

ABRIDGED LETTER OF OFFER

Private & Confidential
*The Abridged Letter of Offer
consists of 88 pages*

ABRIDGED LETTER OF OFFER

February 24, 2012

For the Equity Shareholders of the Company only

Please ensure that you read the Letter of Offer before applying in the Issue. Unless otherwise specified, all terms used in this form shall have the meaning ascribed to such terms in the Letter of Offer. The Investors are advised to retain a copy of the Letter of Offer / Abridged Letter of Offer for their future reference.



GAYATRI PROJECTS LIMITED

(Our Company was originally incorporated as "Andhra Coastal Constructions Private Limited" pursuant to a certificate of incorporation dated September 15, 1989 issued by the Registrar of Companies, Hyderabad, Andhra Pradesh as a private company limited by shares under the provisions of the Companies Act, 1956, as amended. The name of our Company was changed to Gayatri Projects Private Limited on March 31, 1994. Our Company was converted into a public company with effect from December 2, 1994, pursuant to which our name was changed to Gayatri Projects Limited. The certificate to commence business was obtained by our Company on September 15, 1989. Our Company has been allotted a Corporate Identification Number, L99999AP1989PLC057289, under the Companies Act, 1956.)

Registered Office: B-1, T.S.R. Towers, 6-3-1090, Raj Bhavan Road, Somajiguda, Hyderabad – 500082,

Tel No: +91 40 2331 4284, **Fax No.:** +91 40 2339 8435.

Company Secretary and Compliance Officer: I.V. Lakshmi

E-mail: cs@gayatri.co.in, **Website:** www.gayatri.co.in

Promoters: T.V. Sandeep Kumar Reddy and T. Indira Subbarami Reddy

FOR PRIVATE CIRCULATION TO THE EQUITY SHAREHOLDERS OF OUR COMPANY ONLY

ABRIDGED LETTER OF OFFER

ISSUE OF 11,989,000 EQUITY SHARES OF ₹ 10 EACH ("RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹ 120 (INCLUDING A PREMIUM OF ₹ 110) PER RIGHTS EQUITY SHARE, AGGREGATING TO ₹ 1,438.68 MILLION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF GAYATRI PROJECTS LIMITED IN THE RATIO OF ONE RIGHTS EQUITY SHARE FOR EVERY ONE EQUITY SHARE HELD ON THE RECORD DATE, I.E. FEBRUARY 23, 2012. THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARE IS 12 TIMES THE FACE VALUE OF THE EQUITY SHARE.

Investors are advised to refer to page 3 of this Abridged Letter of Offer for the Table of Contents.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in relation to this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India, ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this document. **Investors are advised to refer to the section titled "Risk Factors" on page 4 of this Abridged Letter of Offer and page 10 of the Letter of Offer before making an investment in this Issue.**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that the Letter of Offer contains all information with regard to the Issuer and the Issue, which is material in the context of this Issue, that the information contained in the Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes the Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on the BSE Limited, ("BSE") and the National Stock Exchange of India Limited ("NSE"). Further, the zero coupon convertible bonds ("FCCB") due 2012 convertible into Equity Shares issued in August 1, 2007, are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). Our Company has received in-principle approvals from the BSE and the NSE for listing the Rights Equity Shares arising from this Issue pursuant to their letters dated January 6, 2012 and December 27, 2011, respectively. For the purposes of the Issue, the Designated Stock Exchange is the BSE.

ISSUE SCHEDULE

ISSUE OPENS ON	LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSSES ON
Monday, March 5, 2012	Monday, March 12, 2012	Monday, March 19, 2012

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

LEAD MANAGER TO THE ISSUE



EDELWEISS FINANCIAL SERVICES LIMITED

14th floor, Edelweiss House
Off C.S.T. Road, Kalina, Mumbai 400 098
Tel: +91 22 4086 3535 Fax: +91 22 4086 3610
Email: gayatri.rights@edelcap.com
Website: www.edelweissfin.com
Contact Person: Neetu Ranka / Aditi Chand
Investor Grievance ID: customerservice.mb@edelcap.com
SEBI Registration No: INM0000010650

REGISTRARS TO THE ISSUE



KARVY COMPUTERSHARE PRIVATE LIMITED

Plot Nos. 17-24 , Vittal Rao Nagar,
Madhapur, Hyderabad-500081,
Telephone: +91 40 4465 5000 Facsimile: +91 40 2343 1551;
Tollfree no : 1800-345-4001
Email: gayatrirights@karvy.com
Investors grievance mail: gayatrirights@karvy.com
Website : <http://karisma.karvy.com>;
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221

BANKERS TO THE ISSUE

AXIS BANK LIMITED

#6-3-879/B, First Floor,
G. Pulla Reddy Building
Begumpet Road,
Hyderabad - 500 016
Tel: +91 40 2314 3077
Fax: +91 40 2340 7184
Email: hyderabad.operationshead@axisbank.com
Website: www.axisbank.com
Contact Person: P. Kavitha
SEBI Registration No: INBI000000017

HDFC BANK LIMITED

FIG - OPS Department,
Lodha, I Think Techno Campus,
O-3, Level,
Next to Kanjurmarg Railway Station,
Kanjurmarg (East),
Mumbai- 400042
Tel: +91 22 3075 2928
Fax: +91 22 2579 9801
Email: deepak.rane@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Deepak Rane
SEBI Registration No: INBI000000063

IDBI BANK LIMITED

Unit No. 2, Corporate Park,
Sion Trombay Road, Chembur,
Mumbai - 400 071
Tel: +91 22 66908402
Fax: +91 22 2528 6173
Email: ipoteam@idbi.co.in
Contact Person: V. Jayananthan (GM & Head - CMS Operations)
Website: www.idbibank.com
SEBI Registration No: INB000000076

INDUSIND BANK LIMITED

Cash Management Services,
Solitaire Corporate Park, No. 1001,
Building No. 10, Ground Floor,
Guru Hargovindji Marg, Andheri (East),
Mumbai - 400 093
Tel: +91 22 6772 3901 to 3917
Fax: +91 22 6772 3998
Email: sanjay.vasarkar@indusind.com
Contact Person: Sanjay Vasarkar
Website: www.indusind.com
SEBI Registration No: INBI000000002

SELF CERTIFIED SYNDICATE BANKERS

The list of banks that have been notified by SEBI to act as SCSBs for the Applications Supported by Blocked Amount ("ASBA") Process are available at the SEBI website (URL reference: <http://www.sebi.gov.in/pmd/scsb.html>). Details relating to designated branches of SCSBs collecting the ASBA forms, are available at the above mentioned link.

STATUTORY AUDITORS OF OUR COMPANY

C. B. Mouli & Associates

Chartered Accounts
125, M G Road
Secunderabad -500003
Telephone: +91 40 2784 0777
Fax: +91 40 2784 8545
Email: ourauditor@gmail.com

An indicative timetable in respect of this Issue is set out below:

Event	Indicative Date
Issue closing date	March 19, 2012
Finalisation of basis of allotment in consultation with Stock Exchange	on or about March 29, 2012
Initiation of refund	on or about March 30, 2012
Credit of equity shares to investor's demat accounts	on or about April 02, 2012
Trading commences	on or about April 05, 2012

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken in accordance with the applicable law, the timetable may change due

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

to various factors, such as extension of the Issue Period by our Company or any delays in receiving the final listing and trading approval from the Stock Exchanges.

The commencement of trading of the Equity Shares will be intirely at the discretion of the Stock Exchanges and in accordance with the applicable law.

Trustees

As this is an Issue of Rights Equity Shares, the appointment of trustee/s is not required.

Credit Rating

As this is an Issue of Rights Equity Shares, we are not required to obtain a credit rating in connection with the Issue and/or the Rights Equity Shares.

For details in connection with principal terms of loans and assets charged as security, please see pages 171 to 179 of the Letter of Offer.

TABLE OF CONTENTS

Risk Factors	4
Capital Structure	29
Objects of the Issue	33
Statement of Tax Benefits	35
Our Management	35
Financial Statements	37
Outstanding Litigations and Other Defaults	43
Related Party Transactions	49
Government and Other Approvals	50
Material Developments	50
Other Regulatory and Statutory Disclosures	52
Terms of the Issue	59
Material Contracts and Documents for Inspection	86
Declaration	87

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

RISK FACTORS

An investment in equity and equity related securities involves a high degree of risk. You should carefully consider all of the information in the Letter of Offer, including the risks and uncertainties described below, before making an investment. Our Company's actual results could differ materially from those anticipated in the "Forward Looking Statements" at page 9 of the Letter of Offer as a result of certain factors, including the considerations described below. If any of the following risks actually occur, our business, financial condition, results of operations and prospects could suffer, the trading price of our Equity Shares and the Rights Equity Shares could decline and you may lose all or part of your investment. You should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries.

Unless specified or quantified in the relevant risk factors detailed below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.

Materiality:

Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations. The following factors have been considered for determining their materiality:

1. Some events may not be material individually but may be found material collectively.
2. Some events may have a material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may have material impacts in the future.

A. INTERNAL RISK FACTORS

1. **Legal proceedings have been initiated against our Company, our Promoter, three of our Joint Ventures and one of our Subsidiaries. An unfavourable outcome in connection with the aforesaid proceedings, would inter-alia require us to make appropriate provisions in connection with the same in our financial statements, which in turn could adversely affect our business, results of operations and financial condition.**

Our Company, our Promoter, three of our Joint Ventures and one of our Subsidiaries are defending legal proceedings which are pending at different levels of adjudication before various courts and tribunals. If any new developments arise, for example, a change in Indian law or rulings against us by the appellate courts or tribunals, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities, which in turn, may have a material adverse effect on our business, results of operations and financial condition.

A summary of these proceedings is mentioned below.

Category	Company		Directors other than Promoters		Promoters		Joint Ventures		Subsidiaries	
	No.	Amount Involved (₹ In millions)	No.	Amount Involved (₹ In millions)	No.	Amount Involved (₹ In millions)	No.	Amount Involved (₹ In millions)	No.	Amount Involved (₹ In millions)
Criminal Proceedings	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Civil proceedings	18	40.41	NIL	NIL	1	Not Quantifiable	5 ⁽¹⁾	323.35	2 ⁽⁴⁾	Not Quantifiable
Arbitral Proceedings	1	87.18	NIL	NIL	NIL	NIL	4 ⁽²⁾	1,071.90	NIL	NIL
Tax Proceedings	4	33.19	NIL	NIL	NIL	NIL	2 ⁽³⁾	122.84	NIL	NIL

⁽¹⁾ Includes 3 proceedings against IJM Gayatri Joint Venture, in which our Company has a 40% share in the profits and losses and 2 proceedings against Jaiprakash Gayatri Joint Venture, in which our Company holds a 49% share in the profits and losses.

⁽²⁾ All 4 proceedings have been initiated against IJM Gayatri Joint Venture, in which our Company has a 40% share in the profits and losses

⁽³⁾ Includes 1 proceeding against Jaiprakash Gayatri Joint Venture, in which our Company holds 49% interest in the share of profit and losses and 1 proceeding against Gayatri – BCBPPL Joint Venture, in which our Company holds a 60% share in the profits and losses.

⁽⁴⁾ Both proceedings have been initiated against our step-down subsidiary, Thermal Power Corporation Limited.

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

For further details of the legal proceedings which materially affect our financial condition and results of operations, please see the section titled “*Outstanding Litigations and Other Defaults*” on page 180 of the Letter of Offer.

- 2. Our Joint Venture, IJM Gayatri Joint Venture is defending various proceedings against the NHAI in connection with the road contracts between the said Joint Venture and the NHAI. Any unfavourable outcome in connection with the aforesaid proceedings, whether individually and/or in the aggregate, could adversely affect the results of our operations and financial condition.***

IJM Gayatri Joint Venture, a joint venture between our Company and IJM Corporation, Berhad, Malaysia, wherein our Company holds a share of 40% of the interest in the profits and the losses thereof, has executed road works for NHAI in the State of Andhra Pradesh. The said Joint Venture incurred excess of expenditure over income amounting to ₹ 1,344.50 million due to several alleged contractual failures on part of the NHAI. IJM Gayatri Joint Venture has raised various claims in excess of ₹ 3,000.00 million against the NHAI and the Government of Andhra Pradesh in various arbitral and legal proceedings in connection with the contracts between the aforesaid Joint Venture and the NHAI, which are pending final hearing and disposal before appropriate courts and/or arbitral authorities. While IJM Gayatri has obtained favourable awards from relevant arbitral tribunals in connection with certain claims, the NHAI has contested such awards before appropriate courts of law and inter-alia prayed for the same to be set aside. In case of any unfavourable outcome in connection with the aforesaid proceedings, IJM Gayatri Joint Venture may not be able to recover the claims made under the aforesaid proceedings in part or at all, which would inter-alia require us to book losses to the extent of our share in the aforesaid Joint Venture in our unconsolidated financial statements, which in turn, individually and/or in the aggregate, could adversely affect the results of our operations and financial condition. For further details please refer to the section titled “*Outstanding Litigations and Other Defaults*” beginning on page 180 of the Letter of Offer.

- 3. The auditors’ reports on our Company’s unconsolidated financial statements for the financial year ended March 31, 2011 and the limited review report on our Company’s unconsolidated financial statements for the six month period ended September 30, 2011 have been qualified by the Auditors. The aforesaid qualification relates to the non provision for the losses incurred by one of our Joint Ventures in our unconsolidated financial statements. Accordingly, in the event our Company is required to make appropriate provision for the aforementioned losses, our profitability and financial condition could be adversely affected.***

Our Company has received qualification and/or limitation in the auditor’s reports on our unconsolidated financial statements for the financial year ended March 31, 2011 and the unconsolidated limited reviewed financial statements for the six months period ended September 30, 2011. Such qualification and/or limitation relate to the non provision of losses incurred by one of our Joint Ventures, IJM Gayatri Joint Venture. The qualification in this regard is as follows:

“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 ₹ 1,344.50 Million due to several contractual failures on part of the employer¹. The Joint Venture has raised claims in excess of ₹ 3,000.00 Million on the National Highways Authority of India and Andhra Pradesh State Government, which are pending for consideration before the appropriate authorities. There is substantial progress in the proceedings in the arbitration 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 our Company (40%) in the Joint Venture is not provided in the books of our Company. In the unlikely situation of not awarding the entire amount of claims, our Company has to provide an amount of ₹ 537.80 million towards its share of 40% in the IJM-Gayatri Joint Venture.”

The aforesaid accumulated losses of ₹ 1,344.50 million pertain to the years beginning from the Fiscal 2004 to Fiscal 2009. The work undertaken by the aforesaid Joint Venture was completed in Fiscal 2009 and consequently, there was no income earned or expenditure incurred on the aforesaid projects during Fiscal 2010, Fiscal 2011 and six month period ended September 30, 2011. Hence, there was no further increase in the aforesaid accumulated losses for Fiscal 2010, Fiscal 2011 and six month period ended September 30, 2011. Our Company’s share of losses in the said Joint Venture was to the extent of 40% of the accumulated losses, thereby leading to an aggregate amount of ₹ 537.80 million of losses accumulated over Fiscal 2004 to Fiscal 2009.

¹ National Highways Authority of India and Andhra Pradesh State Government

In the event the Company is required to make appropriate provision for the aforementioned losses, our profitability and financial condition could be adversely affected.

- 4. The failure of a joint venture partner to perform its obligations could impose additional financial and performance obligations on our Company, which we***

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

may not be in a position to fulfill at all times, in a timely manner or at all, which in turn, could adversely affect our ability to complete projects undertaken by such joint ventures and impair our ability to realize profits therefrom.

Our Company enters into various joint ventures with domestic as well as international infrastructure companies as part of its business and as on the date of the Letter of Offer we have 12 joint ventures. The success of these joint ventures depends significantly on the satisfactory performance by our Company's joint venture partners of their obligations. If our Company's joint venture partners fail to perform these obligations satisfactorily, the joint venture may be unable to perform adequately or deliver its contracted services. In such a case, our Company may be required to make additional investments and/or provide additional services to ensure the adequate performance and delivery of the contracted services. We may not in all cases be in a position to fulfill such additional obligations in a timely manner or at all which could adversely affect the ability of such joint venture to continue with a project, which in turn, could impair our ability to realize profits from such Joint Venture.

In the past two financial years one of our Joint Ventures, IJM-Gayatri Joint Venture has incurred losses of ₹ 5.43 million and ₹ 2.68 million for the Fiscals 2010 and 2011, respectively, as per its audited financial statements.

If the aforesaid Joint Venture fails to improve or sustain its operating performance, as the case may be, our overall profitability will be materially and adversely impacted.

5. *Our Company has issued a corporate guarantee for an amount of ₹ 51,510.00 million to Rural Electrification Corporation Limited in connection with a loan sanctioned by the Rural Electrification Corporation Limited to our Step-down Subsidiary, Thermal Powertech Corporation India Limited, which if invoked would materially adversely affect our financial condition.*

Our Company has issued a corporate guarantee dated September 13, 2010 to Rural Electrification Corporation Limited, ("REC") the security agent for REC, Power Finance Corporation, Punjab National Bank, Life Insurance Corporation of India, United Bank of India, PTC Financial Services Limited, Bank of Baroda, Oriental Bank of Commerce, and Syndicate Bank, (collectively "Consortium Banks"), for the projects undertaken by Thermal Powertech Corporation India Limited, our step-down Subsidiary, for an amount of ₹ 51,510.00 million. Gayatri Energy Ventures Private Limited, our wholly owned subsidiary, holds 51 % of the paid up equity share capital of Thermal Powertech Corporation India Limited. The aforesaid guarantee is towards timely repayment of

instalments of the principal amount of loan of ₹ 51,510.00 million sanctioned to Thermal Powertech Corporation India Limited and any interest and charges thereon, and is a continuing guarantee until Thermal Powertech Corporation India Limited has executed back-to-back power purchase agreements for 990 Mega Watt of power generated through competitive bidding to the satisfaction of the Consortium Banks for the tenure of the aforesaid loan. Following are the salient terms and conditions of the aforesaid guarantee:

- (i) The guarantee is a continuing guarantee until Thermal Powertech Corporation India Limited has executed back-to-back power purchase agreements for 990 Mega Watt of power generated through competitive bidding to the satisfaction of the Consortium Banks.
- (ii) The guaranteed obligation of our Company is limited to ₹ 51,510.00 million plus the interest, additional interest, liquidated damages, upfront and commitment fees, premium on repayment, all costs, charges, expenses and other monies owed by Thermal Powertech Corporation India Limited to the Consortium Banks.
- (iii) In addition to the guaranteed obligation in clause (ii) above, our Company must indemnify REC and the Consortium Banks unto the outstanding amount of the Loan and other dues payable by the Borrower under the aforesaid Loan, against any losses, claims and damages, incurred by the Consortium Banks and/or REC, including expenses in connection with defending any proceedings, which arise out of or are caused by any default on the part of the Thermal Powertech Corporation India Limited and/or our Company.

₹ 9,250.00 million of the aforesaid loan amount has been drawdown by Thermal Powertech Corporation India Limited and currently there are no subsisting power purchase agreements executed by Thermal Powertech Corporation India Limited. Pursuant to an arrangement between Thermal Power Corporation Limited and PTC India Limited, PTC India Limited had submitted a bid specification for 430 MW of power dated September 10, 2009 to the Power Company of Karnataka Limited and received a letter of intent dated May 22, 2010 therefrom. Pursuant to the aforesaid bid specification and letter of intent, Thermal Power Corporation Limited had executed a power purchase agreement with PTC India Limited for 430 MW of power. The aforesaid bid specification was cancelled by Power Company of Karnataka Limited vide a letter dated May 12, 2011 which did not assign any reason for such cancellation. Consequently, the power purchase agreement between Thermal Power Corporation

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

to execute the required power purchase agreements for the prescribed 990 Mega Watt of power, we may be compelled to pay the entire or part of the amount secured thereby. Any such invocation of the aforesaid guarantee would adversely affect our financial condition.

