fort, Mumbai 400001.**
- g) Stock code : 532183**
- h) Market Price data : High/ Low during each month in the Financial year 2014-15**

Month	BSE SHARE PRICE		BSE SENSEX	
	High	Low	High	Low
Apr-14	1.93	1.3	22939.31	22197.51
May-14	2.47	1.55	25375.63	22277.04
Jun-14	4.08	2.59	25725.12	24270.2
Jul-14	4.08	3.08	26300.17	24892
Aug-14	3.26	2.56	26674.38	25232.82
Sep-14	3.25	2.63	27354.99	26220.49
Oct-14	3.71	2.22	27894.32	25910.77
Nov-14	3.84	2.92	28822.37	27739.56
Dec-14	3.45	2.38	28809.64	26469.42
Jan-15	2.99	2.25	29844.16	26776.12
Feb-15	3	1.81	29560.32	28044.49
Mar-15	2.48	1.32	30024.74	27248.45

i) Share transfer system

Shares lodged for physical transfer would be registered within a period of 15 days if the documents are complete in all respects. The shares duly transferred would be dispatched to the shareholders concerned within a week from the date of approval of transfers by the Share Transfer committee. For this purpose, the Share Transfer Committee meets as often as required. Adequate care is taken to ensure that no transfers are pending for more than a fortnight. As the Company's shares are currently traded in dematerialized form the transfers are processed and approved in the electronic form by NSDL/ CDSL through their depository participants.

j) Shareholding pattern

Shareholders	As on 31.03.2015		As on 31.03.2014	
	No. of Shares	%	No. of Shares	%
Promoters	2,50,40,888	57.30	2,50,40,888	57.30
Financial Institutions and Banks	14,43,070	3.30	17,50,698	4.00
Private corporate bodies	83,15,002	19.03	83,26,301	19.05
Indian Public	88,75,270	20.30	85,46,629	19.56
NRI/OCB	29,413	0.07	39,127	0.09
Total	4,37,03,643	100.00	4,37,03,643	100.00

k) Distribution of Shareholding as on 31st March, 2015

Nominal Value	Holders		Amount	
	No.	% to Total	In Rs.	% to Total
Upto - 5000	13186	81.71	2,20,77,320	5.05
5001 - 10000	1482	9.18	1,12,80,190	2.58
10001 - 20000	763	4.73	1,16,48,110	2.67
20001 - 30000	210	1.3	52,11,100	1.19
30001 - 40000	162	1	59,19,560	1.35
40001 - 50000	78	0.48	35,86,910	0.82
50001 - 100000	146	0.9	1,06,43,280	2.44
100001 and above	111	0.69	36,66,69,960	83.9
TOTAL	16138	100.00	43,70,36,430	100.00

l) Dematerialization of shares and liquidity

Shares of the Company can be held and traded in electronic form. As stipulated by SEBI, the shares of the Company are accepted in the Stock Exchanges for delivery only in dematerialized form.

Status of Dematerialization of shares as on March 31, 2015.

Held in NSDL: 2,64,24,108 shares

Held in CDSL: 1,72,19,285 shares

m) ADR's / GDR's

As on date, the Company has not issued GDRs, ADRs or any other Convertible Instruments and as such, there is no impact on the Equity share capital of the Company.

n) Share Transfer Agents and Registrar

Physical and Demat Share Transfer Agents and Registrars
Venture Capital and Corporate Investments Limited,
House No. 12-10-167, Bharat Nagar,
Hyderabad - 500018 Ph: 23818475, 23818476

o) Plant Loactions:

Kamareddy Unit

Adloor Yellareddy Village,
Sadasivanagar Mandal,
Nizamabad District, Telangana.
Phone No: (08468) 203331

Nizamsagar Unit

Maagi Village, Nizamsagar Mandal,
Nizamabad District, Telangana.
Phone No: (08465) 275577
Fax No: (08465) 27580

p) Address for correspondence and contact persons for investor queries

Registered Office:

Gayatri Sugars Limited
B2, 2nd Floor, 6-3-1090, TSR Towers, Rajbhvan Road,
Somajiguda, Hyderabad – 500 082.

Contact Person:

Sri.VR Prasad, Chief Financial Officer /
Ms. Munmun Baid, Compliance Officer
Phone: 23414823, Fax: 23414827
Email : csmunmun@gayatri.co.in / compliance.gayatrisugars@gayatri.co.in

M) Compliance Report On Non-Mandatory Requirements Under Clause 49:

1. The Board:

The Chairperson of Gayatri Sugars is a Non-Executive Promoter Director and is not maintaining any office and has not incurred any expenses during the year. Independent Directors possess the requisite qualification and experience to contribute effectively to the company in their capacity as independent director.

2. Shareholders rights:

We display our quarterly and half yearly results on our web site, www.gayatrisugars.com and also publish our results in widely circulated newspapers. We did not send half yearly results to each household of the shareholders in the financial year 2014-15.

3. Audit Qualifications:

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2015 and has noted that the same does not have any reservation, qualification or adverse remarks.

4. Reporting of Internal Auditor:

The Internal Auditor of the company directly reports to the Audit Committee.

For and on behalf of the Board

Place: Hyderabad
Date : 14th August, 2015

(T.SARITA REDDY)
Executive Director

(T.V.SANDEEP KUMAR REDDY)
Vice-Chairman

REMUNERATION POLICY (Annexure V)

The Remuneration policy of the Company is as follows:

I. PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company already constituted Remuneration Committee comprising of three non-executive Independent Directors as required under Listing Agreement. In order to align with the provisions of the Companies Act, 2013 and the amended Listing Agreement from time to time, the Board on 26 May, 2014 changed the nomenclature of the "Remuneration Committee" as "Nomination and Remuneration Committee".

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement.

II. OBJECTIVE

The Key Objectives of the Committee would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

III. DEFINITIONS

- ◆ "Board" means Board of Directors of the Company.
- ◆ "Company" means "Gayatri Sugars Limited."
- ◆ "Employees' Stock Option" means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.
- ◆ "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.
- ◆ "Key Managerial Personnel" (KMP) means
 - (i) Chief Executive Officer or the Managing Director or the Manager,
 - (ii) Company Secretary,
 - (iii) Whole-time Director,
 - (iv) Chief Financial Officer and
 - (v) Such other officer as may be prescribed.
- ◆ "Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.
- ◆ "Policy or This Policy" means, "Nomination and Remuneration Policy."
- ◆ "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

- ◆ “Senior Management” means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

IV. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.

V. GUIDING PRINCIPLES

The Policy ensures that

- ◆ The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- ◆ Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- ◆ Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

VI. ROLE OF THE COMMITTEE

The role of the Committee inter alia will be the following:

- ◆ To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- ◆ Formulate criteria for evaluation of Independent Directors and the Board.
- ◆ Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- ◆ To carry out evaluation of every Director’s performance.
- ◆ To recommend to the Board the appointment and removal of Directors and Senior Management.
- ◆ To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- ◆ Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- ◆ To devise a policy on Board diversity.
- ◆ To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- ◆ To perform such other functions as may be necessary or appropriate for the performance of its duties.

VII MEMBERSHIP

- ◆ The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- ◆ The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- ◆ Minimum two (2) members shall constitute a quorum for the Committee meeting.
- ◆ Membership of the Committee shall be disclosed in the Annual Report.
- ◆ Term of the Committee shall be continued unless terminated by the Board of Directors.

VIII. CHAIRMAN

- ◆ Chairman of the Committee shall be an Independent Director.
- ◆ Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- ◆ In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- ◆ Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

IX. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

X. COMMITTEE MEMBERS' INTERESTS

- ◆ A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- ◆ The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

XI. VOTING

- ◆ Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- ◆ In the case of equality of votes, the Chairman of the meeting will have a casting vote.

XII. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- ◆ **Appointment criteria and qualifications:**
 1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
 2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
 3. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- ◆ **Term / Tenure:**
 1. Managing Director/Whole-time Director/Manager (Managerial Person):

The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
 2. Independent Director:
- ◆ An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- ◆ No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1 October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.
- ◆ At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.
- ◆ **Evaluation:**
- ◆ The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).
- ◆ **Removal:**
Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.
- ◆ **Retirement:**
The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

XIII. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT

- ◆ **General:**
 1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
 2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
 3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.
 4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

◆ **Remuneration to Managerial Person, KMP and Senior Management:**

1. **Fixed pay:**

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. **Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

3. **Provisions for excess remuneration:**

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

◆ **Remuneration to Non-Executive / Independent Director:**

1. **Remuneration / Commission:**

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

2. **Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. **Limit of Remuneration /Commission:**

Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. **Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

XIV. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

XV. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GAYATRI SUGARS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **GAYATRI SUGARS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matter in the Notes to the financial statements:

Note 30 relating to the accumulated losses amounted to ₹ 1,253,287,646 which has completely eroded the net-worth of the Company as on that date. The Company had also made reference to the Board for Industrial and Financial Reconstruction (BIFR) on August 5, 2013, under Section 23 of Sick Industrial Companies (Special Provisions) Act, 1985. The Company incurred a loss of ₹ 623,771,436 during the year ended March 31, 2015 and the current liabilities exceeded its current assets by ₹ 1,060,886,507. These conditions, along with other matters as set forth in the said Note, including dependence on continuous support from its promoters to make it economically viable, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure 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 purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, 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) The going concern matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

- (f) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 23. 1(a), 23.1 (b) and 23.1 (c) to the 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Ganesh Balakrishnan
Partner
Membership No. 201193

Date: April 27, 2015
Place: Hyderabad

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) Having regard to the nature of the Company's business / activities / results during the year, clauses (v) of paragraph 3 of the Order is not applicable to the Company
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) 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 explanation given to us, no material discrepancies were noticed on such verification.
- (iii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(viii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities except for dues relating to Cane Development Council Fund and Income-tax.

