



# GAYATRI SUGARS LIMITED

Regd. & Corp. Office:

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**CIN : L15421TG1995PLC020720**

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## POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013, read with the Companies  
(Management and Administration) Rules, 2014]

Dear Member(s),

Notice is hereby given pursuant to the provisions of Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and other applicable laws and regulations, that the resolutions in relation to issue of 4% Secured, Unlisted Non- Convertible Debentures (NCD's) and Alteration / Substitution of Memorandum of Association of the Company inline with the provisions of the Companies Act, 2013 is proposed to be passed by the Members through postal ballot / electronic voting (e-voting).

The proposed resolutions along with the explanatory statement setting out the material facts and reasons there to is appended herewith and a Postal Ballot Form (the Form) is enclosed for your consideration.

The Board of Directors of the Company (the "Board") has appointed Mr. Y. Koteswara Rao, Practicing Company Secretary, as Scrutinizer for conducting the postal ballot process and e-voting in a fair and transparent manner. Members desiring to exercise their vote by postal ballot are requested to carefully read the instructions printed on the Form and return the same duly completed. The duly completed Form should reach the Scrutinizer not later than 17:00 Hours (IST) on 5<sup>th</sup> July, 2016 (Tuesday).

Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions in the Notes under the section 'Voting through electronic means' in this Notice. The Scrutinizer will submit his report to the Chairman or any other Director of the Company after the completion of the scrutiny of the postal ballot forms and votes cast through e-voting. The result of postal ballot (including e-voting) shall be declared on 7<sup>th</sup> July, 2016 (Thursday) and communicated to the Stock Exchange, the depositories, the Registrar and Share Transfer Agent and would also be displayed on the Company's website at [www.gayatrisugars.com](http://www.gayatrisugars.com).

### **1. ISSUE OF 4% SECURED, UNLISTED NON-CONVERTIBLE DEBENTURES (NCD'S) ON PRIVATE PLACEMENT BASIS BY WAY OF CONVERSION OF OUTSTANDING RIGHT OF RECOMPENSE AMOUNT PAYABLE TO THE BANKS.**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution by means of postal ballot and e-voting:

**"RESOLVED THAT** in accordance with the provisions of Section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed there under (including any amendment thereto or re-enactment thereof for the time being in force), other applicable provisions, if any, of any other law for the time being in force, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions in the Memorandum and Articles of the Association of the Company, and subject to such approvals, consents, permissions and sanctions as may be necessary or required from any authority(ies), and subject also to such conditions and modifications as may be prescribed or imposed by any of the such authorities while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee of directors duly constituted or to be constituted thereof to exercise its powers conferred by this resolution), the approval of the Company be and is hereby accorded to the Board of Directors / Committee of Directors to offer, issue and allot, in one or more tranches 4% Secured, Unlisted Non-convertible Debentures (NCD's) on Private Placement basis to the allottees as detailed below, for an amount not exceeding Rs. 695.05 Lakhs (Rupees Six crores, Ninety Five Lakhs and Five Thousand only) by way of conversion of Outstanding Right of Recompense amount of Rs. 695.05 Lakhs payable to Andhra Bank, State Bank of India, Bank of Baroda and Punjab National Bank on terms and conditions as detailed below."

**Details of the Allottees:**

Name	ROR Amount	No. of Debentures	Category
Andhra Bank	176.76 Lakhs	17,67,600	Banks/Financial Institutions
State Bank of India	151.69 Lakhs	15,16,900	
Bank of Baroda	251.37 Lakhs	25,13,700	
Punjab National Bank	115.23 Lakhs	11,52,300	
<b>Total</b>	<b>695.05 Lakhs</b>	<b>69,50,500</b>	

**Terms of the Issue:**

S.No.	Particulars	Terms
1	Name of the Instrument	Secured, unlisted, Non-convertible Debentures (NCD's)
2	Amount	Equal to Outstanding ROR as on 31/03/2015 i.e. Rs. 695.05 lacs.
3	Coupon Rate/Dividend Rate	4% p.a. (payable along with redemption)
4	Redemption	Redeemable at face value in installments in the ratio of 30%, 30% & 40% at the end of 4 <sup>th</sup> , 5 <sup>th</sup> & 6 <sup>th</sup> year respectively from the date of allotment.
6	Face Value	Rs. 10/-
7	Early Redemption Option	Company has the option to redeem earlier than the redemption date by giving 30 days' notice.
8	Security	Extension of first pari-passu charge on all the fixed assets of the Company.