6. *We have in the past failed to pay interest on our debt obligations in a timely manner. If in the future our Company fails to make interest payments to our lenders in a timely manner or at all, we may be liable for pre-mature repayments of the relevant loans with interest or otherwise face action for default under the relevant borrowing agreements.*

We had issued 14% secured redeemable non-convertible debentures of ₹ 100 each of the aggregate value of ₹ 150 million on a private placement basis to the Unit Trust of India, (“UTI”) in May, 2001. We delayed payment of interest due to financial constraints. Details of the delay in payment of interest are as follows:

₹ in Millions

Year	Interest Amount	Due Date	Penal interest	Paid amt including penal interest	Paid Date	No. of Days Delay
2001-02	19.78	July 1, 2001	0.72	20.50	July 19, 2001	18
2002-03	21.00	July 1, 2002	1.89	22.89	February 20, 2003	234
Total :	40.78		2.61	43.39		

Consequently, UTI issued recall notice in January, 2003 and enforcement of guarantee notice in February, 2004. The proceedings initiated by UTI against the Company in connection with the aforesaid defaults were settled vide a settlement agreement, dated September 29, 2004 between the Company and UTI. If in the future our Company fails to make interest payments to our lenders in a timely manner or at all, we may be liable for pre-mature repayments of the relevant loans with interest or otherwise face action for default under the relevant borrowing agreements.

7. *Our Company has in the past delayed in filing form FC-GPR in connection with allotment of Equity Shares to certain Non Residents, namely, by (i) 961 days (for filing Part A of the Form FC-GPR) and 834 days (for filing Part B of the Form FC-GPR), (ii) 161 days (for filing Part A of the Form FC-GPR) and 104 days (for filing Part B of the Form FC-GPR) and (iii) 139 days (for filing Part A of the Form FC-GPR) 104 days (for filing Part B of the Form FC-GPR), in relation to allotment of (i) 104,761 Equity Shares on February 26, 2008, (ii) 57,343 Equity Shares on May 6, 2010, and (iii) 229,375 Equity Shares on May 28, 2010, respectively, in connection with which the RBI has issued a warning dated January 31, 2011.*

Our Company has in the past delayed in filing Form FC-GPR within the prescribed period of 30 days from the date of inward remittance and allotment of Equity Shares to certain Non Residents in Fiscal 2008 and Fiscal 2011. The delays in filing Form FC-GPR within the prescribed period from the date of inward remittance were due to a difference in interpretation of the applicable provisions of the Foreign Exchange Management (Transfer and Issue of Securities by a Person Resident Outside India) Regulations, 2000, relating to the details to be provided in the FC-GPR form, by our Company. The allotments in connection with which the FC-GPR filings were required, were the Equity Shares allotted upon conversion of our Company’s FCCBs. Form FC-GPR filings are linked to inward remittance of foreign funds in connection with equity allotments, but in case of conversion of FCCBs there is no actual inward remittance. Accordingly, our Company had violated the provisions of the FEMA and the Foreign Exchange Management (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2000, as amended. Pursuant to discussions with the authorized dealer bank, our Company filed the aforementioned FC-GPRs with RBI and suo-moto intimated the RBI of the inordinate delay in filing the FC-GPR forms in connection with the said allotments of Equity Shares to non-residents.

RBI has pursuant to a letter dated January 31, 2011, made a note of the aforesaid violation and has advised our Company to desist from committing such contraventions of the provisions of FEMA and regulations framed thereunder, failing which compounding proceedings under FEMA will be invoked against our Company. In the present case, the RBI has only warned our Company and has not imposed any penalty in connection with the aforesaid delays.

8. *In the past our Company has been highly dependent on water-related infrastructure projects and road work contracts. In the event our Company is unable to procure sufficient orders in connection with such water infrastructure projects or road work contracts in the future, our operations and revenues could substantially reduce which in turn could affect our profitability.*

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

As on January 31, 2012, 46.58% and 29.32% of our order book was represented by orders and/or contracts for water supply projects such as construction of canals and irrigation facilities and roadways contracts, including job works for construction and/or maintenance of state and national highways and other roadways, respectively. Our Company has historically depended on water-related projects and roadwork contracts to generate a bulk of our revenues. The two segments collectively represented 74.79% of our total revenues for the financial year ended March 31, 2011 on an unconsolidated basis and 69.13% of our total revenues for the six month period ended September 30, 2011, on an unconsolidated basis. However, the number and nature of infrastructure projects and/or roadwork contracts that are being contemplated or undertaken at any given time in India depend upon factors such as budgetary allocation, development objectives and priorities of the Government, among others.

Additionally, competitors may in future gain the necessary pre-qualification to bid for such projects and/or contracts and the resulting increase in competition may reduce the margins that our Company currently enjoys in these divisions. In the event that the budgetary allocation or external funding for projects in these divisions is reduced, or the Company's bids for water-related projects and/or roadwork contracts are not successful due to increased competition, our operations and revenues could significantly reduce which in turn would affect our profitability.

9. ***Historically, we have relied upon a limited number of customers for securing repeat orders and/or contracts. Our top 5 customers for Fiscals 2011, 2010 and 2009 on an unconsolidated basis have constituted 53.00%, 54.96% and 58.37% of our total revenues, respectively. Our inability to maintain our relationship with such customers and/or procure orders in significant numbers and/or size could adversely affect our revenues and thereby our profitability.***

A significant proportion of our Company's revenues are derived from a limited number of customers. Our top 5 customers for Fiscals 2011, 2010 and 2009 on an unconsolidated basis have constituted 53.00%, 54.96% and 58.37% of our total revenues, respectively. If we are unable to competitively bid for and/or otherwise secure orders and/or contracts with such customers in commercially favourable terms, in sufficient numbers, and/or for sufficient value, or at all, our revenues may be adversely affected, which in turn would affect our profitability.

10. ***Our Company's revenues are highly dependent upon orders/contracts from Central and State Governments***

and public sector undertakings ("PSUs"). As on January 31, 2012, 66.46% of our order book was represented by contracts and/or orders awarded by the Central and State Governments and PSUs. Any change in the Central and State Governments, changes in policies and/or our inability to recover payments therefrom in a timely manner, would adversely affect our operations and revenues which in turn would adversely affect our profitability.

Our Company relies heavily upon Central and State Governments and PSUs who appoint our Company on large-scale infrastructure projects in India. As on January 31, 2012, 66.46 % of our order book was represented by contracts and/or orders awarded by the Central and State Governments and PSUs, details of which are as under:

S. No.	Particulars	No. of Contracts (₹ in Millions)	O/s Value of Contract	% age of O/s Order Book as on January 31, 2012
1	Central and State Governments	23	43,848.02	58.91
2	PSU	14	5,623.37	7.55
	Total :	37	49,471.39	66.46

Additionally, many of our Company's projects are public sector sponsored projects and these are often subject to delay. Such delays could be on account of a change in the Central and State Governments, changes in policies impacting the public at large, scaling back of Government policies or initiatives, changes in governmental or external budgetary allocation, or insufficiency of funds, which can significantly and adversely affect the business, financial condition and results of operations of our Company.

Our Company's business is also directly affected by changes in Central and State Governments spending. Any change or downturn that leads to decreased spending on infrastructure projects could adversely affect our business and thereby our results of operations.

Further, infrastructure contracts awarded by the Central and State Governments may include provisions which enable the client to terminate the contract after providing our Company with appropriate notice. Performance guarantees are also common features of our Company's contracts and are typically unconditional and payable on demand, and can be invoked by the client without cause. Since the majority of our Company's projects are contracts with the Central and State Governments or their

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

agencies, our Company is susceptible to such termination or invocation. In the event that a contract is so terminated or invoked without cause, our Company's revenues will be adversely affected.

Further, we may not be able to recover our payments in connection with such contracts in a timely manner, which could adversely affect our working capital cycles, revenues and profitability.

11. *The BSE has in the past suspended the trading of securities of two of our listed group companies namely, Gayatri BioOrganics Limited and Gayatri Tissues & Paper Limited, which were subsequently revoked.*

Trading of the equity shares of Gayatri Tissue and Papers Limited, ("GTPL") was suspended by the BSE with effect from December 21, 2004, for non payment of annual listing fees and the attendant non compliance with Clause 38 (Payment of Annual Listing Fees) of the Listing Agreement, non-filing of periodic returns as required under the listing agreement like secretarial audit reports, non compliance with disclosure requirement under Regulation 8(3) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, failure on intimation of book-closure and certificate from the company secretary.

Trading of the equity shares of Gayatri Bio-Organics Limited, ("GBL"), was suspended by the BSE pursuant to a notice dated September 3, 2001 on account of non payment of annual listing fees and the attendant non compliance with Clause 38 (Payment of Annual Listing Fees) of the Listing Agreement. Subsequently, GBL received a letter dated September 20, 2001 from BSE wherein BSE had requested GBL to comply with the following provisions of the listing agreement and confirm to the Listing Department of the BSE: (a) Clause 15/16 - Intimation of Book Closure/Record Date, (b) Clause 31(a)- Annual Reports to be Submitted, (c) Clause 35- Shareholding Pattern should be submitted in the prescribed format, (d) Clause 38 - The Annual Listing Fee of ₹ 30,000 for the year 2001-2002 should be paid, (e) Clause 41 - Quarterly Results to be Submitted and (f) Clause 47 - Details of Compliance Officer.

Upon compliance with the listing requirements and submissions of responses to the requests made by BSE, the above mentioned suspensions against GTPL and GBL were revoked by the BSE with effect from April 26, 2010 and December 30, 2008 respectively, and subsequently the trading in securities of the above mentioned companies resumed on BSE.

12. *We may be held liable for a breach of the terms and conditions of the outstanding FCCBs issued by us, if our Company does not obtain the confirmations and waivers from complying with certain terms and conditions of the FCCB offering circular from the holders of outstanding FCCBs and/or the trustees to the FCCBs in a timely manner or at all.*

Pursuant to letters dated January 21, 2011 and December 14, 2011 addressed to the trustees for the FCCBs, our Company has inter-alia sought a waiver from complying with certain pre-conditions to a rights issue as contained in the offering circular in connection with the FCCBs so as to ensure that our Company is in compliance with applicable statutory, regulatory and contractual requirements in connection with the FCCBs and the Issue. If our Company is unable to obtain the aforesaid confirmations and/or waivers from the holders of the FCCBs and/or the trustee for the FCCBs, we may be held liable for a breach of the terms and conditions of the aforesaid outstanding FCCBs, which in turn could trigger accelerated redemption of the aforesaid FCCBs.

13. *Our Company and some of our Joint Ventures have applied for an extension of time for completion of fifteen outstanding work orders which include (a) three work orders undertaken by our Joint Venture, Gayatri ECI Joint Venture, one work order undertaken by our Joint Venture Gayatri-BCBPPL Joint Venture and one work order undertaken by our Joint Venture Jaiprakash Gayatri Joint Venture, collectively aggregating to a total contract price of ₹ 8,296.62 million, and (b) ten work orders undertaken by our Company aggregating to a total contract price of ₹ 6,069.58 million. The aforesaid work orders could stand cancelled if the concerned customer does not extend the completion date for the aforesaid order, which could adversely affect our results of operations and profitability.*

(i) Work orders being executed by our Joint Ventures:

(a) Our Joint Venture Gayatri ECI Joint Venture has sought a further extension of time for completion of three road work contracts in the state of Assam for the National Highways Authority of India, (b) our Joint Venture, Gayatri-BCBPPL Joint Venture has sought extension of time for completion of an irrigation work order, and (c) our Joint Venture, Jaiprakash Gayatri Joint Venture has sought extension of time for completion of an irrigation work order, the aforesaid five work orders collectively aggregating to a total contract price of ₹8,296.62 million. Details in connection with such contracts and the extension sought are as follows:

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

Name of the Customer	Particulars of the Order	Aggregate Contract Value (₹ in Million)	Outstanding Value of the Order as on January 31, 2012 (₹ in Million)	% of Total Outstanding Order Book as on January 31, 2012	Date of Expiry of Tenure	Extension Sought till	Reason for Extension	
Orders Undertaken by Gayatri ECI Joint Venture								
1.	National Highways Authority of India	Road work contract package no. FW-II (AS-10) for widening and strengthening of a section of the existing NH 31C from 2 lane to 4 lane in the state of Assam	1,865.19	270.12	0.36	August 14, 2011	June 18, 2013	Delay due to unavailability of encumbrance free land, delays in getting regulatory approvals and clearance and due to law and order problems in the region
2.	National Highways Authority of India	Road work contract package no. Phase II (AS-11) for widening and strengthening of a section of the existing NH 31C from 2 lane to 4 lane in the state of Assam	1,495.56	1,061.51	1.43	August 18, 2011	February 18, 2014	Delay due to unavailability of encumbrance free land, delays in getting regulatory approvals and clearance and due to law and order problems in the region
3.	National Highways Authority of India	Road work contract package no. EW-II (AS-27) for widening and strengthening of a section of the existing NH 54E from 2 lane to 4 lane in the state of Assam	1,390.76	789.84	1.06	April 14, 2011	October 14, 2013	Late release of restricted land, restricted working hours in a reserve forest area, delay in settlement of quarry allotment
Sub Total (A)			4,751.52	2,121.48	2.85			
Orders Undertaken by Gayatri-BCBPPL Joint Venture								
4.	Executive Engineer, Narmada Development Canal Division, Khargone (Madhya Pradesh)	Execution of Canal System of Indira Sagar Project Main canal from R.D. 130-935 to 155-00 Km	2,425.50	665.61	0.89	December 25, 2011	December 25, 2012	Abnormal delay in getting various approvals inter alia for alignment of canals, design of structures of the main canal, design of piers of Satak Aqueduct; the work site was not available for a period of 9 months

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

	Name of the Customer	Particulars of the Order	Aggregate Contract Value (₹ in Million)	Outstanding Value of the Order as on January 31, 2012 (₹ in Million)	% of Total Outstanding Order Book as on January 31, 2012	Date of Expiry of Tenure	Extension Sought till	Reason for Extension
								from the date of work order for carrying out the necessary works.
	Sub Total (B)		2,425.50	665.61	0.89			
Jaiprakash Gayatri Joint Venture								
5.	Executive Engineer, NTR TGP Division, Kadapa, Government of Andhra Pradesh	Investigation, design, earth work and excavation of a canal at Kadpada district of Andhra Pradesh	1,119.60	1,119.60	1.50	June 24, 2011	June 25, 2012	The work can only commence after a forest clearance for the project has been obtained and the land is handed over by the department for execution of the project.
	Sub Total (C)		1,119.60	1,119.60	1.50			
	Total (A) +(B) +(C)		8,296.62	3,906.68	5.25			

(ii) Work orders being executed by our Company:

Our Company has sought a further extension of time for completion of ten work orders aggregating to a total contract price of ₹ 6,069.58 million. Details in connection with such contracts and the extension sought are as follows:

Sl. No.	Name of the Customer	Particulars of the Order	Aggregate Contract Value (₹ in Million)	Outstanding Value of the Order as on January 31, 2012 (₹ in Million)	% of Total Outstanding Order Book as on January 31, 2012	Date of Expiry of Tenure	Extension Sought till	Reason for Extension
1.	Hyderabad Growth Corridor Limited	Contract for construction of an eight lane controlled expressway in Hyderabad city in stretches from Patancheru to Shamirpet	3,239.68	635.76	0.85	November 30, 2011	Not specified	Various obstructions, compensation claims including land compensation claims, delay in land acquisition, delay in grant of approval of designs by authorities, unprecedented

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

Sl. No.	Name of the Customer	Particulars of the Order	Aggregate Contract Value (₹ in Million)	Outstanding Value of the Order as on January 31, 2012 (₹ in Million)	% of Total Outstanding Order Book as on January 31, 2012	Date of Expiry of Tenure	Extension Sought till	Reason for Extension
2.	Irrigation Circle, Godavari Central Division, Dowlaishwaram, Government of Andhra Pradesh	Contract for raising and widening of flood banks including formation of a WBM road and reconstruction/remodeling of existing structures	313.57	130.22	0.17	June 30, 2011	June 30, 2012	rainfall and increase in hard rock quantity Not having received communication of approved designs and drawings of structures, alleged failure of the irrigation department in shifting of electrical poles, power lines and transformers, inability to evict encroachments and unauthorised occupants, and delays in land acquisition process.
3.	Chief Manager (Electrical), National Aluminum Company Limited	Civil & Structural Works for Additional Coal Storage & Handling System Required for 2nd Phase Expansion (2 x 120 MW - Units 9 & 10) of the captive Power Plant of NALCO at Augul, Orissa	217.74	203.87	0.27	January 19, 2012	December 19, 2012	Non-availability of construction drawings, sufficient dump yard area, active monsoon and heavy under water seepage problem and rally and strikes by labour union groups

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

Sl. No.	Name of the Customer	Particulars of the Order	Aggregate Contract Value (₹ in Million)	Outstanding Value of the Order as on January 31, 2012 (₹ in Million)	% of Total Outstanding Order Book as on January 31, 2012	Date of Expiry of Tenure	Extension Sought till	Reason for Extension
4.	DGM(C)/ Contracts, RINL, Visakhapatnam	Civil works for Madharm Mines for Rashtriya Ispat Nigam Limited	121.76	69.09	0.09	January 31, 2012	January 31, 2013	Clearance for taking up the DE system is still pending from the Visakhapatnam Steel Plant and various local problems and the environmental issues
5.	Neelachal Ispat Nigam Limited, Duburi, Orissa	Balance Civil Works in BOF, GCP & CCP Area for Phase - II Project of Integrated Iron & Steel Plant being set up at Kalinganagar Industrial Complex, Duburi, Orissa	431.74	21.26	0.03	December 31, 2011	March 31, 2012	Intermittent non-availability of cement and reinforcement steel from NINL stores, non-clearance on many fronts due to obstructions like fouling of existing underground structures, electrical cables, service lines, etc.
6.	Tata Steel Limited, Kalinganagar	Construction of Roads & Drains, Laterite Brick Boundary Wall, Water Reservoir at Plant Site at Tata Steel, Kalinganagar	716.02	232.69	0.31	December 31, 2011	June 30, 2012	For carrying out additional works of plastering and cement punning as per site conditions.
7.	Tata Steel Limited, Kalinganagar	Construction. of Service & Peripheral Road & Boundary Wall	205.09	154.88	0.21	December 31, 2011	December 31, 2012	No reason cited

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

Sl. No.	Name of the Customer	Particulars of the Order	Aggregate Contract Value (₹ in Million)	Outstanding Value of the Order as on January 31, 2012 (₹ in Million)	% of Total Outstanding Order Book as on January 31, 2012	Date of Expiry of Tenure	Extension Sought till	Reason for Extension
8.	Tata Steel Limited, Kalinganagar	Civil Work for 3 Nos. of IM section Shed	128.46	76.10	0.10	December 31, 2011	December 31, 2012	Various problems and repeated obstructions from local displaced persons
9.	Tata Steel Limited, Jamshedpur	Civil work for Road and Drain, Welfare Office, Community Centre, Security Post etc., at Gobarghati	261.02	4.01	0.01	June 30, 2008	June 30, 2012	Various changes in the scope of work as per the site conditions
10.	FL Smidth Private Limited, Chennai, Tamilnadu	Civil, Road & Structural Works for NMDC-Kumaraswamy Iron Ore Crushing Plant, Package - I at Donimalai, Bellary	434.50	284.62	0.38	February 19, 2012	September 30, 2012	Design changes due to soil conditions, repeated soil investigation, slope stability/ Bearing Capacity analysis thereby causing delay in execution of the site works. The design of dumper platform scheme which has undergone several iterations has also caused delay.
Total			Total	6,069.58	1,812.50	2.42		

If the relevant customers do not give their approval and/or extension or refuse the extension sought by our Company or by aforesaid Joint Ventures, the aforesaid orders could stand cancelled and to that extent our order book will not translate into revenues. Notably, our share in the profits and losses of the Gayatri ECI Joint Venture, Gayatri-BCCPL Joint Venture and Jaiprakash Gayatri Joint Venture is to the extent of 50%, 60% and 49%, respectively. Further, our Company, Gayatri ECI Joint Venture, Gayatri-BCBPPL Joint Venture or Jaiprakash Gayatri Joint Venture, as the case may be, may not be able to recover any additional expenses that it may incur, if any, in connection with the delay in execution of the aforementioned projects and their outstanding contract amounts, in part or entirety could adversely impact the profitability of our Company.

14. Given the long term nature of the projects we undertake, we face various kinds of implementation risks and our inability to successfully manage such risks may have an adverse impact on the functioning of our business.