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March, 2015 for a period of more than six months from the date they became payable, except as given below:

Name of the statute	Nature of Dues	Period to which the amount relates	Amount involved ₹
Income Tax Act, 1961	Dividend Distribution Tax	2006-07	802,523

(c) There were no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax and Customs Duty Excise Duty and Cess which have not been deposited as on 31st March, 2015 on account of disputes except as given below:

Name of the statute	Nature of Dues	Period to which the amount relates	Forum where pending	Amount involved ₹
Central Excise Act, 1944	Excise Duty (excluding interest and penalty)	Various periods covering the period 2006 to 2010	Central Excise and Service Tax Appellate Tribunal	5,853,521
		Various years covering the period 2008 to 2013	Central Excise and Service Tax Appellate Tribunal	80,28,148
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	2011-12 and 2012-13	Appellate Deputy Commissioner	1,107,079

Out of the total disputed dues aggregating to ₹14,988,748 as above, ₹6,960,600 has been stayed for recovery by the relevant authorities.

(d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

Twentieth Annual Report

- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks except for payment of Right to Recompense Interest claims (Refer Note 31(a) of the financial statements) and the following:

Lender Name	Principal ₹	Number of Installments	Period of delay (in days)	Interest ₹	Number of Installments	Period of delay (in days)
Union Bank of India Vehicle Loan	175,161	11	2-64 days	15,986	11	2-64 days
IFCI - Sugar Development Fund Loan	59,748,000	3	133-498 days	21,727,538	3	133-498 days
Bank of Baroda Term Loan	38,888,885	7	18-86 days	25,482,339	11	2-90 days
Andhra Bank Harvesting Term Loan	-	-	-	762,572	11	9-103 days
Andhra Bank Excise duty Term Loan	-	-	-	10,160,713	11	8-89 days
Union Bank of India Excise Duty Term Loan	-	-	-	4,717,565	9	4-50 days
State Bank of India Excise Duty Term Loan	-	-	-	4,043,705	10	1-18 days
Bank of Baroda Excise Duty Term Loan	-	-	-	3,975,120	9	2-44 days
Punjab National Bank Excise Duty Term Loan	-	-	-	888,635	8	1-44 days

- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Place: Hyderabad
Date: April 27, 2015

Ganesh Balakrishnan
Partner
Membership No. 201193

BALANCE SHEET AS AT 31 MARCH, 2015

Particulars	Note	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	848,475,285	598,475,285
(b) Reserves and surplus	4	(1,231,703,456)	(584,617,511)
		<u>(383,228,171)</u>	<u>13,857,774</u>
2 Non-current liabilities			
(a) Long-term borrowings	5	636,254,894	889,202,491
(b) Other long-term liabilities	6	35,305,339	62,686,152
(c) Long-term provisions	7	18,972,332	16,366,778
		<u>690,532,565</u>	<u>968,255,421</u>
3 Current liabilities			
(a) Short-term borrowings	8	655,274,236	604,120,244
(b) Trade payables	9	1,218,175,617	972,629,094
(c) Other current liabilities	10	708,265,096	518,160,145
(d) Short-term provisions	11	4,172,032	3,340,958
		<u>2,585,886,981</u>	<u>2,098,250,441</u>
		<u><u>2,893,191,375</u></u>	<u><u>3,080,363,636</u></u>
TOTAL			
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12A	1,367,028,724	1,468,019,541
(ii) Intangible assets	12B	-	72,729,382
(iii) Capital work-in-progress		1,162,177	26,045,093
		<u>1,368,190,901</u>	<u>1,566,794,016</u>
2 Current assets			
(a) Inventories	13	1,249,487,543	1,323,072,824
(b) Trade receivables	14	110,718,916	46,859,933
(c) Cash and cash equivalents	15	91,351,155	76,525,987
(d) Short-term loans and advances	16	73,442,860	67,110,876
		<u>1,525,000,474</u>	<u>1,513,569,620</u>
		<u><u>2,893,191,375</u></u>	<u><u>3,080,363,636</u></u>
TOTAL			

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Ganesh Balakrishnan
Partner

T.V. Sandeep Kumar Reddy
Vice Chairman

T. Sarita Reddy
Executive Director

Place : Hyderabad
Date : April 27, 2015

V.R. Prasad
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2015

Particulars	Note	For the Year Ended 31 March, 2015 ₹	For the Year Ended 31 March, 2014 ₹
I. Revenue			
Revenue from operations (gross)	17	2,383,606,173	2,031,176,214
Less : Excise duty		71,089,225	60,657,687
Revenue from operations (net)		<u>2,312,516,948</u>	<u>1,970,518,527</u>
Other income	18	2,218,918	1,926,723
Total revenue		<u>2,314,735,866</u>	<u>1,972,445,250</u>
II. Expenses			
(a) Cost of materials consumed	19 a	2,005,908,209	2,009,107,819
(b) Changes in inventories of finished goods and work-in-process	19 b	68,641,331	(516,856,322)
(c) Employee benefits expense	20	134,101,655	113,412,139
(d) Finance costs	21	217,341,167	216,894,873
(e) Depreciation and amortisation expense	12C	114,940,718	126,252,943
(f) Other expenses	22	261,358,464	252,363,721
Total expenses		<u>2,802,291,544</u>	<u>2,201,175,173</u>
III Loss before exceptional items and tax(I-II)		<u>(487,555,678)</u>	<u>(228,729,923)</u>
IV Exceptional items	31	(136,215,758)	-
V Loss before tax (III +IV)		<u>(623,771,436)</u>	(228,729,923)
VI Tax expense		-	-
VII Loss for the year (V-VI)		<u>(623,771,436)</u>	<u>(228,729,923)</u>
Earnings per equity share (of ₹10/- each)	27		
Basic / Diluted (₹)		(14.59)	(5.49)

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Ganesh Balakrishnan
Partner

T.V. Sandeep Kumar Reddy
Vice Chairman

T. Sarita Reddy
Executive Director

Place : Hyderabad
Date : April 27, 2015

V.R. Prasad
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

Particulars	For the Year Ended 31 March, 2015 ₹	For the Year Ended 31 March, 2014 ₹
Cash flow from operating activities		
Loss before tax	(623,771,436)	(228,729,923)
Adjustments for:		
Depreciation and amortisation expense	114,940,718	126,252,943
Profit on sale of fixed assets	(8,000)	-
Impairment of Goodwill	60,615,758	-
Provision for employee benefits	-	(1,444,414)
Finance costs (including Exceptional item)	292,941,167	196,303,334
Interest income	(19,026)	(321,781)
Liabilities / provisions no longer required written back	(847,628)	(567,920)
Operating (loss)/ profit before working capital changes	(156,148,447)	91,492,239
Changes in working capital:		
Inventories	73,585,281	(524,917,072)
Trade receivables	(63,858,983)	(18,163,794)
Short-term loans and advances	(6,388,473)	23,729,589
Other current assets	-	172,907,156
Trade payables	246,394,152	365,874,896
Other current liabilities and provisions	13,869,328	110,417,650
Other long-term liabilities (net)	(16,025,910)	(131,689,302)
	247,575,395	(1,840,877)
Cash generated from operations	91,426,948	89,651,362
Direct tax paid (net of refunds)	56,489	100,103
Net cash flow from operating activities (A)	91,483,437	89,751,465
Cash flow from investing activities		
Purchase of fixed assets, including capital work-in-progress	(267,870)	(54,495,205)
Proceeds from sale of fixed assets	8,000	-
Subsidy received	-	5,251,381
Interest received	19,026	321,781
Net cash used in investing activities (B)	(240,844)	(48,922,043)
Cash flow from financing activities		
Proceeds from long-term borrowings	111,588,684	287,880,788
Repayment of long-term borrowings	(31,756,175)	(113,142,401)
Increase/(decrease) in short-term borrowings	51,153,992	10,121,234
Interest and other borrowing cost paid	(207,403,926)	(208,095,285)
Net cash flow used in financing activities (C)	(76,417,425)	(23,235,664)
Net increase in cash and cash equivalents (A+B+C)	14,825,168	17,593,758
Cash and Cash equivalents at the beginning of the year	76,525,987	58,932,229
Cash and Cash equivalents as at the end of year (Refer Note 15)	91,351,155	76,525,987

Note:

The cash flow statement is prepared under the indirect method as set out in the Accounting Standard 3 on "Cash Flow Statements". See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Ganesh Balakrishnan
Partner

T.V. Sandeep Kumar Reddy
Vice Chairman

T. Sarita Reddy
Executive Director

Place : Hyderabad
Date : April 27, 2015

V.R. Prasad
Chief Financial Officer

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Background:

Gayatri Sugars Limited was established in the year 1995. The Company is into manufacture of sugar and allied products. The Company also operates a cogeneration unit for power generation which is used for the captive consumption. The Company's Products includes sugar, distillery products like Rectified Spirit, Impure spirit, Extra neutral Alcohol. The processes of the company yield by-products like Molasses, Bagasse.