**“RESOLVED FURTHER THAT** the Board or Issue and Allotment Committee of the Board be and is hereby authorized to take all such steps and to do all such acts, deeds, things and give such directions as it may in its absolute discretion considers necessary, expedient, usual, proper or desirable or incidental to give effect to the foregoing resolution and settle any question, remove any difficulty or doubt that may arise from time to time in relation thereto.”

**2. ALTERATION/SUBSTITUTION OF MEMORANDUM OF ASSOCIATION.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution by means of postal ballot and e-voting:

**“RESOLVED THAT** pursuant to the provisions of Section 4 and 13 and all 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) and subject to necessary approval(s) if any, from the competent authorities, consent of the Company be and is hereby accorded to substitute the existing Memorandum of Association of the Company by a new set of Memorandum of Association;

**RESOLVED FURTHER THAT** any one of the Directors of the Company and/or Ms. Munmun Baid, Company Secretary be and are hereby jointly or severally authorised to do all such acts, deeds and things as may be necessary to give effect to this Resolution.”

**By Order of the Board of Directors  
For Gayatri Sugars Limited**

Date: 20<sup>th</sup> May, 2016  
Place: Hyderabad

**Sd/-  
(T. Sarita Reddy)  
Executive Director  
DIN : 00017122**

## NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, stating all material facts and the reasons for the proposals set out above is annexed herewith.
2. The Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) on 20.05.2016. Accordingly, the Members whose names appear on the Register of Members / List of Beneficial Owners (received from the National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) as on 20.05.2016 will be considered for the purpose of voting.
3. Corporate and institutional members shall be entitled to vote through their authorized representative with proof of their authorization as stated in the instructions for e-voting.
4. The Board has appointed Mr. Y. Koteswara Rao, Practicing Company Secretary, as the Scrutinizer for conducting the postal ballot / e-voting process in a fair and transparent manner.
5. The dispatch of the Postal Ballot Notice and the Explanatory Statement shall be announced through an advertisement in at least 1 (one) English newspaper having national wide circulation and at least 1 (one) Telugu newspaper, having circulation in Hyderabad and published on the Company website.
6. As per the provisions of Section 110 and other applicable provisions of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, the Postal Ballot Notice is being sent by email to those Members who have registered their email addresses with their Depository Participants (in case of shares held in demat form) or with the Company's Registrar and Share Transfer Agent (in case of shares held in physical form). For Members whose email ID's are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode along with postage prepaid self addressed Business Reply Envelope.
7. In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the Company is pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Form by post. The Company has engaged the services of CDSL for the purpose of providing e-voting facility to all its Members. Please note that e-voting is an alternate mode to cast votes and is optional.
8. Members can opt for only one mode of voting, i.e., either by physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical postal ballot forms will be treated as invalid. The instructions for electronic voting are annexed to this notice.
9. In case a Member is desirous of obtaining a printed Postal Ballot Form or a duplicate, he or she may send an e-mail to [compliance.gayatri sugars@gayatri.co.in](mailto:compliance.gayatri sugars@gayatri.co.in). The Registrar and Transfer Agent of the Company / Company shall forward the same along with postage prepaid self addressed Business Reply Envelope to the Member.
10. A Member cannot exercise his/her vote by proxy on postal ballot.
11. Members desiring to exercise their vote by physical postal ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed, in the enclosed self addressed Business Reply Envelope to the Scrutinizer, so that it reaches the Scrutinizer not later than close of working hours (i.e. 17:00 Hours (IST) on 5<sup>th</sup> July, 2016 (Tuesday). The postage will be borne by the Company. However, envelopes containing postal ballots, if sent by courier or registered / speed post at the expense of the Members will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address given on the self addressed Business Reply Envelope.
12. The duly completed Postal Ballot Form(s) should reach the Scrutinizer not later than 17:00 Hours (IST) on 5<sup>th</sup> July, 2016 (Tuesday) to be eligible for being considered, failing which, it will be strictly considered that no reply has been received from the Member.
13. In case of joint-holding, the Postal Ballot Form must be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his/her absence, by the next named Member.
14. Unsigned, incomplete, improperly or incorrectly ticked Postal Ballot Forms shall be rejected.