Since contracts for major business projects are performed over an extended period of time, some of the project risks that this business is subject to include the following:

- long completion periods and significant capital outlay before project completion and generation of positive cash flows;
- delays in the construction of projects giving rise to potential liabilities and lower than expected returns;

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

- significant financial exposure to, and uncertainty as to, the long-term viability of large turnkey projects;
- delays in project execution due to environmental, rehabilitation and resettlement risks; and
- change in government policies and/or regulatory requirements;
- change in political and economic conditions in the country;
- unforeseen conditions, such as adverse weather conditions and natural disasters, encountered during project execution.

A combination of circumstances may result in significant losses on a particular project, as a consequence of which our Company's operations and profitability may be materially and adversely affected.

- 15. *We may be unable to pre-qualify to bid on certain larger infrastructure projects on our own and if we are unable to forge alliances with third parties, we may be precluded from bidding for those large infrastructure projects, which could have an adverse effect on our growth prospects and operations.***

We enter into contracts primarily through a competitive bidding process or on negotiated rate basis. Our competition varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. We compete against various infrastructure companies. In selecting contractors for major projects, clients generally limit the tender to contractors who are pre-qualified based on several criteria, including experience, technical ability, past performance, reputation for quality, safety record, financial strength and the size of previous contracts executed in similar projects with them or otherwise. Additionally, while these are important considerations, price is a major factor in most tender awards and in negotiated contracts and our business is subject to intense price competition. In competitive bidding, once the prospective bidders satisfy the technical requirements of the tender, the project is usually awarded based on the price of the contract quoted by the prospective bidder. There could be no assurance that our Company would in such cases be able to attain an award of such contracts at commercially favourable and/or expected terms or at all, which could have a material negative effect on our Company's financial condition, results of operations and prospects.

Further, if we are unable to pre-qualify to bid on certain large projects on our own, we may have to enter into memoranda of understanding or joint venture agreements with various other companies. In cases where we are unable to forge an alliance with appropriate companies to meet pre-qualification requirements, we may lose out on opportunities to bid, which could have an adverse effect on our growth prospects and operations.

- 16. *As on January 31, 2012, 28.99 % of our outstanding order book comprised of fixed price contracts. Typically, in case of fixed price contracts, any cost escalations on account of delay, inaccurate estimate of the amount of work or quantity of material required etc. cannot be passed on to the clients which in turn could adversely affect our profitability and results of operations.***

Typically, contract prices are established in part on cost and scheduling estimates, which are based on a number of assumptions, such as the future economic conditions, the price and availability of labour, equipment and materials and other relevant factors. If any of these estimates prove inaccurate or if circumstances change, cost overruns may occur and our Company could experience reduced profits or, in some cases, a loss. In addition to the risk of cost overruns, our Company also bears the risk of underestimating the amount of work or the quantity of material required. Further, a proportion of our Company's contracts is, and will continue to be, fixed-price contracts awarded through competitive bidding. As on January 31, 2012, 28.99 % of our order book was represented by fixed price contracts. In fixed-price contracts our Company bears all or a portion of the risks of cost increases and therefore tries to account for any contingencies when determining its contract price. Further, our business requires various materials including, steel, cement and aggregates (sand, bricks and sized metals). Material costs are included in the line item "work expenditure" in our statements of profit and loss. Materials consumed, which also includes the cost of our mechanical and other equipment, constituted 24.19% of our total costs for Fiscal 2011 on an unconsolidated basis and 23.99% of our total costs for the six month period ended September 30, 2011 on an unconsolidated basis. Our ability to pass on increases in the price of materials and other project related inputs may be limited in the case of fixed-price contracts with limited price escalation provisions. Unanticipated increases in the price of materials consumed and other project related inputs may also have compounding effects by increasing costs of performing other parts of the contract. This may contribute to our profits on such projects being less than originally estimated or may even result in us experiencing losses. Depending on the size of the project, the variation from the estimated contract value could have a significant adverse effect on the results of our operations, profitability and financial condition.

- 17. *The credit ratings assigned for our long term and short term debt facilities have recently been downgraded by Credit Analysis and Research Limited. Any such downgrade of our credit ratings could result in an increase in borrowing costs and constrain our access to lending markets and, as a result, could negatively affect our business and financial position.***

Pursuant to a letter dated February 7, 2012 as received

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

by our Company on February 14, 2012, Credit Analysis and Research Limited has revised the rating assigned to long-term debt facilities (facilities having a tenure of more than one year) of our Company from 'CARE A-' to 'CARE BBB+' and has revised the rating assigned to our Company's short term debt facilities (facilities with a tenure up to one year) from 'CARE A2+' to 'CARE A2', on a review of our Company's operational and financial performance for Fiscal 2011 and the six months ended September 30, 2011. The total debt of our Company as on January 31, 2012 was ₹ 12,350.53 million. Any such downgrade of our credit ratings could increase our borrowing costs, constrain our access to lending markets, and affect the ability of our Company to raise funds, which could consequently, negatively affect our business and financial position. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. Any such development could adversely affect our business and financial position.

- 18. *Our operating expenses include fixed costs that are not dependent upon our volume of business. As a result, any decline in our operating performance may be magnified because we may be unable to reduce expenses immediately, or at all in response to a potential shortfall in volume of business.***

Our operating expenses include various fixed costs, which are as such, not dependent on our volume of business. Our fixed costs include the majority of our employment expenses and are incurred irrespective of the contracts for projects undertaken by us. Any shortfall in connection with the execution of our contracts may cause significant variations in operating results in any particular quarter, as we would not be able to reduce our fixed operating expenses in the short term. The effect of any decline in order bookings may thereby be magnified because a portion of our earnings are committed to paying these fixed costs. Thus, it is possible that in the future some of our financial results may be below the expectations of the public, market analysts and investors and the market price of our Equity Shares could decline.

- 19. *Failure on the part of our sub-contractors to perform their obligations in a timely manner or at all could adversely affect our ability to complete projects in a timely manner or at commercially viable terms, which in turn could subject us to time and cost overruns, defaults under the contracts for such projects and loss of revenue and profitability.***

Our Company relies on sub-contractors in relation to specific aspects of a particular project. If our sub-contractors, for any reason, fail to meet their specified completion dates, and/or do not perform their obligations in accordance with the contracts executed with them, our ability to complete the project in a timely manner or at commercially viable terms, could be adversely impacted.

Furthermore, failure to meet the specifications (including technical requirements and quality standards) prescribed by our customers on the part of such sub-contractors could result in the breach of our contracts with our customers, and/or us having to incur additional expenses to remedy such failure on the part of our sub-contractors. In addition, our Company could be liable to pay penalties to our customers due to the insufficiency of performance guarantees in our Company's agreements with sub-contractors. Further, such failure could also result in us losing our relationship with aggrieved customers. Accordingly, any or all of aforementioned events could subject us to a loss of business, revenues and profitability.

- 20. *If our Company is not able to obtain, renew or maintain the permits and approvals required to operate our businesses, this may have a material adverse effect on our businesses.***

Our operations are subject to the receipt of required licenses, permits and authorizations, including local land use permits, building and zoning permits, environmental permits, and health and safety permits. In the future, our Company may be required to renew such permits and approvals or to obtain new permits and approvals. While our Company believes that it will be able to obtain such permits and approvals and has not experienced any difficulty in renewing and maintaining these permits and approvals in the past, as and when required, there can be no assurance that the relevant authorities will issue any such permits or approvals in the time-frame anticipated by our Company or at all. Failure by our Company to renew, maintain or obtain the required permits, approvals and licenses may interrupt our Company's operations and may have a material adverse effect on our Company's results of operations, financial condition and prospects. For details in connection with applications for approvals which are yet to be obtained please refer to the section titled "Government and Other Approvals" on page 189 of the Letter of Offer.

- 21. *Our results of operations of our infrastructure business may be adversely affected if we are unable to attract and/or deploy sufficient labour to various projects and/or to pass on unanticipated increases in labour costs.***

Our operations are labour intensive and subject to the availability of labour in sufficient numbers. If we are unable to attract and/or deploy sufficient labour resources to our projects, our operations may be adversely affected. Further, our ability to pass on increases in labour costs may be limited. This may contribute to our profits on such projects being less than originally estimated or may even result in us experiencing losses. Depending on the size of the project, the variation from the estimated contract value could have a significant adverse effect on our results of operations and financial condition.

- 22. *The failure of our Subsidiaries to complete its projects in a timely or a profitable manner, could affect the***

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

profitability of our Subsidiaries, which in turn would require us to write down our investments in such Subsidiaries and would adversely impact our operations and profitability on a consolidated basis.

Our Company has made and may continue to make certain capital investments, loans, advances and other commitments to support certain of its Subsidiaries. These investments and commitments inter-alia include capital contributions and providing corporate guarantees to lenders in order to enhance the financial condition or liquidity position of the Subsidiaries of our Company. As on date we have four direct Subsidiaries, namely Gayatri Infra Ventures Limited, Gayatri Energy Ventures Private Limited, Sai Maatarini Tollways Limited and HKR Roadways Limited and four step down Subsidiaries, namely, Gayatri Jhansi Roadways Limited, Gayatri Lalitpur Roadways Limited, Thermal Powertech Corporation India Limited and Bhandara Thermal Power Corporation Limited.

In the past three of our Subsidiaries (including respective step-down subsidiaries in relation to such Subsidiaries) have incurred losses as per their respective audited financial statements, as set forth in the table below:

Entity	Year Ended March 31 (₹ in Million)	
	2011	2010
Gayatri Infra Venture Limited	(181.25)	(4.52)
Gayatri Energy Ventures Private Limited	3.58	(0.24)
Bhandara Thermal Power Corporation Limited*	(0.72)	Not Applicable**

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

** No profit and loss account was prepared on account of no operations.

Further, if the business and operations of these Subsidiaries deteriorate on account of failure to complete its projects in a timely or a profitable manner, our Company's investments may be required to be written down or written off or further capital injections may be required to be made. Additionally, certain loans or advances may not be repaid or may need to be restructured, or our Company may be required to outlay capital under its commitments to support such companies.

If these Subsidiaries fail to improve or sustain their operating performance, as the case may be, our overall profitability on a consolidated basis will be materially and

adversely impacted, which in turn may materially and adversely affect the valuation of our Company and Subsidiaries as a whole.

23. *Our wholly owned subsidiary, Gayatri Energy Ventures Private Limited, ("GEVPL") has invested in entities which have been incorporated and/or acquired for execution of power projects. Such entities have little or no prior experience in executing power projects. Accordingly, if the power projects for which such entities have been incorporated and/or acquired are not completed on commercially favourable terms or in a timely manner our Company, through GEVPL, may not realize any dividend income from such Subsidiaries, which in turn would affect our profitability.*

Our wholly-owned Subsidiary, Gayatri Energy Ventures Private Limited has invested ₹560.27 million in the equity share capital and share application money of Jinbhuvish Power Generations Private Limited in connection with the establishment of a 600MW (2 x 300) thermal power project in the state of Maharashtra. Further, GEVPL has invested ₹ 2,371.74 million in the equity share capital and share application money of Thermal Powertech Corporation India Limited, a company incorporated for the purposes of a proposed establishment of a coal based thermal power plant at Krishnapatnam, Nellore Andhra Pradesh, India. GEVPL has also acquired 4,930,000 equity shares of Bhandara Thermal Power Corporation Limited at a face value of such equity shares of ₹ 10 per equity share, for an aggregate consideration of ₹ 49.30 million and has further invested ₹ 497.50 million in Bhandara Thermal Power Corporation Limited which is presently in the form of share application money pending allotment. Furthermore, GEVPL has invested an aggregate amount of ₹ 3,790.53 million in the equity share capital and towards share application money pending allotment of NCC Power Projects Limited. GEVPL has invested an aggregate amount of ₹ 91.27 million towards share application money pending allotment of Indira Energy Holdings Private Limited. GEVPL has invested an aggregate amount of ₹ 16.99 million towards share application money pending allotment of Amaravathi Thermal Power Private Limited.

The aforesaid entities have little or no prior experience in executing power projects. Accordingly, if the projects and/or purposes for which the aforesaid entities have been incorporated are not completed on commercially favourable terms or in a timely manner, we may not realize any dividend income from such entities, which in turn would affect GEVPL and our profitability.

24. *Two of our Group Companies namely, Gayatri Sugars Limited and Gayatri BioOrganics Limited, have in Fiscal 2004 failed to meet certain debt obligations. Further two loan accounts for term loans availed by*

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

one of our Group Companies, namely Cyberabad Express Ways Private Limited have been classified as non performing assets by two of its lenders and one other term loan account is likely to get classified as a non performing asset, on account of failure to make interest payments on the loans availed from such banks. Such failure to meet debt obligations could affect our group's capability to raise debt and we may not be able to raise the required debt to complete the projects and thereby adversely affecting our financial condition and results of operations.

Our Group Company, Gayatri Sugars Limited is operating under a Corporate Debt Restructuring CDR scheme since August, 2003. On account of downturn in the sugars industry, the term loans of IDBI and IFCI had been restructured under the Corporate Debt Restructuring (CDR) system during the year 2003-04. The CDR package was implemented w.e.f. April 01, 2004 and the interest payments and repayment of the term loan was paid as per schedule. In 2007, Gayatri Sugars Limited proposed to settle the dues of IDBI and IFCI with One Time Settlement (OTS), which was agreed by the relevant banks with a reduction of ₹ 62.00 million out of one of the term loans. Accordingly the long term loan dues were cleared by OTS on March 31, 2008. With payment of the terms loans of IDBI and IFCI, the credit facilities restructured under the CDR system have been settled. Further, Gayatri Sugars Limited has asked the Canara Bank and Corporation Bank ("**Working Capital Banks**") for coming out of the CDR system, in the same manner as the long term dues were restructured and settled through OTS. But the banks have said they want to continue for some time in the CDR system. At the monitoring meeting held on October 19, 2010, the matter was discussed by members of the monitoring committee and Gayatri Sugars Limited was advised to pay the Right of Recompense (ROR) to the extent of ₹ 84.30 million as per the applicable guidelines, by March 31, 2010. Gayatri Sugars Limited had requested the aforesaid banks for an extension till December 31, 2011. However in the meeting held on October 19, 2010, the Chief General Manager, CDR suggested Gayatri Sugars Limited to pay 50% upfront and the balance payment till December 31, 2011. Gayatri Sugars Limited however had requested a full payment of ₹ 84.30 million to the Working Capital Banks by December 31, 2011, which was approved by the CDR Empowered Group at their meeting held on December 23, 2010. Subsequently, at a meeting of the CDR Monitoring Committee of Gayatri Sugars Limited held on November 19, 2011, Gayatri Sugars Limited proposed that it would pay 5% of the ROR before December 31, 2011, 50% of the ROR during Fiscal 2013 in four installments and the balance 45% of the ROR during Fiscal 2014 in four installments. At a meeting of the CDR Monitoring Committee held on January 6, 2012, it was decided that the bankers would approach their sanctioning authorities in respect of payment of ROR as agreed by the Company, whereby the Company would pay 10% of the ROR after

receiving approvals from all banks, 65% of the ROR during Fiscal 2013 in four installments, and the balance 25% of the ROR during Fiscal 2014 in four installments. The aforementioned payment structure was approved by the banks at the CDR Empowered Group meeting held on January 20, 2012.

Further, Gayatri BioOrganics Limited had offered a One Time Settlement Scheme, ("**OTS**"), to Financial Institutions/Banks consequent to a declaration as a sick industrial company by the BIFR. The principal amount outstanding for term loan was ₹ 253.75 million and for working capital was ₹ 44.71 million and as against this, OTS amount offered and accepted by the relevant financial institutions and banks was ₹ 158.25 million and ₹ 44.71 million respectively. Gayatri BioOrganics Limited has already cleared the dues to the concerned financial institutions and banks and appropriate no due certificates have been issued by such financial institutions and banks in this regard.

With regard to our Group Company, Cyberabad Express Ways Private Limited, ("**CEWPL**"), the Central Bank of India and Vijaya Bank have classified term loan accounts availed from the aforesaid banks as non performing assets on account of CEWPL having failed to pay interest on such term loans. Similarly, Allahabad Bank has classified a term loan account of CEWPL as potential non performing asset for similar reasons and has intimated CEWPL that the loan account would be classified as a non performing asset if the overdue interest payments are not made at the earliest. CEWPL is currently in the process of executing an eight lane access controlled expressway construction project for Hyderabad Growth Corridor Limited, which CEWPL expects to complete by April 15, 2012. CEWPL has requested the Hyderabad Growth Corridor Limited to provide a provisional completion certificate, pending completion of the balance portion of the aforesaid project, and to release the last installment of grant and at least one annuity payment to CEWPL in connection with the aforesaid project so as to enable CEWPL to regularize the aforesaid loan accounts.

Such failures to meet debt obligations could affect our group's capability to raise debt and we may not be able to raise the required debt to complete the projects, thereby adversely affecting our financial condition and results of operations.

25. *Our listed Group Companies namely, Gayatri Tissues and Paper Limited, Gayatri Sugars Limited and Gayatri BioOrganics Limited have in the past received notices from SEBI alleging violations under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.*

In connection with Gayatri Tissues & Paper Limited, SEBI vide their letter dated July 21, 2004 alleged violations to the reporting requirements under regulations 6(2) and 6(4) of the SEBI (Substantial Acquisition of Shares and

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

Takeovers) Regulations, 1997 (“**Takeover Code**”) for the year 1997 and under regulation 8(3) of the Takeover Code for the years 1998, 1999, 2000, 2001 & 2002. This letter of the SEBI also referred to the appointment of an adjudicating officer under provisions of the SEBI Act to adjudicate and enquire into such alleged violations. In the said letter, SEBI also stated that it has decided to consider request for a consent order under provisions of section 15 T (2) (b) of the SEBI Act if the company was willing to pay an amount of ₹ 175,000 as penalty for the alleged violations. The company has in its response dated August 4, 2004 denied the alleged violations and also showed its inability to pay the said amount. The aforesaid company has not received any further communication from SEBI in relation to this matter.

In connection with Gayatri Sugars Limited, SEBI vide their letter dated November 29, 2004 alleged violations to the reporting requirements under regulations 8(3) of the Takeover Code for the years 1999, 2000, 2001 & 2002. This letter of the SEBI also referred to the appointment of an adjudicating officer under provisions of the SEBI Act to adjudicate and enquire into such alleged violations. In the said letter, SEBI also stated that it has decided to consider request for a consent order under provisions of section 15 T (2) (b) of the SEBI Act if the company was willing to pay an amount of ₹ 1,00,000 as penalty for the alleged violations. The aforesaid company has in its response vide its letter dated December 29, 2004 stated that there has not been a per se violation of the regulations as there has been no change in the shareholding from 1999-2002. The aforesaid company has not received any further communication from SEBI.

In connection with Gayatri BioOrganics Limited, SEBI vide their letter alleged violations to the reporting requirements under various regulations of the Takeover Code for the years 1999, 2000, 2001 & 2002. This letter of the SEBI also referred to the appointment of an adjudicating officer under provisions of the SEBI Act to adjudicate and enquire into such alleged violations. In the said letter, SEBI also stated that it has decided to consider request for a consent order under provisions of section 15 T (2) (b) of the SEBI Act if the company willing to pay the penalty imposed by SEBI for the alleged violations. The aforesaid company has in its response stated that there has not been a per se violation of the regulations as there has been no change in the shareholding. The aforesaid company has not received any further communication from SEBI.

26. *Seasonality and weather conditions, from time to time, restrict our ability to carry on construction activities and fully utilize our resources, which in turn could adversely affect our business.*

Our business operations may be materially and adversely affected by severe weather, which may require us to evacuate personnel or curtail services and may result in damage to a portion of our equipment or facilities,

resulting in the suspension of operations. In addition, such weather may prevent us from delivering materials to our project sites in accordance with contract schedules or generally reduce our productivity. Our operations are also adversely affected by difficult working conditions and extremely high temperatures during summer months and during monsoon, which restrict our ability to carry on construction activities and fully utilize our resources. We record revenues for those stages of a project that we complete, after we receive certification from the client that such stage has been successfully completed. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses, but our revenues from operations may be delayed or reduced, thereby adversely impacting our results of operations and financial condition for such periods.

