

GAYATRI PROJECTS LIMITED



# Future Positive

Annual Report 2011-12

## **AGM NOTICE**

**NOTICE** is hereby given that the Twenty Third ANNUAL GENERAL MEETING of M/s. Gayatri Projects Limited will be held at SuranaUdyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad – 500 004, on Thursday the 20<sup>th</sup> day of September, 2012 at 3.00 p.m to transact the following businesses.

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares for the Year ended 31<sup>st</sup> March, 2012.
3. To appoint a Director in place of Mrs. T. Indira Subbarami Reddy, who retires by rotation, and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr.Ch. HariVittal Rao, who retires by rotation, and being eligible, offers himself for re-appointment.
5. **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** M/s C.B. Mouli& Associates, Chartered Accountants Firm Regn. No. 002140S) be and are hereby appointed as Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company.”

### **SPECIAL BUSINESS:**

#### **ITEM NO. 6. TO INVEST IN OVERSEAS JOINT VENTURE COMPANIES**

To consider and if thought fit to pass with or without modifications the following resolutions as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the approval/ consent/ratification of such appropriate authorities including that of the Central Government and the Reserve Bank of India, where necessary, the consent of the Company in the form of ratification be and is hereby accorded to the Board of Directors of the Company to invest to the extent of ₹1,00,00,000 (Rupees One Crore only) in overseas Joint Venture companies/Joint Venture Subsidiaries/SPVs in a financial year “.

**“RESOLVED FURTHER THAT** the Board of Directors or any committee constituted by the board be and is hereby authorised to take such steps as may be necessary for obtaining any approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the company and also to delegate all or any of the above powers to the Board of Directors or the Managing Director or the Principal officer of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution”.

**“FURTHER RESOLVED THAT** the overall investments made in each Joint Venture companies/Joint Venture Subsidiaries/SPVs shall not exceed ₹1.00 Crore during a financial year”.

#### **ITEM NO. 7: AUTHORIZATION TO INVESTMENT COMMITTEE TO INVEST IN SPECIFIC PROJECTS IN OVERSEAS JOINT VENTURE COMPANIES/JOINT VENTURE SUBSIDIARIES/SPVS.**

To consider and if thought fit to pass with or without modifications the following resolutions as a Special Resolution:

**“RESOLVED THAT** consent of the members be and is hereby accorded to the Board (through its investment committee) to invest any sum(s) of money from time to time in Joint Venture companies/Joint Venture Subsidiaries/SPVs on such terms and conditions as the Board (through its committee) may deem fit, either by way of Equity or

such other manner, subject to total amount invested shall not exceed a sum of ₹1,00,00,000 (Rupees One Crore only) in a Financial Year”.

**ITEM NO. 8: TO ACQUIRE EQUITY IN GAYATRI TRIDENT AFRICA FZC AN OVERSEAS JOINT VENTURE COMPANY.**

To consider and if thought fit to pass with or without modifications the following resolutions as a Special Resolution:

**“RESOLVED THAT** pursuant to section 372A and other applicable provisions of the Companies Act, 1956 the consent of the Company be and is hereby accorded to invest to the extent of 97,500 Dhs. i.e. ₹20,00,000/- (Rupees Twenty lakhs) as per the exchange conversion rate prevailing on the date of investment in GAYATRI TRIDENT AFRICA, Overseas Joint Venture company, to undertake engineering, procurement and construction projects, item rate contracts and construction contracts awarded by Government or private sector in the territory of Kenya”.

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to do all such acts, deeds and matters in its absolute discretion, as may be required or desirable or deem fit, for the purpose of giving effect to this resolution”.

**ITEM NO. 9: RE-APPOINTMENT OF SRI. BRIJ MOHAN REDDY, EXECUTIVE VICE CHAIRMAN.**

To consider and if thought fit to pass with or without modifications the following resolutions as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), as amended or re-enacted from time to time, read with Schedule XIII to the Act, the Company hereby approves the re-appointment of Sri J. Brij Mohan Reddy as Executive Vice Chairman of the Company for a period of three years commencing from October 1, 2012 to September 30, 2015 with the following terms and conditions”.

- 1) **Period:** For a period of 3 years commencing from 1st October 2012 to 30th September 2015.
- 2) **Nature of Duties:** Sri J. Brij Mohan Reddy shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/or subsidiaries, including performing duties as assigned by the Board and/or subsidiaries or any other executive body or any committee of such a Company.
- 3) **Remuneration:** Salary of ₹11,00,000/- per month and other perquisites as applicable to the senior management of the Company. The remuneration may be reviewed by the board from time to time.
- 4) The terms and conditions of the appointment of the Appointee may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule XIII to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Appointee, subject to such approvals as may be required.

**MINIMUM REMUNERATION:**

**“RESOLVED FURTHER** that in the event of absence or inadequacy of profits in any financial year, the remuneration by way of salary, allowances, perquisites, benefits, amenities and facilities to **Sri J. Brij Mohan Reddy**, shall not, except with the approval of the Central Government, exceed the limits prescribed under the Companies Act, 1956 and rules made there under or any statutory modification or re-enactment thereof.”

By order of the Board  
For **GAYATRI PROJECTS LIMITED**

Place : Hyderabad  
Date : 13<sup>th</sup> August 2012

**CS I.V. LAKSHMI**  
Company Secretary & Compliance Officer

**NOTES:**

1. An Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business under Item No.6, 7, 8 and 9, is annexed hereto.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Proxies, in order to be effective must be received at the company's registered office not less than 48 hours before 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.
3. The Register of Members and the Share Transfer Books of the Company will be closed from 14<sup>th</sup> September, 2012 to 20<sup>th</sup> September, 2012 (both days inclusive).
4. Shareholders are requested to bring their copies of Annual Report to the Annual General Meeting.
5. A member desirous of seeking any information on the accounts or operations of the Company is requested to forward his / her query to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
6. The dividend for the year ended 31<sup>st</sup> March, 2012 as recommended by the Board, if approved at the Meeting, will be payable to those members whose names appear on the Company's Register of Members on 13<sup>th</sup> September, 2012.
7. Members, holding shares in physical form, are requested to notify immediately any changes in their address to the Registrar and Transfer Agents (RTA), M/s. Karvy Computershare Pvt. Ltd., 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081. Phones: 040 44655000 Fax: 23420814. Members, holding shares in electronic form, are requested to notify any such changes to the concerned Depository Participant.

**8. Appointment / Re-appointment of Directors**

At the ensuing Annual General Meeting, Mrs. T. Indira Subbarami Reddy and Mr.Ch. HariVittal Rao, Directors retire by rotation and being eligible offers themselves 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;

**Mrs. T. Indira Subbarami Reddy**, Wife of Dr. T. Subbarami Reddy, she joined the organization in the year 1995, she began her career in business with the construction of commercial complexes, theatres, etc. She was responsible for the timely completion of the prestigious twin theatres, Maheshwari 70 mm and Parameshwari 35 mm and TSR Towers, a commercial complex in Hyderabad. The vast experience of Mrs. Reddy as a businesswoman has always been an added advantage to the Company.

**Mr.Ch. HariVittal Rao**, He is a CAIIB with an experience of 43 years as a banker at Bank of Baroda. He also worked as a full time advisor and as the officer responsible for running the Naandi Foundation, an autonomous foundation for the development of Andhra Pradesh. In Bank of Baroda, he was bestowed the Silver Shield Award (for outstanding performance and for deposit mobilization for 10 consecutive years), the Special Silver Award and the Illustrious Banker Award. After retirement in 1999 he has been working on Non-Performing Assets (NPAs) recovery project, reducing sick units in the Banking Industry and trying to revive them, and researching self-help groups.

By order of the Board  
For **GAYATRI PROJECTS LIMITED**

Place : Hyderabad  
Date : 13<sup>th</sup> August 2012

**CS I.V. LAKSHMI**  
Company Secretary & Compliance Officer

## **ANNEXURE TO NOTICE**

**Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956**

**ITEM NO. 6 ,7&8 :**

**To Invest in Overseas Joint Venture Companies, Authorization to investment committee to invest in Specific Projects in Overseas Joint Venture Companies/Joint Venture Subsidiaries/SPVS and to Acquire equity in Gayatri Trident Africa (FZC) an Overseas Joint Venture Company**

As the company is exploring its business opportunities abroad and take advantage of such opportunities it is proposed to invest in overseas Joint Venture companies/Joint Venture Subsidiaries/SPVs. Company is proposed to invest ₹1 Crore in a financial year. Since the proposed investment exceed the limit prescribed under Section 372A of the Companies Act, 1956 (i.e., 60% of the paid up share capital and free reserves or 100% of the free reserves whichever is more) and to enable the company to achieve the above purpose, the Company will be required to obtain approval of the shareholders of the Company. The above investment shall be made out of the internal accruals of the Company.

It becomes difficult for the Company to seek consent of the members through General Meeting every time to invest in overseas Joint Venture companies/Joint Venture Subsidiaries/SPVs. for the small investments, your directors are requesting the members to empower the Board or investment committee to make such investments.

In view of the above company had entered a Joint Venture with Trident International Investments Limited and to invest to the extent of 65% of the equity in Gayatri Trident Africa (GTA) incorporated under the laws of the Sharjah International Airport Free Zone.

None of the Directors are interested in the above resolution.

The Board recommends the above resolution for adoption by the Members.

**ITEM NO. 9:**

**Re-Appointment of Sri. J. Brij Mohan Reddy, Executive Vice Chairman.**

Sri J. Brij Mohan Reddy, aged 71 years, is an Engineering Graduate from Berkley University in U.S.A. He has specialized in Harbour Engineering (i.e., construction of break waters, piers, wharf walls, jetties etc.), RCC structures, Steel structures and Highway projects. He joined as Director in the Board of GPL in the year 1994. He is responsible for construction of the entire fisheries harbor at Chennai and major portion of mechanized ORE-handling project for Chennai Port Trust. He is also Director in Board of Western UP Tollways Ltd., Indore Dewas Tollways Limited., Gayatri Jhansi Roadways Ltd., Gayatri Lalitpur Roadways Ltd., Gayatri Infra Ventures Limited., Chamundeswari Builders Pvt. Ltd., NCC Power Projects Limited., Balaji Highway Holdings Pvt. Ltd., SaiMaatarini Tollways Limited and Gayatri Hi-Tech Hotels Limited. Considering his experience, the Board proposes to extend his appointment for further 3 years without any change in remuneration and present designation, i.e from 1st October 2012 to 30th September 2015 subject to the approval of the members in the ensuing Annual General Meeting.

This may be treated as abstract of the terms of contract between the Company and Sri. J. Brij Mohan Reddy pursuant to Section 302 of the Companies Act, 1956.

None of the Directors excepting Mr. T.V. Sandeep Kumar Reddy Mr. J. Brij Mohan Reddy directors are interested in the above resolution.

The Board recommends the above resolution for adoption by the Members.

By order of the Board  
For **GAYATRI PROJECTS LIMITED**

Place : Hyderabad  
Date : 13<sup>th</sup> August 2012

**CS I.V. LAKSHMI**  
Company Secretary & Compliance Officer

## CONTENTS

Description	Page No
Corporate Information .....	1
Financial Highlights .....	2
Directors' Report .....	3
Annexure "A" to Directors' Report .....	7
Annexure "B" to Directors' Report .....	8
Management Discussion And Analysis .....	9
Certificate on Compliance of Corporate Governance .....	14
Corporate Governance Report .....	15
CFO / CEO Certification .....	28
Declaration Regarding Compliance By Board Members And Senior Management Personnel With The Company's Code Of Conduct .....	29
Auditors Report .....	30
Annexure to Auditors' Report .....	31
Balance Sheet .....	34
Profit & Loss Account .....	35
Cash Flow Statement .....	36
Significant Accounting Policies and Notes Forming Part of the Financial Statements .....	37
Auditor's Report of Consolidated Balance Sheet .....	58
Consolidated Balance sheet .....	59
Consolidated Profit & Loss account .....	60
Cash Flow Statement for Consolidate Financial Statement .....	61
Significant Accounting Policies and Notes Forming Part of the Consolidated Financial Statements .....	62

## **CORPORATE INFORMATION**

### **Board of Directors**

Smt. T. Indira Subbarami Reddy  
Sri T.V. Sandeep Kumar Reddy  
Sri J. Brij Mohan Reddy  
Sri G. Siva Kumar Reddy  
Sri V. L. Moorthy  
Sri Ch. HariVittal Rao

Chairperson  
Managing Director  
Executive Vice Chairman  
Director  
Director  
Director

### **Company Secretary & Compliance Officer**

CS I.V. Lakshmi

### **Chief Financial Officer**

CA P. SreedharBabu

### **Statutory Auditors**

C.B. Mouli& Associates  
Chartered Accountants  
125, M.G. Road  
Secunderabad – 500 003

### **Bankers**

Andhra Bank  
Bank of Baroda  
Canara Bank  
Corporation Bank  
Federal Bank Ltd.,  
IDBI  
Indian Overseas Bank  
Punjab National Bank  
Syndicate Bank  
Union Bank of India  
State Bank of Bikaner and Jaipur  
Bank of Maharastra

### **Registered & Corporate Office**

B-1, T.S.R. Towers, 6-3-1090  
Raj Bhavan Road, Somajiguda  
Hyderabad – 500 082  
Tel: 040 – 23314284  
Fax: 040 – 23398435  
Email: [gplhyd@gayatri.co.in](mailto:gplhyd@gayatri.co.in)  
Website: [www.gayatri.co.in](http://www.gayatri.co.in)

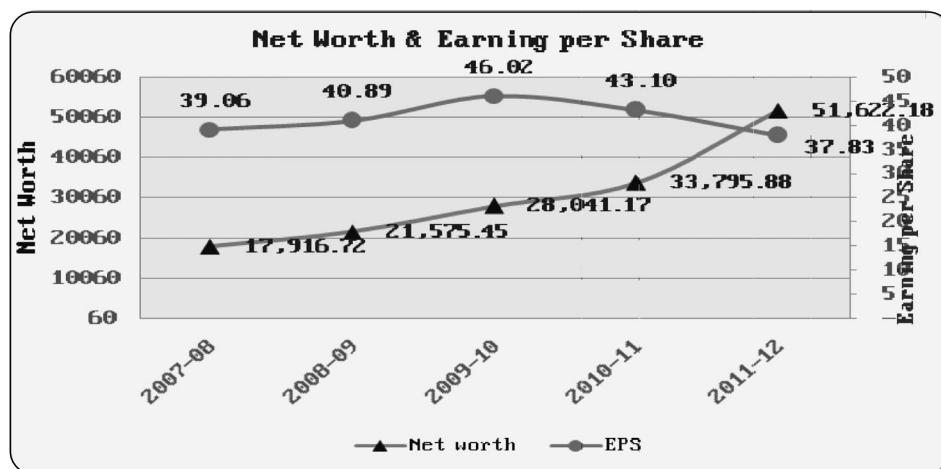
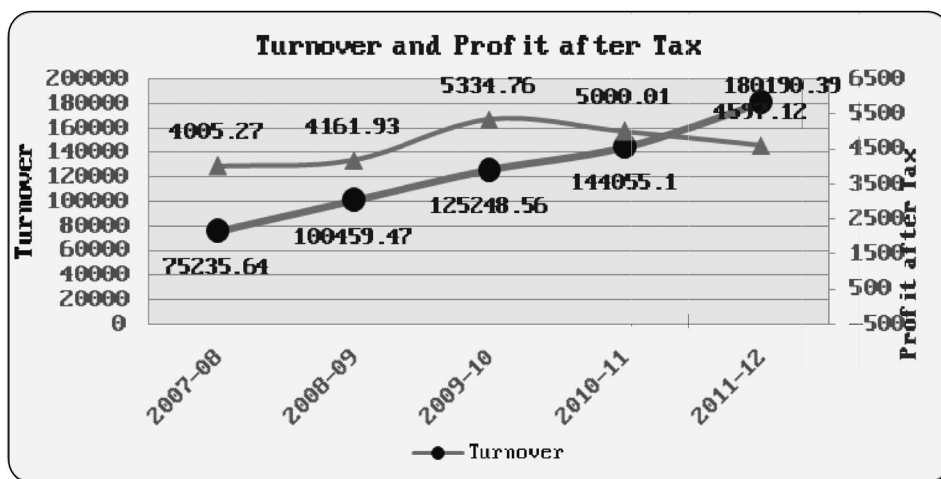
### **Registrars & Transfer Agents**

Karvy Computershare Private Limited  
Plot No.17-24, Vittal Rao Nagar,  
Madhapur, Hyderabad – 500 081  
Tel: 040 – 44655000  
Fax: 040 – 23420814  
Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)  
Website: [www.karvycomputershare.com](http://www.karvycomputershare.com)

## FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

DESCRIPTION	2011-12	2010-11	2009-10	2008-09	2007-08
Turnover	1,80,190.39	1,44,055.10	1,25,248.56	1,00,459.47	75,235.64
Profit Before Tax	6,983.99	9,175.54	8,100.20	6,343.62	6,118.18
Profit After Tax	4,597.12	5,000.01	5,334.76	4,161.93	4,005.27
Equity Capital	2,396.82	1,198.90	1,110.48	1,010.48	1,010.48
Reserves & Surplus	49,225.36	32,596.98	26,930.69	20,564.97	16,906.24
Net Worth	51,622.18	33,795.88	28,041.17	21,575.45	17,916.72
Gross Block	44,617.76	37,012.37	30,029.60	27,478.52	25,729.36
Net Block	27,393.87	21,929.13	16,614.62	16,066.86	16,287.83
Book Value (₹) Per Share	215.38	281.89	252.51	213.52	177.31
EPS (₹) Basic	37.83	43.1	46.02	40.89	39.06
Dividend	30%	50%	50%	40%	25%





## DIRECTORS' REPORT

To

The Members, We have great pleasure in presenting the 23<sup>rd</sup> Annual Report together with the Audited Statements of Accounts for the Financial Year ended March 31, 2012. For your Company this has been a truly remarkable year and your company has achieved many milestones and initiated new ventures.

### FINANCIAL RESULTS

The financial performance of your Company on both a stand-alone and a consolidated basis for the year ended March 31, 2012 is summarized below:

₹ in Lakhs

PARTICULARS	Standalone		Consolidated	
	2011-12	2010-11	2011-12	2010-11
Gross Income	180523.75	1,44,619.33	2,20,593.74	1,21,606.52
Profit before interest, depreciation and tax	20,327.05	17,626.84	31,822.41	22,804.79
Less : Interest and financial charges	10,437.38	7,418.49	22,072.24	11,730.14
Profit before depreciation	9,889.67	10,208.35	9,749.90	11,074.65
Less : Depreciation	2,905.68	2,273.28	8,208.89	6,232.23
Profit before tax	6,983.99	7,935.07	1,541.01	4,842.42
Provision for tax	2,386.87	2,935.06	2,355.13	3,085.14
Profit after tax	4,597.12	5,000.01	(814.12)	1,757.28
Less : Minority Interest	—	—	1,371.15	1,475.22
Profit after Prior Period Adjustments	4,597.12	5,000.01	557.03	3,232.50
Profit brought forward	16,060.16	13,869.88	14,400.94	13,978.17
Other Adjustments	—	—	(34.83)	—
Profit available for appropriation	20,657.28	18,869.89	14,923.14	17,210.67
<b>Appropriations:</b>				
Dividend & Dividend Tax	835.69	709.73	835.69	709.73
Transfer to Debenture Redemption Reserve	—	1,300.00	—	1,300.00
Transfer to General Reserve	900.00	800.00	900.00	800.00
Balance carried forward	18,921.59	16,060.16	13,187.08	14,400.94
Paid-up capital	2,396.82	1,198.90	2,396.82	1,198.90
Reserves and Surplus	49,225.36	32,596.98	57,988.84	45,435.38

### REVIEW OF OPERATIONS:

The financial year 2011-12 was a challenging year and almost all Country's including India are facing the fear of slowdown in the growth. The uncertainty about demand conditions, and increasing in interest rates, slowdown decision making in various crucial areas and weakening of rupee are contributing for subdued growth rate and also less favorable condition for investment. In this challenging year, your Company has performed reasonably well and grew its revenue by 25%. The EBITDA margins have registered at 17.26% as against 13.45% in the previous year. The company has make provision of ₹79.23 crores for the foreign exchange translation loss on the FCCB Bonds and an account of this PAT margins have decreased to 2.55%.

Your Directors are pleased to inform that all projects under taken by the Company are progressing as per schedule except few works where there has been a delay in handing over of the site by the client. In all such cases, your company has got extension of time from the employer.

## Twenty Third Annual Report

The Order Book position of your company is strong at ₹7,809.99 crores as on 31<sup>st</sup> March, 2012 with a revenue visibility over next four years. The sector wise breakup is as under:

Sl. No.	Particulars	Orders on Hand ₹ in Crores	%
1	Irrigation Division	3457.29	44.27
2	Roads Division	1978.97	25.34
3	Power Transmission	248.26	3.18
4	Industrial Works	2125.47	27.21
	<b>TOTAL</b>	<b>7809.99</b>	<b>100.00</b>

### FUTURE OUTLOOK

Despite the continued unfavourable macroeconomic environment, Construction Sector is expected to show some improvement compared to last year as evidenced by the recent increase in the output of steel and cement. The projected GDP growth of construction industry is 6.5 percent as against 5.3 percent in previous year. The biggest driver for construction is the infrastructure sector. Investments in the Twelfth Plan are expected to be roughly double the investments in the Eleventh Plan. For the Twelfth Plan, the estimated investment in infrastructure is expected to increase to ₹ 40,992.4 billion. This huge investment in infrastructure, coupled with recovery in the residential segment of the real estate market, is expected to drive the construction industry in the next few years. It can be said that for the next six years (2011-12 to 2016-17) the demand for the construction industry will be quite significant. In value terms, the expected size of this industry by 2016-17 will be quite significant. As an existing leading player and experienced infrastructure developer, your Company will have direct advantage in the challenging scenario.

### DIVIDEND

Directors are pleased to recommend a dividend of ₹3/- per equity share of the face value of ₹10/- for the period ended 31<sup>st</sup> March 2012.

The dividend, subject to approval at the AGM on 20<sup>th</sup> of September, 2012, will be paid to the shareholders whose names appear on the Register of Members with reference to the book closure from Friday 14<sup>th</sup> September, 2012 to Thursday 20<sup>th</sup> September, 2012 (inclusive of both dates).

### RESERVES

It is proposed to transfer ₹900 Lakhs to the General Reserves of the Company from the current year's profits.

### SUBSIDIARY COMPANIES

During the year under review your company has incorporated M/s. Sai Maatarini Tollways Limited has wholly owned subsidiary of the company.

With effect from 13<sup>th</sup> of March, 2012, HKR Roadways Limited is not a subsidiary of our Company pursuant to acquisition of shares by other shareholders in HKR Road Ways Limited.

With effect from November 29, 2011, Bhandara Thermal Power Corporation Limited has become a step down subsidiary of your Company pursuant to Gayatri Energy Ventures Private Limited having acquired 98.99% of the equity share capital thereof.

Your Company has seven subsidiary companies (including step down subsidiaries) as on 31<sup>st</sup> March 2012 as per the Companies Act, 1956.

### CONSOLIDATION OF ACCOUNTS

In accordance with the Accounting Standard -21 on Consolidated Financial Statements read with Accounting Standard - 23 & 27 on Accounting for Investments in Associates in Consolidated Financial Statements and Financial Reporting of Interests in Joint Ventures, Consolidated Financial Statements are prepared considering the combined profits net of losses of all the subsidiaries, joint ventures and after eliminating intra group transactions, unrealized profits and balances.

Your Directors have pleasure in attaching the Consolidated Financial Statements presented by your Company which form part of the Annual Report and Accounts.

**DIRECTORS**

Smt. T. Indira Subbarami Reddy and Sri Ch. HariVittal Rao, Directors retire at the ensuing AGM and being eligible offer themselves for reappointment.

**PUBLIC DEPOSITS**

The Company has not accepted any deposits from the public during the year under review.

**CORPORATE GOVERNANCE REPORT**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Management Discussion and Analysis Report, Corporate Governance Report and Auditors Certificate on Corporate Governance are annexed to this report.

**MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**

The Management discussions and analysis report is given separately and forms part of this Annual Report.

**LISTING AT STOCK EXCHANGES**

The Equity shares of the Company are listed in "BSE" (BOMBAY STOCK EXCHANGE LIMITED) and "NSE" (NATIONAL STOCK EXCHANGE OF INDIA LIMITED), Non Convertible Debentures issued on Private placement are continued to be listed on The Bombay Stock Exchange Limited and Foreign Currency Convertible Bonds (FCCB's) are listed on the Singapore Stock Exchange Limited.

