

NOTICE

NOTICE IS HEREBY GIVEN THAT The **25th (TWENTY FIFTH) ANNUAL GENERAL MEETING** of the Members of **GAYATRI SUGARS LIMITED** will be held on Wednesday, September 30, 2020 at 12:00 Hrs. (IST) through Video Conference (“VC”) or Other Audit Visual Means (OAVM) to transact the businesses mentioned below:

ORDINARY BUSINESS:

1. Adoption of Financial Statements for the Financial Year ended 31st March, 2020:

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2020 together with the reports of the Board of Directors and Auditors thereon.

2. Re-appointment of Mrs. T. Indira Reddy as “Director”, liable to retire by rotation, who has offered herself for re-appointment:

To appoint a Director in place of Mrs. T. Indira Reddy (DIN: 00009906), who retires by rotation and, being Eligible, offers herself for re-appointment.

The Shareholders are requested to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:-**

“RESOLVED THAT pursuant to the provisions of Section 152 (6) and other applicable provisions of the Companies Act, 2013, the approval of the Shareholders of the Company be and is hereby accorded to the re-appointment of Mrs. T. Indira Reddy (DIN: 00009906) as a “Director”, who shall be liable to retire by rotation.”

SPECIAL BUSINESS:

3. Appointment of Mr. Venkata Narayana Rao Paluri (DIN: 07378105) as an “Independent Director” of the Company:

To appoint Mr. Venkata Narayana Rao Paluri (DIN: 07378105) as an “Independent Director” of the Company for a period of 5 (five) years commencing from 11th February, 2020 upto 10th February, 2025, and to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:-**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and such other Rules framed under the Act, as may be applicable [including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force] and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as may be amended from time to time) (“the SEBI Listing Regulations”), Mr. Venkata Narayana Rao Paluri (DIN: 07378105), who was appointed by the Board of Directors as an “Additional Director” to hold office of “Non-Executive Independent Director” of the Company with effect from 11th February, 2020, in terms of Section 161(1) of the Act and who meets the criteria for Independence and eligibility as provided in Section 149(6) & (7) of the Act along with the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate

for the office of the Director , be and is hereby appointed as “Independent Director” of the Company not liable to retire by rotation, for a period of 5 (five) years from 11th February, 2020 upto 10th February, 2025.

FURTHER RESOLVED THAT any Director or the Company Secretary of the Company be and are hereby severally authorized to take all such steps, as may be necessary, proper or expedient, to give effect to this resolution and to do all such acts, deeds, matters and things as may be incidental thereto.”

4. Ratification of Remuneration of M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad as the “Cost Auditors” of the Company for the Financial Year 2020- 21:

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

“**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, including any amendment, modification or variation thereof, M/S. Narasimha Murthy & Co., Cost Accountants appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records of Sugar, Power and Distillery divisions of the Company for the Financial Year 2020-21, for a remuneration of Rs. 2,00,000 (Rupees Two Lakhs) per annum plus applicable taxes and out of pocket expenses that may be incurred, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors (the ‘Board’ which term includes a duly constituted Committee of the Board of Directors) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution and/or otherwise considered by them to be in the best interest of the Company.”

5. Payment of Remuneration to Mrs. T. Sarita Reddy, Managing Director:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:-**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Schedule V thereto and the Rules made thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any amendment(s), statutory modification(s) or re-enactment(s) there of for the time being in force) and in furtherance of the special resolution passed in the 23rd Annual General Meeting held on September 19, 2018 and pursuant to the recommendations of Nomination and Remuneration Committee and the Board of Directors of the Company and subject to such approval as may be required, the approval of the members of the Company be and is hereby accorded for payment to Mrs. T. Sarita Reddy (DIN: 00017122), Managing Director, such remuneration, as approved in the said resolution (reproduced in the annexed Explanatory Statement), as minimum remuneration in case the Company has no profits or the profits of the Company are inadequate during period commencing from May 01, 2019 to April 30, 2022 or for such shorter period as may be prescribed under applicable laws.

RESOLVED FURTHER THAT all other existing terms and conditions of appointment Mrs. T. Sarita Reddy shall remain unchanged unless otherwise modified by the Board of Directors of the Company.

RESOLVED FURTHER THAT the remuneration paid to Mrs. T. Sarita Reddy, Managing Director for the period from May 01, 2019 to March 31, 2020 in terms of this resolution be and the same is hereby approved, confirmed and rectified.

RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee thereof be and is hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the aforesaid Resolution."

NOTES:

1. In view of the outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs has, vide its Circular No. 14/2020 dated 08th April, 2020, Circular No.17/2020 dated 13th April, 2020 and Circular No. 20/2020 dated 05th May, 2020, (collectively referred to as "MCA Circulars"), permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue.

In compliance with the provisions of the Companies Act, 2013 ("the Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 25th (Twenty-Fifth) AGM of the Company is being held through VC / OAVM (**hereinafter referred to as "AGM" or "e-AGM"**) In accordance with the Secretarial Standard -2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification Dated: April 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the e-AGM.

The Central Depository Services Limited ("CDSL") will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the AGM through VC / OAVM is explained hereunder and is also available on the website of the Company at <http://www.gayatrisugars.com/>

2. The relative Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts relating to Special Businesses to be transacted at the AGM, as set out in this Notice, is annexed hereto.

Further, additional information pursuant to Regulations 26(4) and 36(3) of SEBI Listing Regulations and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India (ICSI), in respect of Directors seeking appointment / re-appointment at this AGM as mentioned in **Item No. 2 and 3** of this AGM Notice is also annexed hereto.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC, physical attendance of Members has been dispensed with.

Further as per the MCA Circulars, the facility for appointment of proxies by the Members will not be available for the e-AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

4. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is Venture Capital And Corporate Investments Private Limited (VCCIPL) having office at H. No. 12-10-167, Bharat Nagar, Hyderabad – 500018
5. Any request for inspection of the Register of Directors and Key Managerial Personnel and their Shareholding, maintained under Section 170 of the Act, Register of Contracts and Arrangements in which the Directors are interested, maintained under Section 189 of the Act and Certificate from Auditors of the Company in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, may please be sent to cs.gsl@gayatri.co.in atleast **five days** prior.
6. The Register of Members and Transfer Book of the Company will be closed from **Thursday, 24th September, 2020 to Wednesday, 30th September, 2020** (Both Days Inclusive).
7. **Attending e-AGM:** Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by Central Depository Services (India) Limited. Members may access the same at www.evotingindia.com the shareholders'/ members' login by using the remote e-voting credentials which shall be provided as per the below **Note No. 15 and Kindly refer Note No. 16** below for detailed instruction for participating in e-AGM through Video Conferencing.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names shall be entitled to vote and Participation of single member shall only be allowed at a time.

The voting rights of Members shall be proportion to the equity shares held by them in the paid-up equity share capital of the Company on Wednesday, 23rd September, 2020 (Cut-Off Date) and due to non payment of dividend on preference shares for the last 2 years, the preference shareholders have acquired voting rights on all the resolutions placed before the Company as per section 47 of the Company Act, 2013. According their voting rights on all the resolutions placed before the AGM, shall be in proportion to their preference shares as on 23rd September, 2020 (Cut-Off Date).
9. All the documents in connection with the accompanying Notice and Explanatory Statement are available for inspection through electronic mode on the basis of request being sent on cs.gsl@gayatri.co.in.
10. Shareholders are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), bank details including change in bank account number, IFSC Code, MICR Code, name of bank and branch details, to their Depository Participant(s) (DPs) in case the shares are held by them in electronic form and to M/s. Venture Capital and Corporate Investments Private Limited, Registrar and Share Transfer Agent of the Company ("VCCIPL") in case the shares are held by them in physical form.
11. 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.
12. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by the Securities and Exchange Board of India (SEBI), the

Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2020, including Report of Board of Directors, Statutory Auditors' Report or other documents required to be attached therewith and the Notice of AGM are being sent through electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s) or M/s. Venture Capital and Corporate Investments Private Limited.

13. Members are requested to support "Green Initiative" by registering / updating their e-mail address (es) with the Depository Participant(s) (in case of Shares held in dematerialized form) or with VCCIPL (in case of Shares held in physical form). Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with the relevant Rules framed thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant(s). Members holding shares in dematerialized form are requested to register (or update, in case of any change) their e-mail address with their Depository Participant(s), if not already registered / updated and Members holding shares in physical form are requested to register (or update, in case of any change) their e-mail address with VCCIPL on its website (at <https://www.vccipl.com/>), to enable the Company to send electronic communications.
14. Shareholders are requested to send in their queries at least a week in advance to the Company Secretary at cs.gsl@gayatri.co.in to facilitate clarifications during the AGM.

15. INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM:

CDSL e-Voting System – For Remote e-voting and e-Voting during AGM

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members

such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <http://www.gayatrisugars.com/>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at <https://www.bseindia.com/>. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
6. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020

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

- (i) The voting period begins on **Sunday, 27th September, 2020 (09:00 AM)** and **ends on Tuesday, 29th September, 2020 (05:00 PM)**. During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, **as on the cut-off date Wednesday, 23rd September, 2020** of may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the time of VC/OAVM Meeting.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID .
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

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- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

For Shareholders holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in DD/MM/YYYY format) as recorded in your Demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant “Gayatri Sugars Limited” on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to Print” option on the Voting page.

- (xviii) If a Demat account holder has forgotten the Login Password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id. cs.gsl@gayatri.co.in / info@vccilindia.com
2. For Demat shareholders -, please provide Demat Account Details (CDSL-16 Digit Beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id. cs.gsl@gayatri.co.in / info@vccilindia.com

16. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast Seven (07) Days Prior to meeting mentioning their Name, Demat Account Number/Folio Number, Email Id, Mobile Number at cs.gsl@gayatri.co.in The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance Seven (07) Days Prior to meeting mentioning their name, Demat Account Number/Folio Number, Email Id and Mobile Number at cs.gsl@gayatri.co.in. These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered **invalid** as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF and NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at : scrutinizer@gayatri.co.in and to the Company at the email address viz; cs.gsl@gayatri.co.in , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

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

By order of the Board
For **Gayatri Sugars Limited**

Sd/-
Danveer Singh

Company Secretary & Compliance Officer

Place: Hyderabad
Date: June 18, 2020

ANNEXURE TO NOTICE EXPLANATORY STATEMENT

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

The following Explanatory Statement in terms of the provisions of Section 102(1) of the Act, sets out all material facts relating to the Special Business mentioned in the accompanying Notice for convening the 25th (Twenty Fifth) Annual General Meeting of Gayatri Sugars Limited:

ITEM NO. 03

In accordance with the provisions of Section 149 of the Companies Act, 2013 and pursuant to Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to have at least half of the total number of Directors on the Board as Independent Directors who shall not be liable to retire by rotation. The Board of Directors, at its Meeting held on 11th February, 2020, approved the appointment of Mr. VENKATA NARAYANA RAO PALURI (DIN: 07378105), as an Additional Director (Non-Executive & Independent Director), on the Board of the Company for a period of 5 (five) years commencing from 11th February, 2020 upto 10th February, 2025, subject to approval of the Shareholders. The Company has received the consent from Mr. Venkata Narayana Rao Paluri as required under the provisions of Section 149(6)&(7) Companies Act, 2013 and the Rules framed thereunder as well as Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also declaration confirming that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and that no order of Securities and Exchange Board of India (SEBI) or any other such authority has been passed against Mr. Venkata Narayana Rao Paluri debaring from accessing the capital markets and Restraining from holding the position of Director in any listed company. In the opinion of the Board of Directors Mr. Venkata Narayana Rao Paluri fulfills the criteria of Independence as specified under Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time. The brief profile of Mr. Venkata Narayana Rao Paluri in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) 2015 and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) is provided elsewhere in this Notice.

The terms and conditions of appointment will be available on request at cs.gsl@gayatri.co.in till the conclusion of the AGM, without any fee. Except Mr. Venkata Narayana Rao Paluri and his relatives, none of the other Directors or Key Managerial Personnel or their relatives are in any way, whether financially or otherwise, concerned or interested in this Resolution.

The Board of Directors recommends the Ordinary Resolution as set out in Item No. 3 in the Notice for approval of the Shareholders.

ITEM NO. 04

The Company is required under Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, to have the audit of its cost records for products covered under the Companies (Cost Records and Audit) Rules, 2014 conducted by a Cost Accountant in practice. The Board of Directors of the Company has on the recommendation

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of the Audit Committee approved the appointment and remuneration of M/s. Narasimha Murthy & Co., Cost Accountants, Cost Accountants (Firm Registration Number: 000042) as the Cost Auditor of the Company for the Financial Year 2020-21.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No. 4 of the Notice.