27. *Our Company’s aggregate order book may be subject to unexpected adjustments and cancellations and hence may not indicate what our future sales will be.*

Our Company’s aggregate order book was ₹ 74,434.30 million and ₹ 67,164.03 million, as on January 31, 2012 and March 31, 2011 and our top five customers represented 77.34% and 79.49% of our aggregate outstanding order book as on January 31, 2012 and March 31, 2011, respectively.

Our Company cannot guarantee that the revenues anticipated in its order book will be realized or, if realized, will be realized on time or result in profits. Projects may remain in its order book for an extended period of time. In addition, project delays or cancellations or adjustment to the scope of work may occur from time to time due to a client’s default, incidents of force majeure, legal impediments or our Company’s default and may impact contracts reflected in its order book. This reduction in our Company’s order book could adversely affect its revenues and profits.

28. *Our operations are highly working capital intensive and accordingly we require adequate capital and financing from time to time to meet our working capital requirements. Inability to obtain adequate financing to meet our Company’s capital resource requirements, in a timely manner, on commercially favourable terms to us, or at all, may have an adverse effect on our results of operations.*

Our Company has had, and expects to have, substantial liquidity and capital resource requirements. As at January 31, 2012, our Company had aggregate outstanding borrowings on an unconsolidated basis in the form of working capital facilities for amounts aggregating ₹ 4,620.84 million. Project financing is a combination of net working capital, advances from customers and bank financing. Further, typically our operations have long working capital cycles, particularly in connection with projects with long gestation periods and government contracts. The inability of our Company to obtain such financing, in a timely manner, on commercially favourable

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

terms to us, or at all may impair our business, results of operations, financial condition and prospects.

- 29. As at January 31, 2012, our Company's aggregate order book was approximately ₹ 74,434.30 million. Our business is working capital intensive and accordingly, if our Company is unable to obtain the necessary funds for its growth plans, the business and operations of our Company will be adversely affected.**

Our business is working capital intensive. The funding requirements for expanding the operations of our Company are substantial. As at January 31, 2012, our Company's aggregate order book was approximately ₹ 74,434.30 million. Our ability to finance these plans is subject to a number of risks, contingencies and other factors, some of which are beyond our Company's control, including general economic and capital markets conditions and the ability to obtain financing on acceptable terms.

As on January 31, 2012, our Company had outstanding secured debt aggregating to ₹ 9,595.84 million and unsecured debt aggregating to ₹ 2,754.69 million on an unconsolidated basis and as at September 30, 2011 we had shareholders funds (comprising share capital, equity warrants and reserves and surplus) aggregating to ₹ 3,680.52 million on an unconsolidated basis.

There can be no assurance that debt or equity financing or our Company's internal accruals will be available or sufficient to meet the funding of our Company's growth plans.

The ability of our Company to obtain required capital on acceptable terms is subject to a variety of uncertainties, including:

- limitations on our Company's ability to incur additional debt, including as a result of prospective lenders' evaluations of our Company's creditworthiness and pursuant to restrictions on incurrence of debt in our Company's existing and anticipated credit facilities;
- investors' and lenders' perception of, and demand for, debt and equity securities of infrastructure companies, as well as the offerings of competing financing and investment opportunities in India by our competitors;
- whether it is necessary to provide credit support or other assurances from our Promoter on terms and conditions and in amounts that are commercially acceptable to them;
- limitations on the ability of our Company to raise capital in the capital markets and conditions of the Indian, U.S. and other capital markets in which our Company may seek to raise funds; and
- our Company's future results of operations, financial condition and cash flows.

Any inability to raise sufficient capital to fund our growth plans could have a material adverse effect on our business and results of operations. For details, please refer to the section titled "Objects of the Issue" on page 66 of the Letter of Offer.

- 30. If our Company may not be able to successfully manage the growth of its operations, in a cost effective and efficient manner, our results of operations and financial condition could be adversely affected.**

Our Company has been rapidly expanding its operations in recent years. As it continues to grow, our Company must continue to improve its managerial, technical and operational knowledge and allocation of resources, and implement an effective management information system. In order to fund its ongoing operations and future growth, our Company needs to have sufficient internal sources of liquidity or access to additional financing from external sources. Further, our Company will be required to manage relationships with a greater number of customers, suppliers, contractors, service providers, lenders and other third parties. Our Company will need to further strengthen its internal control and compliance functions to ensure that it will be able to comply with its legal and contractual obligations and its operational and compliance risks. There can be no assurance that our Company will not suffer from capital constraints, operational difficulties or difficulties in expanding existing business and operations, and training an increasing number of personnel to manage and operate the expanded business. Further, there can be no assurance that our Company will be able to successfully manage its growth or that its expansion plans will not adversely affect its existing operations and thereby have a material adverse effect on its business, financial condition, results of operations and future prospects.

In addition, the projects undertaken by our Company are increasing in scale and complexity. Our Company will need to continue to improve its project management system and supporting infrastructure, such as its information technology and human resources systems, and training programmes, in order to ensure that it will be able to continue to successfully execute large, complex projects on a timely basis. There can be no assurance that our Company will be able to improve its project management system and supporting infrastructure at a rate commensurate with the increase in size and complexity of the projects that it undertakes, and any resulting impairment in our Company's project management and execution capabilities may have a material adverse effect on its business, financial condition, results of operations and future prospects.

- 31. Most of our arrangements with our lenders contain various restrictive covenants, which may restrict our ability to take various business decisions and measures in a timely manner or at all, which in turn may adversely affect our growth prospects. Further, any non**

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

compliance with such covenants could potentially subject us to action for breach of such arrangements.

Most of our Company's loan agreements contain covenants which restrict certain activities and require our Company to obtain lenders' consents before, among other things, undertaking new projects, issuing new securities, declaring dividends in the event of non-payment and making certain investments beyond the approved amount. They also allow those lenders to sell assets of certain value in the event of non-payment. Certain of the loan agreements also give the lenders the right to nominate directors to the Board in the event of any default under such agreements.

As is typical of loan agreements, there are also a significant number of non-financial covenants in our loan agreements. These range from not being able to open ordinary accounts without some lenders' consent to not effecting any change in management. There can be no assurance that the relevant lenders would provide required consents and/or waivers in a timely manner or at all, which could adversely impact our ability to take various decisions and/or could restrict the manner in which we operate. This could adversely affect our growth prospects.

While we are in compliance with all of our financial covenants or have obtained consents or waivers with regard to compliance, we may not in all instances be able in the future to comply with such non-financial covenants or obtain consents or waivers with regard to these covenants. In the event that any lender calls an event of default, including for breach of non-financial covenants, it would trigger cross defaults in our loan agreements, most, if not all, whereby all our loans could be accelerated and due immediately. Any such action could materially adversely affect our operations and financial condition.

- 32. *Our Promoters have pledged their Equity Shares as additional/collateral security under agreements with various lenders in connection with various credit facilities obtained by our Group Companies. In the event of any default under the relevant agreements, the lenders may enforce aforementioned pledges, which could result in a change in control of our Company.***

As on February 23, 2012, an aggregate of 6,395,217 Equity Shares held by our Promoters, representing 53.34% of the paid-up equity share capital of our Company and representing 97.00% of the aggregate holding of Equity Shares by our Promoter Group, are pledged with banks and financial institutions. The following table elucidates the details of Equity shares pledged by our Promoters with banks and financial institutions as on February 23, 2012:

Sl. No.	Name of the Promoter	Number of shares pledged or otherwise encumbered	% of the Aggregate Paid-up Equity Shares as on February 23, 2012	% of the Aggregate Paid-up Equity Shares held by Promoter Group as on February 23, 2012	Financial institution with which the shares are pledged
1	T. Indira Subbarami Reddy	1,850,000	15.43	28.06	HDFC Bank Limited
		2,650,055	22.10	40.19	Industrial Finance Corporation of India Limited
		110,000	0.92	1.67	Canara Bank
2	T.V. Sandeep Kumar Reddy	1,495,162	12.47	22.68	Industrial Finance Corporation of India Limited
		290,000	2.42	4.40	Canara Bank
		Total	6,395,217	53.34	97.00

In the event of any default under the relevant agreements, the lenders may enforce aforementioned pledges, which could result in a change in control of our Company.

- 33. *Our Company's success depends largely upon its highly-skilled professionals and its ability to attract and retain these professionals. If our Company is unable to attract and retain professionals and skilled workers, its business and results of operations may be adversely affected.***

Our Company's ability to successfully complete projects and to attract new clients depends largely on its ability to attract, train, motivate and retain highly-skilled professionals, particularly project managers and engineers, and other skilled workers. If the Company cannot hire and retain highly-skilled personnel, its ability to bid for, and win, new projects

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

and to continue to expand its business will be impaired, and consequently its revenues could decline. Further, our Company may not be able to re-deploy and retrain its professionals to keep pace with continuing changes in technology, evolving standards and changing needs of its clients. In addition, a significant increase in the wages paid by competing employers could result in increased attrition among our Company's skilled workforce, increases in the wage rates that it pays or both. As a result of the recent growth in the infrastructure industry in India and the expected future growth, the demand for highly-skilled professionals and workers has significantly increased in recent years, and if our Company is unable to attract and retain professionals and skilled workers, its business and results of operations may be adversely affected.

34. *Our operations could be adversely affected by any statutory and/or regulatory requirements pertaining to labour, strikes, work stoppages or increased wage demands by our employees and/or contract labourers or any other kind of disputes with our employees and/or contract labourers.*

Our operations are highly labour intensive and we employ a combination of in-house labour and contract labourers for the purposes of our projects. Though historically, we have not faced any labour related disputes or disruptions, there can be no assurance that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our operations.

Further, we enter into contracts with independent contractors to complete specified assignments and these contractors are required to source the labour necessary to complete such assignments. Although we do not engage these labourers directly, it is possible under Contract Labour (Regulation and Abolition) Act, 1970, and judicial interpretation of the provisions thereof, that we may be held responsible for wage payments and/or compensation for accidents and/or death at the work site in the course of employment to labourers engaged by contractors should the contractors default on wage and/or compensation payments. Any requirement to fund such payments may adversely affect our profitability.

Furthermore, pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, we may be required to retain such contract labourers as our employees. Any such order from a court or any other regulatory authority would require us to incur additional fixed costs which in turn may adversely affect our profitability.

35. *Changes in technology may render our Company's current technologies obsolete or require our Company to make substantial capital investments. The cost of implementing new technologies or expanding capacity could be significant and could adversely affect our Company's results of operations.*

Our Company's business is subject to rapid and significant changes in technology. Although our Company strives to keep its technology in accordance with the latest international technological standards, the technologies currently employed may become obsolete or subject to competition from new technologies in the future. The cost of implementing new technologies or expanding capacity could be significant and could adversely affect our Company's results of operations.

36. *There can be no assurance that our Company will at all times benefit from the related party transactions it enters into from time to time.*

Our Company has from time to time engaged in a variety of transactions with related parties. The summary of our aggregate related party transactions for the financial year ended March 31, 2011 are as follows:

₹ in millions

Sn.	Description	Subsidiary & Step-down Subsidiaries	Associate Companies	Entities in which KMP are interested	Joint ventures	KMP
1.	Equity Contribution	2,680.38	0.66	Nil	Nil	Nil
2.	Contract Receipts	5,509.83	1,736.37	809.56	3,098.49	Nil
3.	Contract payments	Nil	Nil	47.01	Nil	Nil
4.	Office Rent & Maintenance	Nil	Nil	7.33	Nil	Nil
5.	Other Payments	15.51	17.85	1.32	Nil	Nil
6.	Donations	Nil	Nil	31.90	Nil	Nil
7.	Remuneration Paid	Nil	Nil	Nil	Nil	46.70
8.	Contract Advances/ Other Adv.	1,307.50	95.37	Nil	578.84	Nil
9.	Corporate Guarantees	54,860.00	Nil	Nil	Nil	Nil
	Total	64,373.22	1,850.25	897.12	3,677.33	46.7

For further details, please refer to the section titled "Financial Statements" on page 85 of the Letter of Offer. Our Company's policy on transactions with related parties is that such transactions are conducted at arm's length on normal commercial terms in the ordinary and normal course of business. Our Company may enter into additional transactions with its related parties in the future. Although regulations in India do require disclosure of related party transactions in a listed company's financial statements, such regulations do not require shareholders' approval or an independent

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

assessment of connected or related party transactions. As a result, there is no independent verification that the terms of such transactions or that any of our Company's transactions with its associated companies will benefit our Company.

- 37. *The objects of the Issue are based on the internal estimates of our management, and have not been appraised by any bank or financial institution. Any inability on our part to effectively utilise the Issue Proceeds could adversely affect our financials.***

The funds raised under this Issue will be used for meeting incremental working capital requirements, general corporate purposes and to meet Issue expenses. The objects of the Issue, with respect to working capital requirements, are based on management estimates and have not been appraised by any bank or financial institution. Utilization of the funds raised in the Issue is not subject to monitoring by any independent agency. Any inability on our part to effectively utilise the Issue Proceeds could adversely affect our financials. However, utilization of Issue proceeds would be disclosed to shareholders in the manner required under the Listing Agreement.

- 38. *Our inability to maintain adequate insurance coverage could adversely affect our operations and profitability.***

Our Company is involved in large projects where design, construction or systems failures can result in substantial injury or damage to third parties. Furthermore, our operations are subject to inherent risks, such as burglary and break-ins, defects, malfunctions and failures of equipment, fire and natural disasters. Our insurance may not be adequate to completely cover any or all our liabilities. Further, there is no assurance that the insurance premiums payable by us will be commercially justifiable. Our inability to procure and/or maintain adequate insurance cover in connection with our business/ assets may adversely affect our operations and profitability.

- 39. *The trade mark for "Gayatri" is not registered in the name of our Company, our Group Companies or our Promoters. We may be unable to use our brand name if the same is registered by any third party and may also be subject to potential action for alleged infringement by other parties, which in turn would affect our reputation and profitability.***

Neither our Company, our Promoters nor our group companies have registered the trade name "Gayatri" with the Registrar of Trade Marks under the Trade Marks Act, 1956 (as modified by the Trade Marks Act, 1999). In the event that any infringement claim is brought against our Company (or its group companies) our Company (or its group companies) will be required to establish their right

to the exclusive use of the "Gayatri" name. Any failure to protect our intellectual property, including any trademarks, brand names and trade secrets, may adversely affect our competitive business position, financial condition and results of our operations. If any of our unregistered trademark or propriety rights are registered by a third party, we may not be able to make use of such trademark or propriety rights in connection with our business and consequently, we may be unable to capitalize on the brand recognition associated with our Company and our Subsidiaries in aggregate or our Company individually. Further, we may also be required to invest significant resources in developing a new brand, which would adversely affect our financial condition. Further, our inability to protect and/or use our brand name would affect our reputation.

- 40. *We have experienced negative cash flows in the past. Any negative cash flows in the future could adversely affect our financial condition and the trading price of our Equity Shares.***

We have experienced negative cash flows on an unconsolidated basis (only negative flows are indicated for each period), in the past, as follows:

	Fiscal 2011 (₹ in million)	Fiscal 2010 (₹ in million)
Net cash from/(used in) Operating Activities	364.01	(503.94)
Net cash from/(used in) Investing Activities	(3,440.06)	(255.40)

Any negative cash flows in the future could adversely affect our financial condition and the trading price of our Equity Shares. During the course of our business, we have entered into various capital commitments. In the event that the proposed Issue is not completed or is delayed and we are unable to make other alternative arrangements to raise funds to meet our cash flows requirements, it would have an adverse effect on our business, financial condition and results of operations

- 41. *Our contingent liabilities, on an unconsolidated basis in our financial statements as of on September 30, 2011 aggregated to ₹ 64,707.41 million. If such contingent liabilities materialize, our financial condition could be adversely affected.***

Our contingent liabilities as of September 30, 2011 aggregated to ₹ 64,707.41 million, on an unconsolidated basis. The contingent liabilities consist principally of sales tax and service tax claims. In the event that any of these contingent liabilities materialize, our results of operation and financial condition may be adversely affected.

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

As of September 30, 2011, we had the following contingent liabilities on an unconsolidated basis that have not been provided for in our financial statements:

(₹ in millions)

S.No	Particulars	September 30, 2011
1	Guarantees given by Banks towards performance & contractual commitments	
	a) Issued on behalf of Company	6,525.55
	b) Issued on behalf of Subsidiaries/Group Companies	1,610.55
2	Corporate guarantees given to Group companies*	56,416.60
3	Disputed Liability of Sales Tax, Service Tax and Seigniorage Charges	154.71
	Total	64,707.41

* Includes corporate guarantees issued to Thermal Powertech Corporation India Limited, GSR Sugars Private Limited, Gayatri Jhansi Roadways Limited, Gayatri Lalitpur Roadways Limited, Deep Corporation Private Limited, Dr T.Subbarami Reddy (HUF), Indira Construction Private Limited, Gayatri Infra Ventures Limited and Mohan Project Contractors Private Limited. For further details please refer to "Outstanding Litigations and Other Defaults - Contingent Liabilities Not Provided For" on page 187 of the Letter of Offer.

42. Your Equity Shareholding in our Company may be diluted if the holders of the FCCBs convert the FCCBs held by them into Equity Shares.

On August 1, 2007, our Company issued 308 FCCBs (zero coupon convertible bonds due July 2012 convertible into Equity Shares) of the face value of JPY 10,000,000 each aggregating to an issue size of JPY 3,080,000,000. As on the date of the Letter of Offer, 271 of the aforementioned FCCBs, are outstanding which would entitle the holders thereof to acquire a maximum of 31,08,031 Equity Shares excluding any reservations/adjustments at the relevant FCCB conversion price.

Accordingly, your Equity Shareholding in our Company may be diluted if the holders of the FCCBs convert the FCCBs held by them into Equity Shares.

43. There is no assurance that our Company will always have access to sufficient supplies of water and electricity in the future to accommodate our project requirements and planned growth. Any prolonged business interruption, inter-alia including any disruption or discontinued supply of power or water at our project sites could have a material adverse effect on our

business.

Irregular or interrupted supply of power or water, electricity shortages or government intervention, particularly in the form of power rationing are factors that could adversely affect our Company's operations. There is no assurance that our Company will always have access to sufficient supplies of electricity and/or water in the future to accommodate project requirements and planned growth. If there is an insufficient supply of electricity or water to satisfy our Company's requirements or a significant increase in electricity prices, we may need to limit or delay our production, which could adversely affect the business, financial condition and results of operations of our Company.

44. As of January 31, 2012 our Company had unsecured loans amounting to ₹ 2,754.69 million and repayment of some of these loans may be recalled by lenders at any time. In such event, we may have to raise funds to refinance these obligations.

As of January 31, 2012 our Company had unsecured loans amounting to ₹ 2,754.69 million comprising term loans and outstanding foreign currency convertible debentures and repayment of the term loans may be recalled by lenders at any time. The details in relation to the same as follows:

(₹ in million)

No.	Name of the Lender	Date of Sanction	Outstanding Amount as on January 31, 2012
1	United Bank of India	March 21, 2011	1,010.59
2	Canara Bank	November 17, 2011	343.17
3	Foreign Currency Convertible Debentures	-	895.11
4	Bank of Baroda	December 30, 2011	505.82
	Total		2,754.69

In such event, we may have to raise funds to refinance these obligations. This requirement to refinance loans on short notice may have a material and adverse effect on our business operations and financial condition. For further details, please refer to the section titled "Principal Terms of Loans and Assets Charged as Security" on page 171 of the Letter of Offer.

45. Conflicts of interest may arise out of common business objects shared by our Company and certain of our Group Companies, namely, Gayatri Property Ventures

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

Private Limited, Gayatri Realty Ventures Private Limited, Gayatri Urban Ventures Private Limited, Indira Realty Holdings Private Limited, Rajeev Realtors Private Limited, T Rajeev Reddy Real Estate Developers Private Limited, T. Gayatri Engineering Company Private Limited, Indore Dewas Tollways Limited, Cyberabad Expressways Limited, Hyderabad Expressways Limited and Balaji Highways Holding Private Limited

Our Promoter has interests in other companies and entities, as named above, whose main objects and objects ancillary thereto in their respective memoranda of association permit such entities to carry out activities similar to those of our Company and such entities may compete with us. As a result, conflict of interests may arise in allocating or addressing business opportunities and strategies amongst our Company and the aforementioned entities in circumstances where our interests differ from theirs. There can be no assurance that the interests of our Promoter will be aligned in all cases with the interests of our minority shareholders or the interests of our Company. There can be no assurance that the aforementioned entities will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours.