2. Significant Accounting Policies:

1. Basis of preparation of financial statements :

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2. Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported year. Actual results could differ from those estimates.

3. Fixed Assets:

Fixed Assets are stated at cost (net of CENVAT) less depreciation. Cost includes installation and expenditure during construction, including freight, insurance, borrowing costs and incidental expenses relating to acquisition. Fixed assets costing less than ₹5,000 are fully depreciated in the year of purchase. Depreciation is provided on straight line method as per the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.

Goodwill on Amalgamation is being amortised on Straight Line Basis over a period of ten years.

4. Impairment of Assets :

At each Balance Sheet date, the carrying values of the assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where there is an indication that there is a likely impairment loss for a group of assets, the company estimates the recoverable amount of the group of assets as a whole, to determine the value of impairment.

5. Inventories:

Raw materials, Stores and Spares and Consumables are valued at First in First out basis. Cost includes applicable taxes, duties, transport and handling costs.

Finished goods are valued at cost or net realizable value whichever is lower. Cost is average cost and includes all material costs, direct and indirect expenditure and inclusive of excise duty.

Work in progress is valued at cost inclusive of factory overheads.

By-products are valued at estimated net realisable value as the cost is not ascertainable.

6. Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

7. Taxes on income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

8. Employee Benefits:

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard (AS-15) "Employee Benefits" notified by the Companies (Accounting Standards) Rules, 2006.

i Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees on retirement, death while in employment or on termination of employment in an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Gratuity plan of the entity is an unfunded plan. The Company accounts for the liability for future Gratuity benefits on the basis of an independent actuarial valuation.

ii Provident Fund

In accordance with applicable local laws, eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan to which both the employee and employer contribute monthly at a determined rate (currently up to 12% of an employee's salary). These contributions are either made to the respective Regional Provident Fund Commissioner, or the Central Provident Fund under the state pension scheme, and are expensed as incurred.

iii Liability for Compensated absences

The accrual for unutilized leave is determined for the entire available leave balances standing to the credit of the employees at the year end. The value of such leave balance eligible for carry forward, is determined by actuarial valuation at the year-end recognised in the statement of profit and loss.

9. Revenue recognition:

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of trade discounts, sales returns but inclusive of excise duty.

Revenue from sale of power is recognised when the units generated are transmitted to the pooling station, in accordance with the terms and conditions of the power purchase agreement entered into by the Company with the purchasing party.

10. Other income:

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

11. Foreign currency transactions and translations:

Initial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

"Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss."

12. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised till the date the assets are put to use. All other borrowing costs are charged to revenue.

13. Leases:

Leases, where the lessor retains substantially all the risks and rewards incidental to the ownership are classified as operating leases. Operating lease payments are recognized as an expense in Profit and Loss account on Straight Line basis over the lease term.

14. Segment reporting:

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

15. Earnings Per Share:

The basic and diluted earnings per share ("EPS") are calculated by dividing the profit / (loss) after tax by the weighted average number of Equity Shares outstanding. Diluted earnings per share is computed by dividing net profits for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date.

16. Provisions and Contingencies:

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to the financial statement. A contingent asset is neither recognised nor disclosed.

17. 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 3 SHARE CAPITAL

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹10 each	65,000,000	650,000,000	65,000,000	650,000,000
Preference shares of ₹ 10 each	45,000,000	450,000,000	25,000,000	250,000,000
	<u>110,000,000</u>	<u>1,100,000,000</u>	<u>90,000,000</u>	<u>900,000,000</u>
(b) Issued				
Equity shares of ₹10 each	43,703,643	437,036,430	43,703,643	437,036,430
6% Cumulative redeemable preference shares of ₹ 10 each (Refer Note (iii) (a) & (iii) (b) below)	34,536,813	345,368,130	9,536,813	95,368,130
6% Cumulative optionally convertible preference shares of ₹ 10 each (Refer Note (iii) (c) below)	6,610,210	66,102,100	6,610,210	66,102,100
	<u>84,850,666</u>	<u>848,506,660</u>	<u>59,850,666</u>	<u>598,506,660</u>
(c) Subscribed and fully paid up				
Equity shares of ₹10 each	43,697,368	436,973,680	43,697,368	436,973,680
6% Cumulative redeemable preference shares of ₹ 10 each (Refer Note (iii) (a) & (iii) (b) below)	34,536,813	345,368,130	9,536,813	95,368,130
6% Cumulative optionally convertible preference shares of ₹ 10 each (Refer Note (iii) (c) below)	6,610,210	66,102,100	6,610,210	66,102,100
	<u>84,844,391</u>	<u>848,443,910</u>	<u>59,844,391</u>	<u>598,443,910</u>
(d) Subscribed but-not fully paid up				
Equity shares of ₹10 each (₹ 5 paid up)	6,275	31,375	6,275	31,375
	<u>6,275</u>	<u>31,375</u>	<u>6,275</u>	<u>31,375</u>
		<u>848,475,285</u>		<u>598,475,285</u>

Note :

i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	₹	Number of shares	₹
Equity Shares				
Per last Balance Sheet	43,703,643	437,036,430	43,703,643	437,036,430
Issued during the year	—	—	—	—
Balance at the end of the year	43,703,643	437,036,430	43,703,643	437,036,430
6% Cumulative redeemable preference shares (Refer Note (iii) (a) & (iii) (b) below)				
Per last Balance Sheet	9,536,813	95,368,130	9,536,813	95,368,130
Issued during the year *	25,000,000	250,000,000	-	-
Balance at the end of the year	34,536,813	345,368,130	9,536,813	95,368,130
6% Cumulative optionally convertible preference shares (Refer Note (iii) (c) below)				
Per last Balance Sheet	6,610,210	66,102,100	6,610,210	66,102,100
Issued during the year	—	—	—	—
Balance at the end of the year	6,610,210	66,102,100	6,610,210	66,102,100

* These shares represents, shares allotted on account of conversion of unsecured Loan.

(ii) Rights, preferences and restrictions attached to equity shares:

The Company has one class of equity shares having a par value of ₹ 10 each. Each equity shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(iii) Rights, preferences and restrictions attached to preference shares:

- a) 9,536,813 - 6% Cumulative redeemable preference shares are due for redemption on or after April 1, 2017.
- b) 25,000,000 - 6% Cumulative redeemable preference shares are due for redemption on or before September 30, 2023.
- c) Variation in terms of 6,610,210 - 6% Cumulative optionally convertible preference shares which were due for redemption on April 1, 2015 are as under:
 - i) Waiver of arrears of preference dividend till 1st April 2015.
 - ii) Changing the nomenclature to 6% cumulative redeemable preference shares w.e.f April 1, 2015
 - iii) Period of redemption extended from April 1, 2015 to April 1, 2025 with an early redemption right to the Company before the extended period of 10 years by giving 30 days notice.