**RIGHTS ISSUE**

During the year under review your company has raised ₹143.86 Crores through the Rights issue, by issue of 11979242 equity shares of ₹10/- each at a premium of ₹110/- to the existing shareholders on right basis. The aforesaid shares allotted under rights issue start traded on the Bombay Stock Exchange and National Stock Exchange w.e.f 29<sup>th</sup> of March, 2012.

**DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed that:

- i) in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanations relating to material departures ;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2012 and of the profit of the Company for the financial year ended on that date.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) The Directors have prepared the annual accounts of the Company on a 'going concern' basis.

**AUDITORS**

The Auditors M/s. C.B. Mouli& Associates, Chartered Accountants, Secunderabad will retire at the conclusion of the ensuing Annual General Meeting. They have signified their willingness to accept re-appointment and have further confirmed their eligibility under Section 224 (1-B) of the Companies Act, 1956.

**STATUTORY INFORMATION****Particulars of Employees**

Details in respect of remuneration to employees as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended are not furnished since no employee of the Company, except Executive Directors falls within the remuneration limits provided under the said section and rules.

**Conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo**

Information relating to Conservation of energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of the Particulars in the Report of Board of Directors) Rules, 1988 is not applicable for the company. The particular of expenditure and earnings in Foreign Currency is furnished in Notes to Accounts.

## **AUDITORS' REPORT**

### **Management Observation on Auditors Observations:**

#### **Joint Venture Losses:**

The response of the Directors to the comments of the Auditors in their report on Financial Statements is as under:

The IJM-Gayatri Joint Venture losses are not considered in the books of your company because of the various claims made on the employer for their contractual failures by the joint ventures and the losses which are primarily attributed to such failures are likely to be decided in favor of the joint venture. The management is of the firm opinion that the excess expenditure is expected to flow back through future cash flows on settlement of the claims by the employer. There is substantial progress in the proceedings in the arbitration and the management is reasonably confident of recovery of these claims in near future. In the unlikely situation of not awarding the entire amount of claims, GPL has to provide an amount of Rs 53.78 crores towards its share of 40% in the IJM-Gayatri Joint Venture.

## **INDUSTRIAL RELATIONS**

The Company enjoyed cordial relations with the employees during the year under review and the Management appreciates the employees of all cadres for their dedicated services to the Company, and expects continued support, higher level of productivity for achieving the targets set for the future.

## **ACKNOWLEDGEMENTS**

Your Directors place on record their appreciation for the confidence reposed and continued support extended by its customers, suppliers, Banks and Financial Institutions, Government at centre and state and shareholders. Your Board would like to place on record, its sincere appreciation all the sub contractors, consultants, clients and employees for having played a very significant part in the Company's operations till date.

**For and on behalf of the Board**

Place : Hyderabad  
Date : 30<sup>th</sup> May, 2012.

**T. INDIRA SUBBARAMI REDDY**  
Chairperson

**T. V. SANDEEP KUMAR REDDY**  
Managing Director

## Annexure – A to DIRECTORS' REPORT

### I. GAYATRI PROJECTS LIMITED – Subsidiaries

Statement pursuant to the Under Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

Name of the Subsidiary	Direct Subsidiaries		
	SaiMaatarini Tollways Limited	Gayatri Infra Ventures Ltd (GIVL)	Gayatri Energy Ventures Pvt. Ltd. (GEVL)
Financial Year of the Subsidiary will be ending on	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2012
Date of which they became subsidiary Company	8 <sup>th</sup> September, 2011	22 <sup>nd</sup> January, 2008	10 <sup>th</sup> February, 2009
No. of Shares held at the end of the Financial Year of the Subsidiary Companies	50,000 equity shares of ₹10/- each	12,47,000 equity shares of ₹10/- each	50,00,000 equity shares of ₹10/- each
Extent of Interest of Holding Company at the end of the Financial Year of the subsidiary Company	100.00%	70.42%	100%
The net Aggregate amount of Subsidiary Companies Profit/Loss so far as it concerns the members of Holding Company (₹ in Lakhs)			
- Dealt with the holding company's accounts	NA	NA	NA
- Not dealt with the holding company's accounts	(2.47)	(2,151.87)	(1,758.04)

### II. Step-down Subsidiaries

Name of the Subsidiary	Subsidiaries of GIVL		Subsidiaries of GEVL	
	Gayatri Jhansi Thermal Power Corporation Limited	Gayatri Lalitpur Roadways Ltd.	Bhandara Thermal Power Corporation Limited	Thermal Powertech Corporation India Ltd.
Financial Year of the Subsidiary will be ending on	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2012
Date of which they became subsidiary Company	6 <sup>th</sup> September 2008	6 <sup>th</sup> September 2008	25 <sup>th</sup> of March 2011	26 <sup>th</sup> April 2008
No. of Shares held at the end of the Financial Year of the Subsidiary Companies	21,61,994 equity shares of ₹10/- each	1,62,18,000 equity shares of ₹10/- each	49,55,500 equity shares of ₹10/- each	23,66,00,000 equity shares of ₹10/- each
Extent of Interest of Holding Company at the end of the Financial Year of the subsidiary Company	51%	51%	99.51%	51%
The net Aggregate amount of Subsidiary Companies Profit/Loss so far as it concerns the members of Holding Company (₹ in Lakhs)	NA	NA	NA	NA
- Dealt with the holding company's accounts	(190.36)	(246.48)	NA(23.07)	NA(53.98)
- Not dealt with the holding company's accounts				

For and on behalf of the Board

Place : Hyderabad  
Date : 30<sup>th</sup> May, 2012.

**T. INDIRA SUBBARAMI REDDY**  
Chairperson

**T. V. SANDEEP KUMAR REDDY**  
Managing Director

## **Annexure – B to DIRECTORS' REPORT**

Statement pursuant to Section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies, as per Companies Act, 1956.

**₹ in Lakhs**

PARTICULARS	Gayatri Infra Ventures Ltd	Gayatri Lalitpur Roadways Ltd	Gayatri Jhansi Roadways Ltd	Gayatri Energy Ventures Pvt. Ltd.	Thermal Powertech Corporation Indian Ltd	Bhandara Thermal Power Corporation Ltd	Sai Maatarini Tollways Limited
	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12
Capital	177.08	3179.80	4240.00	500.00	46392.00	498.00	5.00
Share Application Money	—	—	—	—	—	—	—
Reserves	19537.64	(1370.08)	(1503.96)	47241.08	13735.98	(15.27)	(2.50)
Total Assets	33742.19	30170.60	39425.58	74645.18	233654.30	7105.54	41.24
Total Liabilities	14204.55	28360.88	36689.54	26904.10	173526.32	6622.81	35.74
Details of Investments (Except Investment in subsidiaries)	4807.33	212.05	—	40898.34	—	—	—
Turnover	169.04	4789.14	5988.92	50.32	—	—	—
Profit before taxation	(2058.17)	(487.96)	(378.89)	(1695.93)	(105.84)	(8.07)	(2.50)
Provision for Taxation	—	—	—	(0.56)	1.22	—	—
Profit after taxation	(2058.17)	(487.96)	(378.89)	(1695.37)	(107.06)	(8.07)	(2.50)
Proposed Dividend	—	—	—	—	—	—	—

**For and on behalf of the Board**

Place : Hyderabad  
Date : 30<sup>th</sup> May, 2012.

**T. INDIRA SUBBARAMI REDDY**  
Chairperson

**T. V. SANDEEP KUMAR REDDY**  
Managing Director

## **MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

### **Forward Looking Statements**

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operation of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities' laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward – looking statements on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include cost of fuel, levies by regulatory authority, changes in Government regulations, tax laws, economic developments within the country and such other factors.

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. The management of Gayatri Projects Limited accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. These estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs and profits for the year.

### **Overview**

Amidst the global crisis and uncertainty that almost all countries are facing, the fear of a slowdown in growth has gripped India as well. This along with an increasing inflation rate, deteriorating current account deficit (CAD) and a declining rupee has added to the fear, hence, lowering of the confidence in the economy. Softening external demand, together with continued strength in imports, led to a widening current account deficit. Although inflation has moderated from double-digit rates it remains relatively high and expected increases in regulated prices of some oil-related products will add to price pressures which will continue to weigh on household consumption. This in turn will make the climate for investment less favorable. As a result, growth is expected to remain subdued through much of the year. Global economic growth remains under pressure and witnesses lower growth. The primary reasons for the same are stagnated growth in Europe and US, Euro Zone debt crisis, high oil prices and unrest in Middle East.

Currently, India is facing a very challenging economic scenario. The uncertainty about demand conditions given the global outlook and its likely contagion effect; regulatory issues including environmental clearances and land acquisition; as well as sector specific factors like availability of coal and iron ore have impacted investments. Other contributory factors included an increase in interest rates to dampen high inflation and a slowdown in decision-making in various crucial areas like allocation of coal blocks. At the same time, while fiscal policy remains expansionary, higher outgo toward items of non-plan revenue expenditure such as subsidies, limited the fiscal space available for boosting infrastructure spending by the public sector. Investment growth is likely to remain sluggish in 2012-13 as well, unless policy issues are addressed and there is a substantial pick up in the pace of implementation of big ticket economic reforms. The economic growth rate had plunged to nine-year low of 6.5 percent in 2011-12.

The construction industry contributes about 5.3 per cent to the gross domestic product (GDP) at present. Apart from its economic contribution, it is also the second largest source of employment, after the agriculture sector, offering a livelihood to about 33 million people.

Over the last five years, despite two phases of global slowdown, the industry has shown high levels of activity, due to an enhanced focus on improving and upgrading infrastructure. The thrust on infrastructure has opened up opportunities both through direct construction contracts as well as for ancillary industries, including the equipment manufacturers and material supply markets. The importance of infrastructure as a driver for the construction industry can be gauged from the fact that nearly 60 per cent of infrastructure investments contribute to construction activity.

For the Twelfth Plan period, opportunities for the construction sector are expected to be even larger. The projected infrastructure investments in the Twelfth Plan are almost double those in the Eleventh Plan at ₹40.99 trillion. Of this, the maximum investment is expected in the power and road sectors. A large part of the demand for the construction industry will come from private developers, given the fact that about 50 per cent of the investment in the plan period is expected to come from private players.

Despite the continued unfavourable macroeconomic environment, Construction Sector is expected to show some improvement compared to last year as evidenced by the recent increase in the output of steel and cement. The government of India has announced a Project Clearance Board and a monitoring mechanism to speed up project execution. The projected GDP growth of construction industry is 6.5 percent as against 5.3 percent in previous year. The actual and projected GDP growth of various sectors are as under:

<b>GDP Growth - Actual &amp; Projected (At constant 2004/05 prices)</b>				
	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12 Revised</b>	<b>2012-13 (Proj.)</b>
Agriculture & allied activities	1.0	7.0	2.8	0.5
Mining & Quarrying	6.3	5.0	-0.9	4.4
Manufacturing	9.7	7.6	2.5	4.5
Electricity, Gas & Water Supply	6.3	3.0	7.9	8.0
Construction	7.0	8.0	5.3	6.5
Trade, Hotels, Transport, Storage & Communication	10.3	11.1	9.9	9.3
Finance, insurance, real estate & business services	9.4	10.4	9.6	9.5
Community & personal services	12.0	4.5	5.8	7.0
<b>Gross Domestic Product (factor cost)</b>	<b>8.4</b>	<b>8.4</b>	<b>6.5</b>	<b>6.7</b>

*Source: Planning Commission.*

Construction activity is an essential part of country's growing need for infrastructure and industrial development. Construction as a percentage of GDP has been in the narrow range of 7.9-8.1% in the past six years. Considering first three quarters of FY12, the construction growth slowed down to 4.2% from 7.7% registered in the corresponding period of previous year. The slowdown in construction is mainly on account of delay in the project awarding & execution due to environmental clearance hurdles, political instability in some states etc.

Since last couple of years, margins of construction companies are under pressure due to muted top line growth led by the delay in execution of orders, rising interest rates and fairly high prices of key input materials like steel, cement, bitumen, copper.

At the end of third quarter of FY12, the ratio of order backlog to net sales (four trailing quarters) of the major construction companies was in the range of 2.6-5.5 times. However, execution of the order backlog remains a key challenge due to various constraints like land acquisition, environmental clearances, political issues etc.

The biggest driver for construction is the infrastructure sector. Investments in the Twelfth Plan are expected to be roughly double the investments in the Eleventh Plan. For the Twelfth Plan, the estimated investment in infrastructure is expected to increase to ₹ 40,992.4 billion. This huge investment in infrastructure, coupled with recovery in the residential segment of the real estate market, is expected to drive the construction industry in the period between 2011 and 2017.

The construction industry is divided into four segments – residential construction, commercial construction, industrial construction and infrastructure construction. Of these segments, infrastructure construction accounts for the maximum share at about 54 percent. While industrial construction accounts for 36 per cent of the share, residential and commercial construction accounts for about 5 per cent each.

### **Impact of Union Budget 2012**

The sustained focus of the government on infrastructure development especially power, roads, irrigation etc through increased allocation to schemes like PMGSY, RIDF, AIBP would be beneficial for the construction sector. Also, continued focus of the government on the low cost and affordable housing will augur well for the sector. The easy availability of funds and relaxation in ECB norms will be positive for the construction industry.

- ◆ During Twelfth Plan period, investment in infrastructure to go up to ₹ 50 lakh crore with half of this, expected from private sector.
- ◆ More sectors added as eligible sectors for Viability Gap Funding under the scheme "Support to PPP in infrastructure".
- ◆ Government has approved guidelines for establishing joint venture companies by defence PSUs in PPP mode.
- ◆ First Infrastructure Debt Fund with an initial size of ₹8,000 crore launched.
- ◆ Tax free bonds of ₹60,000 crore to be allowed for financing infrastructure projects in 2012-13.



- ◆ IIFCL has put in place a structure for credit enhancement and take-out finance for easing access of credit to infrastructure projects.

### **Future Outlook**

To conclude, it can be said that for the next six years (2011-12 to 2016-17) the demand for the construction industry will be quite significant. In value terms, the expected size of this industry by 2016-17 will be quite significant and will be to the tune of \$620 billion. However, the key challenges of land acquisition, obtaining statutory clearances, and enhancing project delivery through the concerted efforts of developers, contractors and service providers need to be focused upon. It should be remembered that resolution of these issues will have a direct bearing on meeting the infrastructure needs, and thus affect the targeted economic growth.

Your Company has an outstanding order book of ₹ 7511 crores as on June 2012, which is 4x FY12 revenue thereby providing revenue visibilities over next four to five years. The order book is likely to further improve in FY 2012-13 on account of new tenders in which company is actively participating.

During the year under review, the Company and its joint ventures have together bagged new orders valued around ₹1796.84 crores

- ◆ Supply & Erection work of 400 KV D/C Amreli-Kasor Line (Part: 1) – 80.475 KM (Amreli Gantry to AP28) on turnkey basis. The order value is ₹55.45 Crores.
- ◆ Supply & Erection work of 400 KV D/C Amreli-Kasor Line (Part: 2)-82.170 KM (AP 28 to AP44) on turnkey basis. The order value is ₹54.66 Crores.
- ◆ Construction Plant Drainage System for Tata Steel Ltd., Kalinganagar Project. The Order Value is ₹260.30 Crores.
- ◆ Supply & Erection of 400 kV D/C Mundra-Zerda line no.I on turnkey basis Package – III – 156.103 Km (AP 46 to Zerda). The Order Value is ₹50.06 Crores.
- ◆ Modernization of Coring River by Dredging from Teki Drain infalling in sea mouth in CIP Basin at Godavari Eastern Delta Drainage System by Govt.of Andhra Pradesh I & CAD Department. The Order Value is ₹24.19 Crores.
- ◆ Modernization of Kunavaram at Vasalatippa Major drains by Dredging infalling to Sea in Sea Mouth basin of Godavari Central Delta of East Godavari District – Govt of Andhra Pradesh – Irrigation & CAD Department. The Order Value is ₹12.56 Crores.
- ◆ Modernization of Godavari Delta Drainage System – W.G.District – Gonteru Sub Basin from Km.38.60 to Km.50.680 (By Dredging) in Upputeru Basin in W.G.Dist - Govt of Andhra Pradesh – Irrigation & CAD Department. The Order Value is ₹13.93 Crores.
- ◆ Major Irrigation – Modernization of Krishna Delta System – Dredging for East Thungabhadra drain from Km.0.000 to Km.5.575 - Govt of Andhra Pradesh – Irrigation & CAD Department. The Order Value is ₹19.44 Crores.
- ◆ Construction Railway Formation for Tata Steel Ltd., Kalinganagar Project. The Order Value is ₹369.85 Crores.
- ◆ Site Grading and Filling and Construction of Compound Wall for 2 x660 MW TPP at Thotapalli, GudurMandal, SPSR Nellore District, AP. The Order Value is ₹80 Crores.
- ◆ Civil Works, Erection, Testing and Commissioning of Sea Water Intake & Outfall System and External Coal Handling System for 2 x 660 MW Thermal Power Project near Painapuram (V), in MuthukurMandal, Nellore District, AP. The Order Value is ₹ 45.00 Crores.
- ◆ Supply of Equipments for Sea Water Intake & Outfall System and External Coal Handling System for 2 x 660 MW Thermal Power Project near Painapuram (v), Nellore District, AP. The Order Value is ₹95 Crores.
- ◆ Civil Works for RMHS for Tata Steel, Kalinganagar. The Order Value is ₹309.53 Crores.
- ◆ Erection, Alignment, Painting Work for RMHS for Tata Steel, Kalinganagar. The Order Value is ₹113.41 Crores.
- ◆ Fabricated Structural work for RMHS for Tata Steel, Kalinganagar. The Order Value is ₹239.90 Crores.
- ◆ Upgradation Component - Widening and Strengthening of Mydukuru - Jammalamadugu Road from Km.177/400 to 194/670 in Kadapa District. The Order Value is ₹53.56 Crores.

### **Internal Control Systems**

The Company has an adequate system of internal control implemented by the management towards achieving efficiency in operations, optimum utilization of resources and effective monitoring thereof and compliance with all applicable resources. The Company ensures adherence to all internal control policies and procedures. A qualified and independent audit committee of the Board, comprising all independent directors of the Company, reviews the adequacy of internal

controls. An Independent Chartered Accountant firm is conducting internal audit of the Head Office and work sites and reporting to Audit Committee.

### **Financial Performance**

**Share Capital:** During the year the Company has allotted 1,19,79,242 equity shares of ₹10/- each at a premium of ₹110/- to the existing share holders in the ratio of one right equity share for every equity share held on record date i.e. 23-02-2012. As a result the share capital has increased by ₹1,197.92 Lakhs and securities premium account by ₹13,177.17 Lakhs.

**Reserves & Surplus:** The Reserves & Surplus of the Company has increased to ₹49,225.36 Lakhs from ₹32,596.98 Lakhs in the previous year. The increase is due to receipt of share premium on issue of shares to the existing share holders amount to ₹13,177.17 Lakhs and profits made during the year.

**Net worth:** The overall net worth of the company has increased to ₹51,622.18 Lakhs from ₹33,795.88 Lakhs, primarily due to the right issue proceeds and Profits made during the year.

**Non Current Liabilities:** Non Current Liabilities includes long term borrowings and provisions, deferred tax liabilities and other long term liabilities having maturity profile of more than one year. The Non Current liabilities have marginally increased to ₹53,377.50 Lakhs from ₹49,286.91 Lakhs in the previous year. The increase is mainly due to advances drawn from the employer on the new works awarded.

**Current Liabilities:** Current Liabilities includes short term working capital borrowings, trade creditors, short term provisions and current maturities of the long term liabilities. The current liabilities have increased to ₹1,35,463.14 Lakhs from ₹94,685.37 Lakhs in previous year. The increase is mainly due to repayments of the long term liabilities including FCCB Bonds which are falling due in FY 2012-13, which is classified under other current liabilities.

**Non Current Assets:** Non Current Assets includes fixed assets, non current investment and long term nature loans and advances. The Non Current assets have increased to ₹96,724.33 Lakhs in FY 2011-12 from ₹67,380.97 Lakhs in FY 2010-11. The increase is due to investment of ₹49,505.00 Lakhs made in the Gayatri Energy Ventures Ltd., which is a wholly owned subsidiary of your company for promoting power sector projects. At present Gayatri Energy Ventures Ltd., is promoting two coal based mega thermal projects with a combined installed capacity of 2640 MW. In addition to the above that the fixed assets block have marginally increased by ₹6631.68 Lakhs during the year.

**Current Assets:** The current assets includes inventories, receivables, short term advances and cash & cash equivalents. The current assets have marginally increased to ₹1,43,738.49 Lakhs from ₹1,10,387.19 Lakhs due to increase in the holding levels of the receivables and inventories.

### **Operational Performance**

**Turnover:** During the year under review the Company has achieved turnover of ₹1,80,190.39 Lakhs as compared to ₹1,44,055.18 crores in the previous year, registering a growth of 25%. Considering the economic conditions in the Country, the growth of 25% in the turnover is admirable. The management is confident to maintain the same growth level in the coming years due to healthy order book of ₹7,511.00 crores as on June, 2012.

**Other Income:** There has been decrease of ₹230.79 Lakhs in the other income mainly due to the decrease in the interest income as compared to the previous year.

**Construction Cost:** The construction cost consisting of work expenditure, staff cost, administrative cost and increase / decrease in WIP is marginally decreased to 83.00% as against 87.00% in the previous year. The company has introduced certain cost saving techniques at the sites due to which the construction cost is under control during the year.

**Other Expenses:** The other expenses include general administrative expenses and foreign exchange translation losses etc. The other expenses increase to ₹11,101.29 Lakhs from ₹2,316.32 Lakhs in the previous year. The company has provided foreign exchange translation loss of ₹7,923.59 Lakhs on the outstanding FCCB Bonds and also exchange difference on buyback FCCB Bonds due to which the other expenses have increase during the FY 2011-12.

**Financial Charges:** The financial charges have increased to ₹10,437.38 Lakhs in FY 2011-12 from ₹7,418.49 Lakhs in FY 2010-11. The increase is due to hardening of bank interest rates and increase in the borrowings by the company.

**Depreciation:** Due to additions in the Fixed Assets Block, the depreciation has increased to ₹2,905.68 Lakhs from ₹2,273.28 Lakhs in the previous year.

**Provision for Tax:** The Company has provided for a sum of ₹2386.87 Lakhs as a current tax and deferred tax as compared to ₹2,935.06 Lakhs in the previous year. The company has taken tax benefit on the wind power generating project established in the Gujarat and Tamilnadu to reduce direct tax liability.

**EBITDA and Net Profit:** During the year the EBITDA margins registered at 17.26% as against 13.45% in previous year. The main reason for increase in the EBITDA margins in the current year is due to profitable industrial works the company is executing at present. The PAT margin is marginally decreased to 2.55% in the current year as compared to 3.47% in the previous year. The decrease is mainly due to provision of ₹7,923.59 Lakhs for the foreign exchange translation loss on the FCCB Bonds in the FY 2011-12.

**Dividend:** The Board of Directors has recommended a Dividend of ₹3/- per Equity share (30%) for the year 2011-12 subject to approval of Shareholders at the ensuing Annual General Meeting.

#### **Human Resources**

The company is committed to providing an environment that is encouraging and appreciative under which the employees can work to their potential and grow professionally as well as personally. The company continuously invests in the development of its human resources through a series of employee friendly measures aimed at talent acquisition, development, motivation and retention. Various training initiatives were rolled out during the year which aimed at training the employees in the areas of skill up-gradation as well as specialized psychological profile support programmes for enhancing the happiness quotient of employees. The relationship with employees remained smooth and cordial through out the year under review.

**CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE  
AS PER THE LISTING AGREEMENT**

To the  
Members of Gayatri Projects Limited

We have examined the compliance of conditions of corporate governance by Gayatri Projects Ltd for the year ended 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

The compliance of conditions of corporate governance is the responsibility of the management of the Company. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the 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 and based on the representations made by the Directors and the management, we certify that the Company has complied with conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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 **C.B.MOULI & ASSOCIATES**  
Chartered Accountants  
(Registration No: 002140S)

**MANI OOMMEN**  
Partner  
Membership No: 24046

Place : Hyderabad  
Date : 30<sup>th</sup> May, 2012

## CORPORATE GOVERNANCE REPORT:

(As required by clause 49 of the Listing Agreement entered into with Stock Exchanges)

### A. MANDATORY REQUIREMENTS

#### I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Company's philosophy on corporate governance encompasses not only regulatory and legal requirements, such as the terms of listing agreements with stock exchanges, but also several voluntary practices aimed at a high level of business ethics, effective supervision and enhancement of value for all stakeholders. Gayatri Projects Limited is committed to doing business in an efficient, responsible, honest and ethical manner. Corporate governance practice goes beyond compliance and involves a company-wide commitment. This perspective has to become an integral part of business to ensure fairness, transparency and integrity of the management. Good corporate governance provides an appropriate framework for the Board, its committees and the executive management to carry out the purposes that are in the interest of the Company and the Stakeholders.