46. *Of the 8 properties used by our Company, we own 3 properties while 5 properties including our registered office are on lease. Any termination of the relevant lease or leave and license agreements in connection with such properties or our failure to renew the same could adversely affect our activities.*

Currently, except 3 tracts of land which are owned by our Company, none of the other properties used by our Company for the purposes of our business activities, including the premises where the registered office of our Company is located, is owned by us. Termination of the leave and license agreements in connection with such properties which are not owned by us or our failure to renew the same, and upon favourable conditions, in a timely manner or at all, could require us to vacate such premises at short notice, could adversely affect our operations, financial condition and profitability.

EXTERNAL RISK FACTORS

47. *If our Company fails to comply with environmental, employee-related or health and safety laws and regulations or any other local laws or regulations in India, this may adversely affect our Company's business and results of operations.*

As an infrastructure company, our Company is required to comply with various laws and regulations relating to the environment. Although our Company believes that it

complies in all material respects with all applicable statutes and with the regulations thereunder, it may incur substantial costs to comply with requirements of environmental laws and regulations in the future. Environmental laws and regulations in India are not as extensive as they are in other countries. They have, however, been increasing in stringency and it is possible that they will become significantly more stringent in the future. If any of its projects are shut down, our Company will continue to incur costs in complying with regulations, appealing any decision to stop construction, continuing to pay labour and other costs which continue even if construction has ceased. As a result, our Company's overall operating expenses may increase, adversely affecting its business and results of operations. Our Company is also subject to health and safety laws and regulations as well as laws and regulations governing its relationship with its employees in areas such as minimum wages, maximum working hours, overtime, working conditions, hiring and terminating employees, contract labour and work permits.

48. *If there is a change in tax regulations, the tax liabilities of our Company and our Subsidiaries may increase and thus adversely affect our Company's financial results.*

The Indian Income Tax Act provides certain tax benefits to companies engaged in infrastructure development and construction, including:

- a deduction of 100 per cent of the profits (for a period of 10 consecutive assessment years) derived from the business of developing an infrastructure facility; and
- tax-free status on certain income by way of dividends, interest on long-term finance and long-term capital gains from investments/long-term loans, subject to specified conditions.

Some of these benefits are available only for a specified period of time and others are available only in respect of specific projects. As and when the specified period of time expires or specified projects are completed, our Company's and/or our Subsidiary's tax liabilities may increase, reducing our Company's profitability. Further, there can be no assurance that the Central or State Governments will not amend these provisions to our Company's and/or our Subsidiary's detriment, or that, after the expiry of the specified period of time, our Government will extend these tax benefits or that it will not enact laws in the future that could adversely impact our Company's and/or our Subsidiary's tax incentives and, consequently, tax liabilities and profits.

49. *Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments*

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

of our financial condition. Our failure to successfully adopt IFRS could have a material adverse effect on our stock price.

Our financial statements, including the financial statements provided in the Letter of Offer are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in the Letter of Offer, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Each of U.S. GAAP and IFRS differs in significant respects from Indian GAAP.

Accordingly, the degree to which the Indian GAAP financial statements included in the Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Letter of Offer should accordingly be limited.

The Institute of Chartered Accountants of India, the accounting body that regulates the accounting firms in India, has announced a road map for the adoption of, and convergence with, the IFRS pursuant to which certain public companies in India will be required to prepare their annual and interim financial statements under IFRS based on certain criteria, beginning with the fiscal period commencing April 1, 2011 in three phases. Due to the lack of clarity on the adoption of and convergence with IFRS and the lack of experience on which to form judgments on the implementation and application of IFRS, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IFRS than under Indian GAAP. As we transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. Any failure to successfully adopt IFRS in the applicable timeframe could have an adverse effect on our stock price.

50. *Political instability or changes in the policies formulated by the Government of India from time to time could affect the liberalization of the Indian economy and adversely affect our business, results of operations and financial condition.*

Our Company is incorporated in India and a significant portion of our Company's fixed assets and human resources is located in India. Our Company's business, and the market price and liquidity of the Equity Shares may be adversely affected by changes in foreign

exchange rates and regulations, interest rates, government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. In recent years, India has been following a course of economic liberalization and the Company's business could be significantly influenced by economic policies followed by the Central Government. The current coalition-led Central Government, which came to power in May 2001, has announced policies and taken initiatives that support the economic policies that have been pursued by previous Central Governments.

However, the present Central Government is a multi-party coalition, so there can be no assurance that it will be able to generate sufficient cross-party support to continue to implement any liberalization policies adopted by the previous Central Government or that such policies will continue in the future. Government corruption, scandals and protests against liberalization, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalisation in India could change in future, and statutory/regulatory requirements and/or policies the general economic environment in India, foreign investment, the securities market, currency exchange and other matters affecting our business and/or investment in our securities could change as well. Any significant change in liberalisation and deregulation of policies in India could adversely affect business and economic conditions in India generally and our Company's business, operations and profitability in particular.

51. *A slowdown in economic growth in India may adversely affect our Company's business and results of operations.*

Our Company's financial performance and the quality and growth of our Company's business depend significantly on the health of the overall Indian economy. The Indian economy could be adversely affected by a number of factors. Any slowdown in the Indian economy or volatility of global commodity prices, in particular crude oil, cement, steel and bitumen prices, could adversely affect our Company's source of raw materials and contractual counterparties, its business, its financial performance.

52. *Civil unrest, acts of violence including terrorism or war involving India and other countries could materially and adversely affect the financial markets and our business.*

Civil unrest, acts of violence including terrorism or war, may negatively affect the Indian markets where our Equity Shares will be traded and also materially and adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and ultimately materially and adversely affect our business. Diplomatic relations between the GoI and neighboring countries have suffered

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

post the terrorist attacks on November 26, 2008. While the GoI has been trying to engage in conciliatory efforts any further tension or deterioration of relations might result in investor concern about stability in the region, which could materially and adversely affect the price of the Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have an adverse impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business, financial condition, results of operations and the price of the Equity Shares.

53. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our Company's business.

The total debt of the Company as on January 31, 2012 was ₹12,350.53 million. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our Company's business and future financial performance and our Company's ability to obtain financing to fund its growth.

54. The market value of an investor's investment may fluctuate due to the volatility of the Indian securities markets.

The prices of our Equity Shares on the stock exchange/s may fluctuate as a result of several factors, including:

- volatility in the Indian and global securities market or in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
- our profitability and performance;
- performance of our competitors in the Indian infrastructure industry and the perception in the market;
- significant developments in India's economic liberalization and deregulation policies;
- significant developments in India's fiscal, environmental and other regulations;
- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues and cost structures; and
- the present state of our development.

Further, there can be no assurance the prices at which our Equity Shares have historically traded will correspond

to the prices at which our Equity Shares will trade in the market subsequent to this Issue.

55. There are restrictions on daily movements in the price of our Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell Equity Shares at a particular point in time.

There can be two types of circuit breakers applicable to the stocks listed on the Stock Exchanges (i) daily "price based circuit breaker" which specifies the band within which the price of a particular stock is allowed to move freely and (ii) index based market wide circuit breaker which applies to a stock at three stages of the index movement either way at 10%, 15% and 20%. While the daily price based circuit breaker is applicable to a stock depending on whether it is traded in F&O segment, an index based market wide circuit breaker is applicable to all the stocks listed on all the Stock Exchanges. Further, the daily "price based circuit breaker" operates independently of the index based market wide circuit breakers imposed by SEBI on Indian stock exchanges.

Our Company is subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of our Equity Shares and other securities. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on stock exchanges. The percentage limits on our Company's circuit breakers are set by the Stock Exchanges. The Stock Exchanges do not inform our Company of the percentage limit of such circuit breakers and may change it without our Company's knowledge. This circuit breaker effectively limits the upward and downward movements in the price of our Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of an investor to sell our Equity Shares or the price at which investors may be able to sell their Equity Shares at a particular point in time. There cannot be any assurance that the Stock Exchanges will not halt trading due to the index-based market-wide circuit breaker in future and closure of, or trading stoppage on, any of the Stock Exchanges could adversely affect the trading price of our Equity Shares.

56. You may be subject to Indian taxes arising out of capital gains. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and as result of which no Securities Transaction Tax, ("STT"), has been paid, will be subject to capital gains tax in India.

Under current Indian tax laws and regulations, capital gains arising from the sale of shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

more than 12 months will not be subject to capital gains tax in India if the STT has been paid on the transaction. The STT will be levied on and collected by a domestic stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to capital gains tax in India.

Capital gains arising from the sale of our Equity Shares will be exempt from tax in India in cases where such exemption is provided under the tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties, do not limit India's ability to impose tax on capital gains. As a result, residents of certain countries may be liable for tax in India, as well as in their own jurisdictions on gain upon a sale of our Equity Shares.

57. *Foreign investors are subject to foreign investment restrictions under Indian law that limit our Company's ability to attract foreign investors, which may adversely impact the market price of our Equity Shares and also the ability of our Company to raise foreign capital.*

Under the foreign exchange regulations currently in force in India, transfers of Equity Shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of Equity Shares, which are sought to be transferred is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of Equity Shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. Our Company cannot assure investors that any required approval from the RBI or any other statutory and/or regulatory authority or agency can be obtained on any particular terms or at all. Similarly, such regulatory restrictions limit our Company's financing sources and hence could constrain its ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, our Company cannot assure you that the required approvals will be granted to it without onerous conditions, if at all. Limitations on raising foreign debt may have an adverse effect on our Company's business growth, financial condition and results of operations

58. *There is no guarantee that the Rights Equity Shares issued pursuant to the Issue will be listed on the Stock Exchanges in a timely manner or at all.*

In accordance with Indian law and practice, permission for listing and trading of the Rights Equity Shares issued pursuant to the Issue will not be granted until after such Rights Equity Shares have been issued and allotted. Such approval will require all other relevant documents authorising the issuing of Rights Equity Shares to be submitted. There could be a failure or delay in listing the Rights Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Rights Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Rights Equity Shares will trade in the future.

Prominent Notes

- Issue of 11,989,000 Equity Shares, aggregating to ₹ 1,438.68 million to the Eligible Equity Shareholders of the Company in the ratio of one Rights Equity Share for every one Equity Share held on the Record Date i.e. February 23, 2012.
- Our net worth was ₹ 3,379.59 millions as per the audited unconsolidated financial statements of our Company as at March 31, 2011, and our net worth was ₹ 4,662.50 millions as per the audited consolidated financial statements of our Company as at March 31, 2011, as disclosed in the section titled "*Financial Statements*" on page 85 of the Letter of Offer.
- The cumulative value of transactions between our Company and our Group Companies in the last one year preceding January 31, 2012 was ₹ 18,237.15 millions.
- There are no financing arrangements whereby our Promoter Group, our Directors and their relatives, ("**Financier**"), have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the Company during the period of six months immediately preceding the date of filing the Letter of Offer with SEBI.
- All information shall be made available by the Lead Manager and our Company to the existing shareholders of our Company and no selective or additional information would be available only to a section of the investors in any manner whatsoever.
- The Lead Manager and our Company shall update the Letter of Offer and keep the shareholders/public informed of any material changes till the listing and trading commencement.
- Investors may contact Compliance Officer or the Lead Manager for any complaints pertaining to the Issue.

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

CAPITAL STRUCTURE

1. Our share capital as on the date of filing of the Letter of Offer is set forth below:

(₹ in Million except share data)

	Aggregate Value at nominal value	Aggregate Value at Issue Price
A) AUTHORISED SHARE CAPITAL 40,000,000 Equity Shares of ₹ 10 each	400.00	
B) ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARE CAPITAL BEFORE THE ISSUE 11,989,000 Equity Shares of ₹ 10 each	119.89	
C) PRESENT ISSUE IN TERMS OF THE LETTER OF OFFER 11,989,000 Equity Shares of ₹ 10 each fully paid up	119.89	1,438.68
D) PAID UP EQUITY SHARE CAPITAL AFTER THE ISSUE 23,978,000 Equity Shares of ₹ 10 each fully paid up	239.78	
E) SHARE PREMIUM ACCOUNT Before the Issue	749.34	
After the Issue	2,068.13	

2. Details of securities held by our Promoter and Promoter Group

The table below presents the details of the securities of our Company held by our Promoters and Promoter Group as on December 31, 2011 including details of lock-in, pledge and/or encumbrance on such securities:

Sl. No.	Name of the Shareholder	Details of Shares held		Encumbered Shares		Details of Warrants			Details of Convertible Securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No. of shares held	As a % of total no. of equity shares outstanding as on December 31, 2011	No. of shares held	As a %	As a % of total no. of equity shares outstanding as on December 31, 2011	No. of warrants held	As a % of total number of warrants of the same class	No. of convertible securities	As a % of total number of convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI) = (V) / (III) x 100	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)
	Promoters										
1	T. Indira Subbarami Reddy	4,798,816	40.03	4,610,055	96.07	38.45	-	-	-		31.79
2	T.V. Sandeep Kuma Reddy	1,793,922	14.96	1,785,162	99.51	14.89	-	-	-		11.88
	Promoter Group										
3	G Sulochanamma	225	Negligible	-	-	-	-	-	-		-
4	J Brij Mohan Reddy	225	Negligible	-	-	-	-	-	-		-
5	T Saritha Reddy	80	Negligible	-	-	-	-	-	-		-
	Total	6,593,268	54.99	6,395,217	97.00	53.34	-	-	-		43.67

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

3. The Promoters and the Promoter Group have not purchased or sold any Equity Shares in the last one year immediately preceding the date of the Letter of Offer.

4. Shareholding Pattern:

The table below presents our Company's shareholding as on December 31, 2011:

	Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Shares		Shares pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
(A)	Shareholding of Promoter and Promoter Group							
(1)	Indian							
	Individuals / Hindu Undivided Family	5	6,593,268	6,593,268	54.99	54.99	6,395,217	97.00
	Sub Total	5	6,593,268	6,593,268	54.99	54.99	6,395,217	97.00
(2)	Foreign	-	-	-	-	-	-	-
	Total shareholding of Promoter and Promoter Group (A)	5	6,593,268	6,593,268	54.99	54.99	6,395,217	97.00
(B)	Public Shareholding							
(1)	Institutions							
	Mutual Funds / UTI	2	1,167,133	1,167,133	9.74	9.74	-	-
	Venture Capital Funds	1	588,351	588,351	4.91	4.91	-	-
	Foreign Institutional Investors	5	368,473	368,473	3.07	3.07	-	-
	Sub Total	8	2,123,957	2,123,957	17.72	17.72	-	-
(2)	Non-Institutions							
	Bodies Corporate	316	982,666	982,666	8.20	8.20	-	-
	Individuals							
	Individual shareholders holding nominal share capital up to ₹ 0.1 million	9,990	1,417,788	1,415,628	11.83	11.83	-	-
	Individual shareholders holding nominal share capital in excess of ₹ 0.1 million	17	703,812	703,812	5.87	5.87	-	-

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a% of Total No. of Shares
Any Others (Specify)	260	167,509	167,509	1.40	1.40	-	-
Non Resident Indians	240	147,457	147,457	1.23	1.23	-	-
Clearing Members	19	19,827	19,827	0.17	0.17	-	-
Directors & their Relatives & Friends	1	225	225	-	-	-	-
Sub Total	10,583	3,271,775	3,269,615	27.29	27.29	-	-
Total Public shareholding (B)	10,591	5,395,732	5,393,572	45.01	45.01	-	-
Total (A)+(B)	10,596	11,989,000	11,986,840	100.00	100.00	6,395,217	53.34
(C) Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-
(1) Promoter and Promoter Group	-	-	-	-	-	-	-
(2) Public	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-	-
Total (A)+(B)+(C)	10,596	11,989,000	11,986,840	100.00	100.00	6,395,217	53.34

5. Our Promoters and Promoter Group, have undertaken, vide their letters dated February 24, 2012, to fully subscribe for their Rights Entitlement. They reserve the right to subscribe for Rights Equity Shares pursuant to any renunciation made by any member of our Company. They also intend to apply for Rights Equity Shares to the extent of any undersubscribed portion of the Issue, subject to obtaining any approvals required under applicable law, to ensure that at least 90% of the Issue is subscribed. Such subscription for Rights Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above their current percentage shareholding. The subscription to such additional Rights Equity Shares to be made by our Promoter and Promoter Group shall be exempt from the obligation to make an open offer subject to compliance with Regulation 10(4)(b) of the Takeover Regulations and other applicable provisions of law. Further, such acquisition by them of additional Rights Equity Shares shall not result in a change of control of the management of our Company.

Presently our Company is complying with clause 40A of the Listing Agreement read with Rule 19A of the Securities Contracts (Regulation) Rules, 1957 in connection with the requirement of maintaining the minimum public shareholding, i.e. at least 25% of the total paid up equity capital, for continuous listing.

The Promoter and/or members of the Promoter Group intend to subscribe for any undersubscribed portion as per the provisions of applicable law. Allotment to the Promoter and/or members of the Promoter Group of any undersubscribed portion, over and above their Rights Entitlement, shall be completed in compliance with clause 40A of the Listing Agreements and other applicable laws prevailing at that time relating to continuous listing requirements and the minimum public shareholding of 25% of the total paid up equity capital required to be maintained for continuous listing shall be maintained. For further details of under subscription and allotment to the Promoter and Promoter Group, please refer to

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

“Basis of Allotment” under the section titled “Terms of the Issue” on page 223 of the Letter of Offer.

In case the permission to deal in and for an official quotation of the Rights Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay without interest, all monies received from the applicants in pursuance of the Letter of Offer and if such money is not repaid within eight days after the day from which our Company is liable to repay it, our Company shall pay interest @ 15% per annum as prescribed under Section 73(2) / 73(2A) of the Companies Act, 1956. If our Company does not receive the minimum subscription of 90% of the Issue, or the subscription level falls below 90%, after the Issue Closing Date on account of cheques being returned unpaid or withdrawal of applications, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is delay in the refund of the subscription amount by more than eight days after our Company becomes liable to pay the subscription amount (i.e. 15 days after the Issue Closing Date), our Company will pay interest for the delayed period at 15% per annum as prescribed under sub-sections (2) and (2A) of Section 73 of the Companies Act.

6. Persons and Entities owning more than 1% (one percent) of our Equity Shares:

The following table sets out the persons and entities who beneficially own more than 1% (one percent) of our Equity Shares as at December 31, 2011:

Sl. No.	Name of the Shareholder	Number of shares held	Shares as a % of total number of equity shares outstanding as on December 31, 2011	Details of Warrants		Details of Convertible Securities		Total Shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				No. of warrants held	As a % total number of warrants of the same class	No. of convertible securities	% w.r.t total number of convertible securities of the same class	
Promoter and Promoter Group Shareholders								
1	T. Indira Subbarami Reddy	4,798,816	40.03	-	-	-	-	31.79
2	T.V. Sandeep Kumar Reddy	1,793,922	14.96	-	-	-	-	11.88
	Sub-Total (A)	6,592,738	54.99	-	-	-	-	43.67
Public Shareholders								
3	Reliance Capital Trustee Co Limited - Reliance Infrastructure Fund	1,000,000	8.34	-	-	-	-	6.62
4	IL&FS Trust Company Limited (A/c IL&FS Private Equity Trust - Leverage India Fund)	588,351	4.91	-	-	-	-	3.90
5	Ashish Dhawan	312,869	2.61	-	-	-	-	2.07
6	Bajaj Allianz Life Insurance Company Limited	237,019	1.98	-	-	-	-	1.57
7	UTI Master Value Fund	167,133	1.39	-	-	-	-	1.11
8	Merlin Holding Private Limited	148,846	1.24	-	-	-	-	0.99
9	Emerging India Focus Funds	121,000	1.01	-	-	-	-	0.80
	Sub-Total (B)	2,575,218	21.48	-	-	-	-	17.06
	Total (A+B)	9,167,956	76.47	-	-	-	-	60.73

7. We have not revalued our assets during the last five Financial Years.

For further details on the Capital Structure, please see the chapter “Capital Structure” on page 59 of the Letter of Offer.