These terms were approved by Preference shareholders vide resolution dated March 20, 2015.

iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting right				
Mohan Project Contractors Private Limited	7,708,789	18%	7,708,789	18%
Gayatri Fin-Holdings Private Limited	7,169,450	16%	7,169,450	16%
T.V. Sandeep Kumar Reddy	6,763,031	15%	6,763,031	15%
T. Indira Subbarami Reddy	3,793,508	9%	3,793,508	9%
T. Subbarami Reddy	3,255,814	7%	3,255,814	7%
T.S.R.Holdings Private Limited	2,895,478	7%	2,895,478	7%
6% Cumulative redeemable preference shares				
T.S.R.Holdings Private Limited	7,084,563	21%	7,084,563	74%
IFCI Limited	2,452,250	7%	2,452,250	26%
Mohan Project Contractors Private Limited	25,000,000	72%	-	-
6% Cumulative optionally convertible preference shares				
Mohan Project Contractors Private Limited	4,900,000	74%	4,900,000	74%
Gayatri Fin-Holdings Private Limited	1,710,210	26%	1,710,210	26%

v) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash:

- a) **Equity shares:** Issued 12,829,043 shares pursuant to scheme of amalgamation between Gayatri Sugars Limited and GSR Sugars Private Limited on 29 April, 2011
- b) **6% Cumulative optionally convertible preference shares:** Issued 6,610,210 shares pursuant to scheme of amalgamation between Gayatri Sugars Limited and GSR Sugars Private Limited on 29 April, 2011

vi) Details of calls unpaid on equity shares

Particulars	As at 31 March, 2015	As at 31 March, 2014
- Number of shares	6,275	6,275
- Unpaid Amount (₹)	31,375	31,375

vii) Arrears of fixed cumulative dividends on preference shares :

- a) Dividend on 6% cumulative redeemable preference shares- ₹ 51,530,127 (31 March, 2014 ₹ 40,054,615).
- b) Dividend on 6% cumulative optionally convertible preference shares - ₹ NIL (31 March, 2014 ₹ 15,864,504).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 4 Reserves and surplus

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	₹		₹	
Securities premium account				
Per last balance sheet		21,584,190		21,584,190
Deficit in statement of profit and loss				
Per last Balance Sheet		(606,201,701)		(377,471,778)
Add: Loss for the year		(623,771,436)		(228,729,923)
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Note 23.5)		23,314,509		-
		<u>(1,253,287,646)</u>		<u>(606,201,701)</u>
Total		<u><u>(1,231,703,456)</u></u>		<u><u>(584,617,511)</u></u>

Note 5 Long-term borrowings

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Non-current	Current*	Non-current	Current*
	₹	₹	₹	₹
Secured				
from Banks	272,466,123	82,035,500	231,801,817	38,888,892
from others	99,580,000	99,580,000	139,412,000	59,748,000
Unsecured				
Loans and advances from others (Refer Note 26)	264,208,771	-	517,974,771	-
	<u>636,254,894</u>	<u>181,615,500</u>	<u>889,188,588</u>	<u>98,636,892</u>
Vehicle Loans - Secured - from Bank	-	27,438	13,903	225,940
	<u>636,254,894</u>	<u>181,642,938</u>	<u>889,202,491</u>	<u>98,862,832</u>

* Current maturities are included in note 10 - Other Current Liabilities

NOTE 5 LONG-TERM BORROWINGS (contd.)

Notes: (i) Particulars of the security, terms of repayment, interest rates, etc. with respect to secured and unsecured long-term borrowings:

Secured Loans :

Term Loans :

Sl. No.	Loans	Security	Terms of Repayment	Applicable Interest rates	Period of Maturity with respect to balance sheet date (Months)	Number of Installments due	Outstanding as on March 31, 2015 ₹	Outstanding as on March 31, 2014 ₹
1	Andhra Bank-Harvesting Equipment Term Loan	Hypothecation of Two sugar cane harvesters; Four sugar cane interriders and Four Tractors purchased out of the bank finance. Personal Guarantee of M/s. T. Indira Subbarami Reddy, Mr. T.V. Sandeep Kumar Reddy and Mrs. T. Sarita Reddy	7 Yearly equal instalments from February 2012.	BPLR plus 0.50% plus 0.25% (Term Premia)	48	3 yearly equal instalments	7,41,24,20	7,41,24,21
2	Bank of Baroda - Term Loan	Paripassu First charge on the fixed assets of the Company's Kamarreddy Sugar unit including Distillery Unit, situated at Adloor Yellareddy Village, Sadasivonagar Mandal, Nizamabad District, Andhra Pradesh. Personal Guarantee of Sri T.V. Sandeep Kumar Reddy, Smt. T. Indira Subbarami Reddy and Smt. T. Sarita Reddy	36 equal monthly instalments after initial moratorium period of 12 months from the date of first disbursement	3.75% over Base Rate + Tenor Premium 0.10%, i.e. 14.10% p.a. at present with monthly rests for CR-5 rated account	48	36 monthly equal instalments	172,22,230	200,000,000
3	Andhra Bank - Excise Duty Term Loan	Primary Security: First pari-passu charge on all chargeable current assets of the company. Collateral Security: Paripassu First Charge on the Borrower's Building, Plant and Machinery of distillery unit at Kamarreddy unit worth Rs. 40 Crores Mortgage of agricultural land admeasuring Ac 0.10 Cts situated at Survey No: 98/A, Tekriyal Village, Kamarreddy Mandal, Nizamabad District, Andhra Pradesh, owned by the company (on pari-passu basis with other TL lenders) Mortgage of agricultural land admeasuring Ac 3.00 Cts situated at Survey No: 161/A, Tekriyal Village, Kamarreddy Mandal, Nizamabad District, Andhra Pradesh, owned by the company (on pari-passu basis with other TL lenders) Paripassu First Charge on the Present and Future Immovable Properties and Fixed Assets of Sugar unit along with working capital lenders. First pari-passu charge on Pledge of shares of M/s Gayatri Sugars Limited belonging to Smt. T. Indira Subbarami Reddy and Sri T.V. Sandeep Kumar Reddy. Personal Guarantee of Sri T.V. Sandeep Kumar Reddy, Smt. T. Indira Reddy and Smt. T. Sarita Reddy	5 years including moratorium of 2 years from date of first disbursement. The term loan is repayable in 36 equal monthly instalments commencing after moratorium of 2 years	Base Rate+5.75+0.25(IP) = 16.25% p.a (Floating)	60	36 monthly equal instalments	63,278,289	63,278,288
4	Union Bank of India - Excise Duty Term Loan	Primary Security: First pari-passu charge on all chargeable current assets of the company. Collateral Security: Paripassu First Charge on the Borrower's Building, Plant and Machinery of distillery unit at Kamarreddy unit worth ₹ 40 Crores Mortgage of agricultural land admeasuring Ac 0.10 Cts situated at Survey No: 98/A, Tekriyal Village, Kamarreddy Mandal, Nizamabad District, Andhra Pradesh, owned by the company (on pari-passu basis with other TL lenders) Mortgage of agricultural land admeasuring Ac 3.00 Cts situated at Survey No: 161/A, Tekriyal Village, Kamarreddy Mandal, Nizamabad District, Andhra Pradesh, owned by the company (on pari-passu basis with other TL lenders) Paripassu First Charge on the Present and Future Immovable Properties and Fixed Assets of Sugar unit along with working capital lenders. First pari-passu charge on Pledge of shares of M/s Gayatri Sugars Limited belonging to Smt. T. Indira Subbarami Reddy and Sri T.V. Sandeep Kumar Reddy. Personal Guarantee of Sri T.V. Sandeep Kumar Reddy, Smt. T. Indira Subbarami Reddy and Smt. T. Sarita Reddy	5 years including moratorium of 2 years from date of first disbursement. The term loan is repayable in 36 equal monthly instalments commencing after moratorium of 2 years	Base rate + 6% p.a	60	36 Monthly instalments	38,800,000	-