The Board of Directors recommends the Ordinary Resolution as set out in Item No. 4 in the Notice for approval of the Shareholders.

ITEM NO. 05

As stated earlier, Mrs. T. Sarita Reddy, was reappointed as a Managing Director of the Company for a period of three years with effect from May 01, 2019 till April 30, 2022, by means of Special Resolution passed by the Members at the 23rd Annual General Meeting of the Company held on September 19, 2018 on the terms and conditions including payment of remuneration as mentioned therein. During the last couple of years, the Sugar Industry has been going through a set of unprecedented circumstances and as a result of this the Company has incurred a loss of Rs. 2,772.29 for the financial year ended March 31, 2020.

Pursuant to the provisions of Section 196, 197 and 198 of the Companies Act, 2013 read with Schedule V, a company having inadequate / nil profits, may subject to certain conditions including the passing of a special resolution, pay such remuneration to its managerial personnel as may be decided by the Board of Directors on the recommendation on Nomination and Remuneration Committee.

The details of proposed remuneration paid / to be paid to Mrs. T. Sarita Reddy, Managing Director :

i. Period of Appointment

The appointment is for a period of 3 years commencing from May 01, 2019.

ii. Salary, House Rent Allowance and Other Allowances per month:

Particulars	Amount
1. Basic Salary	2,25,000
2. House Rent Allowance	56,250
3. Other Allowances	2,18,750

Housing:

If required by Mrs. T. Sarita Reddy, free furnished residential accommodation with all facilities and amenities including Gas, Electricity, Water, Furniture/Fittings etc. shall be provided, the monetary value of which shall be evaluated as per Rule 3 of the Income Tax Rules, 1962. The

expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be subject to a ceiling of 10% of the Salary. In case the Company provides accommodation, House Rent Allowance shall not be paid.

iii. Perquisites:

Apart from the above, the Managing Director is eligible the following perquisites

Medical Reimbursement:

Expenses incurred for herself and her family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.

Leave Travel Concession:

One month salary per year for herself and her family.

Club Fees:

Subject to a maximum of two clubs, this shall not include admission and Life membership Fees.

Personal Accident Insurance:

Premium to be paid by Company, subject to, not exceeding Rs. 10,000/- per annum.

Provident Fund:

Company's contribution towards Provident Fund at 12% of her basic salary or at any rate applicable from time to time.

Gratuity:

Gratuity not exceeding half a month's salary for each completed year of service.

Leave:

Entitled to one month's leave, as per the rules of the Company, on full pay for every 11 months of service rendered.

Encashment of leave at the end of the tenure will not be included in computation of the ceiling on perquisites.

Telephone, Electricity and Water charges for residence:

Free telephone facility at the residence for the use of the Company's business and Free Electricity and Water charges for residence.

Car:

Use of company's car on Company's business with driver and all expenses on maintenance, repairs and cost of petrol.

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Provision of Car for use of Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director)

Any other perquisites and allowances that may be allowed by the Company in consultation with Nomination and Remuneration Committee as per the guidelines issued by the Central Government from time to time.

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V OF THE ACT

I. GENERAL INFORMATION

1.	Nature of industry	Gayatri Sugars Limited is a Sugar Manufacturing Company producing sugar, ethanol and power.			
2.	Date or expected date of commencement of commercial production	The Company was originally incorporated as private Company on June 15, 1995. Hence requirement of obtaining commencement of Business was not applicable to the Company under the provisions of the Companies Act, 1956.			
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable			
4.	Financial performance based on given indicators (Figures in Lakhs)	Financial year	2019-20	2018-19	2017-18
		Gross Revenue	28172.58	31167.93	25138.10
		Profit before Interest, Depreciation and Tax	675.44	1420.38	4310.82
		Profit after Tax	(2840.63)	(1783.73)	1216.11
		Rate of dividend	Nil	Nil	Nil
		Earnings per share Basic	-6.34	-4.45	2.28
		Earnings per share Diluted	-6.34	-4.45	1.75
5.	Foreign investments or collaborations, if any.	The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company during the previous three financial years. The aggregate foreign shareholding in the Company was approx negligible.			