15. The Scrutinizer will submit his report to the Chairman after the completion of scrutiny of the postal ballots (including e-voting). The result of the voting by postal ballot will be announced by the Chairman or any Director of the Company duly authorized, on or before 7<sup>th</sup> July, 2016 (Thursday) at the registered office of the Company and will also be displayed on the website of the Company ([www.gayatrisugars.com](http://www.gayatrisugars.com)).
16. All the material documents referred to in the explanatory statement will be available for inspection at the registered office of the Company during office hours on all working days from the date of dispatch of the Notice till 5<sup>th</sup> July, 2016.

#### 17. E-VOTING

The business set out in the notice may be transacted through electronic voting system and the Company is providing facility for voting electronic means. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the Company is pleased to provide e-voting facility as an alternate to its members to cast their votes electronically on the resolution set forth in the Notice of Postal Ballot. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility.

The members whose name appear in the Register of Members / List of Beneficial owners as on 20.05.2016 (cut-off date), are entitled to vote on the resolution set forth in this Notice.

The e-voting period will commence on 06.06.2016 (9:00 hrs) and will end on 05.07.2016 (17:00 hrs). During this period, Members of the Company holding shares either in physical form or in dematerialized form as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter, Members will not be able to cast their votes electronically beyond the date & time mentioned above.

The Company has appointed Mr. Y. Koteswara Rao, Practicing Company Secretary, to act as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure for e-voting given hereunder.

#### PROCEDURE AND INSTRUCTIONS FOR E-VOTING:

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

- During the voting period, the shareholders can visit the e-voting website [www.evotingindia.com](http://www.evotingindia.com) and select the relevant EVSN / Company for voting.
- The shareholders can login to the e-voting system using their user-id (i.e. demat account number), PAN and Date of Birth (DOB) or Bank account number mentioned for the said demat account or folio.
- After logging in, demat security holders will have to mandatorily change their password. This password can be used by demat security holders for all future voting on resolutions of companies in which they are eligible to vote. Physical shareholders will have to login with the DOB and Bank details for every voting.
- Security holders have to then select the EVSN for which they desire to vote.
- Security holders can then cast their vote on the resolutions available for voting.
- Security holders can also view the resolution details on the e-voting website.
- Once the security holder casts the vote, the system will not allow modification of the same.
- During the voting period, security holders can login any number of times till they have voted on all the resolutions. However, once the security holder has voted on a resolution he/she would not be able to vote for the same resolution but, only view the voting.
- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to [https:// www.evotingindia.com](https://www.evotingindia.com) and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
- The voting rights of the shareholders shall be in proportion to the shares held by them, of the paid-up equity share capital of the company as on the cut-off date of 20.05.2016. The e-voting module shall be disabled by CDSL for voting thereafter.

**In case of members receiving e-mail:**

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

<b>For Members holding shares in Demat Form and Physical Form</b>	
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"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
Dividend Bank Details <b>OR</b> 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"><li>• 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 (iii).</li></ul>

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then directly reach 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 the EVSN for the relevant 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 Resolution details.
- (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 a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xvi) 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.