Twentieth Annual Report

SL No.	Loans	Security	Terms of Repayment	Applicable Interest rates	Period of Maturity with respect to balance sheet date (Months)	Number of Installments due	Outstanding as on March 31, 2015 ₹	Outstanding as on March 31, 2014 ₹
5	State Bank of India - Excise Duty Term Loan	<p>Primary Security: First pari-passu charge on all chargeable current assets of the company.</p> <p>Collateral Security: Pari Passu First Charge on the Borrower's Building, Plant and Machinery of distillery unit at Kamareddy unit worth ₹ 40 Crores/Mortgage of agricultural land admeasuring Ac 0.10 Gts situated at Survey No: 98/A, Tekriyal Village, Kamareddy Mandal, Nizamabad District, Andhra Pradesh, owned by the company (on pari-passu basis with other TL lenders)</p> <p>Mortgage of agricultural land admeasuring Ac 3.00 Gts situated at Survey No: 161/A, Tekriyal Village, Kamareddy Mandal, Nizamabad District, Andhra Pradesh, owned by the company (on pari-passu basis with other TL lenders)</p> <p>Pari Passu First Charge on the Present and Future Immoveable Properties and Fixed Assets of Sugar unit along with working capital lenders.</p> <p>First pari-passu charge on Pledge of shares of M/s Gayatri Sugars Limited belonging to Smt. T.Indira Subbarami Reddy and Sri T.V. Sandeep Kumar Reddy.</p> <p>Personal Guarantee of Sri T.V. Sandeep Kumar Reddy, Smt. T.Indira Reddy and Smt. T.Sarita Reddy.</p>	5 years including moratorium of 2 years from date of first disbursement. The term loan is repayable in 36 equal monthly instalments commencing after moratorium of 2 years	Base rate+7.10% at monthly rests	60	36 Monthly instalments	29,000,000	-
6	Bank of Baroda - Excise Duty Term Loan	<p>Primary Security: First pari-passu charge on all chargeable current assets of the company.</p> <p>Collateral Security: Pari Passu First Charge on the Borrower's Building, Plant and Machinery of distillery unit at Kamareddy unit worth ₹ 40 Crores/Mortgage of agricultural land admeasuring Ac 0.10 Gts situated at Survey No: 98/A, Tekriyal Village, Kamareddy Mandal, Nizamabad District, Andhra Pradesh, owned by the company (on pari-passu basis with other TL lenders)</p> <p>Mortgage of agricultural land admeasuring Ac 3.00 Gts situated at Survey No: 161/A, Tekriyal Village, Kamareddy Mandal, Nizamabad District, Andhra Pradesh, owned by the company (on pari-passu basis with other TL lenders)</p> <p>Pari Passu First Charge on the Present and Future Immoveable Properties and Fixed Assets of Sugar unit along with working capital lenders.</p> <p>First pari-passu charge on Pledge of shares of M/s Gayatri Sugars Limited belonging to Smt. T.Indira Subbarami Reddy and Sri T.V. Sandeep Kumar Reddy.</p> <p>Personal Guarantee of Sri T.V. Sandeep Kumar Reddy, Smt. T.Indira Reddy and Smt. T.Sarita Reddy.</p>	5 years including moratorium of 2 years from date of first disbursement. The term loan is repayable in 36 equal monthly instalments commencing after moratorium of 2 years	3.75%+Base rate +10% Premium of 0.10% or ROI charged by Andhra Bank - Whichever is higher	60	36 monthly equal instalments	34,799,664	-
7	Punjab National Bank - Excise Duty Term Loan	<p>Primary Security: First pari-passu charge on all chargeable current assets of the company.</p> <p>Collateral Security: Pari Passu First Charge on the Borrower's Building, Plant and Machinery of distillery unit at Kamareddy unit worth ₹ 40 Crores/Mortgage of agricultural land admeasuring Ac 0.10 Gts situated at Survey No: 98/A, Tekriyal Village, Kamareddy Mandal, Nizamabad District, Andhra Pradesh, owned by the company (on pari-passu basis with other TL lenders)</p> <p>Mortgage of agricultural land admeasuring Ac 3.00 Gts situated at Survey No: 161/A, Tekriyal Village, Kamareddy Mandal, Nizamabad District, Andhra Pradesh, owned by the company (on pari-passu basis with other TL lenders)</p> <p>Pari Passu First Charge on the Present and Future Immoveable Properties and Fixed Assets of Sugar unit along with working capital lenders.</p> <p>First pari-passu charge on Pledge of shares of M/s Gayatri Sugars Limited belonging to Smt. T.Indira Subbarami Reddy and Sri T.V. Sandeep Kumar Reddy.</p> <p>Personal Guarantee of Sri T.V. Sandeep Kumar Reddy, Smt. T.Indira Reddy and Smt. T.Sarita Reddy.</p>	5 years including moratorium of 2 years from date of first disbursement. The term loan is repayable in 36 equal monthly instalments commencing after moratorium of 2 years	Base rate +6%+ Term Premium	60	36 Monthly instalments	8,989,000	-

Sl. No.	Loans	Security	Terms of Repayment	Applicable Interest rates	Period of Maturity with respect to balance sheet date (Months)	Number of Installments due	Outstanding as on March 31, 2015 ₹	Outstanding as on March 31, 2014 ₹
8	IFCI - Sugar Development Fund - Term Loan	Exclusive charge on the Fixed Assets of the Nizamsagar Unit.	5 yearly instalments after moratorium of 8 years from date of disbursement.	4%	55	5 Yearly instalments	199,160,000	199,160,000
9	Union Bank of India - Vehicle Loan	Hypothecation of Vehicle	60 Monthly instalments ₹ 17,380 w.e.f April-2010	11.25%	14	15 Monthly Instalments	27,438	239,843
Unsecured Loan								
Sl. No.	Loans	Security	Terms of Repayment	Applicable Interest rates	Period of Maturity with respect to balance sheet date (Months)	Number of Installments due	Outstanding as on March 31, 2015 ₹	Outstanding as on March 31, 2014 ₹
1	Mohan Project Contractors Private Limited	Unsecured	The Lender, has an option to convert the loan in full or partly into Equity or Preference shares of the company at any time during the tenure of term loan which is March 31, 2018.	9.50%	108	20 Quarterly instalments	264,208,771	517,974,771

(ii) The Company has defaulted in repayment of loans and interest in respect of the following:

S.No	Particulars	As at 31 March, 2015		As at 31 March, 2014	
		Period of Default (No. of days upto date of repayment)	Amount ₹	Period of Default (No. of days) upto date of repayment	Amount ₹
Term Loans					
1	Bank of Baroda	-	11,111,110	-	-
2	IFCI - Sugar Development Fund Term Loan	Not paid	59,748,000	Not paid	19,916,000
Interest					
1	Bank of Baroda-Term loan	Not paid	4,243,409	-	-
2	Andhra Bank-Harvesting Equipment Term loan	Not paid	68,419	-	-
3	Excise Duty Term loan	Not paid	3,211,181	-	-
4	Interest accrued and due on Right of Recompense (ROR)	Not paid	69,495,600	-	-
5	Union Bank of India - Cash Credit interest	Not paid	519,152	-	-
6	Mohan Project Contractors Private Limited	Not paid	6,292,083	-	-
7	IFCI - Sugar Development Fund Term Loan	Not paid	21,720,990	Not paid	6,667,768

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
Note 6 Other Long Term Liabilities		
Crop loan	—	18,631,464
Interest accrued but not due	35,305,339	43,985,441
Interest on crop loan	—	69,247
Total	<u>35,305,339</u>	<u>62,686,152</u>
Note 7 Long-term Provisions		
Provision for employee benefits (Refer Note 24 b)		
Compensated absences	3,175,924	2,852,747
Gratuity	15,796,408	13,514,031
Total	<u>18,972,332</u>	<u>16,366,778</u>
Note 8 Short-term borrowings		
Loans repayable on demand		
From banks		
Secured	655,274,236	604,120,244
Total	<u>655,274,236</u>	<u>604,120,244</u>

Notes:

Details of security for the short-term borrowings:

Loans repayable on demand from banks:

State Bank of India (Refer Notes (i) to (vi) below)	113,473,775	97,480,194
Bank of Baroda (Refer Notes (i) to (vi) below)	108,699,933	107,049,790
Andhra Bank (Refer Notes (i) to (vi) below)	248,371,222	216,789,131
Punjab National Bank (Refer Notes (i) to (vi) below)	32,649,825	34,019,973
United Bank of India (Refer Notes (i) to (vi) below)	152,079,481	148,781,156
Total - from banks	<u>655,274,236</u>	<u>604,120,244</u>

- (i) First charge on all chargeable current assets of the Company (viz.) sugar, molasses, bagasse, stores and spares, extra neutral alcohol, rectified spirit and receivables on pari-passu basis with other members of the consortium lenders.
- (ii) Second charge on the Company's present and future immovable properties and fixed assets of sugar unit at Kamareddy unit on pari-passu basis with the other members of the Consortium and term lender (Indian Overseas Bank).
- (iii) Second charge on the Company's buildings, plant & machinery of distillery unit at Kamareddy unit on pari-passu basis with the other members of the consortium lenders.
- (iv) Pledge of shares of Gayatri Sugars Limited belonging to Smt. T. Indira Subbarami Reddy and Sri T.V. Sandeep Kumar Reddy.
- (v) Personal guarantee of Shri T.V. Sandeep Kumar Reddy, Smt. T Indira Subbarami Reddy and Smt. T. Sarita Reddy.
- (vi) Second pari passu charge on present and future total immovable properties and fixed assets of unit at Nizamsagar.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
Note 9 Trade Payables		
Trade Payables (Refer note 23.2)		
Other than Acceptances	1,218,175,617	972,629,094
Total	1,218,175,617	972,629,094
Note 10 Other Current Liabilities		
Current maturities of long-term debt (Refer Note 5)	181,642,938	98,862,832
Interest accrued but not due on borrowings	14,375,235	15,245,529
Interest accrued and due on borrowings	105,550,834	6,667,768
Other payables		
Statutory remittances	61,844,332	57,037,657
Payables on purchase of fixed assets	15,136,503	19,102,044
Advances from customers	64,604,478	24,376,677
Crop loan	245,666,152	273,696,832
Interest on crop loan	19,444,624	23,170,806
	708,265,096	518,160,145
Note 11 Short-term Provisions		
(a) Provision for employee benefits (Refer Note 24 b)		
Provision for compensated absences	617,105	385,089
Provision for gratuity	1,281,054	681,996
	1,898,159	1,067,085
(b) Provision - others *		
Provision for preference dividend	1,471,350	1,471,350
Provision for tax on preference dividend	802,523	802,523
	2,273,873	2,273,873
	4,172,032	3,340,958

* The Company had made the provision towards preference dividend(6% Cumulative redeemable preference shares) of ₹5,722,088 and dividend distribution tax thereon of ₹802,523 during the year ended March 31, 2007. In view of the carried forward losses in the books, the Company had not remitted the dividend and tax thereon and was in the process of obtaining consent for not remitting the same. Subsequently, the Company has remitted the amount to the preference shareholder .