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

OBJECTS OF THE ISSUE

The Objects of this Issue are to raise funds for:

- (i) Long term incremental working capital margin requirement for Fiscals 2012 and 2013;
- (ii) General corporate purposes; and
- (iii) To meet the Issue expenses.

The main objects clause of our Company's Memorandum of Association enables us to undertake our existing activities and the activities for which funds are being raised by our Company pursuant to the Issue.

We intend to utilize the proceeds of the Issue after deducting expenses relating to the Issue ("Net Proceeds") which is estimated at ₹ 1,410.18 million for the abovementioned objects.

The details of the proceeds of the Issue are as follows:

(₹ in million)

S. No.	Description	Amount
1	Gross Proceeds of the Issue	1,438.68
2	Issue related Expenditure	28.50
3	Net Proceeds of the Issue	1,410.18

Use of Net Proceeds

The utilization of the Net Proceeds of this Issue is as follows:

(₹ in million)

Particulars	Total Estimated Amounts/ Costs	Amount to be funded out of internal accruals / other sources	Amount estimated to be utilized through the Net Proceeds of this Issue	Estimated Net Proceeds utilization in Fiscal 2012	Estimated Net Proceeds utilization in Fiscal 2013
Long term incremental working capital margin requirement for Fiscals 2012 and 2013	1,897.50	690.00	1,207.50	491.77	715.73
General Corporate purposes	202.68	Nil	202.68	20.27	182.41
Total	2,100.18	690.00	1,410.18	512.04	898.14

Means of Finance:

The stated objects of the Issue are proposed to be entirely financed by the Net Proceeds of the Issue and our Company's internal accruals, thus, we are not required to make any firm arrangements of finance through verifiable means towards 75% of the stated means of finance excluding the amount to be raised through the proposed Issue, as required under Regulation 4(2)(g) of the SEBI (ICDR) Regulations.

Deployment Schedule:

We confirm that no amounts have been deployed as on the date of the Letter of Offer towards the aforesaid objects of this Issue, accordingly the entire objects of the Issue are proposed to be financed from the proceeds of the Issue in the following manner:

Sl. No.	Expenditure Items	Amount deployed towards the expenditure items (₹ in million)	Deployment for the Financial Year 2012 (₹ in million)	Deployment for the Financial Year 2013 (₹ in million)	Total Deployment (₹ in million)
1.	Long term incremental working capital margin requirement for Fiscals 2012 and 2013 to be funded from the Net Proceeds	NIL	491.77	715.73	1,207.50
2.	General Corporate purposes	-	20.27	182.41	202.68
	TOTAL		512.04	898.14	1,410.18

A. Incremental long term working capital margin requirement

Our business is working capital intensive and we avail majority of our working capital in the ordinary course of business under facilities from various banks and financial institutions.

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

The incremental long-term working capital margin requirement has been calculated on the basis of additional working capital requirement which will be required in Fiscal 2012 and Fiscal 2013 considering growth in activities of our Company and the resultant increase in number of orders. We propose to utilize up to ₹ 491.77 million in Fiscal 2012 and up to ₹ 715.73 million in Fiscal 2013 aggregating up to ₹ 1,207.50 million towards our incremental working capital margin requirements from the Net Proceeds of the Issue and the balance ₹ 690.00 million would be met through the internal accruals of our Company.

B. General Corporate Purposes

We, in accordance with the policies of our Board, will have flexibility in applying the remaining Net Proceeds of this Issue, for general corporate purposes inter-alia including meeting our capital expenditure requirements, investment in subsidiaries and joint venture undertakings, strategic initiatives, brand building exercises and strengthening of our marketing capabilities, and such other purposes as may be permitted under applicable statutory/regulatory requirements, and as approved by our Board of Directors.

The quantum of utilization of funds towards each of the above purposes will be determined by the Board of Directors based on the amount actually available under the head "General Corporate Purposes" and the business requirements of the Company, from time to time.

C. Issue Expenses

The estimated Issue related expenditure is as follows:

S. No.	Activity Expense	Amount (in ₹ million)	Percentage of Total Estimated Issue Expenditure	Percentage of Issue Size
1.	Fees of the Lead Manager	15.44	54.18	1.07
2.	Fees to the legal advisor, other professional services and statutory fees	9.09	31.92	0.63
3.	Fees of Registrar to the Issue	0.30	1.05	0.02
4.	Advertising and marketing expenses	0.40	1.40	0.03
5.	Printing and stationery, distribution, postage etc.	0.50	1.75	0.04
6.	Other expenses	2.76	9.70	0.19
	Total Estimated Issue Expenditure	28.50	100.00	1.98

Interim Use of Funds

Our management, in accordance with the policies established by our Board of Directors from time to time, will have flexibility in deploying the Net Proceeds. Pending utilization for the purposes described above, we intend to invest the funds in high quality interest bearing liquid instruments including investment in money market mutual funds, deposits with banks and other interest bearing securities for the necessary duration. Such investments will be approved by the Board or its committee from time to time, in accordance with its investment policies.

Bridge Loan

We have not raised any bridge loans which are required to be repaid from the Net Proceeds.

Monitoring Utilization of Funds from Issue

Our Board will monitor the utilization of the proceeds of the Issue. The Company will disclose the utilization of the proceeds of the Issue, including interim use, under a separate head along with details, for all such proceeds of the Issue that have not been utilized. The Company will indicate investments, if any, of unutilized proceeds of the Issue in the balance sheet of the Company for the relevant Financial Years subsequent to the listing.

We will, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds in accordance with the provisions of the Listing Agreement. We also will on an annual basis, prepare a statement of funds which have been utilized for purposes other than those stated in the Letter of Offer, if any, and place it before the Audit Committee. Such disclosure will be made only until such time that all the Issue Proceeds have been utilized in full. The statement shall be certified by our Auditors. Further, in accordance with clause 43A of the Listing Agreement we will furnish to the Stock Exchanges on a quarterly basis, a statement including material deviations if any, in the utilization of the Issue Proceeds from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

The Company shall inform material deviations in the utilization of Issue proceeds to the Stock Exchanges and shall also simultaneously make the material deviations/adverse comments, of the Audit committee, if any, public through advertisement in newspapers.

Except in the usual course of business, no part of the proceeds from the Issue will be paid by the Company as consideration to its Promoters, Directors, Group Companies or key managerial employees.

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER**STATEMENT OF TAX BENEFITS**

For details of tax benefits available refer to “Statement of Tax Benefits” on page 72 of the Letter of Offer.

OUR MANAGEMENT**BOARD OF DIRECTORS**

As per the Articles of Association of our Company, we must have a minimum of three (3) and maximum of twelve (12) directors. At present, our Company has 6 Directors, of which we have 1 Non Executive Non Independent Chairperson, 2 Executive Non Independent Directors, and 3 Non Executive and Independent Directors.

T. V. Sandeep Kumar Reddy, Managing Director and J Brij Mohan Reddy, Executive Vice Chairman, manage the day-to-day affairs of our Company. The remaining directors in the Board are non-executive directors of which three directors are independent directors on the Board.

The Board of Directors of our Company comprises of the following members:

Sl. No	Name, Designation, Father's/Husband's Name, DIN, Address and Occupation	Age (in yrs.)	Date of Appointment and Term	Brief Biography
1	T Indira Subbarami Reddy W/o. T Subbarami Reddy <i>Chairperson, Non-executive and Non Independent Director</i> 6-3-249/5/A Road No. 1 Banjara Hills, Hyderabad – 500 034 Occupation: Entrepreneur DIN No: 00009906	58	March 8, 1996 Retire By Rotation	A Promoter of our Company and the non-executive chairperson of our Company, is wife of Dr. T. Subbarami Reddy. T Subbarami Reddy has passed her Secondary School Certificate examinations from Saint Ann's High School, Secunderabad in 1966. T. Indira Subbarami Reddy has over 15 years of experience in the construction industry and has been a director in our Company since March 8, 1996.
2	T. V. Sandeep Kumar Reddy S/o. T Subbarami Reddy <i>Managing Director</i> 8-2-331/2/A, Road # 3, Banjara Hills, Hyderabad – 500 034 Occupation: Service DIN No: 00005573	44	Appointed as a director on September 15, 1989 Appointed as the Managing Director with effect from September 1, 2005 Re-appointed as the Managing Director with effect from October 01, 2009 for a period of 5 years.	Our Company's Managing Director, is also a Promoter of our Company and has been associated with our Company since its incorporation in the year 1989. T. V. Sandeep Kumar Reddy has over 20 years of experience in the construction industry. T. V. Sandeep Kumar Reddy holds a masters degree in construction engineering and management from University of at Ann Arbor, USA and also holds a bachelor degree in civil engineering from Purdue University. T. V. Sandeep Kumar Reddy is responsible for overseeing the day to day affairs of our Company. In the last Fiscal the amount of remuneration paid to him was ₹ 33.50 millions.
3	J Brij Mohan Reddy S/o Late J.C.K.Reddy DIN No : 00012927 <i>Executive Vice Chairman</i> 8-2-618, Road No.: 11, Banjara Hills, Hyderabad- 500 034 Occupation: Service	70	March 30, 1994 Reappointed for a period of three years from October 01, 2009.	Our Company's executive vice chairman, is a post-graduate in engineering from the University of California, Berkley, United States. J. Brij Mohan Reddy has over 47 years of experience in the heavy engineering construction and the harbour engineering industries. He has been associated with our Company since 1989 and has been a whole - time director in our Company since March 30, 1994. In the last Fiscal the amount of remuneration paid to him was ₹ 13.20 millions.

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

Sl. No	Name, Designation, Father's/Husband's Name, DIN, Address and Occupation	Age (in yrs.)	Date of Appointment and Term	Brief Biography
4	Ch. Hari Vittal Rao S/o. Ch Venkateswara Rao <i>Independent Non-Executive Director</i> Plot # 24, Kamalapuri Colony, Srinagar Colony Road, Hyderabad – 500 073 Occupation : Professional	72	November 04, 2005 Retire By Rotation	Our Company's non-executive and independent director is a CAIIB from Indian Institute of Bankers, and holds a bachelors degree in arts from Andhra University. Ch. Hari Vittal Rao has over 47 years of experience as a banker and was employed with Bank of Baroda and Naandi Foundation in the past. He has been associated with our Company since November 04, 2005.
5	Dr. V L Moorthy S/o. V Narasimham <i>Independent Non-Executive Director</i> 408, H. No.: 6-3-1103, Gulrez Apartments, Raj Bhavan Road Somajiguda, Hyderabad – 500 082 Occupation: Professional DIN No : 00013083	75	November 04, 2005 Retire By Rotation	Our Company's non-executive and independent director is a master in science field of pure chemistry from University of Calcutta. He has experience of 40 years in the fields of paper and pulp industry and was employed with ITC Bhadrachalam Paper Board. He has been associated with our Company since November 04, 2005.
6	G Siva Kumar Reddy S/o- Late G. Sreenivasalu Reddy <i>Independent- Non-Executive Director</i> 8-2-684/4/5/6 Road No. 12, Banjara Hills, Hyderabad - 500034 Occupation: Entrepreneur DIN No: 00439812	56	March 30, 1994 Retire By Rotation	Our Company's non-executive and commerce from Madras University. G. Siva Kumar Reddy has over 25 years of experience. He has been associated with our Company since March 30, 1994.

NATURE OF RELATIONSHIP BETWEEN DIRECTORS

Except our non-executive chairman, T. Indira Subbarami Reddy and our Managing Director, T. V. Sandeep Kumar Reddy who are related to each other as mother and son, and our Executive Vice Chairman J Brij Mohan Reddy and our Managing Director T.V. Sandeep Kumar Reddy who are related to each other as father-in-law and son-in law. None of our other Directors on the Board are related to each other.

DIRECTORSHIPS IN COMPANIES SUSPENDED/DELISTED

None of our Directors hold or held directorships in listed companies whose shares have been/were delisted from the stock exchanges.

Except as stated below, none of our Directors hold directorships in listed companies whose shares have been/were suspended from trading/delisted from the stock exchanges within a period of five years immediately preceding the date of the Letter of Offer:

The BSE had pursuant to a notice dated September 3, 2001, suspended the trading of securities of Gayatri BioOrganics Limited, inter-alia in connection with alleged non-payment of annual listing fees. Our Managing Director T.V. Sandeep Kumar Reddy is a director on the board of directors of Gayatri BioOrganics Limited since December 2, 1991 till date. The aforementioned suspension has been revoked by BSE with effect from December 30, 2008 and the trading in securities of the aforementioned company has accordingly resumed on the BSE.

Similarly, the BSE had vide a notice dated December 21, 2004, suspended the trading of securities of Gayatri Tissue & Papers Limited with effect from December 21, 2004, in connection with alleged non-compliances with requirements of the listing agreement with BSE. Our directors, T. Indira Subbarami Reddy and Dr. V L Moorthy are directors on the board of directors of Gayatri Tissue & Papers Limited since July 28, 1995 and September 6, 1999 till date, respectively. The aforementioned suspension has been revoked by BSE with effect from April 26, 2010 and the trading in securities of the aforementioned company has accordingly resumed on the BSE.

ARRANGEMENTS WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS OR OTHERS

There is no arrangement or understanding between our Company and major shareholders, customers, suppliers or others, pursuant to which of any of the Directors of our Company was appointed as a Director or member of senior management of our Company.

SERVICE AGREEMENTS ENTERED INTO BETWEEN OUR COMPANY AND OUR DIRECTORS:

There are no service contracts executed between our Company and any of our Directors providing for benefits upon termination of employment.

For further details on our management please refer to the chapter "Our Management" on page 78 of the Letter of Offer.

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

FINANCIAL STATEMENTS

SUMMARY OF UNCONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2011

(₹ in Millions)

Particulars	AS AT 31 st MARCH 2011	AS AT 31 st MARCH 2010
SOURCE OF FUNDS		
Share Holders Funds		
Share Capital	119.89	111.05
Equity Warrants	-	35.63
Reserves and Surplus	3,259.70	2,657.44
	3,379.59	2,804.12
Loan Funds		
Secured Loans	6,589.53	3,600.35
Unsecured Loans	2,908.34	2,485.31
Deferred Tax Liability	208.80	177.79
TOTAL	13,086.26	9,067.57
APPLICATION OF FUNDS		
Fixed Assets		
Gross Block	3,701.24	3,002.96
Less: Depreciation	1,508.32	1,341.52
Net Block	2,192.92	1,661.44
Capital Work in Progress	-	-
	2,192.92	1,661.44
Investments	3,964.43	1,283.38
Current Assets, Loans and Advances		
Inventories	642.54	693.33
Sundry Debtors	3,284.70	3,149.06
Cash and Bank Balances	1,712.03	2,052.35
Loans and Advances	5,980.21	4,043.36
	11,619.48	9,938.10
Less: Current Liabilities and Provisions		
Liabilities	4,591.64	3,738.61
Provisions	98.93	76.74
	4,690.57	3,815.35
Net Current Assets	6,928.91	6,122.75
TOTAL	13,086.26	9,067.57

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

SUMMARY OF UNCONSOLIDATED PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31st MARCH 2011

₹ in Millions

Particulars	YEAR ENDED 31st MARCH 2011	YEAR ENDED 31st MARCH 2010
INCOME		
Income from Operations	14,405.51	12,524.86
Other Income	56.42	42.04
TOTAL	14,461.93	12,566.90
EXPENDITURE		
Work Expenditure	11,964.95	10,532.23
(Increase) / Decrease in WIP	(88.51)	(18.89)
Employee's Remuneration & Benefits	352.72	280.44
Administrative Expenses	231.63	208.11
Interest and Financial Charges	856.26	554.42
Depreciation	227.33	200.57
TOTAL	13,544.38	11,756.88
Profit before Tax	917.55	810.02
Provision for Taxation		
- Current Tax	262.40	284.59
- Deferred Tax	31.01	(8.04)
Profit after Tax and before prior period adjustments	624.14	533.47
Less : Prior Period Adjustments (refer note no.24 of II of Sch.19)	124.14	42.57
Profit after prior period adjustments	500.00	490.90
Balance in Profit and Loss account brought forward	1,386.99	1,031.05
Balance available for appropriation	1,886.99	1,521.95
APPROPRIATIONS :		
Interim Dividend	-	27.76
Final Dividend	60.66	27.76
Dividend tax	10.31	9.44
Transfer to Debenture Redemption Reserve	130.00	-
Transfer to General Reserve	80.00	70.00
Balance carried to Balance sheet	1,606.02	1,386.99
Earning per share of Face value of ₹ 10/- each		
Basic (₹)	43.10	46.02
Diluted (₹)	33.99	36.67

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

SUMMARY OF CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2011

₹ in Millions

Particulars	YEARENDED 31st MARCH 2011		YEARENDED 31st MARCH 2010	
SOURCE OF FUNDS				
Share Holders Funds				
Share Capital	119.89		111.05	
Equity Warrants / Share Application Money	80.74		39.20	
Reserves and Surplus	4,543.54	4,744.17	3,385.18	3,535.43
Loan Funds				
Secured Loans	25,837.06		14,090.88	
Unsecured Loans	4,328.37	30,165.43	3,093.09	17,183.97
Minority Interest		3,997.57		1,237.15
Deferred Tax Liability		202.04		162.73
TOTAL		39,109.21		22,119.28
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	5,096.42		4,378.73	
Less: Depreciation	1,512.38		1,343.91	
Net Block	3,584.04		3,034.82	
Carriage Way	7,190.74		-	
Capital Work in Progress	13,107.52	23,882.30	10,761.61	13,796.43
Investments		338.61		70.49
Current Assets, Loans and Advances				
Inventories	642.54		693.33	
Sundry Debtors	4,035.32		2,971.01	
Cash and Bank Balances	9,394.58		3,130.76	
Loans and Advances	9,857.61		6,351.20	
	23,930.05		13,146.30	
Less: Current Liabilities and Provisions				
Liabilities	8,936.23		4,813.59	
Provisions	106.45		80.94	
	9,042.68		4,894.53	
Net Current Assets		14,887.37		8,251.77
Miscellaneous Expenditure (to the extent not written off or adjusted)		0.93		0.59
TOTAL		39,109.21		22,119.28

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

SUMMARY OF CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

(₹ in Millions)

Particulars	YEAR ENDED 31st MARCH 2011	YEAR ENDED 31st MARCH 2010
INCOME		
Gross Contract Receipts	12,061.27	12,745.06
Other Income	99.38	64.66
TOTAL	12,160.65	12,809.72
EXPENDITURE		
Work Expenditure	9,841.07	10,738.54
(Increase) / Decrease in WIP	(88.50)	(18.89)
Employee's Remuneration & Benefits	239.35	298.94
Administrative Expenses	159.25	227.78
Interest and Financial Charges	1,173.01	555.40
Depreciation	228.18	200.58
TOTAL	11,552.36	12,002.35
Profit before Tax	608.29	807.37
Provision for Taxation		
- Current Tax	268.97	284.69
- Deferred Tax	39.45	(30.62)
Profit after Tax and before prior period adjustments	299.87	553.30
Less : Prior Period Adjustments	124.14	42.84
Profit after prior period adjustments	175.73	510.46
Share of (Profit)/Loss transferred to Minority Interest	147.52	(1.33)
	323.25	511.79
Balance in Profit and Loss account brought forward	1,271.93	872.95
Add/(Less):Adjustment for change in share of JV/Subsidiaries	125.89	22.15
Balance available for appropriation	1,721.07	1,406.89
APPROPRIATIONS :		
Interim Dividend	-	27.76
Final Dividend	60.66	27.76
Dividend tax on Dividend	10.31	9.44
Transfer to Debenture Redemption Reserve	130.00	-
Transfer to General Reserve	80.00	70.00
Balance carried to Balance sheet	1,440.10	1,271.93
Earning per share of Face value of Rs.10/- each		
Basic (Rs.)	27.86	47.98
Diluted (Rs.)	21.97	38.23