The company's core philosophy on the code of corporate governance is to ensure:

- ◆ Fair and transparent business practices.
- ◆ Accountability for performance.
- ◆ Compliance of applicable statute
- ◆ Transparent and timely disclosure of financial and management information.
- ◆ Effective management control and monitoring of executive performance by the Board.
- ◆ Adequate representation of professionally qualified non executive and independent Directors on Board.

Company has adopted Code of Conduct which articulates the values, ethics and business principles and serves as a guide to the Company, its directors and employees supplemented with an appropriate mechanism to report any concern pertaining to non-adherence to the said Code. The Company is in full compliance with the requirements of Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges ("the Listing Agreement")

#### II. BOARD OF DIRECTORS

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Memberships held by them in other companies is given below. Other Directorships do not include alternate Directorships, Directorships of Private Ltd Companies and of Companies incorporated outside India. Chairmanship/Membership of Board Committees includes Membership of Audit, and Shareholders/Investors Grievance Committees.

##### COMPOSITION

The Board represents an optimum mix of professionalism, knowledge and experience. As on March 31, 2012, we had a total strength 6 Directors in the Board, comprising of: 2 Executive Directors and 4 Non-executive Directors (3 of them are Independent Directors). The Company immensely benefits from the professional expertise of the independent Directors. The Board has an adequate combination of Executive, Non-Executive and Independent Directors.

**Table : I** Key information pertaining to Directors as on 31<sup>st</sup> March, 2012

	<b>Ms. T. Indira</b>	<b>Mr. T. V. Sandeep Kumar Reddy</b>	<b>Mr. J. Brij Mohan Reddy</b>	<b>Mr. G. Siva Kumar Reddy</b>	<b>Dr. V. L. Moorthy</b>	<b>Mr. CH. Hari Vittal Rao</b>
Category	Chairperson Promoter Director	Managing Director	Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director
Date of appointment	08/03/1996	15/09/1989	30/03/1994	30/03/1994	04/11/2005	04/11/2005
Directorship in other Public Companies	6	13	8	3	4	4
Chairmanship in Committees of Board of other Companies	—	—	—	—	2	—
Membership in Committees of Board of other Companies	1	3	—	—	2	—
No. of Board Meetings held / attended	10/8	10/10	10/6	10/9	10/8	10/10
Attendance at the last AGM held on Sept. 30, 2011	No	Yes	No	No	Yes	Yes
No. of Shares Held as on 31/03/2012	10630932	4579544	450	225	—	—

### BOARD MEETINGS

Our Secretarial Department in consultation with the Key Managerial Personnels, Executive Directors and with Board Governance decided the dates on Board Meetings, the schedule of Board Meeting and Board Committee Meetings are communicated in advance to all the Directors to enable them to schedule their meetings.

Our Board met 10 times in the Financial Year 2011–12 on 13<sup>th</sup> Day of May 2011, 09<sup>th</sup> Day of July 2011, 11<sup>th</sup> Day of August 2011, 22<sup>nd</sup> Day of August 2011, 06<sup>th</sup> of September 2011, 14<sup>th</sup> of November 2011, 05<sup>th</sup> of December 2011, 11<sup>th</sup> of February 2012, 14<sup>th</sup> Day of February 2012, 20<sup>th</sup> Day of March 2012.

The Company Secretary prepares the Agenda and Explanatory notes, in consultation with the Chairman and Managing Director for each meeting and circulates the same in advance to the Directors. A tentative annual calendar for the meetings of the Board and Audit Committee to be held in each quarter has been circulated to facilitate and assist the Directors to plan their schedules for the meetings for meaningful, informed and focused decisions. Every Director is free to suggest the inclusion of items on the agenda. The Board meets at least once in every quarter to review the quarterly results and other items on the agenda. The Board is given presentation covering industry environment, project implementation, project financing and operations of the Company. Additional meetings are held, when necessary. The draft minutes of the proceedings of the Board of Directors are circulated in advance and the comments, if any, received from the Directors are incorporated in the minutes in consultation with the Chairman. Senior executives are invited to provide additional inputs at the Board Meeting for the items being discussed by the Board of Directors, as and when necessary.

The Company has an effective post meetings follow up, review and reporting process mechanism for the decisions taken by the Board/Committees. Action taken report on decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the members.

The Company Secretary while preparing the agenda notes, minutes etc., of the meeting is responsible for and is required to ensure adherence to all applicable laws, rules, regulations including the Companies Act, 1956 read with rules made there under.

### **Details of the Directors seeking re-appointment**

Mrs. T. Indira Subbarami Reddy and Mr. CH. HariVittal Rao, Directors retire by rotation at this Annual General Meeting and are seeking re-appointment.

### **III. AUDIT COMMITTEE**

- a) 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 292A of the Companies Act, 1956.

The Functions of Audit Committee include:

- ◆ Overseeing of the Company's financial reporting process and disclosure of its financial Information to ensure that the financial statements are correct, sufficient and credible.
- ◆ Reviewing the adequacy of internal audit functions.
- ◆ Reviewing the quarterly and annual financial statements before submission to the Board.
- ◆ Reviewing the adequacy of internal control and their compliance thereof.
- ◆ Reviewing the Company's financial and risk management policies.

- b) **The Composition of the Audit Committee:**

Mr. Ch HariVittal Rao – Chairman  
 Dr. V. L. Moorthy – Member  
 Mr. G Siva Kumar Reddy – Member

- c) **Meetings and Attendance:**

Five Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows: 13<sup>th</sup> of May, 2011, 11<sup>th</sup> of August, 2011, 22<sup>nd</sup> of August, 2011, 14<sup>th</sup> of November, 2011 and 14<sup>th</sup> of February, 2012. The maximum gap between any two meetings is not more than 4 months.

**Table : 2**

Name of the Director	No. of Audit Committee Meetings	
	Held	Attended
Mr. Ch HariVittal Rao – Chairman	5	5
Dr. V. L. Moorthy – Member	5	4
Mr. G. Siva Kumar Reddy – Member	5	4

The necessary quorum was present at all the meetings.

### **IV. REMUNERATION COMMITTEE**

- a) **The broad terms of reference of the Remuneration Committee are as under :**

- ◆ To approve the remuneration and commission / incentive remuneration payable to the Managing Director / Executive Directors for each financial year.
- ◆ To approve the remuneration and Annual Performance Bonus payable to the Chief Finance Officer and the Vice Presidents of the Company for each financial year.
- ◆ Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend / approve.

- b) **The composition of the Remuneration Committee is given below :**

1. Mr. G. Siva Kumar Reddy – Chairman
2. Mrs. T. Indira Subbarami Reddy – Member
3. Dr. V. L. Moorthy – Member

**c) Table: 3 Attendance during the year**

Name of the Director	Held	Attended
Mr. G. Siva Kumar Reddy - Chairman	1	1
Mrs. T. Indira Subbarami Reddy - Member	1	1
Dr. V. L. Moorthy - Member	1	1

**\* One remuneration committee meeting was held on 20th September, 2011**

**d) The Remuneration policy of the Company is summarized as follows:**

**For Managing Director:**

The total remuneration, subject to shareholders approval consists of

- ♦ a fixed component consisting of salary, allowances, perquisites and Fixed % of Commission on the net profits of the Company calculated in accordance with Section 349 of the Companies Act, 1956 and benefits which are in line with the Company's rules for senior managerial personnel.

**For Non Executive Directors**

Sitting fees is paid as per the Companies Act, 1956 and the Articles of Association of the Company, for attending meetings of the Board or any committees of the Board. Directors are also reimbursed actual travel costs and incidental expenses incurred for attending such meetings or in connection with the Company's business.

**e) Table : 4 Remuneration and sitting fees paid to the Directors during 2011-2012**

(₹in Lakhs)

	Ms. T. Indira Subbarami Reddy	Mr. T. V. Sandeep Kumar Reddy	Mr. J. Brij Mohan Reddy	Mr. G. Siva Kumar Reddy	Dr. V. L. Moorthy	Mr. CH. Hari Vittal Rao
Category	Chairperson Promoter Director	Managing Director	Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director
Relationship with directors	Yes	Yes	Yes	None	None	None
Salary	—	392.98	132.00	—	—	—
Allowances	—	—	—	—	—	—
Commission/Incentives	—	—	—	—	—	—
Other Annual Compensation	—	—	—	—	—	—
Deferred Benefits	—	—	—	—	—	—
Sitting fees	1.20	—	—	1.65	1.50	1.875



**V. SHAREHOLDER'S / INVESTORS GRIEVANCE AND SHARE TRANSFER COMMITTEE****a) A Shareholders / Investors Grievance Committee of Directors reviews the following:**

- Ø Transfer/transmission of shares / debentures
- Ø Issue of duplicate share certificates
- Ø Review of shares dematerialized and all other relevant matters
- Ø Monitors expeditious redressal of investor's grievances
- Ø Non receipt of Annual Reports and declared dividend
- Ø All other matters related to shares/debentures

**b) The Constitution of Shareholders/Investors Grievance Committee is as follows:**

Mr. Ch. HariVittal Rao	- Chairman
Mr. J. Brij Mohan Reddy	- Member
Mr. G. Siva Kumar Reddy	- Member

**Table : 5 Meetings and Attendance:**

Name of the Director	No. of Shareholders /Grievance Committee Meetings	
	Held	Attended
Mr. Ch. HariVittal Rao – Chairman	NIL	NIL
Dr. V.L. Moorthy – Member	NIL	NIL
Mr. G. Siva Kumar Reddy – Member	NIL	NIL

**c) Name and Address of Compliance Officer****CS I.V. LAKSHMI**

Company Secretary & Compliance Officer  
 6-3-1090, TSR Towers, Raj Bhavan Road,  
 Somajiguda, Hyderabad – 500 082  
 Tel: +91 40 2331 0330 Fax: +91 40 2339 8435  
 E Mail: [cs@gayatri.co.in](mailto:cs@gayatri.co.in).

**d) Table: 6 Details of complaints/requests received and redressed :**

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	12	12	NIL

## VI. GENERAL BODY MEETINGS

### A) Annual General Meeting

- ♦ **Table: 7** Location, date and time of last three Annual General Meetings (AGMs) and Special Resolutions passed there at:

Year	Location	Date and Time	Special Resolution passed
2008-09	KLN Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad – 500 004	24/09/2009 11:30AM	1. Re-appointment and Revision in Remuneration of Mr. T.V. Sandeep Kumar Reddy, Managing Director  2. Re-appointment and Revision in Remuneration of Mr. J. Brij Mohan Reddy, Executive Vice Chairman
2009-10	SuranaUdyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad – 500 004	27/09/2010 3.30 PM	1. Borrowing in excess of paid up capital and free reserves.  2. Authorization to invest in Infrastructure projects, BOTs, BOOTs, TOLL Projects, Power Projects etc..
2010-11	SuranaUdyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad – 500 004	30/09/2011 4.30 PM	1. Borrowing in excess of paid up capital and free reserves.  2. Alteration of the Common Seal Clause in the Article of Association.  3. Making Investment Through Subscription to the MOA in Securities Beyond the Prescribed Limit.

### B) Table: 8 Extra-ordinary General Meetings:

Year	Location	Date and Time	Special Resolution passed
2011-12	SuranaUdyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad – 500 004	05.01.2012 4:30 PM	Reservation of equity shares for FCCB holders in the proposed Rights Issue of the company and that the above reservation will be over and above to the issue size, to the extent that the conversion option of FCCBs are not exercised till the record date.

### C) Postal Ballot:

During the year 2011-2012, Pursuant to section 192A of the Companies Act, 1956 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 / Committee of the Company at their meeting held on 22<sup>nd</sup> of August, 2011 as the Scrutinizer.

**Table: 9 Results of the aforesaid Postal Ballot**

Item	No. of Valid Postal Ballot forms Received	No. of Invalid Postal Ballot forms Received	Votes cast in favour	Votes cast against
<b>Result of the postal ballot notice dated 22<sup>nd</sup> of August, 2011</b>				
Corporate Guarantee to Mohan Project Contractors Private Limited beyond the limits prescribed under section 372A	182	14	7698027 (99.98%)	1845 (00.02%)

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

**D) 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 Managing 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
22 <sup>nd</sup> of August, 2011	07 <sup>th</sup> of October, 2011	08 <sup>th</sup> of October, 2011	08 <sup>th</sup> of October, 2011

**E) Any special resolution(s) are proposed to be conducted through postal ballot**

Special Resolution(s) under Section 372A of the Companies Act, 1956 is proposed to be passed by way of Postal Ballot.

**F) 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 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.

**SUBSIDIARY COMPANIES**

Company has three (3) material non listed Indian subsidiary Viz.. M/s. Gayatri Infra Ventures Limited, Gayatri Energy Ventures Private Limited and Thermal Powertech Corporation India Limited (Step down subsidiary of the company) and the company has appointed one independent director on the Board of Directors of a material non listed Indian subsidiary company. The Audit Committee of the company regularly review the financial statements, and the investments made by the unlisted subsidiary companies. The minutes of the Board meetings and a statement of all significant transaction and arrangements entered into by the unlisted subsidiary company will be placed at the Board meeting of the company.

**VII. DISCLOSURES**

**(i) Disclosure of material, financial and commercial transactions where management has personal interest that may have a potential conflict with the interest of the company at large**

During the year 2011-12, no transactions of material nature had been entered into by the Company with the Management or their relatives that may have a potential conflict with interest of the Company. None of the Non-Executive Directors have any pecuniary material relationship or material transactions with the Company for the year ended March 31, 2012, and have given undertakings to that effect.

Details of transactions of a material nature with any of the related parties (including transactions where Directors may have a pecuniary interest) as specified in Accounting Standard 18 of the Companies (Accounting Standards) Rules, 2006, have been reported in the Notes to the Accounts and they are not in conflict with the interest of the Company at large.

Register under Section 301 of the Companies Act, 1956 is maintained and particulars of transactions are entered in the Register, wherever applicable.

Such transactions are provided to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matters.

- (ii) **Details of non-compliance by the company, penalties, and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

- NIL -

- (iii) **Disclosure relating to Whistle Blower policy and affirmation that no personnel have been denied access to the audit committee.**

The Company has implemented a Whistle Blower Policy in the Company and no personnel have been denied access to the audit committee of the company.

- (iv) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.**

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement and are being reviewed from time to time.

## **VIII. MEANS OF COMMUNICATION**

### **Quarterly Results, Press Releases, presentations and Publications:**

Our quarterly results are generally published in widely circulated national newspapers the Business Standard, Economic Times and Nav Bharat Times and in one vernacular Language newspaper Andhra Prabha (Telugu Daily). And also the half yearly and Annual Audited Financial Results are published in the same manner.

The results are also displayed on the Company's web site [www.gayatri.co.in](http://www.gayatri.co.in). Official news releases, presentations made to media are displayed are also displayed on the Company's website.

Management Discussion and Analysis detailed report is forming part of this Annual Report.

## **IX. GENERAL SHAREHOLDER INFORMATION**

### **a) Annual General Meeting :**

Financial Year : 2011 – 2012  
 Date : 20.09.2012  
 Time : 3.00pm  
 Venue : Surana Udyog Hall , FAPCCI, Federation House,  
 11-6-841, Red Hills, P.B.14, Hyderabad – 500 004

### **b) Financial Calendar (tentative):** Financial Year April 01, 2012 to March 31, 2013

**Table: 10 Calendar for Reporting**

Quarter Ending	Release of Results
June 30, 2012	August 14, 2012
September 30, 2012	November 14, 2012
December 31, 2012	February 14, 2013
March 31, 2013	May 30, 2013*

\*instead of publishing quarterly results, the Company has to publish Audited Annual Accounts within 60 days from the end of the financial year as per Stock Exchange Guidelines.

c) **Dates of Book Closure :**

The Books shall be closed from 14 September 2012 to 20<sup>th</sup> September 2012(both days inclusive).

d) **Dividend Disclosure :****Announcement Dividend**

The Board of Directors has proposed a dividend of 30% i.e. ₹3/- per share for the year 31.03.2012 subject to approval of the shareholders at the Annual General Meeting.

**Mode of Dividend payment and date**

Final dividend shall be remitted through Electronic Clearing Service (ECS) at approved locations, wherever ECS details are available with the Company; and in all other cases, through warrants payable at par. These warrants shall be valid for a period of 180 days. Post expiry of validity period, these may be sent to the Company's Office at 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad – 500 082 for revalidation.

Date of payment: On or after 10<sup>th</sup> October, 2012, but within the statutory time limit of 30 days.

e) **Listing on Stock Exchanges:**

The shares of the Company are listed on The Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd, Non-Convertible Debentures of the company are listed on Bombay Stock Exchange Ltd. and Foreign Currency Convertible Bonds (FCCB's) are listed on the Singapore Stock Exchange Limited.

The Company confirms that it has paid annual listing fees due to the stock exchanges for the financial year 2012-2013.

f) **Stock Code:**(i) **Trading Symbol**

Exchange	Scrip Code	Scrip ID
Bombay Stock Exchange Limited	532767	GAYAPROJ
National Stock Exchange of India Ltd.	—	GAYAPROJ

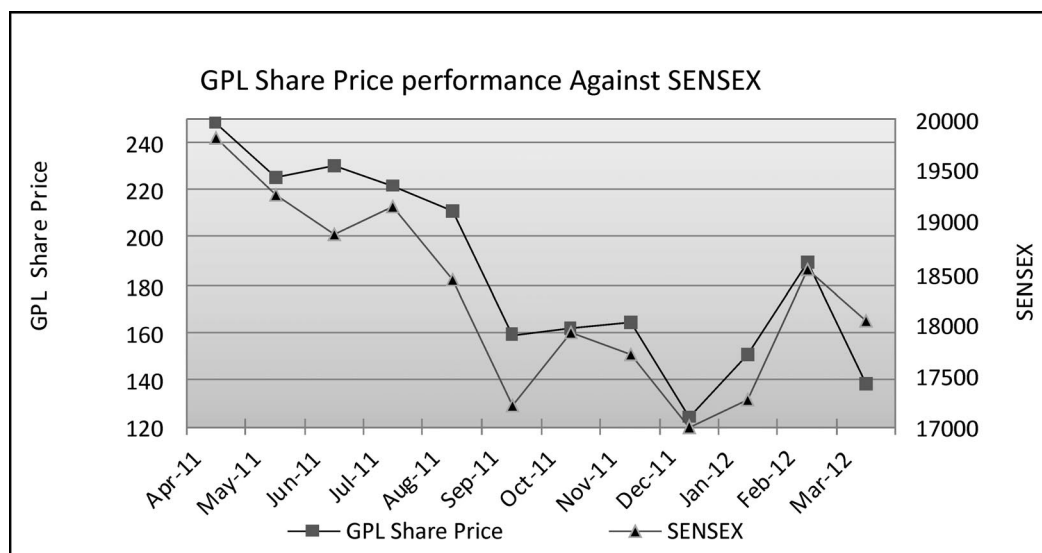
(ii) **Depository for Equity Shares** : **NSDL and CDSL**

(iii) **Demat ISIN Number** : **INE336H01015**

g) **Table: I I Stock Market Price Data:**

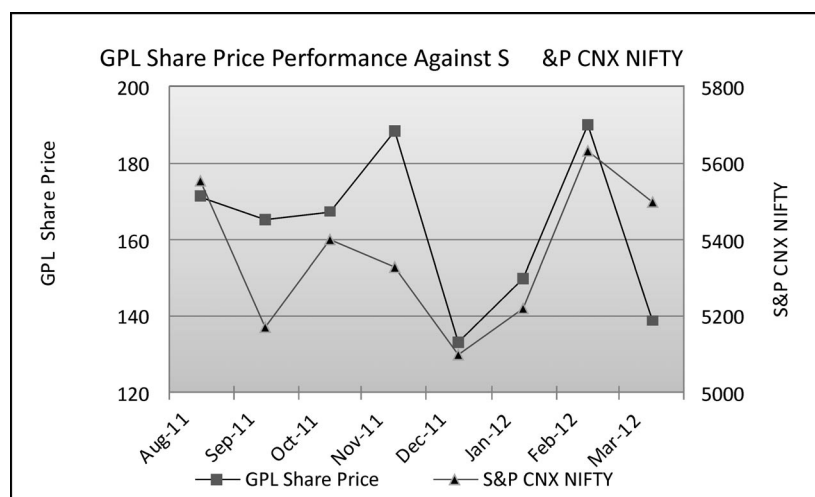
Month	BSE SHARE PRICE		BSE SENSEX	
	High Price	Low Price	High Price	Low Price
Apr-11	248.45	215.05	19811.14	18976.19
May-11	225	191	19253.87	17786.13
Jun-11	230	200.1	18873.39	17314.38
Jul-11	222	203.5	19131.70	18131.86
Aug-11	211	130.5	18440.07	15765.53
Sep-11	159	136	17211.80	15801.01
Oct-11	161	135.55	17908.13	15745.43
Nov-11	164	118.7	17702.26	15478.69
Dec-11	124.5	88.5	17003.71	15135.86
Jan-12	150.25	95.55	17258.97	15358.02
Feb-12	189.9	129	18523.78	17061.55
Mar-12	137.85	115.5	18040.69	16920.61

**h) Stock Price Performance in comparison with BSE SENSEX**



**i) Stock Price Performance in comparison with NSE NIFTY**

Month	NSE SHARE PRICE		NSE NIFTY	
	High	Low	High	Low
Apr-11	0.00	0.00	5,944.45	5,693.25
May-11	0.00	0.00	5,775.25	5,328.70
Jun-11	0.00	0.00	5,657.90	5,195.90
Jul-11	0.00	0.00	5,740.40	5,453.95
Aug-11	170.95	131.25	5,551.90	4,720.00
Sep-11	164.90	137.50	5,169.25	4,758.85
Oct-11	167.30	130.00	5,399.70	4,728.30
Nov-11	188.00	119.30	5,326.45	4,639.10
Dec-11	132.90	88.80	5,099.25	4,531.15
Jan-12	149.90	95.50	5,217.00	4,588.05
Feb-12	189.80	127.00	5,629.95	5,159.00
Mar-12	138.95	114.60	5,499.40	5,135.95



j) **Registrar and Transfer Agents : (RTA)**

**Karvy Computershare Private Limited**

Unit: Gayatri Projects Limited

# Plot No., 17-24, Vittal Rao Nagar,

Madhapur, Hyderabad – 500 081

Tel: 040 – 2342 0818, 040-44655000, Fax: 040 – 2342 0814

Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com) Website: [www.karvycomputershare.com](http://www.karvycomputershare.com)

k) **Share Transfer System :**

Transfers of shares held on dematerialized form are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged with the Registrars at the above mentioned addresses. Transfers of shares in physical form are normally processed within 15 days from the date of receipt, if the documents are complete in all respects. The Directors, the Chief Finance Officer and the Company Secretary are severally empowered to approve transfers.

a. (i) **Distribution of shareholding as on 31<sup>st</sup> March, 2012:**

**Table 12:**

Category (Amount)	No. of cases	% of Cases	Total shares	Amount	% of Amount
1 – 5000	10365	93.51	936863	9368630	3.91
5001 - 10000	368	3.32	290060	2900600	1.21
10001 - 20000	151	1.36	228861	2288610	0.95
20001 - 30000	55	0.50	138742	1387420	0.58
30001 - 40000	37	0.33	131957	1319570	0.55
40001 - 50000	24	0.22	114694	1146940	0.48
50001 - 100000	37	0.33	268598	2685980	1.12
100001 & Above	47	0.42	21858467	218584670	91.20
<b>Total</b>	<b>11084</b>	<b>100.00</b>	<b>23968242</b>	<b>239682420</b>	<b>100.00</b>

(ii) **Table : 13 Categories of shareholders as on 31<sup>st</sup> March, 2012:**

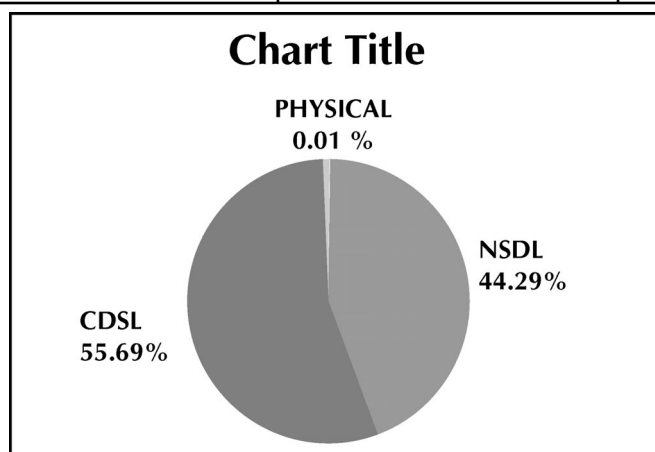
S. No	Category	No. of Cases	Total shares	% to Equity
1	Promoters & Directors	5	15211536	63.47%
2	Resident Individuals	10151	2635507	11.00%
3	Mutual Funds	2	1328334	5.54%
4	Bodies Corporates	306	712360	2.97%
5	Indian Venture Capital	1	588351	2.45%
6	Foreign Institutional Investors	8	3170146	13.23%
7	Non Resident Indians	240	148214	0.62%
8	H U F	312	129607	0.54%
9	Clearing Members	56	43962	0.18%
10	Directors And Their Relatives	1	225	0.00%
	<b>Total</b>	<b>11082</b>	<b>23968242</b>	<b>100.00%</b>

**k) Dematerialization of Shares and Liquidity:**

As on 31<sup>st</sup> March 2012, 99.99% of the paid up equity capital of the Company has been dematerialized and the trading of Equity shares in the Stock Exchanges is under compulsory dematerialization.