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
NOTE 12 FIXED ASSETS

Description	Costs				Depreciation /Amortisation				Net book value	
	Balance as at 1 April, 2014 ₹	Additions/ Adjustments ₹	Disposals ₹	Balance as at 31 March, 2015 ₹	For the year ₹	On disposals ₹	Impairment losses recognised in Statement of Profit and Loss (Refer Note 31(b)) ₹	Other adjustments/ Transition adjustment recorded against balance in Statement of Profit and Loss (Refer Note 23.5) ₹	Balance as at 31 March, 2015 ₹	Balance as at 31 March, 2014 ₹
A. Tangible assets										
Land freehold	33,394,661 (33,394,661)	-	-	33,394,661 (33,394,661)	-	-	-	-	-	33,394,661
Buildings	364,517,668 (364,517,668)	-	-	364,517,668 (364,517,668)	11,287,425 (10,408,129)	-	-	15,387,903	141,135,639 (114,460,311)	223,382,029
Plant and equipment (Note (ii) below)	2,142,941,557 (2,096,621,470)	24,882,920 (46,320,087)	-	2,167,824,477 (2,142,941,557)	90,786,431 (102,874,940)	-	-	7,918,313	1,059,133,601 (960,428,857)	1,108,690,876
Furniture and fixtures	2,059,408 (2,059,408)	-	-	2,059,408 (2,059,408)	19,079 (39,161)	-	-	-	1,906,126 (1,967,047)	73,282
Vehicles	9,073,591 (9,073,591)	135,946	55,110	9,154,427 (9,073,591)	210,700 (731,271)	55,110	-	-	7,885,661 (7,730,071)	1,268,766
Computers	7,391,111 (7,095,775)	131,920 (295,336)	-	7,523,031 (7,391,111)	523,459 (85,818)	-	-	8,293	7,303,921 (6,772,169)	219,110
Total	2,559,377,996 (2,512,762,573)	25,150,786 (46,615,423)	55,110	2,584,473,672 (2,559,377,996)	102,827,094 (114,139,319)	55,110	-	23,314,509	1,217,444,948 (1,091,358,455)	1,367,028,724 1,468,019,541
B. Intangible assets										
Goodwill	121,183,880 (121,183,880)	-	-	121,183,880 (121,183,880)	12,113,624 (12,113,624)	-	60,615,758	-	121,183,880 (48,454,498)	-
Total	121,183,880 (121,183,880)	-	-	121,183,880 (121,183,880)	12,113,624 (12,113,624)	-	60,615,758	-	121,183,880 (48,454,498)	- 72,729,382

Notes: (i) Figures in brackets relates to previous year. (ii) Addition during the previous year is net of ₹ 5,251,380, relates to subsidy received from the Government of Andhra Pradesh Department of Agricultural.

C. Depreciation and amortisation :

Description	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Depreciation for the year on tangible assets as per Note 12 A	102,827,094	114,139,319
Amortisation for the year on intangible assets as per Note 12 B	12,113,624	12,113,624
Depreciation and amortisation -	114,940,718	126,252,943

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
Note 13 Inventories		
(At lower of cost and net realisable value)		
Finished goods	1,153,532,015	1,150,781,633
Work-in-process	—	36,705,254
Stores and spares	36,065,824	41,009,774
By-products	59,889,704	94,576,163
Total	<u>1,249,487,543</u>	<u>1,323,072,824</u>
Details of finished goods and by-products		
(i) Finished goods		
Sugar	1,115,947,940	1,123,560,697
Rectified spirits	37,542,390	27,173,636
Carbondi-oxide- CO2	41,685	47,300
Total	<u>1,153,532,015</u>	<u>1,150,781,633</u>
(ii) Work-in-process		
Sugar	-	32,506,890
Molasses	-	4,198,364
Total	<u>-</u>	<u>36,705,254</u>
(iii) By-products		
Molasses	30,045,538	53,841,054
Distillery	12,477,698	21,804,221
Bagasse	17,366,468	18,930,888
Total	<u>59,889,704</u>	<u>94,576,163</u>
Note 14 Trade receivables		
(Unsecured, considered good, unless otherwise stated)		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	414,268	408,915
Other trade receivables	110,304,648	46,451,018
Total	<u>110,718,916</u>	<u>46,859,933</u>
Note 15 Cash and cash equivalents		
Cash on hand	107,381	69,294
Balances with banks in current accounts	91,243,774	76,456,693
Total	<u>91,351,155</u>	<u>76,525,987</u>

Note: Cash and cash equivalents as above meet the definition of Cash and Cash Equivalents as per Accounting Standard- 3 "Cash Flow Statements"

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
Note 16 Short-term loans and advances		
(Unsecured, considered good, unless otherwise stated)		
Loans and advances		
Considered good	40,721,104	42,789,206
Considered doubtful	3,645,045	3,645,045
	44,366,149	46,434,251
Less: Provision for doubtful loans and advances	3,645,045	3,645,045
	40,721,104	42,789,206
Security deposits	20,495,807	7,274,013
Loans and advances to employees	1,337,485	1,114,409
Prepaid expenses	4,428,556	3,809,810
Balances with government authorities		
(i) CENVAT credit receivable	5,905,552	6,455,707
(ii) VAT credit receivable	-	1,575,585
(iii) Service tax credit receivable	-	3,481,301
Advance tax and tax deducted at source	554,356	610,845
Total	73,442,860	67,110,876

Particulars	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
Note 17 Revenue from operations		
Sale of products (Refer Note (i) below)	2,376,291,520	2,027,482,879
Other operating revenues (Refer Note (ii) below)	7,314,653	3,693,335
	2,383,606,173	2,031,176,214
Less: Excise duty	71,089,225	60,657,687
Total	2,312,516,948	1,970,518,527
Notes:		
(i) Sale of products comprises		
Manufactured goods		
Sugar	1,990,948,271	1,726,133,884
Rectified spirit	278,695,354	240,988,973
Power (Refer Note 32)	103,944,935	58,294,000
Carbondi-oxide- CO2	1,971,632	2,066,022
Bagasse	731,328	-
Total	2,376,291,520	2,027,482,879
(ii) Other operating revenues comprise:		
Sale of scrap	6,357,261	3,337,306
Others	957,392	356,029
Total	7,314,653	3,693,335

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
Note 18 Other income		
Interest income on fixed deposits with bank	15,356	321,781
Interest income on tax refund	3,670	-
Liabilities / provisions no longer required written back	847,628	567,920
Insurance claims	-	49,286
Harvesting machine receipts	1,344,264	987,736
Profit on sale of fixed assets	8,000	-
Total	2,218,918	1,926,723
Note 19. (a) Cost of materials consumed		
Opening stock	-	-
Add: Purchase of sugar cane, molasses etc.	2,005,908,209	2,009,107,819
Less: Closing stock	-	-
Total	2,005,908,209	2,009,107,819
Material consumed comprises:		
Sugar cane	1,877,570,095	1,687,066,378
Molasses	22,754,972	16,053,781
Cane development incentive	68,106,820	279,689,087
Others	37,476,322	26,298,573
Total	2,005,908,209	2,009,107,819
Note 19 (b) Changes in inventories of finished goods and work-in-process		
Inventories at the end of the year:		
Finished goods	1,213,421,719	1,245,357,796
Work-in-process	-	36,705,254
	1,213,421,719	1,282,063,050
Inventories at the beginning of the year:		
Finished goods	1,245,357,796	765,206,728
Work-in-process	36,705,254	-
	1,282,063,050	765,206,728
Net decrease / (increase)	68,641,331	(516,856,322)
Note 20 Employee benefits expense		
Salaries and wages	119,240,770	103,794,698
Contributions to provident and other funds (Refer Note 24 a)	7,425,867	6,259,677
Gratuity (Refer Note 24 b)	3,407,054	(478,876)
Staff welfare expenses	4,027,964	3,836,640
Total	134,101,655	113,412,139
Note 21 Finance costs		
Interest expense on:		
Borrowings	191,744,547	188,055,844
Others (crop loans)	20,431,982	20,591,539
Other borrowing costs	5,164,638	8,247,490
Total	217,341,167	216,894,873