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

SUMMARY OF UN-AUDITED LIMITED REVIEWED UNCONSOLIDATED BALANCE SHEET AS AT 30th SEPTEMBER, 2011

₹ in Millions

Particulars	AS AT		AS AT	
	30th SEPTEMBER 2011		31st MARCH 2011	
SOURCE OF FUNDS				
Share Holders Funds				
Share Capital	119.89		119.89	
Equity Warrants	-		-	
Reserves and Surplus	3,560.63	3,680.52	3,259.70	3,379.59
Loan Funds				
Secured Loans	7,362.34		6,589.53	
Unsecured Loans	3,170.00	10,532.34	2,908.34	9,497.87
Deferred Tax Liability		257.11		208.80
TOTAL		14,469.97		13,086.26
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	4,140.69		3,701.24	
Less: Depreciation	1,648.83		1,508.32	
Net Block	2,491.86		2,192.92	
Capital Work in Progress	-		-	
		2,491.86		2,192.92
Investments		3,964.43		3,964.43
Current Assets, Loans and Advances				
Inventories	791.65		642.54	
Sundry Debtors	3,641.43		3,284.70	
Cash and Bank Balances	1,938.61		1,712.03	
Loans and Advances	6,053.52		5,980.21	
	12,425.21		11,619.48	
Less: Current Liabilities and Provisions				
Liabilities	4,312.67		4,591.64	
Provisions	98.86		98.93	
	4,411.53		4,690.57	
Net Current Assets		8,013.68		6,928.91
TOTAL		14,469.97		13,086.26

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

SUMMARY OF UN-AUDITED LIMITED REVIEWED UNCONSOLIDATED FINANCIAL RESULTS FOR THE HALF-YEAR ENDED 30th SEPTEMBER, 2011

₹ in Millions

S.No	Particulars	Half Year Ended	
		30.09.2011	30.09.2010
1	(a) Net Sales/ Income from Operations	7,230.77	6,230.82
	(b) Other Operating Income	-	-
2	Expenditure		
	a. Increase/ {Decrease} in Stock in Trade	(83.77)	(73.55)
	b. Consumption of Raw Material	5,952.98	5,264.30
	c. Purchase of traded goods	-	-
	d. Employees Cost	189.92	162.01
	e. Depreciation	145.65	112.01
	f. Other Expenditure	135.82	94.10
	g. Total	6,340.60	5,558.87
3	Profit from Operations before Other Income, Interest and Exceptional Items	890.17	671.95
4	Other Income	23.70	26.60
5	Profit from Operations before Interest and Exceptional Items	913.87	698.55
6	Interest	451.63	296.88
7	Profit from Operations before Exceptional Items	462.24	401.67
8	Exceptional Items	-	-
9	Profit(+)/ Loss (-) from Ordinary Activities before tax (7-8)	462.24	401.67
10	Tax Expenses	161.31	132.77
11	Net Profit / Loss (-) from Ordinary Activities after tax (9-10)	300.93	268.90
12	Extraordinary Items (net of tax expenses)	-	-
13	Net Profit / Loss (-) for the Period(11-12)	300.93	268.90
14	Paid Up Equity Capital (Face Value of the Share)	119.89 10.00	113.92 10.00
15	Reserves excluding revaluation reserves as per Balance Sheet of previous accounting year	3,259.70	2,804.12
16	Earning Per Share (EPS)		
	a) Basic and diluted EPS before Extraordinary Items for the period, for the year to date and for the previous year (not to be annualized)	19.93	18.17
	b) Basic and diluted EPS after Extraordinary Items for the period, for the year to date and for the previous year (not to be annualized)	19.93	18.17
17	Public Share Holding		
	- Number of shares	5,395,732	5,295,732
	- Percentage of holding.	45.01%	46.49%
18	Promoters and promoter group share holdings		
	a) Pledged / Encumbered		
	- Number of shares	5,995,217	5,604,245
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	90.93%	91.94%
	- Percentage of shares (as a % of the total share capital of the company)	50.01%	49.20%
	b) Non-Encumbered		
	- Number of shares	598,051	491,502
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	9.07%	8.06%
	- Percentage of shares (as a % of the total share capital of the company)	4.99%	4.31%

For further details, please see the chapter titled "Financial Statements" on page 85 of the Letter of Offer.

OUTSTANDING LITIGATIONS AND OTHER DEFAULTS

Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or, alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) against our Company that would have a material adverse effect on our business. Further there are no defaults, nonpayment or overdue of statutory dues, institutional/bank dues and dues payable to holders of debentures, bonds and arrears of cumulative preference shares that would have a material adverse effect on our business.

Save as detailed herein there are no:

- (a) *pending legal proceedings which, if result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Company;*
- (b) *Matters which are pending or which have arisen in the immediately preceding ten years involving:*
 - (i) *Issues of moral turpitude or criminal liability on the part of our Company;*
 - (ii) *Material violations of statutory regulations by our Company*
 - (iii) *Economic offences where proceedings have been initiated against our Company.*

Based on the net-worth of our Company as per our audited unconsolidated financial statements as at March 31, 2011, all outstanding civil, arbitral and tax related litigations and disputes which individually or collectively are of value more than ₹ 30 million are material to our Company. As on the date of the Letter of Offer, we had the following legal proceedings pending before various courts and authorities, which, in terms of the Schedule VIII Part E (XII) of the SEBI (ICDR) Regulations, have been disclosed hereunder:

A. Proceedings initiated against our Company:

Criminal Proceedings

There are no criminal proceedings initiated against our Company.

Civil Proceedings

18 (Eighteen) civil proceedings initiated against our Company, collectively aggregating to approximately ₹ 40.41 million are pending final hearing and adjudication before various forums.

None of the aforesaid proceedings individually involves any amount exceeding ₹ 30 million.

B. Proceedings initiated by our Company:

Criminal Proceedings

There are no criminal proceedings initiated by our Company.

Civil Proceedings

1. Our Company has initiated 11 civil suits for recovery of money against the State of Andhra Pradesh before the Courts of the District Judge, Karimnagar, the Additional District Judge, Jagtial, the Additional District Judge, Karimnagar and the Additional District Judge, Nandiyal, Kurnool. The aforesaid suits relate to various irrigation work orders undertaken by our Company for the State of Andhra Pradesh. We have contended in our pleadings that in connection with the aforesaid work orders our Company had submitted various claims to the State of Andhra Pradesh inter-alia in connection with additional expenditure incurred by our Company for execution of the said work orders which had been rejected by the State of Andhra Pradesh without considering our claims on merits. Accordingly, we have instituted the aforesaid suits seeking to recover the aforesaid amounts claimed by us from the State of Andhra Pradesh. The aggregate value of the claims involved in the said 11 civil suits is ₹ 1,000.00 million. The aforesaid proceeding is pending further hearing and final disposal.
2. Our Company has preferred an appeal against the Government of Andhra Pradesh and others (Civil Appeal No. 1443 of 2004 and SLP (Civil) No. 5834 of 2003) before the Hon'ble Supreme Court of India against the final judgment and order dated January 9, 2003 issued by the Hon'ble High Court of Judicature, Andhra Pradesh, ("**Impugned Order**"). The Impugned Order had set aside a petition filed by our Company under Article 226 of the Constitution of India whereby our Company had prayed two notices dated July 4, 2001 and January 19, 2001, respectively, issued by the Deputy Director of Mines and Geology, Visakhapatnam, whereby our Company was made liable to pay normal seigniorage and five times penalty thereon aggregating to ₹ 104.35 million towards mineral revenue, in connection with earth and soil excavated by our Company for filling works carried out in relation to one of our projects. The Hon'ble Supreme Court of India vide a their judgment dated October 20, 2008 set aside the Impugned Order and remitted the matter to the Andhra Pradesh State Government to reconsider the matter after supplying to the appellants copies of reports/inspection notes on which the aforesaid case rests. Our Company is awaiting the Andhra Pradesh State Government to initiate action pursuant to the aforesaid

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

judgment issued by the Hon'ble Supreme Court of India. The aforesaid proceeding is pending further hearing and final disposal.

Apart from the aforementioned, 15 (Fifteen) civil proceedings initiated by our Company aggregating to approximately ₹ 97.43 million are pending final hearing and adjudication before various forums.

C. Tax related Proceedings Involving our Company

1. Our Company has preferred an appeal before the Customs, Excise and Service Tax Appellate Tribunal, ("CESTAT"), Bangalore, against the Commissioner of Customs and Central Excise, Hyderabad, ("**Service Tax Commissioner**"), against an order in original dated March 17, 2008, issued by the Service Tax Commissioner in connection with certain construction works carried out by our Company for the Chattisgarh State Electricity Board, whereby a service tax demand to the tune of ₹ 12.42 million was confirmed against our Company along with interest payable thereon under Section 73(2) and Section 75 of the Finance Act, 1994 and penalties of ₹ 100 per day, ₹ 1,000 and ₹ 5.61 million (the disputed amount aggregating to ₹ 19.74 million) was imposed on our Company. Our Company has sought that the tribunal waive the requirement for our Company to submit a pre-deposit in connection with the aforementioned order-in-original and that the operation of the aforementioned order-in-original to be stayed and the appeal be heard on merits. The aforesaid proceedings are pending further hearing and final disposal.
2. Our Company has preferred 3 other appeals before the Sales Tax Appellate Tribunal Karnataka, the CESTAT, Bangalore, and the CESTAT Kolkata, respectively, in connection with disputed sales tax liabilities of (i) ₹ 2.48 million, (ii) ₹ 4.98 million (along with penalties of ₹ 1,000 and ₹ 4.98 million) (iii) ₹ 1.00 million (including a penalty of ₹ 200 per day or 2% of such tax per month whichever is higher and ₹ 1,000), respectively. The aforementioned appeals are pending further hearing and final disposal.

Apart from the aforementioned there are no other tax related proceedings involving our Company.

D. Arbitral Proceedings Involving our Company

1. Our Company has initiated arbitration proceedings against the Ondeo Degremont Limited, Bangalore, ("**ODL**"), in connection with a dispute arising out of a contract executed by our Company for a 270MLD water treatment plant at T.K.Halli, Bangalore, ("**Contract**"). Our Company has claimed that as a consequence of alleged delays by ODL and/or its principles, what was to be a 12-month contract for our Company became a 36 month venture, putting our Company to allegedly great loss. Further, it has been alleged that in the course of the

Contract, the scope and nature of the Contract was greatly varied and, for all intents and purposes, it became a rate contract. Our Company has accordingly made a claim for the amount outstanding under the final account bill after making all adjustments, a claim for additional expenses incurred by our Company due to delay in the contract by ODL, claim for account of deemed export excise duty benefit receivable by our Company, and claim for loss of profit suffered by our Company. The total amount involved is ₹ 87.18 million. The Statement of Claim along with documents on behalf of our Company was submitted to the arbitral tribunal constituted on March 8, 2004. ODL in turn has preferred counter claims inter-alia alleging a loss on account of office and establishment, loss on account of overhead expenses, additional cost incurred for completing the incomplete works, on account of Claimant's failure to attend the works during the defects liability period, on account of delay in electro-mechanical works, on account of amounts paid/released in excess to the Claimant, on account of excess payments paid as escalation, on account of renewal of Bank Guarantees and insurance policies in connection with the aforesaid dispute. The principal value of the said counter-claims is ₹ 45.73 million, whereas ODL has additionally claimed with interest ₹ 22.92 million. The aforesaid dispute is pending further hearing and final disposal.

Apart from the aforementioned there are no other arbitral proceedings involving our Company.

E. Proceedings initiated against our Joint Ventures:

Criminal Proceedings

There are no criminal proceedings initiated against our Joint Ventures.

Civil Proceedings

1. The Chief Engineer (R&B) and Managing Director, Andhra Pradesh Road Development Corporation, ("**APRDC**"), has filed an application under section 34 (2) of the Arbitration and Conciliation Act, 1996 against our joint venture, IJM-Gayatri Joint Venture, (O.P No. 345 of 2007), before the Chief Judge, City Civil Court, Hyderabad, seeking to set aside an arbitral award dated October 26, 2006, ("**Impugned Award**"), passed by the arbitral tribunal comprising K. Vijaya Raghavan, P. V. Ramaraju, and N.K. Bahri, ("**Tribunal**"). Pursuant to the Impugned Award the Tribunal had allowed the claims aggregating to ₹ 177.54 million in favour of IJM-Gayatri Joint Venture in connection with disputes arising out of a contract dated March 12, 1999 with APRDC for the work of widening and strengthening of Tallada-Devarapalli Road. The aforesaid proceeding is pending further hearing and final disposal.
2. The Chief Engineer (R&B) and Managing Director,

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

Andhra Pradesh State Highways, (“**APSH**”), has filed an application under section 34 (2) of the Arbitration and Conciliation Act, 1996 against our joint venture, IJM-Gayatri Joint Venture, (O.P No. 1470 of 2010), before the Chief Judge, City Civil Court, Hyderabad, seeking to set aside an award dated February 13, 2010, (“**Impugned Award**”), passed by the arbitral tribunal comprising Md. Ghousuddin, N.K. Bahri and C.C. Bhattacharya, (“**Tribunal**”). Pursuant to the Impugned Award the Tribunal had allowed the claims aggregating to ₹ 123.09 million in favour of IJM-Gayatri Joint Venture in connection with disputes arising out of a contract dated March 8, 2000 with APSH for the work of widening and strengthening of Warangal-Khammam-Tallada Road. The aforesaid proceeding is pending further hearing and final disposal.

Apart from the aforementioned, 3 (Three) civil proceedings initiated against our Joint Ventures aggregating to approximately ₹ 22.72 million are pending final hearing and adjudication before various forums.

E. Proceedings initiated by our Joint Ventures:

Criminal Proceedings

There are no criminal proceedings initiated by our Joint Ventures.

Civil Proceedings

1. Our joint venture, IJM-Gayatri Joint Venture, has filed an application under section 34 of the Arbitration and Conciliation Act, 1996 read with section 151 of the Code of Civil Procedure, 1908 against National Highways Authority of India, (“**NHAI**”), (OMP No. 147 of 2006), before the High Court of Delhi, New Delhi, seeking to set aside an arbitral award dated December 12, 2005, (“**Impugned Award**”), passed by the arbitral tribunal comprising Jagdish Panda, L.R. Gupta and Justice S. S. Sodhi, (“**Tribunal**”), in the arbitration proceedings between IJM-Gayatri Joint Venture and NHAI. Pursuant to the Impugned Award our the Tribunal had rejected our Company’s claim amounting to approximately ₹ 1,477.40 million against NHAI in connection with a dispute with NHAI relating to a contract therewith in connection with rehabilitation and upgrading of a two lane road to 4/6 lane divided carriageway from Ongole to Chilakaluripet, Andhra Pradesh. Our Company has sought to set aside the Impugned Award on alleged grounds inter-alia including that the presiding arbitrator allegedly did not disclose his interest in connection with the contract in question, that the same was bad in law and sought to modify the basic agreement as envisaged between the parties to the said contract. The aforesaid proceeding is pending further hearing and final disposal.

2. Our Joint Venture, IJM-Gayatri Joint Venture, has filed an application under section 11 of the Arbitration and Conciliation Act, 1996 against the Andhra Pradesh State Highways Project before the Hon’ble Chief Justice of the High Court of Andhra Pradesh (Arbitration Application No. 78 of 2011) in connection with disputes in relation to a contract dated March 12, 1999 for widening and strengthening of the Tallada Devarapalli road. The aggregate value of the disputed claims is ₹ 455.46 million. Our Company has filed the aforesaid application seeking the appointment of an arbitrator and for referring the aforesaid disputes to arbitration in accordance with the arbitration clause of the contract with the Andhra Pradesh State Highways Project.
3. Our Joint Venture, IJM-Gayatri Joint Venture, has filed an application under section 9 of the Arbitration and Conciliation Act, 1996 against the Andhra Pradesh Road Development Corporation (“**APRDC**”) and the Bank of Baroda before the Chief Judge, City Civil Court at Hyderabad (O.P. (Arbitration) No. 2209 / 2011). The aforesaid proceedings have been initiated in connection with an agreement dated March 12, 1999 between IJM-Gayatri Joint Venture and the APRDC in relation to widening and strengthening of the Tallada Devarapalli road. Bank of Baroda had furnished a bank guarantee dated January 25, 2002 for an amount of ₹ 35 million in favour of APRDC on behalf of our Company in connection with the aforesaid project. IJM-Gayatri Joint Venture has contended that APRDC has illegally invoked the aforesaid bank guarantee pursuant to a letter dated October 13, 2011 (“**Impugned Letter**”) without assigning any reasons and without notifying any default. Accordingly, IJM-Gayatri Joint Venture has inter-alia sought (a) an injunction restraining the invocation of the aforesaid bank guarantee, (b) a declaration that the Impugned Letter is illegal and contrary to the provisions of the aforesaid agreement and the law of the land, and (c) an injunction restraining Bank of Baroda from paying cash to APRDC under the aforesaid bank guarantee. The aforesaid matter is pending further hearing and final disposal.
4. Our Joint Venture, IJM-Gayatri Joint Venture, has filed an application under section 9 of the Arbitration and Conciliation Act, 1996 against the Andhra Pradesh Road Development Corporation (“**APRDC**”) and the Bank of Baroda before the Chief Judge, City Civil Court at Hyderabad (O.P. (Arbitration) No. 2210 / 2011). The aforesaid proceedings have been initiated in connection with an agreement dated March 8, 2000 between IJM-Gayatri Joint Venture and the APRDC in relation to widening and strengthening of the Warangal-Khammam-Tallada road. Bank of Baroda had furnished a bank

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

guarantee dated January 25, 2002 for an amount of ₹ 20 million and a bank guarantee dated December 21, 2002 for an amount of ₹ 4 million in favour of APRDC on behalf of our Company in connection with the aforesaid project. IJM-Gayatri Joint Venture has contended that APRDC has illegally invoked the aforesaid bank guarantees pursuant to a letter dated October 13, 2011 (“**Impugned Letter**”) without assigning any reasons and without notifying any default. Accordingly, IJM-Gayatri Joint Venture has inter-alia sought (a) an injunction restraining the invocation of the aforesaid two bank guarantees, (b) a declaration that the Impugned Letter is illegal and contrary to the provisions of the aforesaid agreement and the law of the land, and (c) an injunction restraining Bank of Baroda from paying cash to APRDC under the aforesaid bank guarantees. The aforesaid matter is pending further hearing and final disposal.

5. Our Joint Venture, IJM-Gayatri Joint Venture has filed an application under Section 9 of the Arbitration and Conciliation Act, 1996 against the Andhra Pradesh Road Development Corporation (“**APRDC**”) and the Branch Manager, Canara Bank before the Chief Judge, City Civil Court at Hyderabad (O.P. (Arbitration) No. 2417 / 2011). The aforesaid proceedings have been initiated in connection with an agreement dated March 12, 1999 between IJM-Gayatri Joint Venture and the APRDC in relation to widening and strengthening of the Tallada-Devarapalli road. Canara Bank had furnished a bank guarantee dated March 26, 2002 for an amount of ₹ 6.5 million and a bank guarantee dated April 30, 2002 for an amount of ₹ 0.46 million in favour of APRDC on behalf of our Company in connection with the aforesaid project. IJM-Gayatri Joint Venture has contended that APRDC has illegally invoked the aforesaid bank guarantees pursuant to a letter dated October 13, 2011 (“**Impugned Letter**”) without assigning any reasons and without notifying any default. Accordingly, IJM-Gayatri Joint Venture has inter-alia sought (a) an injunction restraining the invocation of the aforesaid two bank guarantees, and (b) an injunction restraining Canara Bank from paying cash to APRDC under the aforesaid bank guarantees. Pursuant to an order dated November 25, 2011, the Chief Judge, City Civil Court at Hyderabad granted an ex-parte ad interim injunction restraining Canara Bank from paying cash to APRDC under the aforesaid bank guarantees until further orders. The aforesaid matter is pending further hearing and final disposal.
6. Our Joint Venture, IJM-Gayatri Joint Venture has filed an application under Section 9 of the Arbitration and Conciliation Act, 1996 against the Andhra Pradesh Road Development Corporation (“**APRDC**”) and the Branch Manager, Canara Bank before the Chief Judge, City Civil

Court at Hyderabad (O.P. (Arbitration) No. 2416 / 2011). The aforesaid proceedings have been initiated in connection with an agreement dated March 8, 2000 between IJM-Gayatri Joint Venture and the APRDC in relation to widening and strengthening of the Warangal-Khammam-Tallada road. Canara Bank had furnished a bank guarantee dated February 26, 2003, for an amount of ₹ 5.0 million, a bank guarantee dated March 13, 2003 for an amount of ₹ 4.0 million and a bank guarantee dated March 26, 2002 for an amount of ₹ 7.0 million in favour of APRDC on behalf of our Company in connection with the aforesaid project. IJM-Gayatri Joint Venture has contended that APRDC has illegally invoked the aforesaid bank guarantees pursuant to a letter dated October 13, 2011 (“**Impugned Letter**”) without assigning any reasons and without notifying any default. Accordingly, IJM-Gayatri Joint Venture has inter-alia sought (a) an injunction restraining the invocation of the aforesaid three bank guarantees, and (b) an injunction restraining Canara Bank from paying cash to APRDC under the aforesaid bank guarantees. Pursuant to an order dated November 25, 2011, the Chief Judge, City Civil Court at Hyderabad granted an ex-parte ad interim injunction restraining Canara Bank from paying cash to APRDC under the aforesaid bank guarantees until further orders. The aforesaid matter is pending further hearing and final disposal.