**Table 14:** As on 31<sup>st</sup> March, 2012 the Equity shares of the Company are dematerialized as follows:

Sl. No	Category	Total No. of Shares	% To Equity
1	Physical	2987	0.01%
2	Dematerialised	23965255	99.99%
	<b>Total</b>	<b>23968242</b>	<b>100%</b>



**l) Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity.**

The Company had raised JPY 3,080,000,000 in the year 2007 through Zero Coupon Convertible Bonds. The Bonds are convertible at any time on or after September 12, 2007 upto July 27, 2012 by the holders into fully paid equity shares of ₹ 10/- each of the Company. During the year your company has bought back 42 bonds worth JPY 420,000,000 As of 31<sup>st</sup> March, 2012, there were 229 Bonds worth JPY 2,290,000,000 Zero Coupon Foreign Currency Convertible bonds outstanding.

**m) Listing of Debt Securities :**

The Non – Convertible Debentures issued by the company are listed on Bombay Stock Exchange (BSE).

**Debenture Trustee for Privately placed debentures:**

IL & FS Trust Company Limited

IL & FS Financial Centre Plot No C22 G Block Bandra

Kurla Complex Bandra East, Mumbai- 400051.

**n) Address for Correspondence:**

**CS I.V. LAKSHMI**

Company Secretary & Compliance Officer

6-3-1090, T.S.R. Towers, Raj Bhavan Road, Somajiguda, Hyderabad – 500 082

Tel: +91 40 2331 0330 Fax: +91 40 2339 8435

Email: [cs@gayatri.co.in](mailto:cs@gayatri.co.in);

**o) Unpaid / Unclaimed dividend**

Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account, is required to be transferred by Company to the Investor Education and Protection Fund, established by the Central Government under the provisions of Section 205C of the Companies Act, 1956.

Shareholders of the Company who have either not received or have not encashed their dividend warrants, for the financial year 2007-08, 2008-09, 2009-10 and 2010-11 are requested to claim the unpaid/unclaimed dividend from the Company before transfer to the above mentioned fund.



Table: 15

Financial Year	Rate of Dividend	Date of Declaration	Unclaimed Amount(₹)
2006-07	20%	September 28, 2007	53310.00
2007-08	25%	September 29, 2008	29877.00
2008-09	40%	September 24, 2009	46176.00
2009-10	50%	September 27, 2010	72189.00
2010-11	50%	September 30, 2011	103035.00

Separate letters have been sent to the Shareholders who are yet to encash the Dividend indicating that Dividend yet to be encashed by the concerned shareholder and that the amount remaining unpaid will be transferred as per the above dates. Members are requested to utilize this opportunity and get in touch with Company's Registrar and Share Transfer Agent, M/s Karvy Computershare Pvt. Limited, Hyderabad for encashing the unclaimed Dividend standing to the credit of their account.

After completion of seven years as per the above table, no claims shall lie against the said Fund or against the Company for the amounts of Dividend so transferred nor shall any payment be made in respect of such claims.

**p) Code of Conduct**

The company has laid down a code of conduct for all Board members and senior management personnel. The Code of Conduct is available on the website of the company [www.gayatri.co.in](http://www.gayatri.co.in).

## **B. COMPLIANCE REPORT ON NON-MANDATORY REQUIREMENTS UNDER CLAUSE 49**

### **1. The Board – Chairperson's Office**

The Chairperson of Gayatri is a Non-Executive Promoter Director and is not maintaining any office and has not incurred any expenses during the year. Some of our independent directors have not completed a tenure exceeding a period of nine years on the Board of Directors of the Company.

### **2. Remuneration Committee**

The Board of Directors constituted a Remuneration Committee, which is entirely composed of Non-Executive directors. The Committee also discharges the duties and responsibilities as described under non-mandatory requirements of Clause 49. The details of the Remuneration Committee and its powers have been discussed in this section of the Annual Report.

### **3. Shareholders rights**

We display our quarterly and half yearly results on our web site, [www.gayatri.co.in](http://www.gayatri.co.in) 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 2011-12.

### **4. Audit Qualifications**

The Auditors have qualified about the non provision of the IJM Gayatri Joint venture in their report and management has clarified that in view of the various claims pending with the departments for their contractual failures the losses are not considered in the JV books. The claims which are primarily attributed to such employer failures are expected to award in favor of the joint venture in near future. The management is of the firm opinion that the excess expenditure is expected to flow back through future cash flows on settlement of the claims by the employer. In the unlikely situation of not awarding the entire amount of claims, GPL has to provide an amount of Rs 53.78 crores towards its share of 40% in the IJM-Gayatri Joint Venture.

### **5. Whistle Blower Policy**

The details of the Ombudsmen process and its functions have been discussed earlier in this section.

### **6. Secretarial Audit**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form and in physical form.

**CEO / CFO CERTIFICATION**

To

The Board of Directors

**GAYATRI PROJECTS LIMITED**

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of GAYATRI PROJECTS LIMITED ("the Company"), to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement for the year 2011-12 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the applicable accounting standards, applicable laws and regulations.
- b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.
- e) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.

**T.V. SANDEEP KUMAR REDDY**

Managing Director

**P. SREEDHAR BABU**

Chief Financial Officer

Place : Hyderabad

Date : 30<sup>th</sup> May 2012.

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

**To**  
**The Members of Gayatri Projects Limited**

As required under Clause 49(I)(D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management and the same has been placed on the Company's website. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct in respect of the financial year ended 31<sup>st</sup> March, 2012.

**For GAYATRI PROJECTS LIMITED**

**T.V. SANDEEP KUMAR REDDY**  
Managing Director

Place : Hyderabad  
Date : 30<sup>th</sup> May 2012.

## AUDITORS' REPORT

To

The Members of **GAYATRI PROJECTS LIMITED**

1. We have audited the attached Balance Sheet of GAYATRI PROJECTS LIMITED, as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a) we have 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 accounts, 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and notes to financial statements Subject to Note No. 33 forming part of financial statements regarding non provision for the loss incurred by a Joint Venture give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
    - ii) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date and
    - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For C.B.MOULI & ASSOCIATES**

Chartered Accountants

Firm Registration No: 002140S

Place: Hyderabad

Date : 30<sup>th</sup> May, 2012

**MANI OOMMEN**

Partner

Membership No: 24046

## **ANNEXURE TO THE AUDITORS' REPORT OF M/s. GAYATRI PROJECTS LIMITED FOR THE YEAR ENDED 31st MARCH, 2012.**

**(Referred to in paragraph 3 of our report of even date)**

- i. In respect of its Fixed Assets :
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. According to the information and explanations given to us, physical verification of the fixed assets was carried out by the management in a phased periodical manner during the year under report, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No major material discrepancies were noticed on such verification.
  - c. In our opinion, the Company has not disposed off substantial part of its fixed assets during the year under report and the going concern status of the Company is not affected.
- ii. In respect of its inventories:
  - a. According to the information and explanations given to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - 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 are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. The Company has maintained proper records of its inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book records.
- iii. In respect of the Loans secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956.
  - a. The Company has given unsecured loan to a party covered in the register maintained under section 301 of the Companies Act, 1956. At the year end the balance of loan granted to such party was ₹5773.10 Lakhs and the maximum balance outstanding during the year was ₹ 5773.10 Lakhs.
  - b. In our opinion and according to the information and explanations given to us, the terms and conditions of such loan given by the Company are not prima facie prejudicial to the interests of the Company.
  - c. The principal amount is repayable on demand and there is no repayment schedule and therefore there is no overdue amount.
  - d. The Company has not taken any loans secured or unsecured, from companies, firms, other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore the provisions of sub-clauses (f) and (g) of clause 4(iii) of the Order are not applicable to the Company
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- v. In respect of the Contracts or arrangements referred to in sec 301 of the Companies Act, 1956;
  - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the register maintained under section 301 of the companies Act, 1956 have been so entered.
  - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the companies Act, 1956 and exceeding the value of ₹ 5 lakhs in respect of each party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.

## Twenty Third Annual Report

- vi. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 58A, 58AA or any other relevant provisions of the Act and the rules framed thereunder. Therefore the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the Company.
- vii. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- viii. The Central Government has not prescribed maintenance of cost records under section 209(I)(d) of the Companies Act, 1956 for the Company. Hence clause (viii) of paragraph 4 of the Order is not applicable.
- ix. In respect of Statutory dues:
  - a. According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Investor education and protection fund, Sales Tax, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess with the appropriate authorities during the year.
  - b. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2012 pending for a period of more than six months from the date they became payable.
  - c. According to the information and explanation given to us, there are no dues of Sales tax, Income Tax, Wealth Tax, Service Tax, Customs Duty and Cess which have not been deposited as on March 31, 2012 on account of any dispute, except the following :

Sl. No.	Name of the Statute	Name of the Due	Forum where Dispute is pending	Amount ₹ in Lakhs
1	Mines and Minerals (Development and Regulation) Act, 1957	Department of Mines and Geology	Appeal Pending from Supreme Court	1043.51
2	Central Sales Tax Act, 1956 and Sales Tax Acts of Various States	Sales Tax/Vat	Appeal pending from various states	27.47
3	Central Excise Act, 1944	Service Tax	Appeal pending from various states	476.14

- x. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- xi. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institutions and banks as at the Balance sheet date.
- xii. In our opinion and according to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence clause (xii) of paragraph 4 of the Order is not applicable.
- xiii. In our opinion, the Company is not a chit fund or a nidhi, mutual benefit fund/society. Therefore clause (xiii) of paragraph 4 of the Order is not applicable to the Company.
- xiv. In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the clause (xiv) of paragraph 4 of the Order is not applicable to the Company.
- xv. 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 or Financial Institutions are not prima-facie prejudicial to the interests of the Company.
- xvi. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the company were, prima facie, applied during the year for the purpose for which the loans were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at March 31, 2012, we report that no funds raised on short term basis have been used for long term investment.

- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- xix. The Company has not issued any debentures during the year and hence clause (xix) of paragraph 4 of the Order is not applicable.
- xx. We have verified the end use of money raised by public issue from the draft prospectus filed with SEBI, the offer document and as disclosed in the notes to the financial statements.
- xxi. In our opinion and according to the information and explanations given to us and on our examination of books and records, no fraud on or by the Company has been noticed or reported during the year.

**For C.B.MOULI & ASSOCIATES**

Chartered Accountants  
Firm Registration No: 002140S

Place: Hyderabad  
Date : 30<sup>th</sup> May, 2012

**MANI OOMMEN**

Partner  
Membership No: 24046

**BALANCE SHEET AS AT 31st MARCH, 2012**

₹ in Lakhs

Particulars	Note	As at 31st March, 2012		As at 31st March, 2011	
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' Funds</b>					
a. Share capital	3	2,396.82		1,198.90	
b. Reserves and surplus	4	49,225.36	51,622.18	32,596.98	33,795.88
<b>2. Non-Current Liabilities</b>					
a. Long-term borrowings	5	13,571.95		20,339.80	
b. Deferred tax liabilities (net)	6	2,478.21		2,088.00	
c. Other long-term liabilities	7	37,098.90		26,722.78	
d. Long-term provisions	8	228.44	53,377.50	136.33	49,286.91
<b>3. Current Liabilities</b>					
a. Short-term borrowings	9	82,181.82		70,271.45	
b. Trade payables	10	24,957.46		18,102.16	
c. Other current liabilities	11	27,234.24		5,458.88	
d. Short-term provisions	12	1,089.62	1,35,463.14	852.88	94,685.37
<b>TOTAL</b>			2,40,462.82		1,77,768.16
<b>II. ASSETS</b>					
<b>1. Non-Current Assets</b>					
a. Fixed assets					
i) Tangible assets	13	27,393.87		21,929.13	
ii) Intangible assets		—		—	
iii) Capital work-in-progress		1,166.94		—	
b. Non-current investments	14	62,349.16		39,644.16	
c. Long-term loans and advances	15	5,814.36	96,724.33	5,807.68	67,380.97
<b>2. Current Assets</b>					
a. Inventories	16	14,703.51		6,425.46	
b. Trade receivables	17	51,428.33		32,847.03	
c. Cash and Bank Balances	18	14,412.22		17,120.29	
d. Short-term loans and advances	19	57,495.94		46,090.03	
e. Other current assets	20	5,698.49	1,43,738.49	7,904.38	1,10,387.19
<b>TOTAL</b>			2,40,462.82		1,77,768.16
<b>Significant accounting policies</b>	2				

The accompanying notes and other explanatory information form an integral part of the financial statements.

As per our report attached  
For **C.B.MOULI & ASSOCIATES**  
Chartered Accountants

For and on behalf of the Board

**T. INDIRA SUBBARAMI REDDY**  
Chairperson

**T.V.SANDEEP KUMAR REDDY**  
Managing Director

**MANI OOMMEN**  
Partner

**PSREEDHAR BABU**  
Chief Financial Officer

**I.V.LAKSHMI**  
Company Secretary

Place : Hyderabad.  
Date : 30<sup>th</sup> May 2012



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012**

₹ in Lakhs

Particulars	Note	For the Year Ended 31st March, 2012	For the Year Ended 31st March, 2011
I Revenue from operations	21	1,80,190.39	1,44,055.18
II Other income	22	333.36	564.15
III <b>Total Revenue</b>		<b>1,80,523.75</b>	<b>1,44,619.33</b>
IV <b>EXPENSES</b>			
Cost of materials consumed	23	40,133.46	31,374.00
Work Expenditure	24	1,08,494.89	90,660.00
Changes in Inventories of Work-In-Progress	25	(3,682.14)	(885.09)
Employee benefit expense	26	4,149.20	3,527.26
Finance costs	27	10,437.38	7,418.49
Depreciation and amortization expense	13	2,905.68	2,273.28
Other expenses	28	11,101.29	2,316.32
<b>Total Expenses</b>		<b>1,73,539.76</b>	<b>1,36,684.26</b>
V <b>Profit before exceptional &amp; extraordinary items and tax</b>		<b>6,983.99</b>	<b>7,935.07</b>
VI Exceptional Items		—	—
VII <b>Profit before extraordinary items and tax</b>		<b>6,983.99</b>	<b>7,935.07</b>
VIII Extraordinary Items		—	—
IX <b>Profit Before Tax</b>		<b>6,983.99</b>	<b>7,935.07</b>
X <b>Tax Expenses</b>			
(a) Current tax expense relating to prior years		5.86	0.94
(b) Current Tax		1,990.80	2,623.98
(c) Deferred Tax		390.21	310.14
XI <b>Profit (Loss) for the year</b>		<b>4,597.12</b>	<b>5,000.01</b>
XII <b>Earnings per share (of 10/- each):</b>			
(a) Basic		37.83	43.10
(b) Diluted		31.11	33.99
<b>Significant accounting policies</b>	2		

The accompanying notes and other explanatory information form an integral part of the financial statements.

As per our report attached  
For C.B.MOULI & ASSOCIATES  
Chartered Accountants

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY  
Chairperson

T.V.SANDEEP KUMAR REDDY  
Managing Director

MANI OOMMEN  
Partner

PSREEDHAR BABU  
Chief Financial Officer

I.V.LAKSHMI  
Company Secretary

Place : Hyderabad.

Date : 30<sup>th</sup> May 2012

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012**

₹ in Lakhs

Particulars	For the Year Ended 31st March, 2012	For the Year Ended 31st March, 2011
<b>A. Cash Flow From Operating Activities:</b>		
Profit Before Tax	6,983.99	7,935.07
Adjustments For :		
Depreciation and amortization expense	2,905.68	2,273.28
Finance Cost	10,437.38	7,418.49
Interest income & other non-operating income	(333.36)	(564.15)
Loss on sale of Assets (Net)	203.57	2.25
Foreign Currency Translation and Transactions - Net	7,923.59	—
<b>Operating Profit Before Working Capital Changes</b>	<b>28,120.85</b>	<b>17,064.94</b>
Adjustments For :		
Trade Receivables, Loans and Advances and Other Assets	(27,788.00)	(20,724.83)
Inventories	(8,278.05)	507.75
Trade Payables, other Liabilities and Provisions	17,774.66	9,201.16
Cash Generated From Operations	9,829.46	6,049.02
Income Tax Paid	(1,996.66)	(2,624.92)
<b>Net Cash From Operating Activities</b>	<b>7,832.80</b>	<b>3,424.10</b>
<b>B Cash flows from investing activities</b>		
Purchase of Fixed Assets	(9,134.03)	(8,152.79)
Changes in capital work in progress	(1,166.94)	—
Sale of Fixed Assets	560.04	562.55
Interest income & other non-operating income	333.36	564.15
Purchase of Non-Current Investments	(22,705.00)	(26,810.37)
<b>Net Cash Used In Investing Activities</b>	<b>(32,112.57)</b>	<b>(33,836.46)</b>
<b>C Cash flows from financing activities</b>		
Proceeds from issue of share capital includes share premium	14,064.87	638.69
Net Proceeds from long-term borrowings	6,495.17	4,876.51
Net Proceeds from Working Capital Facilities	2,663.54	14,333.81
Net Proceeds from short-term loans	9,246.83	14,643.33
Finance Cost	(10,197.38)	(7,149.96)
Dividend & Dividend Tax paid	(701.33)	(333.20)
<b>Net Cash from Financing Activities</b>	<b>21,571.70</b>	<b>27,009.18</b>
<b>Net Increase In Cash and Cash Equivalents</b>	<b>(2,708.07)</b>	<b>(3,403.18)</b>
Opening Cash and Cash Equivalents	17,120.29	20,523.47
Closing Cash and Cash Equivalents	14,412.22	17,120.29

**Note:**

- Cash and Cash Equivalents consist of Cash on hand and balances with Banks that includes Margin Money Deposits for Bank Guarantees of ₹8076.10 Lakhs (Previous Year ₹6986.30 Lakhs)
- The Cash flow statement is prepared in accordance with the indirect method stated in Accounting Standard 3 issued by ICAI on "Cash Flow Statements" and presents Cash flows by Operating, Investing and Financing activities.
- Figures in brackets represent cash outflows.
- See accompanying Notes forming part of the Financial Statements.

As per our report attached  
For **C.B.MOULI & ASSOCIATES**  
Chartered Accountants

For and on behalf of the Board

**MANI OOMMEN**  
Partner

**T. INDIRA SUBBARAMI REDDY**  
Chairperson

**T.V.SANDEEP KUMAR REDDY**  
Managing Director

Place : Hyderabad.  
Date : 30<sup>th</sup> May 2012

**PSREEDHAR BABU**  
Chief Financial Officer

**I.V.LAKSHMI**  
Company Secretary

## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2012**

### **1. CORPORATE INFORMATION**

Gayatri Projects Limited founded in 1989 is one of India's premier infrastructure company based in Hyderabad executing major civil works including Roads, Canals, Airport Runways, Ports/Harbors, Dams & Reservoirs, Railways etc.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### **2.1 Basis for preparation of financial statements**

The financial statements have been prepared to comply in all respects with Accounting Standards notified under Companies (Accounting Standards) Rules 2006 and the relevant provisions of the Companies Act, 1956. The accounts are prepared under historical cost convention and on the going concern basis, with revenue recognized, expenses accounted on their accrual and in accordance with applicable notified Accounting Standards and the accounting policies have been consistently applied by the Company.

#### **2.2 Use of estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based upon management best knowledge of current events and actions, actual results could differ from the estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

#### **2.3 Revenue recognition**

- i) Income is recognized on fixed price construction contracts in accordance with the percentage completion basis, which necessarily involve technical estimates of the percentage of completion, and costs to completion, of each contract / activity, on the basis of which profits and losses are accounted. Such estimates, made by the Company and certified to the Auditors have been relied upon by them, as these are of technical nature.
- ii) The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract.
- iii) Price escalation and other claims and/or variation in the contract work are included in contract revenue only when:
  - a) Negotiations have reached at an advanced stage such that it is probable that customer will accept the claim; and
  - b) The amount that is probable will be accepted by the customer can be measured reliably.
- iv) Incentive payments, as per customer-specified performance standards, are included in contract revenue only when:
  - a) The contract is sufficiently advanced that it is probable that the specified performance standards will be met and
  - b) The amount of the incentive payment can be measured reliably.
- v) Insurance claims are accounted for on cash basis.
- vi) Revenue from wind power operations is recognized when the units are reliably measured and billed and it is reasonable to expect ultimate collection.
- vii) All other revenues are recognized only when collectability of the resulting receivable is reasonably assured.

#### **2.4 Revenue receipts on Joint Venture Contracts**

- a) In work sharing Joint Venture arrangements, revenues, expenses, assets and liabilities are accounted for in the Company's books to the extent work is executed by the Company.
- b) In jointly controlled entities, the share of profits or losses is accounted as and when dividend/ share of profit or loss are declared by the entities.

**2.5 Inventories and work in progress**

Raw Materials, construction materials and stores & spares are valued at weighted average cost. Expenditure incurred during the work in progress of contracts up to the stage of completion is carried forward as work-in-progress. Cost includes direct material, work expenditure, labour cost and appropriate overheads.

**2.6 Fixed assets and Depreciation**

- i) Fixed Assets are stated at cost of acquisition, less accumulated depreciation thereon. Expenditure which are capital in nature are capitalized at cost, which comprises of purchase price (net of rebates and discounts), import duties, levies, financing costs and all other expenditure directly attributable to bringing the asset to its working condition for its intended use. Capital Work in Progress comprises advances paid to acquire fixed assets and the cost of fixed assets not ready for their intended use as at the reporting date of the financial statements.
- ii) Depreciation is provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956. Leasehold improvements are amortized over the period of lease.

**2.7 Foreign Currency Transactions**

Foreign exchange transactions are accounted at the rates prevailing on the date of transactions. Monetary assets and current liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates. The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions are recognized in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

**2.8 Investments**

Trade investments comprise investments in subsidiary companies, joint ventures, associate companies and in the entities in which the Company has strategic business interest.

Investments are classified as Non-Current and current investments. Non-Current Investments are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value. Dividend income is accounted when the right to receive dividend is established.

**2.9 Employee Benefits**

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

**i) Gratuity**

In accordance with the Payment of Gratuity Act, 1972 the Company provides for Gratuity covering eligible employees. The liability on account of Gratuity is provided on the basis of valuation of the liability by an independent actuary as at the year end.

**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 contributes 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 recognized as expenses incurred.

**iii) Compensated Absences**

Liability for compensated absence is treated as a long term liability and is provided on the basis of valuation by an independent actuary as at the year end.

**2.10 Deferred Revenue Expenditure**

Projects and Other amenities expenditure incurred up to March 31, 2012, the benefit of which is spread over more than one year is grouped under Prepaid Expenditure and is amortized over the period in which benefits would be derived.

**2.11 Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such asset. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

**2.12 Leases**

Assets taken on finance lease are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

Operating leases in respect of office & other equipment, house for employees, Office buildings are cancelable / renewable by mutual consent on agreed terms. Lease payments under an operating lease are recognized as an expense in the Profit and Loss Account.