(xvii) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy of Postal Ballot Notice by post (for members whose e-mail id's are not registered with the Depositories/Registrars):**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 6.06.2016, 9.00 a.m. and ends on 5.07.2016, 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20.05.2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## **ANNEXURE TO THE NOTICE**

**Explanatory Statement as required under Section 102 of the Companies Act, 2013 (“Act”) and Explanation about the reasons for the passing of the special resolution as required under Rule 22(1) of the Companies (Management and Administration) Rules, 2014.**

### **Item No. 1**

It is informed to the members that, the Company was referred to Corporate Debt Restructuring and the same was approved by the CDR empowered group on 21.07.2003. The package was approved for a 7 year period and the same was terminated in the year 2010. Though the company decided to come out of CDR, The CDR Empowered group did not permitted the same due to pending Right of Recompense Payment from the Company. The CDR Monitoring Committee and the consortium Lead Banker along with Member Banks have agreed to subscribe Non-Convertible Debentures (NCD's) to be issued by the Company in lieu of pending Right of Recompense (ROR) amount.

It is further informed that, Board of Directors of Gayatri Sugars Limited (GSL) at its meeting held on 20<sup>th</sup> May, 2016 has accorded its consent for issue of 4% Secured, Unlisted Non Convertible Debentures (“NCD's”) of Rs.10/- each by way of conversion of outstanding Right of Recompense (ROR) amounting to Rs. 695.05 Lakhs to Andhra Bank, State Bank of India, Bank of Baroda and Punjab national Bank. The board has accorded its consent for aforesaid conversion, subject to the approval of members.

The valuation certificate obtained from M/s. VAS & Co., Practicing Chartered Accountants, with regard to issue price of Rs.10/-per debenture, is available for inspection of members, at the Registered Office of the Company during the working hours till the cut off date for voting.

As per Section 42 of the Companies Act 2013 read with the Rules framed there under, an offer or invitation to subscribe to Non Convertible Debentures (“NCD's”) on a private placement basis requires prior approval of the Shareholders by way of a Special Resolution. Further, such an approval by special resolution can be obtained once a year for all the offers and invitations of NCD's to be made during the year.

Accordingly, the approval of the Members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act read with the Rules made there under, to enable the Company to offer or invite subscriptions for NCD's on a private placement basis, in one or more tranches, during the period of one year from the date of passing of the Resolution at Item No. 1 of this notice for an amount upto Rs. 695.05 Lakhs (Rupees Six crores, Ninety Five Lakhs and Five Thousand only).

The amount to be raised by the issue of NCD's along with other amount already borrowed by the Company are within the overall borrowing limits of Rs. 300 crores as already approved by the shareholders.

Your Directors, therefore, recommend the resolution proposed at Item No. 1 of this notice for the approval of Shareholders by way of special resolution.

None of the Directors or Key Managerial Personnel or their relatives are concerned or interested in the proposed resolution, except to the extent of their shareholding in the Company.

### **Item No. 2**

The existing Memorandum of Association (“MoA”) of the Company, based on Companies Act, 1956 (“1956 Act”) are no longer in conformity with the Companies Act, 2013 (“2013 Act”). With the enactment of 2013 Act, several clauses of MoA require alteration/deletion. Given this position, it is considered expedient to adopt the new set of Memorandum of Association

(primarily based on Table A set out under Schedule I to the Act) in place of existing MoA, instead of amending it by alteration/incorporation of provisions of 2013 Act. In terms of Section 13 of 2013 Act, consent of Members by way of a Special Resolution is required for adoption of a new set of Memorandum of Association. The entire set of proposed new Memorandum of Association is available in the website of the Company i.e. [www.gayatrisugars.com](http://www.gayatrisugars.com). Members can also obtain a copy of the same from the Company's Registered Office.

Your Directors, therefore, recommend the resolution proposed at Item No. 2 for the approval of Shareholders by way of special resolution.

None of the Directors or Key Managerial Personnel or their relatives are concerned or interested in the proposed resolution, except to the extent of their shareholding in the Company.

**By Order of the Board of Directors  
For Gayatri Sugars Limited**

Date: 20<sup>th</sup> May, 2016  
Place: Hyderabad

**Sd/-  
(T. Sarita Reddy)  
Executive Director  
DIN : 00017122**