II. INFORMATION ABOUT THE APPOINTEE:

T. Sarita Reddy:

1.	Background details	<p>Ms. T. Sarita Reddy, aged 49 years with an MBA from Osmania University is a Managing Director of our Company and Director for a number of companies spanning various industries. She has over 15 years of experience in Sugar Industry and has been actively involved in the management and execution of various projects in the Gayatri Group. With her cross functional expertise in General Management, Administration, and Finance she has not only been monitoring and managing the finance of Gayatri Sugars, but has also played a pivotal role in facilitating process integration, value chain enhancement and implementation of policies and procedures throughout the Gayatri group. Her innovative management technique has been a critical factor in a boosting operational excellence at Gayatri Sugars Limited. She has served as the Executive Director for Gayatri Sugars Limited since 2005, and under her stewardship, the Company has achieved high levels of efficiency in Sugar extraction as well as ventured into by-product lines such as co-gen power plants and distilleries. She also serves as President of Telangana Sugar Mills Association (TESMA) and served as President of the Indian Sugar Mills Association (ISMA), for the year 2016-17. Besides for her work in the Sugar industry, she has worked on marquee projects in the hospitality and real estate industries.</p>				
2.	Past and Proposed remuneration (Figures in Lakhs)	<p>Details on proposed remuneration have been stated in this Explanatory Statement of the Notice. In monetary terms, the remuneration for the last 3 financial years is also given hereunder:</p>				
		Financial year	2020-21	2019-20	2018-19	2017-18
		Mrs. T. Sarita Reddy	60.00	48.00	48.00	45.97
3.	Recognition or awards	-NIL-				
4.	Job profile and his suitability	<p>She is looking after the day to day affairs of our company and has the experience to handle diverse nature of businesses of the Company and the vision to take the business forward. Considering her qualifications, vast experience and deep knowledge of the business in which Company operates and also contribution made by her towards growth of the Company, the remuneration proposed commensurate with her job profile and is justified.</p>				

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5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company, the profile of the Managing Director, the responsibilities shouldered by her and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior levels in other companies.
6. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Smt. T. Sarita Reddy has no pecuniary relationship with the Company or its Key Managerial Personnel other than her remuneration in the capacity of Managing Director. She is the daughter in law of T. Indira Reddy, Chairperson of the Company and spouse of T.V. Sandeep Reddy, Vice Chairman of the Company. She does not hold any shares in the Company in her personal capacity.

I. DISCLOSURES

The disclosures on remuneration package of each managerial person and details of all elements of remuneration package, details of fixed components etc. are given in the Corporate Governance Report and Board's Report attached to the Annual Report for the information of the shareholders.

The Board of Directors recommends the Special Resolution as set out in Item No. 5 in the Notice for approval of the Shareholders.

By order of the Board

For **Gayatri Sugars Limited**

Sd/-

Danveer Singh

Company Secretary & Compliance Officer

Place: Hyderabad
Date: June 18, 2020

ANNEXURE TO THE NOTICE

DETAILS OF THE DIRECTORS RETIRING BY ROTATION/SEEKING RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING:

[Pursuance of the Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS-2) on General Meeting]

Name of the Director	Mrs. T. Indira Reddy	Mr. P.V. Narayana Rao
Director Identification No	00009906	07378105
Date of Birth	13.03.1951	15.05.1960
Date of First Appointment on the Board	21.07.2005	11.02.2020
Relationship between Directors Inter-Se	Mother of Mr. T. V. Sandeep Kumar Reddy and Mother in law of Mrs. T. Sarita Reddy	-
Nature of Expertise in Specific Functional Area	25 years of experience in the Construction Industry.	Mr. P V Narayana Rao, aged about 69 years, is a qualified Chartered Accountant and professional banker (a Certified Associate of Indian Institute of Bankers). He has a rich experience of 25 years in managing the finance function in various sectors like Manufacturing, Infra, Banking, service etc. He leads Finance and Accounts Departments of HO and both factories, coordinates with all other departments.
Directorship in Listed Entities as on March 31, 2020	1. Gayatri Tissue And Papers Limited (Non-Executive, Non-Independent Director) 2. Gayatri projects Limited (Non-Executive, Non- Independent Director)	1. Gayatri Bioorganics Limited (Non-Executive, Independent Director)
Membership in Committees of other Listed Companies (includes only Audit Committee and Stakeholders Relationship Committee)	3	2
Shareholding in the Company as on March 31, 2020	37,93,508	NIL