**2.13 Earnings per Share (EPS)**

In arriving at the EPS, the Company's net profit after tax, computed in terms of the Indian GAAP, is divided by the weighted average number of equity shares outstanding on the last day of the reporting period. The EPS thus arrived at is known as 'Basic EPS'. To arrive at the diluted EPS the net profit after tax, referred above, is divided by the weighted average number of equity shares, as computed above and the weighted average number of equity share that could have been issued on conversion of shares having potential dilutive effect subject to the terms of issue of those potential shares. The date/s of issue of such potential shares determine the amount of the weighted average number potential equity shares.

**2.14 Taxation****i) Current Tax**

Provision for Current tax is made based on the liability computed in accordance with the relevant tax rates and provisions of Income Tax Act, 1961.

**ii) Deferred Taxes**

Deferred Tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

**2.15 Impairment of Fixed Assets**

The carrying amount of assets, other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

**2.16 Provisions for Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are present obligations arising from a past event, when it is not probable / probability is remote that an outflow of resources will be required to settle the obligation and they are not recognized but are disclosed in the notes.

Contingent Assets are neither recognized nor disclosed in the financial statements. Provisions for Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

### 3. SHARE CAPITAL

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>Authorised</b> 4,00,00,000 (Previous Year 4,00,00,000) Equity shares of ₹10/- each	<b>4,000.00</b>	4,000.00
<b>Issued, Subscribed and Paid-Up:</b> 2,39,68,242 (Previous Year 1,19,79,242) Equity Shares of ₹ 10/- each fully paid-up	<b>2,396.82</b>	1,198.90
	<b>2,396.82</b>	1,198.90

#### 3(a) Details of shares issued during the year:

Pursuant to the resolution passed at the Board of Directors meeting held on 21st January, 2011 and in compliance with the provisions under section 81(1)(a) of the Companies Act, 1956 and SEBI regulations, the Company has issued 1,19,79,242 equity shares of ₹ 10/- each to the existing shareholders for cash at a premium of ₹ 110/- per equity share in the ratio of one right equity share for every one equity share held on the record date i.e 23rd February 2012.

#### 3 (b) Rights, Preferences and restrictions attached to Equity Shares:

The company has only one class of shares referred to as equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share. 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 the number of equity shares held by the shareholder.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors have recommended dividend of ₹ 3.00 per equity share in their meeting held on 30th May 2012, subjected to approval of the shareholders in the ensuing Annual General Meeting (For the year ended 31st March 2011 : ₹ 5.00 per equity share).

#### 3(c) The reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period is as under:

	As at 31st March, 2012		As at 31st March, 2011	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
Number of shares at the beginning	1,19,89,000	1,198.90	1,11,04,761	1,110.48
Add: Shares issued on conversion of FCCBs	—	—	2,86,718	28.67
Add : Shares issued on conversion of warrants by the promoters	—	—	5,97,521	59.75
Add: Shares issued to the existing Share Holders on Right basis	1,19,79,242	1,197.92	—	—
Number of shares at the end	2,39,68,242	2,396.82	1,19,89,000	1,198.90

#### 3(d) Details of shareholders holding more than 5% shares in the Company:

Name of Share Holder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Indira Tikkavarapu	106,30,932	44.35	47,98,816	40.03
Sandeep Kumar Reddy Tikkavarapu	45,79,544	19.11	17,93,922	14.96
Reliance Capital Trustee Co Ltd -Reliance Infrastructure Fund	—	—	10,00,000	8.34

#### 3 (e) The company has utilized the net proceeds of the Right issue for the objectives specified in the Letter of Offer including margin requirement for working capital and general capital purpose.

4. RESERVES AND SURPLUS

₹ in Lakhs

Particulars	As at 31st March 2012	As at 31st March 2011
<b>a. Capital Reserve</b>		
Opening balance	143.40	—
Add : Forfeiture of warrants	—	143.40
Closing Balance	143.40	143.40
<b>b. Securities Premium Account</b>		
Opening Balance	7,493.42	5,904.51
Add : Receipts on exercise of equity warrants	—	791.84
Receipts on exercise of FCCB Conversion	—	797.07
Receipts on issue of Right Shares	13,177.17	—
Less: Utilized towards Rights issue expenses	(310.22)	—
Closing Balance	20,360.37	7,493.42
<b>c. Debenture Redemption Reserve</b>		
Opening Balance	1,300.00	—
Add: Transferred from Statement of Profit and Loss	—	1,300.00
Closing Balance	1,300.00	1,300.00
<b>d. General Reserve</b>		
Opening Balance	7,600.00	6,800.00
Add: Transferred from Statement of Profit and Loss	900.00	800.00
Closing Balance	8,500.00	7,600.00
<b>e. Surplus in the Statement of Profit and Loss</b>		
Opening Balance	16,060.16	13,869.88
Add: Surplus for the year	4,597.12	5,000.01
Amount available for appropriation	20,657.28	18,869.89
<b>Appropriations:</b>		
Dividend and Dividend Distribution Tax	835.69	709.73
Transferred to Debenture Redemption Reserve	—	1,300.00
Transferred to General Reserve	900.00	800.00
Closing Balance	18,921.59	16,060.16
<b>Total</b>	<b>49,225.36</b>	<b>32,596.98</b>

## 5. LONG TERM BORROWINGS

₹ in Lakhs

Particulars	As at 31st March 2012		As at 31st March 2011	
	Non-Current	Current	Non-Current	Current
<b>Debentures - Secured</b>				
520 (31st March 2011: 520) 11.50% Redeemable Non-convertible Debentures (NCDs) of ₹ 10,00,000/- each	5,200.00	—	5,200.00	—
<b>Bonds - Unsecured</b>				
Zero Coupon Foreign Currency Convertible Bonds (FCCBs) (Refer Note. 5.1)		14,296.47	8,951.13	
<b>Term Loans - Secured</b>				
- From Banks				
i) Equipment Loans	3,813.81	1,690.56	1,706.98	1,929.98
ii) Vehicle Loans	—	—	—	12.64
iii) Other Term loans	1,250.00	6,250.00	—	—
- From Others				
i) Equipment Loans	3,224.92	2,982.01	4,364.14	2,056.58
ii) Vehicle Loans	83.22	66.58	117.55	99.81
<b>Total</b>	<b>13,571.95</b>	<b>25,285.62</b>	<b>20,339.80</b>	<b>4,099.01</b>

- 5.1 The Company had issued 308 Zero Coupon Foreign Currency Convertible Bonds (FCCBs) of Japanese Yen (JPY) 10,000,000 each aggregating to JPY 308,00,00,000 redeemable on 1st August 2012 at 120.414% of its principal amount. The bond holders had an option to convert these bonds into equity shares at an initial conversion price of ₹ 378.35 (reset at ₹ 288/-) per share with a fixed rate of exchange on conversion at ₹ 0.3303 per JPY. Out of the total bonds of 308, 37 bonds were converted into equity, 42 bonds were bought back by the company and remaining 229 bonds were outstanding as at the date of Balance Sheet. The bonds will mature on 3rd August 2012 at 120.414% of its principal amount.

The Company has provided an amount of ₹ 6732.60 lakhs towards the foreign exchange transaction loss on the FCCBs as on date and the loss is recognized in the statement of profit and loss for the year 2011-12.

### 5.2 Nature of Security:

#### Debentures:

The Company has issued 520 11.50% Secured Redeemable Non-Convertible Debentures (NCDs) of ₹10,00,000/- each on private placement in the form of Separately Transferable Redeemable Principal Parts (STRPPs) for cash at par aggregating ₹ 5200 Lakhs. The Debentures are secured by the paripassu first charge on the fixed assets of a group company and redeemable in the 3rd, 4th and 5th year in the ratio of 30:30:40 and the earliest date of redemption being 1st December 2013.

#### Equipment Loans:

The Equipment loans are secured by hypothecation of specific equipments acquired out of the said loans with rate of interest varying from 14.75% to 15.25% per annum.

#### Vehicle Loans:

The Vehicle loans availed are secured by hypothecation of specific vehicles purchased out of the said with rate of interest varying from 11.16% to 13.48% per annum.

#### Other Term Loans:

The other secured term loans are secured by hypothecation of construction equipments not specifically charged to other banks with rate of interest varying from 13.00% to 15.50% per annum.

All the above term loans and non convertible debentures are guaranteed by Directors.

### 5.3 Maturity Profile of Term Loans is set out below:

₹ in Lakhs

Particulars	2013-14	2014-15	2015-16	After 2015-16
Debentures	1560.00	1560.00	2080.00	—
Equipment Loans from Banks	1640.25	1312.44	796.58	—
Term Loans from Banks	1250.00	—	—	—
Equipment Loans from Others	1091.24	729.46	807.13	—
Vehicle loans from Others	75.13	8.09	—	—



5.4 Current maturities of long term borrowings have been disclosed under the head "Other Current Liabilities" (Refer Note- 11).

## 6. DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liability as at March 31, 2012 comprises of the following

₹ in Lakhs

Particulars	31st March 2012	31st March 2011
<b>A) Deferred Tax Assets on timing differences due to :</b>		
Provision for Gratuity and Leave Encashment	(63.10)	(38.00)
NCD Issue Expenses	—	(72.86)
<b>B) Deferred Tax Liability on timing differences due to :</b>		
Depreciation	2,541.31	2,198.86
Deferred Tax Liabilities (net) (B-A)	2,478.21	2,088.00

## 7. OTHER LONG TERM LIABILITIES

₹ in Lakhs

Particulars	As at 31st March 2012	As at 31st March 2011
Advances from Contractees	37,098.90	26,722.78
<b>Total</b>	<b>37,098.90</b>	<b>26,722.78</b>

## 8. LONG TERM PROVISIONS

₹ in Lakhs

Particulars	As at 31st March 2012	As at 31st March 2011
Employee Benefits	228.44	136.33
<b>Total</b>	<b>228.44</b>	<b>136.33</b>

## 9. SHORT TERM BORROWINGS

₹ in Lakhs

Particulars	As at 31st March 2012	As at 31st March 2011
<b>From Banks</b>		
<b>Secured</b>		
- Equipment Loans	5,000.00	—
- Term Loans	—	10,000.00
- Working Capital Facilities	42,941.66	40,278.12
<b>Un-Secured</b>		
- Term Loans	34,240.16	19,993.33
<b>Total</b>	<b>82,181.82</b>	<b>70,271.45</b>

### 9.1 Nature of security and terms of repayment:

#### Equipment Loans (Secured)

- The equipments loans are secured by hypothecation of specific equipments acquired out of the said loans.
- The equipment loans are repayable in monthly installments.
- The equipment loans are guaranteed by Directors.
- There are no defaults in repayment of loans and interest on the Balance Sheet date.
- The applicable rate of interest is 14.10% per annum.

#### Term Loans (Secured)

The Secured Loans availed are secured by Hypothecation of Unencumbered fixed assets and project specific stock and receivables. The applicable rate of interest is 14.10% per annum.

### Working Capital Loans (Secured)

The working capital facilities from the consortium of Banks are secured by:

- Hypothecation against first charge on stocks, book debts and other current assets of the Company both present and future ranking paripassu with consortium banks.
- Hypothecation against first charge on all unencumbered fixed assets of the Company both present and future ranking paripassu with consortium banks.
- Equitable mortgage of properties belonging to promoters, directors, group companies.
- Personal guarantee of promoter directors, group companies/firms and relatives.
- There are no defaults in repayment of loans and interest on the Balance Sheet date.

Ther rate of interest for these facilities range from 12.75% to 15.25% per annum and repayable on demand.

### Term Loans (Un-secured)

- The other term loans are repayable in monthly installments.
- There are no defaults in repayment of loans and interest on the Balance Sheet date.
- The rate of interest for these loans range from 12.10% to 13.75% per annum

## 10 TRADE PAYABLES

₹ in Lakhs

Particulars	As at 31st March 2012	As at 31st March 2011
Micro, Small and Medium Enterprises*	—	—
Others	24,957.46	18,102.16
<b>Total</b>	<b>24,957.46</b>	<b>18,102.16</b>

\* There are no Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

## 11: OTHER CURRENT LIABILITIES

₹ in Lakhs

Particulars	As at 31st March 2012	As at 31st March 2011
Current maturities (Refer Note 5)		
- Long Term Borrowings	10,989.15	4,099.01
- Zero Coupon Foreign Currency Convertible Bonds (FCCBs)	14,296.47	—
Interest accrued and due on borrowings	508.53	268.53
Remuneration Payable to Directors	134.83	168.06
Unpaid dividends	3.05	2.29
Unpaid matured debentures and interest accrued thereon	98.30	96.66
Other Liabilities *	1,203.91	824.33
<b>Total</b>	<b>27,234.24</b>	<b>5,458.88</b>

\* Includes statutory dues, payables towards services and expenses.

## 12: SHORT TERM PROVISIONS

₹ in Lakhs

Particulars	As at 31st March 2012	As at 31st March 2011
Employee Benefits	253.93	151.55
Provision for Dividend	719.04	599.45
Provision for Dividend Distribution Tax	116.65	101.88
<b>Total :</b>	<b>1,089.62</b>	<b>852.88</b>

**13. FIXED ASSETS**

₹ in Lakhs

Particulars	Original Cost				Depreciation and Amortization				Net Book Value	
	As at 01/04/2011	Additions Adjustment during the year	Deletions during the Retirement year	As at 31/03/2012	Up to 01/04/2011	For the year	Deductions/ Adjustment during the year	Up to 31/03/2012	As at 31/03/2012	As at 31/03/2011
<b>i) Tangible Assets - Free Hold :</b>										
Land	15.77	5.71	—	21.48	—	—	—	—	21.48	15.77
Plant and Equipment	19,482.32	4,064.04	1,408.56	22,137.80	6,029.75	1,023.78	716.22	6,337.31	15,800.49	13,452.57
Earth Moving Machinery	11,573.21	2,300.11	102.57	13,770.75	8,090.30	1,408.55	41.50	9,457.35	4,313.40	3,482.91
Wind Power Equipment	3,745.73	2,191.13	—	5,936.86	4.47	249.39	—	253.86	5,683.00	3,741.26
Furniture and Fixtures	309.93	93.96	—	403.89	153.14	23.04	—	176.18	227.71	156.79
Vehicles	1,885.41	479.08	17.51	2,346.98	805.58	200.92	7.31	999.19	1,347.79	1,079.83
<b>TOTAL</b>	<b>37,012.37</b>	<b>9,134.03</b>	<b>1,528.64</b>	<b>44,617.76</b>	<b>15,083.24</b>	<b>2,905.68</b>	<b>765.03</b>	<b>17,223.89</b>	<b>27,393.87</b>	<b>21,929.13</b>

ii) Intangible Assets - Nil

iii) Capital Work in progress

- Capital Work in progress represents Machinery purchased for ₹ 1166.94 Lakhs and yet to be installed.

#### 14. NON-CURRENT INVESTMENTS

₹ in Lakhs

	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	Amount	No. of Shares	Amount
<b>A. Trade Investments (Valued at cost unless stated otherwise)</b>				
<b>Unquoted Equity Shares</b>				
<b>Investment in Subsidiary Companies</b>				
Equity Shares of ₹10/- each, fully paid in Gayatri Infra Ventures Ltd.	12,50,000	12,532.38	12,50,000	12,532.38
Equity Shares of ₹10/- each, fully paid in Gayatri Energy Ventures Pvt. Ltd.	50,00,000	49,505.00	27,30,000	26,805.00
Equity Shares of ₹10/- each, fully paid in Bhandara Thermal Power Corporation Ltd.	25,500	2.55	25,500	2.55
Equity Shares of ₹10/- each, fully paid in SaiMaatarani Tollways Ltd.	50,000	5.00	—	—
Equity Shares of ₹10/- each, fully paid in HKR Roadways Ltd.	37,000	3.70	37,000	3.70
<b>Investment in Associate Companies</b>				
Equity Shares of ₹10/- each, fully paid in Balaji Highways Holdings Pvt. Ltd.	49,000	4.90	49,000	4.90
Equity Shares of ₹10/- each, fully paid in Indore Dewas Tollways Ltd.	16,660	1.67	16,660	1.67
		<b>62,055.20</b>		<b>39,350.20</b>
<b>B. Investment in Other Companies</b>				
<b>Quoted - at Cost</b>				
Equity Shares of ₹10/- each in Gayatri Sugars Ltd.	29,31,000	293.10	29,31,000	293.10
Equity Shares of ₹10/- each in Syndicate Bank Ltd.	1,728	0.86	1,728	0.86
		<b>293.96</b>		<b>293.96</b>
<b>Total</b>		<b>62,349.16</b>		<b>39,644.16</b>
Aggregate Amount of Quoted Investment		<b>293.96</b>		293.96
Aggregate Market value of Quoted Investment		<b>89.85</b>		89.74
Aggregate Amount of Unquoted Investment		<b>62,055.20</b>		39,343.63
Aggregate provision for diminution in the value of investments		—		—

**Note :**

- Of these, 12,00,000 Equity shares of Gayatri Infra Ventures Limited have been pledged to IL & FS for the term loan availed by Gayatri Infra Ventures Limited
- Of these, 50,000 Equity shares of Gayatri Energy Ventures Pvt. Ltd. have been pledged to PTC India Limited for the loan availed by Thermal Powertech Corporation India Limited.
- Of these, 13,00,000 Equity shares of Gayatri Energy Ventures Pvt. Ltd. have been pledged to IFCI Limited for the loan availed by Gayatri Energy Venture Pvt. Ltd.
- Of these, 36,995 Equity shares of HKR Roadways Limited have been pledged to IL&FS Trust Company Limited for the loan availed by HKR Roadways Limited.
- Of these, 16,660 Equity shares of Indore Dewas Tollways Limited have been pledged to SBI Capital Security Trustee Company Limited for the Loan availed by Indore Dewas Tollways Limited.
- Of these, 11,58,251 Equity shares of Gayatri Sugars Limited have been pledged to Yes Bank Limited for the loan availed by Gayatri Sugars Limited.

**15. LONG TERM LOANS AND ADVANCES**

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>To Related Parties - Unsecured, considered good</b> - Loan to Joint Venture*	<b>5773.10</b>	5773.10
<b>To Others - Unsecured, considered good</b> - Security Deposit	<b>41.26</b>	34.58
<b>Total</b>	<b>5,814.36</b>	5,807.68

\* The principal amount is repayable on demand and there is no repayment schedule.

**16. INVENTORIES**

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Construction material	<b>7,734.23</b>	3,138.32
Work in Progress	<b>6,969.28</b>	3,287.14
<b>Total</b>	<b>14,703.51</b>	6,425.46

Raw Materials, Construction materials, stores and spares are valued at weighted average cost. Expenditure incurred during the work in progress of contracts up to the stage of completion is carried forward as work-in-progress. Cost includes direct materials, work expenditure, labour cost and appropriate overheads.

**17. TRADE RECEIVABLES**

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
<i>Trade receivables outstanding for a period less than six months from the date they are due for payment</i>		
Unsecured, considered good	<b>49,249.12</b>	30,913.23
Unsecured, considered doubtful	—	—
Less: Provision for doubtful debts	—	—
<i>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</i>		
Unsecured, considered good	<b>2,179.21</b>	1,933.80
Unsecured, considered doubtful	—	—
Less: Provision for doubtful debts	—	—
<b>Total</b>	<b>51,428.33</b>	32,847.03

**18. CASH AND BANK BALANCES**

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
a) Cash on hand	<b>138.03</b>	86.86
b) Balances with Banks		
- Current Accounts	<b>3,399.18</b>	7,864.84
- Fixed Deposits	<b>2,798.92</b>	2,182.29
c) Other Deposits		
- Margin money for Bank Guarantees / LCs*	<b>8,076.09</b>	6,986.30
<b>Total</b>	<b>14,412.22</b>	17,120.29

\* Margin Money Deposits with carrying amount of ₹ 8076.09 Lakhs (Previous year: ₹ 6986.30 Lakhs) are earmarked against Bank Guarantees /LCs taken by the company (or subsidiaries of the company)

**19. SHORT TERM LOANS AND ADVANCES**

(Un-secured and Considered Good)

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Advances to Suppliers	659.13	2,230.35
Advances to Subcontractors	47,740.77	29,298.84
Staff Advances	121.89	156.24
Deposits with Government Agencies	3,015.40	12,641.70
Other Advances	5,958.75	1,762.90
<b>Total</b>	<b>57,495.94</b>	<b>46,090.03</b>

**20. OTHER CURRENT ASSETS**

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Pre-paid expenses	560.71	430.18
Share Application Money Pending Allotment	5,137.78	7,474.20
<b>Total</b>	<b>5,698.49</b>	<b>7,904.38</b>

**21. REVENUE FROM OPERATIONS**

₹ in Lakhs

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Contract Revenue	1,72,085.42	1,43,920.57
Other Operational Revenue	7,859.91	0.08
Share of Profit from Joint Ventures	245.06	134.53
<b>Total</b>	<b>1,80,190.39</b>	<b>1,44,055.18</b>

**22. OTHER INCOME**

₹ in Lakhs

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Interest income from Bank Deposits	175.45	543.25
Other Non Operating Income	157.91	20.90
<b>Total</b>	<b>333.36</b>	<b>564.15</b>

**23. COST OF MATERIALS CONSUMED**

₹ in Lakhs

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Steel	6,318.75	4,590.90
Cement	3,456.33	2,692.72
Bitumen	9,711.46	10,412.87
Metal	5,525.06	4,673.84
Sand & Gravel	946.50	1,886.83
Electrical Materials	3,850.98	788.16
RCC & GI Pipes	1,902.90	172.17
Building Materials	2,101.61	96.88
HSD Oils and Lubricants	5,661.87	5,332.84
Stores and Consumables	361.17	595.73
Other Materials	296.83	131.06
<b>Total</b>	<b>40,133.46</b>	<b>31,374.00</b>

## 24. WORK EXPENDITURE

₹ in Lakhs

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Departmental Recoveries	3,338.92	1,833.46
Work executed by sub-contractors	66,389.94	43,204.47
Earth Work	9,803.24	14,260.11
Concrete Work	7,643.13	8,510.79
Transport Charges	1,702.98	1,172.62
Hire Charges	995.30	1,231.63
Road work	4,532.04	7,289.49
Repairs and Maintenance	2,235.83	1,881.45
Taxes and Duties	4,924.41	3,497.44
Royalties, Seigniorage and Cess	786.65	1,067.99
Insurance	326.56	230.76
Other Work Expenditure	5,815.89	6,479.79
<b>Total</b>	<b>1,08,494.89</b>	<b>90,660.00</b>

## 25. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS

₹ in Lakhs

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Opening Work-In-Progress	3,287.14	2,402.05
Less : Closing Work-In-Progress	6,969.28	3,287.14
<b>Total</b>	<b>(3,682.14)</b>	<b>(885.09)</b>

## 26. EMPLOYEE BENEFIT EXPENSES

₹ in Lakhs

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Salaries and Wages	3,028.26	2,554.02
Directors' Remuneration	524.98	467.00
Contribution to Provident Fund and Other Funds	52.28	46.23
Staff Welfare	543.68	460.01
<b>Total</b>	<b>4,149.20</b>	<b>3,527.26</b>

## 27. FINANCE COST

₹ in Lakhs

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Interest Expenses		
-On Term Loans	4,765.12	3,762.80
-On Working Capital Facilities	4,598.95	2,763.65
-On Non-Convertible Debentures	599.64	244.08
-On Others	63.23	175.41
Other Borrowing Cost	410.44	472.55
<b>Total</b>	<b>10,437.38</b>	<b>7,418.49</b>

## 28. OTHER EXPENSES

₹ in Lakhs

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Printing and Stationery	80.11	69.82
Telephones	104.75	95.67
Traveling and Conveyance	412.59	342.32
Advertisement Expenses	158.73	36.10
General Expenses	221.81	118.98
Consultancy Fee	573.78	483.65
Donations	486.78	324.08
Rent	361.36	308.52
Power and fuel	157.69	109.13
Rates and Taxes	67.83	99.27
Tender Expenses	80.89	66.32
Insurance	31.34	21.80
Auditors Remuneration*	47.20	32.72
Loss on Impairment of Assets / Sale of Assets	203.57	2.25
Foreign exchange translation loss**	7,923.59	—
Other Administration Expenses	189.27	205.69
<b>Total</b>	<b>11,101.29</b>	<b>2,316.32</b>

\* ₹10.00 Lakhs paid to Statutory Auditors towards Rights Issue certification fee is charged to Rights Issue expenses.