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
Note 22 Other expenses		
Consumption of stores and spare parts	161,464,165	152,032,107
Distillery expenses	4,491,564	4,391,679
Handling charges	18,329,889	13,461,155
Increase of excise duty on inventory	8,264,070	12,762,794
Power and fuel	12,151,926	18,345,524
Rent	1,500,056	1,253,456
Repairs and maintenance		
-Buildings	1,345,364	1,984,283
-Machinery	17,697,775	18,326,161
- Others	1,787,811	2,048,521
Insurance	3,033,698	2,039,576
Rates and taxes	7,437,397	4,105,830
Communication	1,403,848	1,242,416
Travelling and conveyance	5,900,948	6,075,747
Printing and stationery	370,974	297,481
Legal and professional	2,058,057	2,329,621
Payments to auditors (Refer Note below)	1,500,000	1,520,753
Miscellaneous expenses	12,620,922	10,146,617
Total	261,358,464	252,363,721
Note : Payment to the auditors comprise (net of service tax input credit)		
Audit fees	900,000	900,000
Limited reviews	600,000	600,000
Reimbursement of expenses	-	20,753
Total	1,500,000	1,520,753

Note 23 Additional information to the financial statements

Particulars	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
23.1 Contingent liabilities and commitments		
(i) Contingent liabilities		
(a) Claims against the company not acknowledged as debt	2,494,497	2,494,497
(b) Central excise demand	13,881,669	13,881,669
(c) VAT demand	2,214,159	2,214,159
(d) Dividend on 6% cumulative redeemable preference shares	51,530,127	40,054,615
(e) Dividend on 6% cumulative optionally convertible preference shares.	-	15,864,504
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account (Net of capital advances ₹ Nil)		
Tangible assets	-	-
Other commitments	1,820,000,000	1,820,000,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
23.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	659,612	1,555,572
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	158,307	20,867
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	179,174	20,867
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	179,174	20,867
Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.		

Particulars	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
23.3 Details of consumption of imported and indigenous items		
Raw Materials		
Imported	-	-
Indigenous	2,005,908,209	2,009,107,819
	<u>2,005,908,209</u>	<u>2,009,107,819</u>
% Consumption		
Imported	-	-
Indigenous	100.00	100.00
Spare parts & consumables		
Imported	-	-
Indigenous	161,464,165	152,032,107
% Consumption		
Imported	-	-
Indigenous	100	100

23.4 The cane development incentive is paid by the company to encourage farmers to harvest the sugar crop and supply the canes to the company without any disruption. Such incentives are determined based on contractual terms agreed with the farmers against supplies.

23.5 During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, The Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. Further, assets individually costing ₹ 5,000 or less that were depreciated fully in the year of purchase are now depreciated based on the useful life considered by the Company for the respective category of assets. The details of previously applied depreciation method, rates / useful life are as follows:

Asset	Previous depreciation rate / useful life	Revised useful life based on SLM
Buildings	3.34% / 30 years	60 years
Computers	16.21% / 6 years	3 years
Plant and equipment	5.28% / 19 years	25 years
Furniture and Fixtures	6.33% / 16 years	10 years
Vehicles	10% / 10 years	10 years

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets (determined after considering the change in the method of depreciation from WDV to SLM), net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 23,314,509 (net of deferred tax of ₹ Nil) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus. Consequently the depreciation and amortization expenses for the year ended March 31, 2015 is lower by ₹ 18,487,893.

23.6 As required under Section 203 of the Act, read with Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company shall have a whole-time Company Secretary. The Company is in the process of appointing a whole-time Company Secretary.

Disclosures under Accounting Standards

Note 24 Employee benefit plans

24 a Defined contribution plans

The Company makes provident fund to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 7,414,053 (31 March, 2014: ₹ 6,249,677) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

24 b Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

- i. Gratuity (Unfunded)
- ii. Compensated Absences

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	Year ended 31 March, 2015		Year ended 31 March, 2014	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
	₹	₹	₹	₹
Current service cost	1,424,226	165,448	915,237	21,258
Interest cost	1,135,682	259,027	1,256,942	253,320
Actuarial losses/(gains)	847,146	1,928,192	(2,651,055)	1,868,710
Total expense recognised in the Statement of Profit and Loss	3,407,054	2,352,667	(478,876)	2,143,288
Change in defined benefit obligations (DBO) during the year				
Present value of DBO at beginning of the year	14,196,027	3,237,836	15,711,778	3,166,499
Current service cost	1,424,226	165,448	915,237	21,258
Interest cost	1,135,682	259,027	1,256,942	253,320
Actuarial (gains) / losses	847,146	1,928,192	(2,651,055)	1,868,710
Benefits paid	(525,619)	(1,797,474)	(1,036,875)	(2,071,951)
Present value of DBO at the end of the year	17,077,462	3,793,029	14,196,027	3,237,836
Actuarial assumptions				
Discount rate	8%	8%	8%	8%
Salary escalation	4%	4%	4%	4%
Attrition	5%	5%	5%	5%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Experience adjustments	₹				
	2014-15	2013-14	2012-13	2011-12	2010-11
Gratuity					
Present value of DBO	17,077,462	14,196,027	15,711,778	12,964,379	10,226,953
Compensated Absences					
Present value of DBO	3,793,029	3,237,836	3,166,499	2,815,511	2,421,055

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 25 SEGMENT INFORMATION

There are two reportable Segments in the company namely Sugar and Distillery under Accounting Standard – 17 on ‘Segment Reporting’ notified by the Companies (Accounting Standard) Rules, 2006. The segment results are given below:

Particulars	For the year ended 31 March, 2015				For the year ended 31 March, 2014			
	Business segments		Eliminations ₹	Total ₹	Business segments		Eliminations ₹	Total ₹
	Sugar ₹	Distillery ₹			Sugar ₹	Distillery ₹		
Revenue	* 2,033,156,553	279,360,395	-	2,312,516,948	*1,728,654,007	241,864,520	149,193,123	1,970,518,527
Inter-segment revenue	129,395,200	-	129,395,200	-	149,193,123	-	149,193,123	-
Total	2,162,551,753	279,360,395	129,395,200	2,312,516,948	1,877,847,130	241,864,520	149,193,123	1,970,518,527
Segment result	(477,635,305)	144,586,118	(333,049,187)	(333,049,187)	(121,836,626)	108,074,853	(13,761,773)	(13,761,773)
Finance cost**	292,941,167	-	292,941,167	292,941,167	214,984,027	1,910,846	216,894,873	216,894,873
Operating income	(770,576,472)	144,586,118	(625,990,354)	(625,990,354)	(336,820,653)	106,164,007	(230,656,646)	(230,656,646)
Other income (net)			2,218,918	2,218,918			1,926,723	1,926,723
Loss before taxes			(623,771,436)	(623,771,436)			(228,729,923)	(228,729,923)
Tax expense			-	-			-	-
Loss for the year			(623,771,436)	(623,771,436)			(228,729,923)	(228,729,923)
Segment assets	2,541,130,112	351,506,909	-	2,892,637,021	2,675,996,087	403,756,704	3,079,752,791	3,079,752,791
Unallocable assets			554,354	554,354			610,845	610,845
Total assets				2,893,191,375				3,080,363,636
Segment liabilities	3,255,753,373	18,392,300		3,274,145,673	3,043,553,900	20,678,089	3,064,231,989	3,064,231,989
Unallocable liabilities				2,273,873			2,273,873	2,273,873
Total liabilities				3,276,419,546				3,066,505,862
Net Assets				(383,228,171)				13,857,774
Other information								
Capital expenditure- Tangible			267,870	267,870	46,615,423	-	46,615,423	46,615,423
Depreciation and amortisation	79,347,116	35,593,602	114,940,718	114,940,718	92,444,518	21,694,801	114,139,319	114,139,319
Unallocated amortisation			-	-			12,113,624	12,113,624
Total Depreciation and amortisation	79,347,116	35,593,602	114,940,718	114,940,718	92,444,518	21,694,801	126,252,943	126,252,943

* Includes sale of power ₹ 103,944,935 (31.03.2014 ₹ 58,294,000), as the Product has not satisfied the condition of 10% of total revenue as stated in AS-17, the same has been included in Revenue of Sugar Segment.

** Finance cost includes provision made towards ROR refer Note No. 31 (a) for details.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 26 Related party disclosures

Note 26 Related party disclosures

(i) Names of the related parties and their relationship:

Description of relationship	Names of related parties
Promoter / Shareholder	Dr. T Subbarami Reddy
Key Management Personnel	Smt. T. Indira Subbarami Reddy - Director Sri. T.V. Sandeep Kumar Reddy -Vice Chairman Smt. T. Sarita Reddy- Executive Director Mr. V.R. Prasad - Chief Finance Officer
Company Under Common Management	Gayatri Fin Holdings Limited TSR Holdings Private Limited Deep Corporation Private Limited Gayatri Tissue and Papers Limited
Major Shareholder	Mohan Project Contractors Private Limited
Trust under Common Management	TSR Foundation

Note: Related parties have been identified by the Management.