\*\* The exchange translation loss includes (a) exchange difference arising on buy back of 42 FCCB bonds amounting to ₹ 1190.99 lakhs and (b) the currency translation loss of ₹ 6732.60 lakhs (including current year loss of ₹ 3528.89 lakhs) as on 31st March 2012 on the outstanding 229 FCCB bonds of JPY 10,000,000 each.

## 29. LEASES

Disclosure under Accounting Standard - 19 "Leases", issued by the Institute of Chartered Accountants of India. The Company has taken various residential/ godown/office premises (including Furniture and Fittings if any) under lease and license agreements for periods which generally range between 11 months to 3 years. These arrangements are renewable by mutual consent on mutually agreed terms. Under some of these arrangements the Company has given refundable security deposits. The lease payments are recognized in Profit and Loss Account under Rent, Rates and Taxes.

The Company has taken vehicles on financial lease from banks / Financial Institutions. The details of contractual payments under the agreement are as follows:

### Lease Obligations Payable

₹ in Lakhs

Due	Minimum Lease Payments
Less than one year	82.80
Between one and five years	241.50
More than five years	—

### Lease Obligations Recognized

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Lease Rentals recognized during the year	6.90	—



**30. Contingent Liabilities and Commitments**

The details of the Contingent Liabilities and Commitments to the extent not provided as follows:

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>Contingent Liabilities</b>		
a) Claims against the company not acknowledged as debt		
b) Guarantees given by the Banks towards performance & Contractual Commitments		
i) issued on behalf of the Company	<b>62,309.96</b>	64,248.69
ii) Issued on behalf of Subsidiaries / Group Companies	<b>16,105.52</b>	27,462.24
c) Other money for which the company is contingently liable	—	—
d) Disputed Liability of Sales Tax, Service Tax and Seigniorage charges	<b>1,547.12</b>	1,547.12
<b>Commitments</b>		
Corporate Guarantees given to group companies	<b>5,64,166.00</b>	5,71,166.00

**31. Particulars of Loans and Advances in the nature of loans as required by clause 32 of the Listing Agreement.**

₹ in Lakhs

Name of the Company	Relationship	Balances as on		Maximum outstanding	
		31.03.2012	31.03.2011	2011-12	2010-11
IJM Gayatri Joint Venture	Joint Venture	<b>5773.10</b>	5773.10	<b>5773.10</b>	5773.10

**32. Impairment of Assets**

In the opinion of the management, there are no impaired assets requiring provision for impairment loss as per the accounting standard 28 on Impairment of assets. The recoverable amount of building, plant and machinery and computers has been determined on the basis of 'Value in use' method.

**33. Joint Venture Loss not considered****IJM-Gayatri Joint Venture**

The IJM - Gayatri Joint Venture is a joint venture in which IJM Corporation Berhad, Malaysia holds 60% and Gayatri Projects Limited holds 40% share. The Joint venture has executed road works in Package I, II & III and AP 13 of NHAI, APSH 7 and APSH 8 in the State of Andhra Pradesh. The joint venture incurred excess of expenditure over income amounting to Rs 134.45 crores due to several contractual failures on part of the employer.

The JV has raised claims in excess of ₹300 Crores on the National Highways Authority of India and Andhra Pradesh State Government, which are pending for consideration before the appropriate authorities. The joint venture has got favorable awards amounting to ₹4587.36 lakhs at the arbitration stage and further the JV has got favorable orders amounting to ₹419.18 Lakhs from the District Court. There is a substantial progress in the proceedings of the claims and the management is reasonably confident of recovery of these claims.

The management has also obtained independent legal opinion from eminent counsel in this regard who have opined on the recoverability of the claims. In view of this, the share of the losses of GPL (40%) in the joint venture is not provided in the books of the Company. In the unlikely situation of not awarding the entire amount of claims, GPL has to provide an amount of ₹ 53.78 crores towards its share of 40% in the IJM-Gayatri Joint Venture.

**34. Disclosure pursuant to Accounting Standard (AS) - 15(Revised) "Employee's Benefits":**

- The summarized position of Post-employment benefits and long term employee benefits recognized in the Profit & Loss Account and Balance Sheet as required in accordance with Accounting Standard - 15 (Revised) issued by the Institute of Chartered Accountants of India are as under:-

ii) **(a) Changes in the Benefit Obligations:**

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
Present Value of Obligation as at the beginning of the year	239.96	146.42	47.92	27.07
Interest Cost	19.20	11.72	3.83	2.17
Current Service Cost	20.19	9.78	22.69	6.21
Benefits Paid	(1.15)	(7.64)	(1.01)	(1.26)
Actuarial loss / (gain) on Obligations	80.12	79.70	50.62	13.73
Present Value of Obligation at year end	358.32	239.96	124.05	47.92

**(b) Amount Recognized in Balance Sheet:**

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
Estimated Present Value of obligations as at the end of the year	358.32	239.96	124.05	47.92
Fair value of Plan Assets as at the end of the year	—	—	—	—
Net Liability recognized in Balance Sheet	358.32	239.96	124.05	47.92

**(c) Expenses recognized in Statement of Profit & Loss:**

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
Current Service Cost	20.19	9.78	22.69	6.21
Interest Cost	19.20	11.72	3.83	2.17
Expected return on Plan Asset	—	—	—	—
Net Actuarial (Gain)/Loss recognized in the year	80.12	79.70	50.62	13.73
Total expenses recognized in Statement of Profit & Loss	119.51	101.20	77.14	22.11

**(d) Principal Actuarial Assumption:**

Particulars	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
Discount Rate	8.00%	8.00%	8.00%	8.00%
Salary Escalation Rate	4.00%	4.00%	4.00%	4.00%
Retirement Age	60	60	60	60
Mortality	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)
Attrition Rate	1%	1%	1%	1%

(e) The entire present value of funded obligation at the year end is unfunded and hence, fair value of assets is not furnished.

**35. Related Party Transactions pursuant to Accounting Standard(AS)-18****Details of related parties:**

<b>Subsidiary Companies</b> Gayatri Energy Ventures Pvt.Ltd Gayatri Infra Ventures Ltd HKR Roadways Limited SaiMaatarani Tollways Limited	<b>Step-down Subsidiaries Companies</b> Gayatri Lalitpur Roadways Ltd Gayatri-Jhansi Roadways Ltd Thermal Powertech Corporation India Ltd Bhandara Thermal Power Corporation Ltd.
<b>Associated Companies</b> Hyderabad Expressways Limited Cyberabad Expressways Limited Western UP Tollway Limited Balaji Highways Holding Limited (Considered as Subsidiary as per AS-21 for consolidation) Indore Dewas Tollways Limited (Considered as Subsidiary as per AS-21 for consolidation)	<b>Key Management Personnel (KMP)</b> Mr. T.V.Sandeep Kumar Reddy Mr. J.Brij Mohan Reddy Mrs.T.Indira Subbarami Reddy
<b>Entities in which KMP are interested</b> Deep Corporation Pvt. Ltd Indira Constructions Pvt. Ltd Gayatri Tissue & Papers Ltd Gayatri Sugars Ltd Gayatri Hi-Tech Hotels Ltd Gayatri Housing Ventures Pvt. Ltd Gayatri Hotels & Theaters Pvt. Ltd Amaravathi Thermal Power Pvt.Ltd. Gayatri Bio-Organics Limited TSR Foundation Dr.T.Subbarami Reddy (HUF) Balaji Charitable Trust	<b>Joint Ventures</b> Gayatri RNS Joint Venture IJM Gayatri Joint Ventures Gayatri Ranjit Joint Venture Gayatri - GDC Joint Venture Gayatri - BCBPPL Joint Venture Jaiprakash Gayatri JV Gayatri ECI Joint Venture Gayatri - Ratna Joint Venture MEIL-GAYATRI-ZVS-ITT Consortium Viswanath - Gayatri Joint Venture Gayatri-JMC Joint Venture Maytas -Gayatri Joint Venture

**Transactions with the related parties:****₹ in Lakhs**

Sl	Description	2011-12				
		Subsidiary & Step-down Subsidiaries	Associate Entities	Entities in which KMP are interested	Joint ventures	KMP
1	Equity contribution	22705.00 (26803.80)	— (6.57)	—	—	—
2	Contract Receipts	29174.78 (55098.31)	12361.98 (17363.71)	13387.69 (8095.63)	73913.40 (30984.87)	—
3	Contract payments	102.65 —	—	1337.96 (470.13)	—	—
4	Office Rent & Maintenance	—	—	101.46 (73.33)	—	—
5	Other Payments	110.50 (155.12)	79.60 (178.49)	7.60 (13.2)	—	—
6	Donations	—	—	465.78 (319.03)	—	—
7	Remuneration Paid	—	—	—	—	524.98 (467.00)
8	Contract Advances/ Other Adv.	423.69 (13074.96)	965.17 (953.70)	—	5302.24 (5788.37)	—
9	Corporate Guarantees	100.00 (548600.00)	—	—	—	—
10	Closing balances - Debit	21134.03 (21040.12)	6309.28 (9904.62)	29548.35 (3279.41)	29613.82 (15690.48)	—
11	Closing balances - Credit	7589.06 (4106.31)	103.53 (159.77)	171.47 (240.42)	11656.70 (16146.66)	134.83 (168.06)

Figures in brackets relate to previous year.

**36. Un-hedged foreign currency exposures as at 31st March 2012**

The year end foreign exposures that have not been hedged by a derivate instrument or otherwise are given below:

Particulars	2011-12		2010-11	
	JPY Equivalent (Lakhs)	₹ Equivalent (Lakhs)	JPY Equivalent (Lakhs)	₹ Equivalent (Lakhs)
Amount payable in foreign currency: Foreign Currency Convertible Bonds (Refer Note no. 5.1)	22,900.00	14,296.47	27,100.00	8,951.13

JPY denotes Japanese Yen

**37. Segment Reporting**

The Company's operations predominantly consist of providing infrastructure facilities.. Hence there are no reportable segments under Accounting Standard - 17. During the year under report, the Company's business has been carried out only in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

**38. Earnings Per Share (EPS)**

Basic and Diluted Earnings per share is calculated as per Accounting Standard 20 on Earnings per share.

₹ in Lakhs

Particulars	2011-12	2010-11
Profit After Tax for calculation of Basic EPS (₹ in Lakhs)	4597.12	5000.01
Profit After Tax for calculation of Diluted EPS (₹ in Lakhs)	4597.12	5000.01
Weighted average No. of equity shares as denominator for calculating Basic EPS. (No. in Lakhs)	121.52	116.02
Weighted average No. of equity shares as denominator for calculating Diluted EPS. (No. in Lakhs)	147.79	147.10
Basic EPS (₹)	37.83	43.10
Diluted EPS (₹)	31.11	33.99

**39. Disclosure in respect of Joint Ventures pursuant to Accounting Standard - 27 "Financial Reporting of Interest in Joint Ventures"**

**a) List of Joint Ventures**

S. No	Name of the Joint Venture	Description of Interest	% of Holding	Country of residence
1	IJM Gayatri Joint Venture	Jointly controlled entity (construction of Road works)	40	India
2	Jaiprakash Gayatri Joint Venture	Jointly controlled entity (construction of Canals, Dams etc., works)	49	India
3	Gayatri ECI Joint Venture	Jointly controlled entity (construction of Road works)	50	India
4	Gayatri - Ratna Joint Venture	Jointly controlled entity (construction of Road and Irrigation works)	80	India
5	Gayatri - GDC Joint Venture	Jointly controlled entity (construction of Road works)	70	India
6	Gayatri - BCBPPL Joint Venture	Jointly controlled entity (construction of Canals, Dams etc., works)	60	India
7	Gayatri - RNS Joint Venture	Jointly controlled entity (construction of Road works)	60	India

S. No	Name of the Joint Venture	Description of Interest	% of Holding	Country of residence
8	Gayatri- JMC Joint Venture	Jointly controlled entity (construction of Road works)	75	India
9	MEIL-Gayatri-ZVS-ITT Consortium	Jointly controlled entity (construction of Road works)	48.44	India
10	Viswanath - Gayatri Joint Venture	Jointly controlled entity (construction of Road works)	50	India
11	Gayatri Ranjit Joint Venture	Jointly controlled entity (construction of Road works)	60	India
12	Mayatas-Gayatri Joint Venture	Jointly controlled entity (construction of Road works)	37	India

**b) Financial Interest in Jointly Controlled Entities:**

₹ in Lakhs

Sl. No.	Name of Integrated Joint Ventures/ Jointly controlled entities	Company's Share						
		As at March 31, 2012		For the Year 2011-12				
		Assets	Liabilities	Income	Expenses	Tax	Net Profit	Net Loss
1	IJM Gayatri Joint Venture	1976.79 (7860.19)	2025.63 (7887.19)	— (192.98)	5.30 (233.18)	— (—)	— (—)	5.30 (40.20)
2	Jaiprakash Gayatri Joint Venture	2668.78 (2396.56)	2656.11 (2384.38)	11450.54 (6377.83)	11450.05 (6377.83)	— (—)	0.49 (—)	— (—)
3	Gayatri ECI Joint Venture	5276.62 (7222.69)	4517.44 (6953.62)	14994.27 (9494.61)	14504.16 (9225.54)	— (—)	490.11 (269.07)	— (—)
4	Gayatri - Ratna Joint Venture	6745.37 (6737.19)	6737.69 (6737.19)	7.68 (3410.60)	— (3410.60)	— (—)	7.68 (—)	— (—)
5	Gayatri - GDC Joint Venture	931.27 (931.27)	931.27 (931.27)	— (2674.39)	— (2674.39)	— (—)	— (—)	— (—)
6	Gayatri - BCBPPL Joint Venture	2033.55 (1763.72)	2031.06 (1763.72)	10705.20 (5471.13)	10702.71 (5471.13)	— (—)	2.49 (—)	— (—)
7	Gayatri - RNS Joint Venture	3326.10 (4397.66)	3326.10 (4397.66)	8960.05 (9464.21)	8960.05 (9464.21)	— (—)	— (—)	— (—)
8	Gayatri- JMC Joint Venture	1527.58 (2262.12)	1527.58 (2262.12)	2764.87 (1664.36)	2764.87 (1664.36)	— (—)	— (—)	— (—)
9	MEIL-Gayatri-ZVS-ITT Consortium	1095.24 (1769.03)	1095.24 (1769.03)	13816.87 (7617.01)	13816.87 (7617.01)	— (—)	— (—)	— (—)
10	Viswanath-Gayatri Joint Venture	1766.08 (1026.68)	1766.08 (1026.68)	1614.44 —	1614.44 —	— (—)	— (—)	— (—)
11	Gayatri-Ranjit Joint Venture	79.60 (79.60)	79.60 (79.60)	— —	— —	— (—)	— (—)	— (—)
12	Mayatas-Gayatri Joint Venture	31,394.89 (—)	31,394.89 (—)	72,144.12 (—)	72,144.12 (—)	— (—)	— (—)	— (—)
	Total:	58,821.87 (36446.71)	58,088.69 (36192.46)	1,36,458.04 (46367.12)	1,35,962.57 (46138.25)	— (—)	500.77 (269.07)	5.30 (40.20)
	Company's Share of net assets in jointly controlled entities	373.90 (129.70)						

Figures in brackets relate to previous year.

**40. Managerial Remuneration:**

Managerial Remuneration paid during the year:

	₹ in Lakhs	
Particulars	2011-12	2010-11
Salaries	462.00	402.00
Perquisites	2.98	15.00
Commission	60.00	50.00
Sub-total	524.98	467.00
Sitting Fee	—	—
Contribution to Provident Fund & Superannuation Fund	—	—
Total	524.98	467.00

Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956

	₹ in Lakhs	
Particulars	2011-12	2010-11
Profit Before Taxation	6983.99	9175.54
Add : Managerial Remuneration	524.98	467.00
Provision for Doubtful Debts / Advances	—	—
Loss on Sale of Fixed Assets / Written off Assets	232.57	2.25
	7741.54	9644.79
Less : Profit on Sale of Shares	—	—
Profit on Sale of Assets	—	—
Profit on Sale of Land	—	—
Adjustment / Bad debts written off against the provision created earlier	—	—
<b>Profit for the year as per Section 349</b>	<b>7741.54</b>	<b>9644.79</b>
<b>Maximum Commission / Remuneration payable under Section 309 @ 10%</b>	<b>774.15</b>	<b>964.48</b>
<b>Actual Remuneration taken (Incl. Perks)</b>	<b>524.98</b>	<b>467.00</b>

41. There are no amounts due and outstanding to be credited to Investors Education & Protection Fund as on 31-03-2012.

42. Auditors' Remuneration (excluding service tax) and expenses charged to the accounts:

	₹ in Lakhs		
S.No.	Particulars	2011-12	2010-11
1.	Statutory Audit	18.00	13.00
2.	Limited Review	12.00	8.00
3.	Tax Audit	5.00	4.00
4.	Certification Fee	7.00	7.00
5.	Certification Fee for Rights issue of Shares	10.00	--
	Total	52.00	32.00

43. Disclosure pertaining to Accounting Standard -29 is as below.

	₹ in Lakhs			
Account Head	Opening Balance	Provisions made During the year	Paid/Utilized during the year	Closing Balance
Gratuity	239.96	119.51	1.15	358.32
Leave Encashment	47.92	77.14	1.01	124.05
Taxation	Nil	1990.80	1990.80	Nil
Proposed Dividend & Dividend Tax	701.33	835.69	701.33	835.69

**44. Disclosure pursuant to Accounting Standard - 7 "Construction Contracts"**

₹ in Lakhs

S.No.	Particulars	2011-12	2010-11
1.	Contract revenue recognized for the year ended	<b>180,190.39</b>	144,055.10
2.	Contract cost incurred and recognized profits, less losses	<b>159,036.87</b>	134,120.79
3.	Amount of advances received till date, net of recoveries	<b>37,098.90</b>	26,722.78
4.	Gross amount due from customers for contract works	<b>51,428.33</b>	32,847.03

Since the principal business of the Company is in construction activities, quantitative data as required by Part II Para ii, 4c, 4d of Schedule VI to the Companies Act, 1956 is not furnished.

**45. Information as per para 4D of part II of Sch. VI of the Companies Act**

i) CIF value of Imports

₹ in Lakhs

S. No.	Particulars	2011-12	2010-11
1.	Purchase of Capital Goods	<b>423.44</b>	Nil

ii) Expenditure / (Income) in Foreign Currency:

₹ in Lakhs

S. No.	Particulars	2011-12	2010-11
1.	Traveling Expenses	<b>27.44</b>	11.92
2.	Stock Exchange Fee	<b>2.04</b>	2.17
3.	Interest/Premium of FCCB buyback	<b>1,190.99</b>	-Nil-
4.	Fee for Singapore Stock Exchange	<b>0.21</b>	0.18

iii) Details of major raw materials consumption

₹ in Lakhs

Particulars	2011-12		2010-11	
	Value	%	Value	%
Indigenous	<b>31,619.97</b>	<b>100</b>	25990.00	<b>100</b>
Imported	—	—	—	—

46. The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

47. Amounts in the financial statements are presented in ₹ lakhs, except for per share data and as otherwise stated.

48. All amounts are rounded off to nearest thousand.

**As per our report attached**  
**For C.B.MOULI & ASSOCIATES**  
**Chartered Accountants**

**For and on behalf of the Board**

**T. INDIRA SUBBARAMI REDDY**  
**Chairperson**

**T.V.SANDEEP KUMAR REDDY**  
**Managing Director**

**MANI OOMMEN**  
**Partner**

**PSREEDHAR BABU**  
**Chief Financial Officer**

**I.V.LAKSHMI**  
**Company Secretary**

Place : Hyderabad.

Date : 30<sup>th</sup> May 2012

## **AUDITORS' REPORT**

To the Board of a directors of **GAYATRI PROJECTS LIMITED** on Consolidated Financial Statements

1. We have audited the attached consolidated Balance Sheet of GAYATRI PROJECTS LIMITED ('the Company, its subsidiaries, joint ventures and Associates constitute 'the Group'), as at 31 March 2012, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year ended on that date both annexed thereto. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of Certain Subsidiaries whose financial statements reflect total assets of ₹ 96,503.85 Lakhs, total revenue of ₹ Nil and net cash outflows flows of ₹ 33,276.20 Lakhs; and Certain Joint Ventures whose financial statements reflect total assets of ₹ 54,240.40 Lakhs, total revenue of ₹ 1,26,743.69 Lakhs and cash flows amounting to ₹ 2,299.35 Lakhs, the Company's share of such assets, revenues and cash flows being ₹ 26,169.76 Lakhs, ₹ 56,004.97 Lakhs, ₹ 1,046.71 Lakhs respectively. The abovementioned financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors. The Financial Statements of one subsidiary reflecting total assets of ₹ 1,62,494.12 Lakhs, total Revenue of ₹ 17,187.06 Lakhs and Cash out flows of ₹ 4,471.61 Lakhs included in these financial statements is though audited, the same is yet to be approved by its Board of Directors.
4. We report that
  - (a) The consolidated statements have been prepared by the company's management in accordance with the requirement of Accounting Standard-21 on Consolidated Financial Statements , Accounting Standard-23 on Accounting for Investments in Associates in Consolidates Financial Statements and Accounting Standard -27 on Financial Reporting of Interest in Joint Ventures issued by the Institute of Chartered Accountants of India ;
  - (b) Based on our audit and on consideration of the reports of other auditors on separate financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
    - (ii) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
    - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

**For C.B.MOULI & ASSOCIATES**

Chartered Accountants  
Firm Registration No: 0021405

**MANI OOMMEN**

Partner  
Membership No: 24046

Place: Secunderabad  
Date : 30<sup>th</sup> May 2012



**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2012**

₹ in Lakhs

Particulars	Note	As at 31st March, 2012		As at 31st March, 2011	
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' Funds</b>					
a. Share capital	2	2,396.82		1,198.90	
b. Reserves and surplus	3	57,988.84	60,385.66	45,435.38	46,634.28
			38,642.22		39,975.71
<b>2. Minority Interest</b>					
<b>3. Non-Current Liabilities</b>					
a. Long-term borrowings	4	3,79,913.29		2,10,846.47	
b. Deferred tax liabilities (net)	5	2,351.32		2,020.41	
c. Other long-term liabilities	6	52,643.61		41,017.31	
d. Long-term provisions	7	3,230.71	4,38,138.93	1,849.81	2,55,734.00
<b>4. Current Liabilities</b>					
a. Short-term borrowings	8	84,491.57		80,951.66	
b. Trade payables	9	45,993.45		23,510.15	
c. Other current liabilities	10	45,322.99		33,093.06	
d. Short-term provisions	11	1,146.91	1,76,954.92	1,608.60	1,39,163.47
<b>Total</b>			<b>7,14,121.73</b>		<b>4,81,507.46</b>
<b>II. ASSETS</b>					
<b>1. Non-Current Assets</b>					
a. Fixed assets					
i. Tangible assets	12(a)	49,713.89		35,836.57	
ii. Intangible assets	12(b)	1,04,507.67		71,911.19	
iii. Capital work-in-progress	12(c)	1,03,886.24		64,837.73	
iv. Intangible assets under development	12(d)	1,16,076.24		63,026.55	
b. Non-current investments	13	35,821.66		3,295.76	
c. Long-term loans and advances	14	60,877.62		35,548.03	
d. Other non-current assets	15	1,000.02	4,71,883.34	—	2,74,455.83
<b>2. Current Assets</b>					
a. Current Investments	16	387.05		90.37	
b. Inventories	17	14,703.51		6,425.46	
c. Trade receivables	18	59,842.23		40,353.14	
d. Cash and bank balances	19	80,171.54		93,945.85	
e. Short-term loans and advances	20	81,733.38		51,454.44	
f. Other current assets	21	5,400.68	2,42,238.39	14,782.37	2,07,051.63
<b>Total</b>			<b>7,14,121.73</b>		<b>4,81,507.46</b>
<b>Significant accounting policies</b>	I				

The accompanying notes and other explanatory information form an integral part of the financial statements.

**As per our report attached**  
**For C.B.MOULI & ASSOCIATES**  
**Chartered Accountants**

**For and on behalf of the Board**

**MANI OOMMEN**  
 Partner

**T. INDIRA SUBBARAMI REDDY**  
 Chairperson

**T.V. SANDEEP KUMAR REDDY**  
 Managing Director

Place : Hyderabad  
 Date : 30<sup>th</sup> May 2012

**P. SREEDHAR BABU**  
 Chief Financial Officer

**I.V. LAKSHMI**  
 Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2012**

₹ in Lakhs

Particulars	Note	For the Year Ended 31st March, 2012	For the Year Ended 31st March, 2011
I Revenue from operations	22	<b>2,19,958.85</b>	1,20,612.81
II Other income	23	<b>634.89</b>	993.71
III <b>Total Revenue</b>		<b>2,20,593.74</b>	1,21,606.52
IV <b>EXPENSES</b>			
Cost of materials consumed	24	<b>31,905.35</b>	17,822.26
Work Expenditure	25	<b>1,45,845.92</b>	77,878.52
Changes in Inventories of Work-In-Progress	26	<b>(3,682.14)</b>	(885.09)
Employee benefits expense	27	<b>3,625.85</b>	2,393.55
Finance costs	28	<b>22,072.24</b>	11,730.14
Depreciation and amortization expense	12(a,b)	<b>8,208.89</b>	6,232.23
Other expenses	29	<b>11,076.62</b>	1,592.49
<b>Total Expenses</b>		<b>2,19,052.73</b>	1,16,764.10
V <b>Profit before exceptional &amp; extraordinary items &amp; tax</b>		<b>1,541.01</b>	4,842.42
VI Exceptional Items		—	—
VII <b>Profit before extraordinary items and tax</b>		<b>1,541.01</b>	4,842.42
VIII Extraordinary Items		—	—
IX <b>Profit Before Tax</b>		<b>1,541.01</b>	4,842.42
X <b>Tax Expenses</b>			
a. Current Tax		<b>(1,990.80)</b>	(2,689.74)
b. Tax for Previous Year		<b>(7.08)</b>	(0.94)
c. Deferred Tax		<b>(357.25)</b>	(394.46)
XI <b>Profit after Tax</b>		<b>(814.12)</b>	1,757.28
XII Less: Minority Interest		<b>(1,371.15)</b>	(1,475.22)
XIII <b>Profit for the year</b>		<b>557.03</b>	3,232.50
XIV <b>Earnings per share (of 10/- each):</b>			
a. Basic		<b>4.58</b>	27.86
b. Diluted		<b>3.77</b>	21.97

**Significant accounting policies**

I

The accompanying notes and other explanatory information form an integral part of the financial statements.

**As per our report attached**

**For and on behalf of the Board**

**For C.B.MOULI & ASSOCIATES**  
**Chartered Accountants**

**MANI OOMMEN**  
Partner

**T. INDIRA SUBBARAMI REDDY**  
Chairperson

**T.V. SANDEEP KUMAR REDDY**  
Managing Director

Place : Hyderabad  
Date : 30<sup>th</sup> May 2012

**P. SREEDHAR BABU**  
Chief Financial Officer

**I.V. LAKSHMI**  
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012**

₹ in Lakhs

Particulars	For the Year Ended 31st March, 2012	For the Year Ended 31st March, 2011
<b>A. Cash Flow From Operating Activities:</b>		
<b>PROFIT BEFORE TAX</b>	<b>1,541.01</b>	<b>4,842.42</b>
<b>ADJUSTMENTS FOR :</b>		
Depreciation and amortization expense	8,208.89	6,232.23
Finance Cost	22,072.24	11,730.14
Interest income	(252.03)	(929.11)
Loss on sale of Assets (Net)	203.57	2.25
Foreign Currency Translation and Transactions - Net	7,923.59	—
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>39,697.27</b>	<b>21,877.93</b>
<b>ADJUSTMENTS FOR :</b>		
Trade Receivables, Loans and Advances and Other Assets	(66,715.95)	(48,909.90)
Inventories	(8,278.05)	507.75
Trade Payables, other Liabilities and Provisions	21,755.78	42,622.74
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(13,540.95)</b>	<b>16,098.52</b>
Income Tax Paid	(1,997.88)	(2,690.68)
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>(15,538.83)</b>	<b>13,407.84</b>
<b>B Cash flows from investing activities</b>		
Changes in Fixed Assets	(1,46,984.46)	(1,03,882.21)
Adjustment for change in status of erstwhile Associate into Subsidiary	(61.17)	(1.34)
Interest income	252.03	929.11
Purchase of Non-Current Investments	(32,525.90)	(2,999.35)
Purchase of Current Investments	(296.68)	318.13
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,79,616.18)</b>	<b>(1,05,635.66)</b>
<b>C Cash flows from financing activities</b>		
Proceeds from issue of share capital includes share premium net off of expenditure	14,064.87	8,416.81
Proceeds from Minority Interest (Net)	37.66	29,079.45
Net Proceeds from long-term borrowings	1,83,026.02	95,142.57
Net Proceeds from Working Capital Facilities	2,663.54	14,333.81
Net Proceeds from short-term loans	876.37	19,519.60
Finance Cost	(18,586.43)	(11,292.97)
Dividend & Dividend Tax paid	(701.33)	(333.20)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>1,81,380.70</b>	<b>1,54,866.07</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(13,774.31)</b>	<b>62,638.25</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>93,945.85</b>	<b>31,307.60</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>80,171.54</b>	<b>93,945.85</b>

Note:

- Cash and Cash Equivalents consist of Cash on hand and balances with Banks that includes Margin Money Deposits for Bank Guarantees of ₹ 8180.10 Lakhs (Previous Year ₹ 6986.30 Lakhs)
- The Cash flow statement is prepared in accordance with the indirect method stated in Accounting Standard 3 issued by ICAI on Cash flow statements and presents Cash flows by Operating, Investing and Financing activities.
- Figures in brackets represent cash outflows.
- See accompanying Notes forming part of the Financial Statements.

As per our report attached

For and on behalf of the Board

For C.B.MOULI &amp; ASSOCIATES

Chartered Accountants

T. INDIRA SUBBARAMI REDDY

Chairperson

T.V. SANDEEP KUMAR REDDY

Managing Director

MANI OOMMEN

Partner

Place : Hyderabad

Date : 30<sup>th</sup> May 2012

P. SREEDHAR BABU

Chief Financial Officer

I.V. LAKSHMI

Company Secretary

## **I. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

### **I.1 Basis for preparation of financial statements**

The financial statements have been prepared to comply in all respects with accounting standards notified under Companies (Accounting Standards) Rules 2006 and the relevant provisions of the Companies act, 1956. The accounts are prepared under historical cost convention and on the going concern basis, with revenue recognized, expenses accounted on their accrual and in accordance with applicable notified Accounting Standards and the accounting policies have been consistently applied by the Company.

### **I.2 Use of estimates**

The preparation of 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 reporting date of the financial statements and amounts of income and expenses during the year of account. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized.

### **I.3 Principles of Consolidation**

The consolidated financial statements have been prepared on the following basis:

- a) The Financial Statements of the Company and its subsidiary companies have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as per Accounting Standard - 21 "Consolidated Financial Statements" issued by Institute of Chartered Accountants of India ('AS-21') and the financial statements are presented to the extent possible, in the same manner as the parent company's independent financial statements.
- b) Investments in associate companies have been accounted for, by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post-acquisition change in the Company's share of net assets of the associate. The carrying amount of investment in associate companies is reduced to recognize any decline which is other than temporary in nature and such determination of decline in value, if any, is made for each investment individually. The unrealized profits/losses on transactions with associate companies are eliminated by reducing the carrying amount of investment.
- c) The Company's interests in joint ventures are consolidated as follows:

Type of Joint Venture	Accounting treatment
Jointly controlled operations	Company's share of revenues, common expenses, assets and liabilities are included in revenues, expenses, assets and liabilities respectively.
Jointly controlled assets	Share of the assets, according to nature of the assets, and share of the liabilities are shown as part of gross block and liabilities respectively. Share of expenses incurred on maintenance of the assets is accounted as expense. Monetary benefits, if any, from use of the assets are reflected as income.
Jointly controlled entities	The Company's interest in jointly controlled entities are proportionately consolidated on a line-by-line basis by adding together the book values of assets, liabilities, income and expenses, after eliminating the unrealized profits/losses on intra-group transactions.

- d) Goodwill/Capital Reserve is included /adjusted in the carrying amount of the investment.

### **I.4 Revenue recognition**

- i) Income is recognized on fixed price construction contracts in accordance with the percentage completion basis, which necessarily involve technical estimates of the percentage of completion, and costs to completion, of each contract / activity, on the basis of which profits and losses are accounted. The estimates made by the Company being technical in nature have been relied upon by the auditors.
- ii) The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract.

- iii) An expected loss on construction contract is recognized as an expense immediately when it is certain that the total contract costs will exceed the total contract revenue.
- iv) The price escalation and other claims and/or variation in the contract work are included in contract revenue only when:
  - a) Negotiations have reached at an advanced stage such that it is probable that customer will accept the claim; and
  - b) The amount that is probable will be accepted by the customer can be measured reliably.
- v) Incentive payments, as per customer-specified performance standards, are included in contract revenue only when:
  - a) The contract is sufficiently advanced that it is probable that the specified performance standards will be met; and
  - b) The amount of the incentive payment can be measured reliably.
- vi) Toll income is recognized/accounted as and when collected in accordance with the provisions of the concession agreement entered with the respective authorities.
- vii) Annuity income is accounted on accrual basis as per the concession agreement entered with the respective authorities.
- viii) Revenue from wind power operations is recognized when the units are reliably measured and billed and it is reasonable to expect ultimate collection.

#### **1.5 Inventories and work in progress**

Raw Materials, construction materials and stores & spares are valued at weighted average cost. Expenditure incurred during the work in progress of contracts up to the stage of completion is carried forward as work-in-progress. Cost includes direct material, work expenditure, labour cost and appropriate overheads.

#### **1.6. Tangible Fixed Assets and Depreciation**

- i) Fixed Assets are stated at cost of acquisition, less accumulated depreciation thereon. Expenditure which are capital in nature are capitalized at cost, which comprises of purchase price (net of rebates and discounts), import duties, levies, financing costs and all other expenditure directly attributable to bringing the asset to its working condition for its intended use. Capital Work in Progress comprises advances paid to acquire fixed assets and the cost of fixed assets not ready for their intended use as at the reporting date of the financial statements.
- ii) Tangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".
- iii) Depreciation is provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956. Depreciation for additions to/deductions from owned assets is calculated pro-rata from/to the month of additions/deductions.
- iv) Assets acquired under finance leases are depreciated on a straight line method over the lease term.

#### **1.7. Intangible Assets and Amortization**

Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment. Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are amortized as follows:

- a) Computer software : Over a period of Three years.
- b) Toll collection / annuity rights obtained in consideration for rendering construction services represent the right to collect toll revenue during the concession period in respect of Build-Operate-Transfer (BOT) projects undertaken by the Group. Toll collection rights are capitalized as intangible asset upon completion of the project at the cumulative construction costs including related margins plus obligations towards negative grants payable to National Highway Authority of India (NHAI), if any. Till the completion of the project, the same is recognized as intangible assets under development. The revenue towards collection of toll/other income during

the period of construction is reduced from the cost of intangible asset under development. Toll collection rights are amortized over the period of rights given under the concession agreement.

Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as a part of the cost of the intangible assets. Amortization on impaired assets is provided by adjusting the amortization charges in the remaining periods so as to allocate the assets revised carrying amount over its remaining useful life.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "intangible assets under development"

- c) Goodwill represents the difference between the Group's share in the net worth of a subsidiary or an associate or a joint venture, and the cost of acquisition at each point of time of making the investment in the subsidiary or the associate or the joint venture. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation represents negative goodwill arising on consolidation.

### **1.7 Foreign Currency Transactions**

Foreign exchange transactions are accounted at the rates prevailing on the date of transactions. Monetary assets and current liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates. The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions are recognized in the Profit and Loss Account. Non-monetary foreign currency items are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

### **1.8 Investments**

Investments are classified as non-current and current investments. Non-Current Investments are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value. Dividend income is accounted when the right to receive dividend is established.

### **1.9 Employee Benefits**

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

#### **i) Gratuity**

In accordance with the Payment of Gratuity Act, 1972 the company provides for Gratuity covering eligible employees. The liability on account of Gratuity is provided on the basis of valuation of the liability by an independent actuary as at the year end.

#### **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 contributes 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 expenses as incurred.

#### **iii) Compensated Absences**

Liability for compensated absence is treated as a long term liability and is provided on the basis of valuation by an independent actuary as at the year end.

- iv) Actuarial gains and losses are immediately recognized and taken to the profit and loss account and are not deferred.

### **1.10 Deferred Revenue Expenditure**

Projects and Other amenities expenditure incurred upto March 31, 2012, the benefit of which is spread over more than one year is grouped under Prepaid Expenditure and is amortized over the period in which benefits would be derived.

**1.11 Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such asset. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

**1.12 Leases**

Assets taken on finance lease are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

Operating leases in respect of office & other equipment, house for employees, Office buildings are cancelable / renewable by mutual consent on agreed terms. Lease payments under an operating lease are recognized as an expense in the Profit and Loss Account.

**1.13 Earnings per Share (EPS)**

In arriving at the EPS, the Company's net profit after tax, computed in terms of the Indian GAAP, is divided by the weighted average number of equity shares outstanding on the last day of the reporting period. The EPS thus arrived at is known as 'Basic EPS'. To arrive at the diluted EPS the net profit after tax, referred above, is divided by the weighted average number of equity shares, as computed above and the weighted average number of equity share that could have been issued on conversion of shares having potential dilutive effect subject to the terms of issue of those potential shares. The date/s of issue of such potential shares determine the amount of the weighted average number potential equity shares.

**1.14 Taxation****i) Current Tax**

Provision for Current tax is made based on the liability computed in accordance with the relevant tax rates and provisions of Income Tax Act, 1961.

**ii) Deferred Tax**

Deferred Tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

**1.15 Impairment of Fixed Assets**

The carrying amount of assets, other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

**1.16 Provisions for Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are present obligations arising from a past event, when it is not probable / probability is remote that an outflow of resources will be required to settle the obligation and they are not recognized but are disclosed in the notes.

Contingent Assets are neither recognized nor disclosed in the financial statements. Provisions for Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

## 2. SHARE CAPITAL

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>Authorised</b> 4,00,00,000 (Previous Year 4,00,00,000) Equity shares of ₹10/- each	<b>4,000.00</b>	4,000.00
<b>Issued, Subscribed and Paid-Up:</b> 2,39,68,242 (Previous Year 1,19,79,242) Equity Shares of ₹ 10/- each fully paid-up	<b>2,396.82</b>	1,198.90
	<b>2,396.82</b>	1,198.90

### 2(a). Details of shares issued during the year:

Pursuant to the resolution passed at the Board of Directors meeting held on 21st January, 2011 and in compliance with the provisions under section 81(1)(a) of the Companies Act, 1956 and SEBI regulations, the Company has issued 1,19,79,242 equity shares of ₹ 10/- each to the existing shareholders for cash at a premium of ₹ 110/- per equity share in the ratio of one right equity share for every one equity share held on the record date i.e 23rd February 2012.

### 2(b). Rights, Preferences and restrictions attached to Equity Shares:

The company has only one class of shares referred to as equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share. 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 the number of equity shares held by the shareholder.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors have recommended dividend of ₹ 3.00 per equity share in their meeting held on 30th May 2012, subjected to approval of the shareholders in the ensuing Annual General Meeting (For the year ended 31st March 2011 : ₹ 5.00 per equity share).

### 2(c) The reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period is as under:

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
Number of shares at the beginning	1,19,89,000	1,198.90	1,11,04,761	1,110.48
Add: Shares issued on conversion of FCCBs	—	—	2,86,718	28.67
Add : Shares issued on conversion of warrants by the promoters	—	—	5,97,521	59.75
Add: Shares issued to the existing Share Holders on Right basis	1,19,79,242	1,197.92	—	—
Number of shares at the end	2,39,68,242	2,396.82	1,19,89,000	1,198.90

### 2(d) Details of shareholders holding more than 5% shares in the Company:

Name of Share Holder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Indira Tikkavarapu	106,30,932	44.35	47,98,816	40.03
Sandeep Kumar Reddy Tikkavarapu	45,79,544	19.11	17,93,922	14.96
Reliance Capital Trustee Co Ltd -Reliance Infrastructure Fund	—	—	10,00,000	8.34



- 2 (e) The company has utilized the net proceeds of the Right issue for the objectives specified in the Letter of Offer including margin requirement for working capital and general capital purpose.

**3. RESERVES AND SURPLUS**

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>a. Capital Reserve</b>		
Opening balance	143.40	—
Add : Forfeiture of warrants	—	143.40
Closing Balance	143.40	143.40
<b>b. Securities Premium Account</b>		
Opening Balance	17,619.54	9,024.25
Add : Receipts on issue of Shares	13,177.17	7,798.22
Receipts on exercise of FCCB Conversion	—	797.07
Less: Utilised towards Rights issue expenses	(310.22)	—
Closing Balance	30,486.49	17,619.54
<b>c. Capital Reserve (Grant)*</b>	4,371.50	4,371.50
<b>d. Debenture Redemption Reserve</b>		
Opening Balance	1,300.00	—
Add: Transferred from Statement of Profit and Loss	—	1,300.00
Closing Balance	1,300.00	1,300.00
<b>e. General Reserve</b>		
Opening Balance	7,600.00	6,800.00
Add: Transferred from Statement of Profit and Loss	900.00	800.00
Closing Balance	8,500.00	7,600.00
<b>f. Surplus in the Statement of Profit and Loss</b>		
Opening Balance	14,400.94	13,978.17
Add: Surplus for the year	557.03	3,232.50
Add/(Less) Other Adjustments	(34.83)	—
Amount available for appropriation	14,923.14	17,210.67
Appropriations:		
Dividend and Dividend Distribution Tax	835.69	709.73
Transferred to Debenture Redemption Reserve	—	1,300.00
Transferred to General Reserve	900.00	800.00
Closing Balance	13,187.45	14,400.94
	<b>57,988.84</b>	<b>45,435.38</b>

\* Grants received/receivable from NHAI in the nature of "promoter contribution" are credited to "capital reserve".

#### 4. LONG TERM BORROWINGS

₹ in Lakhs

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Non-Current	Current	Non-Current	Current
<b>Debentures - Secured</b>				
520 (31st March 2011 : 520) 11.50% Redeemable Non-convertible Debentures (NCDs) of ₹ 10,00,000/- each	5,200.00	—	5,200.00	—
150000000 (31st March 2011 : ₹Nil) 10.50% Compulsorily Convertible Debentures (CCD) of ₹10/- each	15,000.00	—	—	—
<b>Bonds - Unsecured</b>				
Zero Coupon Foreign Currency Convertible Bonds (FCCBs) (Refer Note. 4.1)	—	14,296.47	8,951.13	—
<b>Term Loans - Secured</b>				
- From Banks				
i) Equipment Loans	3,813.81	1,690.56	1,706.98	1,929.98
ii) Vehicle Loans	6.52	2.52	9.04	14.90
iii) Other Term loans	1,57,122.73	10,539.46	1,09,961.86	3,550.72
- From Others				
i) Equipment Loans	3,224.92	2,982.01	4,364.15	2,056.58
ii) Vehicle Loans	83.22	66.58	117.55	99.81
iii) Other Term loans	1,66,054.65	1,342.69	76,447.02	1,385.51
<b>Term Loans - Unsecured</b>				
i) From related parties	13,532.04	—	3,224.00	—
ii) Others	735.15	—	864.74	—
<b>Buyers Credit - Unsecured</b>	15,140.25	—	—	—
<b>Total</b>	<b>3,79,913.29</b>	<b>30,920.29</b>	<b>2,10,846.47</b>	<b>9,037.50</b>

- 4.1 The Company had issued 308 Zero Coupon Foreign Currency Convertible Bonds (FCCBs) of Japanese Yen (JPY) 10,000,000 each aggregating to JPY 308,00,00,000 redeemable on 1st August 2012 at 120.414% of its principal amount. The bond holders had an option to convert these bonds into equity shares at an initial conversion price of ₹ 378.35 (reset at ₹ 288/-) per share with a fixed rate of exchange on conversion at ₹ 0.3303 per JPY. Out of the total bonds of 308, 37 bonds were converted into equity, 42 bonds were bought back by the company and remaining 229 bonds were outstanding as at the date of Balance Sheet. The bonds will mature on 3rd August 2012 at 120.414% of its principal amount.

The Company has provided an amount of ₹ 6732.60 lakhs towards the foreign exchange transaction loss on the FCCBs as on date and the loss is recognized in the statement of profit and loss for the year 2011-12.

#### 4.2 Debentures:

Nature of Security

##### 520, 11.50% Redeemable Non-convertible Debentures (NCDs)

The Company has issued 520 11.50% Secured Redeemable Non-Convertible Debentures (NCDs) of ₹ 10,00,000/- each on private placement in the form of Separately Transferable Redeemable Principal Parts (STRPPs) for cash at par aggregating ₹ 5200 Lakhs. The Debentures are secured by the paripassu first charge on the fixed assets of a group company.

##### 15,00,00,000, 10.50% Compulsorily Convertible Debentures (CCD)

- 24,79,338 Equity Shares of Jinbhuvish Power Generations Private Ltd held by the Company are pledged in favour of IFCI Limited as collateral security for the debentures issued by the Company
- 26% of Total equity shares of the Company held by Gayatri Projects Ltd i.e 13,00,000 as on 31-03-2012 are pledged in favour of IFCI Limited as collateral security for the debentures issued by the Company
- The debentures are guaranteed by the personal guarantee of T. V. Sandeep Kumar Reddy and T. Indira Reddy, Directors of the company.
- Gayatri Projects Ltd the holding company of the Company has given buy back guarantee to IFCI Ltd.

### **Terms of Repayment**

The NCDs are redeemable in the 3rd, 4th and 5th year in the ratio of 30:30:40 and the earliest date of redemption being 1st December 2013.

The CCDs are to be bought back at premium in four equal installments at the end of 42, 48, 54 & 60 months from the date of subscription i.e. 16 May, 2011

#### **4.3 Equipment Loans:**

The Equipment loans are secured by hypothecation of specific equipments acquired out of the said loans with rate of interest varying from 14.75% to 15.25% per annum.

#### **4.4 Vehicle Loans:**

The Vehicle loans availed are secured by hypothecation of specific vehicles purchased out of the said with rate of interest varying from 11.16% to 13.48% per annum.

#### **4.5 Other Term Loans:**

The other term loans consist of loans taken for the company and its subsidiary companies (Project Companies) from Banks and Financial institutions. The loans pertaining to the company are secured by hypothecation of construction equipments not specifically charged to other banks with rate of interest varying from 13.00% to 15.50% per annum and project company loans are secured by way of first charge over all the present and future assets of the respective companies, all revenues receivable by the project companies, pledge of equity shares of respective companies and corporate guarantee of the Company wherever applicable.

All the above term loans of the Company and non-convertible debentures of the Company are guaranteed by Directors.

4.6 The Term loans from banks and financial institutions are repayable commencing from the year 2012 till 2025.

### **5. DEFERRED TAX LIABILITIES (Net)**

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Deferred Tax Liability as at beginning of the year	2020.41	1627.29
Adjustment for change in share of Joint Controlled Entities	(26.34)	(1.34)
Deferred Tax Liability for the year	357.25	394.46
<b>Total</b>	<b>2,351.32</b>	<b>2,020.41</b>

### **6. OTHER LONG TERM LIABILITIES**

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Advances from Contractees	46,255.38	40,227.39
Capital Creditors	4,520.66	—
Retention Money Payable	1,867.57	789.92
<b>Total</b>	<b>52,643.61</b>	<b>41,017.31</b>

### **7. LONG TERM PROVISIONS**

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Employee Benefits	248.37	141.55
Provision for Periodic Maintenance	2,982.34	1,568.26
Provision for Other Expenses	—	140.00
<b>Total</b>	<b>3,230.71</b>	<b>1,849.81</b>

## 8. SHORT TERM BORROWINGS

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>From Banks - Secured</b>		
Equipment Loans	5,000.00	—
Vehicle Loans	—	—
Working Capital Facilities	42,941.66	40,278.12
Term Loans	—	20,000.00
<b>From Banks - Un-secured</b>		
Term Loans	34,240.16	19,993.33
<b>Loans / Advances from related parties - Un-secured</b>	<b>2,309.75</b>	<b>680.21</b>
<b>Total</b>	<b>84,491.57</b>	<b>80,951.66</b>

## 8.1 Nature of security and terms of repayment:

**Equipment Loans (Secured)**

- The equipments loans are secured by hypothecation of specific equipments acquired out of the said loans.
- The equipment loans are repayable in monthly installments.
- The equipment loans are guaranteed by Directors.
- There are no defaults in repayment of loans and interest on the Balance Sheet date.
- The applicable rate of interest is 14.10% per annum.

**Term Loans (Secured)**

The Secured Loans availed are secured by Hypothecation of Unencumbered fixed assets and project specific stock and receivables. The applicable rate of interest is 14.10% per annum.