(ii) Related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015:

	Company Under Common Management	Key Management Personnel	Trust under common management	Major Shareholder	Total
Remuneration to Executive Director (Smt. T Sarita Reddy)	- (-)	3,699,000 (3,699,000)	- (-)	- (-)	3,699,000 (3,699,000)
Rent paid Deep Corporation Private Limited	1,065,011 (1,065,011)	- (-)	- (-)	- (-)	1,065,011 (1,065,011)
Unsecured Loan Mohan Project Contractors Private Limited	- (-)	- (-)	- (-)	- (24,602,500)	- (24,602,500)
Preference share capital Mohan Project Contractors Private Limited	- (-)	- (-)	- (-)	250,000,000 (-)	250,000,000 (-)
Contribution towards donations TSR Foundation	- (-)	- (-)	600,000 (600,000)	- (-)	600,000 (600,000)
Interest Expense Mohan Project Contractors Private Limited	- (-)	- (-)	- (-)	39,910,798 (48,332,988)	39,910,798 (48,332,988)
Balances outstanding at the end of the year Unsecured Loan Mohan Project Contractors Private Limited	- (-)	- (-)	- (-)	264,208,771 (493,372,271)	264,208,771 (493,372,271)
Interest accrued but not due Mohan Project Contractors Private Limited	- (-)	- (-)	- (-)	6,292,083 (1,932,308)	6,292,083 (1,932,308)
Guarantees given against working capital loans, term loans Smt. T Indira Subbarami Reddy - Director Sri. T.V. Sandeep Kumar Reddy -Vice Chairman Smt. T Sarita Reddy- Executive Director	- (-)	1,254,200,000 (1,254,200,000)	- (-)	- (-)	1,254,200,000 (1,254,200,000)

Note: Figures in bracket relates to the previous year

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note	Particulars	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
Note 27 Earnings per share			
	Net loss for the year (₹)	(623,771,436)	(228,729,923)
	Less: Preference dividend and tax thereon (₹)	<u>13,811,927</u>	<u>11,334,726</u>
	Net loss for the year attributable to the equity shareholders (₹)	<u>(637,583,363)</u>	<u>(240,064,649)</u>
	Weighted average number of equity shares	43,700,506	43,700,506
	Par value per share (₹)	10	10
	Earnings per share - Basic / Diluted (₹)	(14.59)	(5.49)

Note : Potential Equity Shares on account of conversion of 6% Cumulative Optionally Convertible Preference Shares has been ignored in calculating Diluted EPS since it is anti-dilutive in nature as on 31 March, 2014.

Note	Particulars	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
Note 28 Deferred tax (liability) / asset			
	Tax effect of items constituting deferred tax liability		
	On difference between book balance and tax balance of fixed assets	206,484,539	209,734,834
	Tax effect of items constituting deferred tax liability	206,484,539	207,226,258
	Tax effect of items constituting deferred tax assets		
	Provision for compensated absences, gratuity and other employee benefits	6,448,982	5,387,064
	Provision for doubtful advances	<u>1,126,319</u>	<u>1,126,319</u>
	Unabsorbed depreciation carried forward	<u>198,909,238</u>	<u>200,266,551</u>
	Tax effect of items constituting deferred tax assets	<u>206,484,539</u>	<u>207,226,258</u>
	Net deferred tax (liability) / asset	-	-

Note : The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

Note 29 There are no derivative contracts taken during the year and outstanding as at the year-end. Further, there are no foreign currency exposures as at the year-end.

Note 30 As at March 31, 2015 the accumulated losses amounted to ₹ 1,253,287,646 which has completely eroded the net worth of the Company. The Company has made a reference to the Board for Industrial and Financial Reconstruction (BIFR) on August 5, 2013, under Section 23 of Sick Industrial Companies (Special Provisions) Act, 1985. Further, the Company is dependent on continuous support from its promoters. As of March 31, 2015 the promoters have arranged an unsecured loan of ₹ 264,208,771. Further during the year, the unsecured loan of ₹ 250,000,000 has been converted to 6% Cumulative Redeemable Preference Shares at a face value of ₹ 10 each for a tenure of not exceeding 9 years. The financial statements have been prepared on a going concern basis based on a Comfort letter received from its promoters for continued support to the Company with all necessary assistances including financial and operational to continue with the operations of the Company. Promoters are hopeful that Company would be able to generate sufficient profits in the foreseeable future to make it economically viable.

Note 31 Exceptional item (a) The Company paid interest on Working Capital loans raised from the Banks at a concessional rate under Corporate Debt Restructuring ('CDR') scheme as per the Reserve Bank of India guidelines, pursuant to which, the Banks had a Right of Recompense ('ROR') i.e. interest rate concession given earlier to the Company, which shall be compensated by the Company at the end of the scheme. Upon expiry of the CDR time period, the respective banks raised a demand of ₹ 84,000,000 towards ROR and the Company's proposal for payment of interest claims partly in cash and the balance in the form of issue of redeemable preference shares had not been agreed by the banks during the previous years. The Company paid ₹ 84,00,000 till March 31, 2014. As the Company was incurring losses for past few years and there was

no cash surplus, the Company was pursuing with the banks for waiver of balance amount of ₹ 75,600,000. In consortium meeting held on June 9, 2014, the member banks of the consortium decided that the ROR payment should be made at the earliest by March 2015. Consequently, the management of the Company has agreed to pay ROR amount in installments has accordingly made provision towards the same.(b) As at March 31, 2015 an amount of ₹ 60,615,758 was carried as goodwill, which arose on account of company's amalgamation with GSR Sugars Private Limited in the year 2010. In view of continuous losses and substantial erosion of net worth ,more fully detailed in note 30, the management is of the opinion that the goodwill is required to be impaired. Consequently, an amount of ₹ 60,615,758, has been provided towards provision for impairment of goodwill and the same has been disclosed as 'exceptional item' in the financial statements.

Note 32 The Company has recognized revenue at revised tariff on the Export of Power to TPNPDCL based on the order passed by Appellate Tribunal for Electricity, remanding the matter to the State Commission. The Appellate Tribunal vide its order dated November 20, 2014, remanded the matter for state commission for considering the revision of tariff. Since the Tribunal's direction to consider the revision of tariff would be favorable to the company and as the TPNPDCL has not preferred an appeal against the order of the Appellate Tribunal within time, the management has recognised the revenue at revised tariff.

Note 33 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

T. Sarita Reddy
Executive Director

T.V. Sandeep Kumar Reddy
Vice Chairman

Place : Hyderabad
Date : April 27, 2015

V.R. Prasad
Chief Financial Officer

PROXY FORM

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

CIN: L15421TG1995PLC020720

Name of the company: Gayatri Sugars Limited

Registered office: B2, 2nd Floor, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad – 500 082.

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual general meeting of the company, to be held on the 26th day of September At 11.30 A.M. at Surana Udyog Hall, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad – 500 004 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution	For	Against
1. Adoption of Financial Statements for the Year ended 31.03.2015		
2. Re-Appointment of T. V. Sandeep Kumar Reddy who retires by rotation		
3. To Appoint Auditors and fix their Remuneration.		
4. Ordinary Resolution for ratification of remuneration payable to M/s. Narasimha Murthy & Co., appointed as Cost Auditors of the Company for the F.Y. 2014-15.		
5. Reference to the Board for Industrial and Financial Reconstruction (BIFR) on erosion of Net Worth of the Company.		
6. Adoption of new set of Articles of Association of Company Inter-Alia pursuant to the Companies Act, 2013		

Signed this..... day of..... 20....

Signature of shareholder:
Signature of Proxy holder(s):

Affix Re. 1/- revenue stamp

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

GAYATRI SUGARS LIMITED

B2, 2nd Floor, 6-3-1090, TSR Towers, Rajbhavan Road,
Somajiguda, Hyderabad - 500 082. Andhra Pradesh

CIN: L15421TG1995PLC020720

ATTENDANCE SLIP
20th Annual General Meeting

(To be handed over at the entrance of the Meeting Hall)

Name of the Member :

Members Folio No :

No of shares held :

Name of Proxy :
(in case of Proxies only)

I hereby record my presence at the 20th Annual General Meeting of the Company on Saturday,
the 26th September, 2015 at 11.30 a.m.

.....
*Member/Proxy Signature

*to be signed at the time of handing over the slip.

If undelivered, please return to :

GAYATRI SUGARS LIMITED

CIN: L15421TG1995PLC020720

B2, 2nd Floor, 6-3-1090, TSR Towers

Rajbhavan Road, Somajiguda,

Hyderabad - 500 082.