**Working Capital Loans (Secured)**

The working capital facilities from the consortium of Banks are secured by:

- Hypothecation against first charge on stocks, book debts and other current assets of the Company both present and future ranking paripassu with consortium banks.
- Hypothecation against first charge on all unencumbered fixed assets of the Company both present and future ranking paripassu with consortium banks.
- Equitable mortgage of properties belonging to promoters, directors, group companies.
- Personal guarantee of promoter directors, group companies/firms and relatives.
- There are no defaults in repayment of loans and interest on the Balance Sheet date.

The rate of interest for these facilities range from 12.75% to 15.25% per annum and repayable on demand.

**Term Loans (Un-secured)**

- The other term loans are repayable in monthly installments.
- There are no defaults in repayment of loans and interest on the Balance Sheet date.
- The rate of interest for these loans range from 12.50% to 13.75% per annum.

## 9. TRADE PAYABLES

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Micro, Small and Medium Enterprises*	—	—
Others	45,993.45	23,510.15
<b>Total</b>	<b>45,993.45</b>	<b>23,510.15</b>

\* There are no Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

# 10. OTHER CURRENT LIABILITIES

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Current maturities(refer note no.4)		
- Long Term Borrowings	16,623.82	9,037.50
- Zero Coupon Foreign Currency Convertible Bonds (FCCBs)	14,296.47	—
Interest accrued and due on borrowings	2,341.75	385.22
Interest accrued but not due on borrowings	1,581.23	51.95
Remuneration Payable to Directors	134.83	168.06
Unpaid dividends	3.05	2.29
Unpaid matured debentures and interest accrued thereon	296.79	1,328.82
Application money received for allotment of securities and due for refund and interest accrued thereon	335.70	807.45
Capital Creditors	4,512.86	837.00
Other Liabilities *	5,196.49	20,474.77
<b>Total</b>	<b>45,322.99</b>	<b>33,093.06</b>

\* includes statutory dues, payables towards services and expenses.

# 11. SHORT TERM PROVISIONS

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Provision for Dividend & Dividend Distribution Tax	835.69	701.33
Provision for Income Tax	9.01	53.48
Employee Benefits	254.00	151.55
Provision for Other expenses	48.21	702.24
<b>Total</b>	<b>1,146.91</b>	<b>1,608.60</b>

## 12. FIXED ASSETS

₹ in Lakhs

Particulars	Original Cost			Depreciation And Amortization				Net Book Value	
	As at 01/04/2011	Additions/ Adjustment during the year	Deletions/ Retirement during the year	As at 31/03/2012	Up to 01/04/2011	For the year	Deductions/ Adjustment during the year	As at 31/03/2012	As at 31/03/2011
<b>a) TANGIBLE ASSETS</b>									
Land	13,447.01	6,141.03	—	19,588.04	—	—	—	19,588.04	13,447.01
Roads & Buildings	—	992.41	—	992.41	—	14.25	—	978.16	—
Plant and Equipment	19,905.32	5,395.46	1,408.66	23,892.12	6,044.46	1,140.18	716.22	17,423.70	13,860.86
Vehicles	1,961.38	530.76	17.51	2,474.63	826.31	211.46	7.31	1,444.17	1,135.07
Wind Power Equipment	3,745.73	2,191.13	—	5,936.86	4.47	249.39	—	5,683.00	3,741.26
Earth Moving Machinery	11,573.21	2,300.11	102.57	13,770.75	8,090.30	1,408.55	41.50	4,313.40	3,482.91
Furniture and Fixtures	327.09	141.67	—	468.76	157.63	27.71	—	283.42	169.46
<b>Sub-total :</b>	<b>50,959.74</b>	<b>17,692.57</b>	<b>1,528.74</b>	<b>67,123.57</b>	<b>15,123.17</b>	<b>3,051.54</b>	<b>765.03</b>	<b>49,713.89</b>	<b>35,836.57</b>
<b>b) INTANGIBLE ASSETS</b>									
Goodwill on consolidation	—	5,370.63	—	5,370.63	—	—	—	5,370.63	—
Carriage Way	75,857.83	36,343.37	4,031.43	1,08,169.77	3,950.46	5,463.57	175.45	98,931.19	71,907.37
Computer Software	4.42	215.91	—	220.33	0.60	13.88	—	205.85	3.82
<b>Sub-total :</b>	<b>75,862.25</b>	<b>41,929.91</b>	<b>4,031.43</b>	<b>1,13,760.73</b>	<b>3,951.06</b>	<b>5,477.45</b>	<b>175.45</b>	<b>1,04,507.67</b>	<b>71,911.19</b>
<b>Total</b>	<b>1,26,821.99</b>	<b>59,622.48</b>	<b>5,560.17</b>	<b>1,80,884.30</b>	<b>19,074.23</b>	<b>8,528.99</b>	<b>940.48</b>	<b>1,54,221.56</b>	<b>1,07,747.76</b>

Less : Depreciation of project companies grouped under pre-operative expenditure pending allocation (320.10)

Net Depreciation charged to statement of Profit &amp; Loss

8,208.89

**c. CAPITAL WORK IN PROGRESS**

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Opening Balance	64,837.73	85387.49
Add : Expenditure incurred during the year	76,413.71	38525.26
Less : Transfer to Asset / Capitalised during the year	(37,365.20)	(59,075.02)
<b>Closing Balance</b>	<b>1,03,886.24</b>	<b>64,837.73</b>

**d. INTANGIBLE ASSETS UNDER DEVELOPMENT**

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Opening Balance	63,026.55	17,050.54
Add : Expenditure incurred during the year	53,049.69	45976.01
<b>Closing Balance</b>	<b>1,16,076.24</b>	<b>63,026.55</b>

**13. NON-CURRENT INVESTMENTS**

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>A. Trade Investments (Valued at cost unless stated otherwise) Unquoted Equity Shares</b>		
<b>Investment in Associate Companies</b>		
28,32,66,074 (Previous Year:Nil) Equity share of ₹10/- each fully paid - NCC Power Projects Ltd (NCCPPL)	32,524.91	—
30,000 (Previous Year:Nil) equity share of ₹ 10/- each fully paid up Sembcorp Gayatri O&M Co. Pvt Ltd	2.79	—
Nil (Previous 18000) Equity Shares of ₹10/- each, fully paid in HKR Tollways Ltd.	—	1.80
<b>Investment in Others</b>		
24,79,338 (Previous Year:24,79,338) Equity shares of ₹10/- each fully paid up - Jinbhuvish Power Generation Pvt Ltd (JPGPL)	3,000.00	3,000.00
<b>B. Investment in Other Companies</b>		
<b>Quoted - at Cost</b>		
29,31,000 (Previous Year 29,31,000 ) Equity Shares of ₹10/- each in Gayatri Sugars Ltd.,	293.10	293.10
1,728 (Previous Year 1,728) Equity Shares of ₹10/- each in Syndicate Bank Ltd.,	0.86	0.86
<b>Total</b>	<b>35,821.66</b>	<b>3,295.76</b>
Aggregate Amount of Quoted Investment	293.96	293.96
Aggregate Market value of Quoted Investment	89.85	89.74
Aggregate Amount of Unquoted Investment	35,527.70	3,001.80
Aggregate provision for diminution in the value of investments	—	—

**Pledge of shares:**

- 15,28,76,806 Equity Shares of NCCPPL are pledged in favour of Rural Electrification Corporation Ltd as collateral security for the loan availed by NCCPPL
- 24,79,338 Equity Shares of JPGPL are pledged in favour of IFCI Limited as collateral security for ₹150 Crores debentures issued by the Company to IFCI Ltd

**14. LONG TERM LOANS AND ADVANCES**

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>To Related parties - Unsecured, considered good</b>		
Loan to Joint Ventures	5773.10	5773.10
Others	70.07	58.76
<b>To others - Unsecured, considered good</b>		
Capital Advances to suppliers	46,591.08	28,984.65
Security Deposit	49.09	35.36
Prepaid Expenses	1,031.08	696.00
Electricity and Other deposits	75.13	0.16
Un-amortized process fees	1,924.00	—
Balances with customs authorities	5,364.07	—
<b>Total</b>	<b>60,877.62</b>	<b>35,548.03</b>

**15. OTHER NON-CURRENT ASSETS**

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Margin Deposit against Bank Guarantees / Letter of Credits.	0.02	—
Advance for purchase of Equity Shares	1,000.00	—
<b>Total</b>	<b>1,000.02</b>	<b>—</b>

**16. CURRENT INVESTMENTS**

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Investments In Mutual Funds (At Cost)	387.05	90.37
<b>Total</b>	<b>387.05</b>	<b>90.37</b>

**17. INVENTORIES**

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Raw Materials	7,734.22	2,813.04
Stores and Spares	—	325.28
Work in Progress	6,969.29	3,287.14
<b>Total</b>	<b>14,703.51</b>	<b>6,425.46</b>

Raw Materials, Construction materials, stores and spares are valued at weighted average cost. Expenditure incurred during the work in progress of contracts up to the stage of completion is carried forward as work-in-progress. Cost includes direct materials, work expenditure, labour cost and appropriate overheads.



# 18. TRADE RECEIVABLES

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured, considered good	57,653.10	38,419.34
Trade receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good	2,189.13	1,933.80
<b>Total</b>	<b>59,842.23</b>	<b>40,353.14</b>

# 19. CASH AND BANK BALANCES

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
a) Cash on hand	163.63	95.52
b) Balances with Banks		
- Current Accounts	13,822.43	57,474.38
- Fixed Deposits	58,005.38	29,389.65
c) Margin money for Bank Guarantees / LCs*	8,180.10	6,986.30
<b>Total</b>	<b>80,171.54</b>	<b>93,945.85</b>

\* Margin Money Deposits with carrying amount of 8810.10 lakhs (Previous Yr : 6986 .30 Lakhs) are earmarked against bank guarantees taken by the company (or subsidiaries of the company)

# 20. SHORT-TERM LOANS AND ADVANCES

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>To Related Parties -Un-secured, Considered Good</b>		
Others	1,719.49	403.91
<b>To Others - Un-secured, Considered Good</b>		
Advances to Suppliers	675.78	2,230.35
Advances to Subcontractors	64,187.93	44,252.52
Staff Advances	125.01	165.41
Deposits with Government Agencies	6,378.72	1,651.51
Other Advances	8,646.45	2,750.74
<b>Total</b>	<b>81,733.38</b>	<b>51,454.44</b>

# 21. OTHER CURRENT ASSETS

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Share Application Money Pending Allotment	1,772.67	11,148.06
Interest Accrued but not due	443.01	—
Annuity Income accrued but not due	867.57	31.28
Pre-paid expenses	1,667.98	434.66
Others	649.45	3,168.37
<b>Total</b>	<b>5,400.68</b>	<b>14,782.37</b>

**22. REVENUE FROM OPERATIONS**

₹ in Lakhs

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Contract Revenue	1,95,654.12	1,09,488.81
Other Operational Revenue	7,859.91	0.08
Share of Profit from Joint Ventures	245.06	134.53
Annuity Income	13,279.02	10,989.39
Toll Revenue	2,920.74	—
<b>Total</b>	<b>2,19,958.85</b>	<b>1,20,612.81</b>

**23. OTHER INCOME**

₹ in Lakhs

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Interest Income	252.03	929.11
Other Non Operating Income	382.86	64.60
<b>Total</b>	<b>634.89</b>	<b>993.71</b>

**24. COST OF MATERIALS CONSUMED**

₹ in Lakhs

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Steel	4,898.61	2,607.89
Cement	2,679.52	1,529.63
Bitumen	7,528.80	5,915.12
Metal	4,283.30	2,655.01
Sand & Gravel	733.78	1,071.83
Electrical Materials	3,777.34	274.90
RCC & GI Pipes	1,475.23	172.17
Building Materials	1,629.28	96.88
HSD Oils and Lubricants	4,389.37	3,029.36
Stores and Consumables	280.00	338.41
Other Materials	230.12	131.06
<b>Total</b>	<b>31,905.35</b>	<b>17,822.26</b>

**25. WORK EXPENDITURE**

₹ in Lakhs

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Departmental Recoveries	2,588.53	1,041.52
Work executed by sub-contractors	1,11,231.08	50,877.02
Earth Work	7,210.15	8,100.58
Concrete Work	5,925.34	4,834.63
Transport Charges	1,320.24	666.11
Hire Charges	771.61	699.63
Road work	3,513.46	4,140.86
Repairs and Maintenance	1,733.34	1,068.77
Taxes and Duties	3,897.42	2,034.76
Royalties, Seigniorage and Cess	609.85	606.69
Insurance	253.16	131.09
Operation & Maintenance Expenses	2,108.57	—
Other Work Expenditure	4,683.17	3,676.86
<b>Total</b>	<b>1,45,845.92</b>	<b>77,878.52</b>

**26. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS**

₹ in Lakhs

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Opening Work-In-Progress	3,287.14	2,402.05
Less : Closing Work-In-Progress	6,969.28	3,287.14
<b>Total</b>	<b>(3,682.14)</b>	<b>(885.09)</b>

**27. EMPLOYEE BENEFITS EXPENSE**

₹ in Lakhs

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Salaries and Wages	2,631.31	1,638.51
Directors' Remuneration	524.98	467.00
Contribution to Provident Fund and Other Funds	44.38	26.26
Staff Welfare	425.18	261.78
<b>Total</b>	<b>3,625.85</b>	<b>2,393.55</b>

**28. FINANCE COSTS**

₹ in Lakhs

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Interest Expenses		
- On Term Loans	14,684.94	7,626.70
- On Working Capital Facilities	4,598.95	2,763.65
- On Debentures	1,984.78	244.08
- On Others	64.36	176.58
Other Borrowing Cost	739.21	919.13
<b>Total</b>	<b>22,072.24</b>	<b>11,730.14</b>

**29. OTHER EXPENSES**

₹ in Lakhs

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Printing and Stationery	64.12	41.21
Telephones	82.05	55.74
Traveling and Conveyance	392.69	226.73
Advertisement Expenses	123.06	20.53
General Expenses	171.96	67.59
Consultancy Fee	467.78	326.40
Donations	377.38	184.44
Rent	357.19	243.41
Power and fuel	122.25	62.60
Rates and Taxes	70.36	60.48
Tender Expenses	62.71	117.31
Insurance	67.66	20.98
Auditors Remuneration	64.94	26.69
Loss on Sale of Assets	157.81	2.25
Foreign exchange translation loss*	7,923.59	—
Other Administration Expenses	571.07	136.13
<b>Total</b>	<b>11,076.62</b>	<b>1,592.49</b>

\* The exchange translation loss includes (a) exchange difference arising on buy back of 42 FCCB bonds amounting to ₹ 1190.99 lakhs and (b) the currency translation loss of ₹ 6732.60 lakhs (including current year loss of ₹ 3528.89 lakhs) as on 31st March 2012 on the outstanding 229 FCCB bonds of JPY 10,000,000 each.

30. All amounts in the financial statements are presented in ₹ in Lakhs except per share data and as otherwise stated. Figures in brackets represent corresponding previous year figures in respect of Profit & Loss items and in respect of Balance Sheet items as on the Balance Sheet date of the previous year. Figures for the previous year have been regrouped / rearranged wherever considered necessary to conform to the figures presented in the current year.

**31. Basis of preparation of consolidated financial statements:**

Gayatri Projects Limited ("the company") has presented consolidated Financial statements by consolidating its own financial statements with those of its subsidiaries, Associates and joint ventures in accordance with Accounting Standard- 21 (Consolidated Financial statements), Accounting Standard-23 (Accounting for Investments in Associates in consolidated Financial statements) and Accounting Standard - 27 (Financial reporting of Interests in joint ventures) notified in section 211 (3C) of the Companies Act, 1956.

The Financial statements of each of those Subsidiaries, Associates and Joint Ventures are prepared in accordance with the generally accepted accounting principles & accounting policies of Parent Company. The effects of inter-company transactions between consolidated companies/entities are eliminated in consolidation.

**32. Disclosure of particulars regarding Subsidiaries, Joint ventures and Associates.**

Subsidiaries, Joint Ventures and Associates Included in Consolidated Financial statements in terms of AS-21, AS-23 and AS-27 are as follows

S. No	Name of the Entity	Nature of the Entity	% of Holding	Country of Incorporation
1	Gayatri Energy Ventures Private Limited	Wholly owned Subsidiary	100	India
2	Gayatri Infra Ventures Limited	Subsidiary	70.59	India
3	HKR Roadways Limited	Subsidiary	74	India
4	SaiMaatarini Tollways Limited	Subsidiary	99.51	India
5	Balaji Highways Holding Limited (Considered as subsidiary as per AS-21 for consolidation)	Associate	49	India
6	Indore Dewas Tollways Limited (Considered as subsidiary as per AS-21 for consolidation)	Associate	33.33 (66.66 along with subsidiary)	India
7	IJM Gayatri Joint Venture	Joint venture	40	India
8	Jaiprakash Gayatri Joint Venture	Joint venture	49	India
9	Gayatri ECI Joint Venture	Joint venture	50	India
10	Gayatri Ratna Joint Venture	Joint venture	80	India
11	Gayatri - Ranjit Joint Venture	Joint venture	60	India
12	Gayatri - GDC Joint Venture	Joint Venture	70	India
13	Gayatri - BCBPPL Joint Venture	Joint Venture	60	India
14	Gayatri - RNS Joint Venture	Joint Venture	60	India
15	Gayatri - JMC Joint Venture	Joint Venture	75	India
16	MEIL-Gayatri-ZVS-ITT Consortium	Joint Venture	48.44	India
17	Viswanath-Gayatri Joint Venture	Joint Venture	50	India
18	Maytas-Gayatri Joint Venture	Joint Venture	37	India

### 33. Contingent Liabilities and Commitments

The details of the Contingent Liabilities and Commitments to the extent not provided as follows:

₹ in Lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>Contingent Liabilities</b>		
a) Claims against the company not acknowledged as debt	—	—
b) Guarantees given by the Banks towards performance & Contractual Commitments		
i) issued on behalf of the Company	62,309.96	64,248.69
ii) Issued on behalf of Subsidiaries / Group Companies	16,105.52	27,462.24
c) Other money for which the company is contingently liable	—	—
d) Disputed Liability of Sales Tax, Service Tax and Seigniorage charges	2824.27	2824.27
<b>Commitments</b>		
Corporate Guarantees given to group companies	5,64,166.00	5,71,166.00
Claims against the Company not acknowledged as debt	2315.35	315.41

### 34. EARNING PER SHARE (EPS)

Basic Earning Per Share is calculated as per Accounting Standard 20 on Earnings Per Share.

₹ in Lakhs

Particulars	2011-12	2010-11
Profit After Tax for calculation of Basic EPS (₹ in Lacs)	556.66	3232.50
Profit After Tax for calculation of Diluted EPS (₹ in Lacs)	556.66	3232.50
Weighted average No. of equity shares as denominator for calculating Basic EPS. (No. in Lacs)	121.52	116.02
Weighted average No. of equity shares as denominator for calculating Diluted EPS. (No. in Lacs)	147.79	147.10
Basic EPS (₹ )	4.58	27.86
Diluted EPS (₹ )	3.77	21.97

### 35. Related party transactions pursuant to Accounting Standard AS-18

#### (i) Details of related parties:

Entities in which KMP are interested	Key Management Personnel (KMP)
Deep Corporation Pvt. Ltd	Mr. T.V.Sandeep Kumar Reddy
Indira Constructions Pvt. Ltd	Mr. J.Brij Mohan Reddy
Gayatri Tissue & Papers Ltd	Mrs.T.Indira Reddy
Gayatri Sugars Ltd	
Gayatri Hi-Tech Hotels Ltd	Joint Ventures
Gayatri Housing Ventures Pvt. Ltd	Simplex Gayatri Consortium *
Gayatri Hotels & Theaters Pvt. Ltd	
Balaji Charitable Trust	
Amaravathi Thermal Power Pvt.Ltd.	
Gayatri Bio-Organics Limited	
TSR Foundation	
Dr.T.Subbarami Reddy (HUF)	

\* not considered for consolidation

**(ii) Transactions with the related parties:**

₹ in Lakhs

Sl	Description	2011-12			2010-11		
		Joint Ventures	Entities in which KMP are interested	KMP	Joint Ventures	Entities in which KMP are interested	KMP
1	Equity contribution	—	—	—	—	—	—
2	Contract Receipts	—	13387.69	—	—	8095.63	—
3	Contract payments	—	1337.96	—	—	470.13	—
4	Office Rent & Maintenance	—	101.46	—	—	73.33	—
5	Other Payments	—	7.60	—	—	13.20	—
6	Donations	—	465.78	—	—	319.03	—
7	Remuneration Paid	—	—	524.98	—	—	467.00
8	Contract Advances/ Other Adv.	—	—	—	—	—	—
9	Corporate Guarantees	—	—	—	—	—	—
10	Closing balances - Debit	—	29548.35	—	197.76	3279.41	—
11	Closing balances - Credit	—	171.47	134.83	—	228.90	168.06

**36. Segment Reporting**

The Company's operations predominantly consist of providing infrastructure facilities. Hence there are no reportable segments under Accounting Standard - 17. During the year under report, the Company's business has been carried out only in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

**37. Managerial Remuneration:**

Managerial Remuneration paid during the year:

₹ in Lakhs

Particulars	2011-12	2010-11
Salaries	462.00	402.00
Perquisites	2.98	15.00
Commission	60.00	50.00
Sub-total	524.98	467.00
Sitting Fee	—	—
Contribution to Provident Fund & Superannuation Fund	—	—
<b>Total</b>	<b>524.98</b>	<b>467.00</b>

38. Figures pertaining to the subsidiary companies and Joint ventures have been reclassified wherever necessary to bring them line with the company's financial statements.

39. The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

40. All amounts are rounded off to nearest thousand.

**As per our report attached**  
**For C.B.MOULI & ASSOCIATES**  
**Chartered Accountants**

**For and on behalf of the Board**

**T. INDIRA SUBBARAMI REDDY**  
 Chairperson

**T.V. SANDEEP KUMAR REDDY**  
 Managing Director

**MANI OOMMEN**  
 Partner

Place : Hyderabad  
 Date : 30<sup>th</sup> May 2012

**P. SREEDHAR BABU**  
 Chief Financial Officer

**I.V. LAKSHMI**  
 Company Secretary

**GAYATRI PROJECTS LIMITED**

Regd. & Corp. Office : B-1, 1<sup>st</sup> Floor, T.S.R. Towers, 6-3-1090, Rajbhavan Road,  
Somajiguda, Hyderabad – 500 082

**ATTENDANCE SLIP**

I hereby record my presence at the 23rd ANNUAL GENERAL MEETING at Surana Udyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad-500 004 on Thursday the 20th day of September, 2012 at 3.00 p.m.

.....  
Full Name of the Shareholder (in block letters)

.....  
Signature

Folio Number/DP ID No. :

Client ID :

No. of Shares Held :

.....  
Full Name of the Proxy (in block letters)

.....  
Signature

(To be filled if the Proxy attends instead of member(s))

**Note :** Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting Hall. Please carry a copy of the Annual Report.

**GAYATRI PROJECTS LIMITED**

Regd. & Corp. Office : B-1, 1<sup>st</sup> Floor, T.S.R. Towers, 6-3-1090, Rajbhavan Road,  
Somajiguda, Hyderabad – 500 082

**PROXY FORM**

Folio No..... DP ID..... Client ID .....

I/We ..... of .....

in the district of ..... being a member/members of the above named Company,

hereby appoint Mr/Ms/Kum ..... in the district

of ..... as my/our proxy to vote for me/us on my/our behalf at the 23<sup>rd</sup> Annual General Meeting of the Company to be held on Thursday the 20th day of September, 2012 at 3.00 p.m. at Surana Udyog Hall, The Federation of 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.

Signed this ..... day of ..... 2012

Address : .....

.....

Signature .....

Affix  
Re. 1/-  
revenue  
stamp

**Note :** The proxy form duly completed must be deposited with the Secretarial Department at the Registered Office of the Company at B-1, 1st Floor, T.S.R. Towers, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad - 500 082, not less than 48 hours before the time for commencement of the meeting. A proxy need not be a Member.

Gayatri Projects Limited, B1, 6-3-1090, TSR Towers  
Raj Bhavan Road, Somajiguda, Hyderabad 500 082

T +91 40 2331 0330 / 4296 / 4284 E [gplhyd@gayatri.co.in](mailto:gplhyd@gayatri.co.in)  
F +91 40 2339 8435 [www.gayatri.co.in](http://www.gayatri.co.in)