Apart from the above, 2 (Two) civil proceedings initiated by our Joint Ventures aggregating to approximately ₹ 74.29 million are pending final hearing and adjudication before various forums.

G Arbitral Proceedings Involving our Joint Ventures

1. Our Joint Venture, IJM-Gayatri Joint Venture has initiated arbitral proceedings against the NHAI in connection with alleged disputes arising out of a contract with NHAI (Contract Package AP-13, NH-5) relating to widening to four lanes and upgrading of existing two lane road in the Ongole-Chilakaluripet Section of NH-5. IJM-Gayatri Joint Venture has inter-alia asserted claims aggregating to ₹ 732.68 million for payment of additional expenditure incurred by our Company due to unprecedented rise in the rates of steel materials on the alleged grounds that the aforesaid contract provides for additional payment of such costs. The aforesaid dispute is pending further hearing and final disposal.
2. Our Joint Venture, IJM-Gayatri Joint Venture has initiated arbitral proceedings against the NHAI in connection with alleged disputes arising out of a contract with NHAI (Contract Package-I, NH-5) relating to widening to four lanes and strengthening of existing two lane road in the Chilakaluripet - Vijayawada Section of NH-5. IJM-Gayatri

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

Joint Venture has inter-alia asserted claims for compensation of loss of profit due to prolongation of the said contract, claim for loss of productivity to plant and equipment due to prolongation of the said contract, claim for loss sustained due to locking of securities during the extended period of the said contract and other incidental claims, aggregating to ₹105.36 million. The aforesaid dispute is pending further hearing and final disposal.

3. Our Joint Venture, IJM-Gayatri Joint Venture has initiated arbitral proceedings against the NHAI in connection with alleged disputes arising out of a contract with NHAI (Contract Package-II, NH-5) relating to widening to four lanes and strengthening of existing two lane road of Chilakaluripet - Vijayawada Section of NH-5. IJM-Gayatri Joint Venture has inter-alia asserted claims for compensation of loss of profit due to prolongation of the said contract, claim for loss of productivity to plant and equipment due to prolongation of the said contract, claim for loss sustained due to locking of securities during the extended period of the said contract and other incidental claims, aggregating to ₹ 134.22 million. The aforesaid dispute is pending further hearing and final disposal.
4. Our Joint Venture, IJM-Gayatri Joint Venture has initiated arbitral proceedings against the NHAI in connection with alleged disputes arising out of a contract with NHAI (Contract Package-III, NH-5) relating to widening to four lanes and strengthening of existing two lane road of Chilakaluripet - Vijayawada Section of NH-5. IJM-Gayatri Joint Venture has inter-alia asserted claims for compensation of loss of profit due to prolongation of the said contract, claim for loss of productivity to plant and equipment due to prolongation of the said contract, claim for loss sustained due to locking of securities during the extended period of the said contract and other incidental claims, aggregating to ₹ 99.64 million. The aforesaid dispute is pending further hearing and final disposal.

Apart from the aforementioned there are no other arbitral proceedings involving our Joint Ventures.

H. Tax related Proceedings Involving our Joint Ventures

1. Our Joint Venture, Jaiprakash-Gayatri Joint Venture, has preferred an appeal against the Commissioner of Customs and Central Excise, Hyderabad, (“**Sales Tax Commissioner**”), before the CESTAT, Bangalore, in connection with an order in original dated March 24, 2009, whereby the Sales Tax Commissioner has confirmed an amount of ₹ 30.86 million of sales tax payable by the aforesaid Joint Venture, in connection with works contracts executed by the said Joint Venture, along with applicable interest, and penalties (i) at the rate of 2% per annum on service tax amounting to ₹ 29.11 million, (ii) ₹ 1,000, and (iii) ₹ 31.00 million and (iv) interest at applicable rates on amount of service tax determined. The

aforesaid Joint Venture has prayed to have the aforesaid order-in-original set aside, its operation be stayed and the appeal be heard on its merits. The aforesaid dispute is pending further hearing and final disposal.

2. Our Joint Venture Gayatri BCBPPL Joint Venture, has preferred an appeal before the CSTAT, Bangalore against the Commissioner of Customs and Central Excise, Hyderabad in connection with an order in original dated March 25, 2009, whereby the Service Tax Commissioner has confirmed as amount of ₹10.88 Millions of Service Tax payable by the aforesaid Joint Venture, in connection with works contract executed by the said Joint Venture, along with applicable interest, and penalties (i) at the rate of 2% per month on service tax amounting to ₹ 9.99 Millions, (ii) ₹ 11.00 Millions and (iii) ₹ 5,000 and (iv) interest at applicable rates on amount of service tax determined. The aforesaid Joint Venture has prayed to have the aforesaid order-in-original set aside, its operation be stayed and the appeal be heard on its merits. The aforesaid disputed is pending further herewith and final disposal.

Apart from the aforementioned there are no other tax related proceedings involving our Joint Ventures.

I. Proceedings by or against our Subsidiaries

Proceedings initiated against our Subsidiaries

1. Bezavada Govinda Reddy has filed a writ petition (W.P. No. 14305 of 2011) inter-alia against our step-down Subsidiary, Thermal Powertech Corporation Limited and other private power plant operators, before the Hon’ble High Court of Andhra Pradesh, Hyderabad, seeking a writ, order or direction, declaring that the acts on the part of Government of Andhra Pradesh and the Union of India in allowing operations of 24 private thermal power plants which emit inter-alia about 2 lakhs tons of fly ash, 15 lakhs tons of carbon dioxide, is violative of Articles 14, 19 and 21 of the Constitution of India, the Air (Prevention and Control of Pollution) Act, 1981, the Water (Prevention and Control of Pollution) Act, 1971 and the Coastal Regulation Zone Notification 1991 and consequently seeking that the respondents be not given permissions to operate the aforesaid power plants. The aforesaid petition is pending further hearing and final disposal.
2. Duvvuri Rama Subba Reddy filed a writ petition (W.P. No. 20114 of 2011) against our step-down Subsidiary, Thermal Powertech Corporation Limited before the Hon’ble High Court of Andhra Pradesh, Hyderabad alleging that the Government of Andhra Pradesh has indiscriminately and without considering the pollution effect permitted 26 power plants in one cluster at Sri Potti Sriramulu Nellore District. The petitioners have sought a writ, order or direction particularly in the nature of a Mandamus,

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

declaring that the action on the part of the Government of Andhra Pradesh and the Union of India in not assessing and preparing a comprehensive environment pollution index for the proposed coal based thermal power plants at Nellore district is illegal and unconstitutional. The aforesaid petition is pending further hearing and final disposal.

J. Proceedings by or against our Directors and Promoters

M. Anuradha & 10 others have filed a civil suit against our Promoter Director, T.V. Sandeep Kumar Reddy and one A. Koti Lingam, before the Hon'ble Civil Judge, City Civil Court at Siddipet, Karminagar District, (O.S. No. 109/2011) inter-alia seeking a decree for perpetual injunction restraining the defendants, their agents, servants and any body on their behalf from using a particular cart track which allegedly has been occupied without authorization by the defendants for laying a road. The matter is pending for further hearing and final disposal.

Save as disclosed above, there are no other proceedings initiated by or against our Directors or Promoters.

K. Past Defaults by our Company

We had issued 14% secured redeemable non-convertible debentures of ₹ 100 each of the aggregate value of ₹ 150 million on a private placement basis to the Unit Trust of India, ("UTI") in May, 2001. We delayed payment of interest due to financial constraints. Details of the delay in payment of interest are as follows:

(₹ in millions)

Year	Interest Amount	Due Date	Penal interest	Paid amt including penal interest	Paid Date	No. of Days Delay
2001-02	19.78	July 1, 2001	0.72	20.50	July 19, 2001	18
2002-03	21.00	July 1, 2002	1.89	22.89	February 20, 2003	234
Total	40.78		2.61	43.39		

Consequently, UTI issued recall notice in January, 2003 and enforcement of guarantee notice in February, 2004. The proceedings initiated by UTI against the Company in connection with the aforesaid defaults were settled vide a settlement agreement, dated September 29, 2004 between the Company and UTI.

G. Contingent Liabilities Not Provided For

As of September 30, 2011, we had the following contingent liabilities on an unconsolidated basis that have not been provided for in our financial statements:

(₹ in millions)

S.No	Particulars	September 30, 2011
1	Guarantees given by Banks towards performance & contractual commitments a) Issued on behalf of Company b) Issued on behalf of Subsidiaries/Group Companies	6,525.55 1,610.55
2	Corporate guarantees given to Group companies*	56,416.60
3	Disputed Liability of Sales Tax, Service Tax and Seigniorage Charges	154.71
	Total	64,707.41

* Relevant details of the corporate guarantees given to group companies are as follows:

S. No.	Name of the Person/Entity	Relation	Name of the Lender (where guarantee pertains to fulfillment of debt obligations)	Amount (₹ in Millions)
1.	Thermal Powertech Corporation India Limited	Step-down Subsidiary of the Company	Rural Electrification Corporation Limited	51,510.00
2.	Thermal Powertech Corporation India Limited	Step-down Subsidiary of the Company	Syndicate Bank	1,000.00

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

S. No.	Name of the Person/Entity	Relation	Name of the Lender (where guarantee pertains to fulfillment of debt obligations)	Amount (₹ in Millions)
3.	GSR Sugars Private Limited	Entity in which the Directors/Key Managerial Personnel (KMPs of the Company are interested)	Union Bank of India and other consortium banks	869.10
4.	Gayatri Jhansi Roadways Limited	Step-down Subsidiary of the Company	N/A [#]	300.00
5.	Gayatri Jhansi Roadways Limited	Step-down Subsidiary of the Company	IDFC Limited	250.00
6.	Gayatri Lalitpur Roadways Limited	Step-down Subsidiary of the Company	N/A [#]	300.00
7.	Gayatri Lalitpur Roadways Limited	Step-down Subsidiary of the Company	IDFC Limited	190.00
8.	Deep Corporation Private Limited	Entity in which the directors/KMPs of the Company are interested	HDFC Limited	200.00
9.	Dr T.Subbarami Reddy (HUF)	HUF in which the Chairperson and Managing Director of the Company are co-parceners	HDFC Bank Limited	90.00
10.	Indira Constructions Private Limited	Entity in which the directors/ KMPs of the Company are interested	HDFC Limited	57.50
11.	Gayatri Infra Ventures Limited	Subsidiary of the Company Limited	IL&FS Financial Services	1,350.00
12.	Mohan Project Contractors Private Limited	Sub Contractor of the Company	Punjab National Bank	300.00
	Total			56,416.60

[#]The corporate guarantees have been furnished to Gayatri Jhansi Roadways Limited and Gayatri Lalitpur Roadways Limited in connection with cost overruns for EPC projects undertaken by our Company.

RELATED PARTY TRANSACTIONS

The summary of our aggregate related party transactions for the financial year ended March 31, 2011 are as follows:

(₹ in millions)

Sn.	Description	Subsidiary & Step-down Subsidiaries	Associate Companies	Entities in which KMP are interested	Joint ventures	KMP
1.	Equity Contribution	2,680.38	0.66	Nil	Nil	Nil
2.	Contract Receipts	5,509.83	1,736.37	809.56	3,098.49	Nil
3.	Contract payments	Nil	Nil	47.01	Nil	Nil
4.	Office Rent & Maintenance	Nil	Nil	7.33	Nil	Nil
5.	Other Payments	15.51	17.85	1.32	Nil	Nil
6.	Donations	Nil	Nil	31.90	Nil	Nil
7.	Remuneration Paid	Nil	Nil	Nil	Nil	46.70
8.	Contract Advances/ Other Adv.	1,307.50	95.37	Nil	578.84	Nil
9.	Corporate Guarantees	54,860.00	Nil	Nil	Nil	Nil
	Total	64,373.22	1,850.25	897.12	3,677.33	46.7

For further details, please refer to the section titled “Financial Statements” on page 85 of the Letter of Offer.

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

GOVERNMENT AND OTHER APPROVALS

We have received the necessary permissions/approvals/no-objections/certifications/registrations, (collectively “Authorizations”), from GoI and various governmental agencies required for our present business and except as disclosed in the Letter of Offer no further approvals are required for carrying on our present business. The objects clause of the Memorandum of Association enables our Company to undertake its existing activities.

MATERIAL DEVELOPMENTS

Save as disclosed hereinafter, there have been no developments since September 30, 2011 which effect the operations, performance, prospects or financial condition of our Company:

1. Our Promoters, T. Indira Subbarami Reddy and T.V. Sandeep Kumar Reddy have pledged 110,000 and 290,000 Equity Shares of the Company respectively for availing a Short Term Corporate Loan of ₹ 500 million from Canara Bank vide Sanction Letter dated November 17, 2011 and Third Party Letter of Pledge of Valuable Securities dated November 22, 2011;
2. Our Board of Directors pursuant to the meeting dated November 14, 2011, inter alia approved the investment to the extent of upto ₹ 3,000 million in our Company’s subsidiary, Sai Maatarini Tollways Limited ;
3. With effect from November 29, 2011, Bhandara Thermal Power Corporation Limited has become a step down subsidiary of our Company pursuant to Gayatri Energy Ventures Private Limited having acquired 98.99% of the equity share capital thereof; and
4. Pursuant to a letter dated February 7, 2012 as received by our Company on February 14, 2012, Credit Analysis and Research Limited has revised the rating assigned to long-term debt facilities (facilities having a tenure of more than one year) of the Company from ‘CARE A-’ to ‘CARE BBB+’ and has revised the rating assigned to the Company’s short term debt facilities (facilities with a tenure up to one year) from ‘CARE A2+’ to ‘CARE A2’.
5. The Board of Directors of our Company at their meeting held on on February 14, 2012 passed a resolution adopting selected unaudited unconsolidated limited reviewed financial results of our Company for the period ended December 31, 2011 (“**Limited Reviewed December Financials**”). Our Company has submitted the Limited Reviewed December Financials along with the Auditor’s report thereon in terms of the Clause 41 of the Listing

Agreement, with the Stock Exchanges and are available on the websites of the BSE Limited and the Stock Exchanges. The Limited Reviewed December Financials along with the Auditor’s report thereon are reproduced below.

LIMITED REVIEW REPORT

*The Board of Directors,
Gayatri Projects Limited
B1, 6-3-1090, TSR Towers,
Rajbhavan Road, Somajiguda,
Hyderabad – 500 082.*

1. We have reviewed the accompanying statement of unaudited financial results of Gayatri Projects Limited for the period ended 31st December, 2011 except for the disclosures regarding ‘Public Shareholding’ and ‘Promoter and Promoter Group Shareholding’ which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company’s Management and has been approved by the Board of Directors/Committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For C.B. MOULI & ASSOCIATES
Chartered Accountants
Firm Regn. No. 002140S

MANI OOMMEN
Partner
Membership No. 24046

Place: Secunderabad
Date: February 14, 2012

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED DECEMBER 31, 2011

(₹ in million)

S. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2011 Unaudited	30.09.2011 Unaudited	31.12.2010 Unaudited	31.12.2011 Unaudited	31.12.2010 Unaudited	31.03.2011 Audited
1	(a) Net Sales / Income from Operations	4,494.82	3,216.45	3,837.95	11,725.59	10,068.77	14,405.51
	(b) Other Operating Income	-	-	-	-	-	-
2	Expenditure						
	a. (Increase)/ Decrease in Work in Progress	(234.55)	(79.47)	202.96	(318.32)	129.40	(88.51)
	b. Consumption of Raw Materials & Work Expenditure	3,916.01	2,616.01	2,955.48	9,868.99	8,219.78	11,964.95
	c. Employee Cost	120.25	95.11	81.71	310.17	243.73	352.73
	d. Depreciation	73.86	74.97	58.59	219.51	170.60	227.33
	e. Other Expenditure	76.52	74.82	63.65	212.34	157.75	231.63
	Total	3,952.09	2,781.44	3,362.39	10,292.69	8,921.26	12,688.13
3	Profit from Operations before Other Income, Interest and Exceptional Items	542.73	435.01	475.56	1,432.90	1,147.51	1,717.38
4	Other Income	4.47	0.94	12.52	28.17	39.13	56.42
5	Profit from Operations before Interest and Exceptional Items	547.20	435.95	488.08	1,461.07	1,186.64	1,773.80
6	Interest and finance cost (Net)	278.06	225.97	244.59	729.69	541.48	856.25
7	Profit from Operations before Exceptional Items	269.14	209.98	243.49	731.38	645.16	917.55
8	Exceptional Items	-	-	-	-	-	-
9	Profit(+)/ Loss (-) from Ordinary Activities before tax (7-8)	269.14	209.98	243.49	731.38	645.16	917.55
10	Tax Expenses	86.21	76.36	66.11	247.52	198.88	293.41
11	Net Profit / Loss (-) from Ordinary Activities after tax (9-10)	182.93	133.62	177.38	483.86	446.28	624.14
12	Extraordinary Items (net of tax expenses)	-	-	(0.09)	-	(0.93)	(124.14)
13	Net Profit / Loss (-) for the Period(11-12)	182.93	133.62	177.29	483.86	445.35	500.00
14	Paid Up Equity Capital	119.89	119.89	119.89	119.89	119.89	119.89
	(Face Value of the Share)	10.00	10.00	10.00	10.00	10.00	10.00
15	Reserves excluding revaluation reserves as per Balance Sheet of previous accounting year	-	-	-	-	-	2,657.44
16	Earning Per Share (EPS) (Not annualized)						
	Basic	15.26	11.14	14.93	40.36	38.81	43.10
	Diluted	12.12	8.85	12.15	32.05	30.33	33.99

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

(₹ in million)

S. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2011 Unaudited	30.09.2011 Unaudited	31.12.2010 Unaudited	31.12.2011 Unaudited	31.12.2010 Unaudited	31.03.2011 Audited
17	Public Share Holding						
	- Number of shares	53,95,732	53,95,732	53,95,732	53,95,732	53,95,732	53,95,732
	- Percentage of holding.	45.01%	45.01%	45.01%	45.01%	45.01%	45.01%
18	Promoters and promoter group share holdings						
	a) Pledged / Encumbered						
	- Number of shares	63,95,217	59,95,217	59,95,217	63,95,217	59,95,217	59,95,217
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	97.0%	90.93%	90.93%	97.00%	90.93%	90.93%
	- Percentage of shares (as a % of the total share capital of the company)	53.3%	50.00%	50.00%	53.34%	50.00%	50.00%
	b) Non-Encumbered						
	- Number of shares	1,98,051	5,98,051	5,98,051	1,98,051	5,98,051	5,98,051
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	3.00%	9.07%	9.07%	3.00%	9.07%	9.07%
	- Percentage of shares (as a % of the total share capital of the company)	1.65%	4.99%	4.99%	1.65%	4.99%	4.99%

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors of our Company has pursuant to a resolution passed at their meeting held on December 5, 2011, authorized this offer of Rights Equity Shares.

Prohibition by SEBI

Neither our Company, Directors, Promoters nor our Promoter Group, have been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Wilful Defaulters

Our Company, our Promoters, the relatives (as per Companies Act) of our Promoters and our Group Companies, have not been named by the RBI or any other statutory/regulatory authority as willful defaulters.

Securities Related Business

Our Company confirms that none of its Directors are associated with the securities market in any manner and SEBI has not initiated any action against our Company or its Directors.

Eligibility for the Issue

Our Company is an existing listed company registered under the Companies Act whose Equity Shares are listed on the BSE and the NSE. Our Company has complied with the requirements of Part E of Schedule VIII of the SEBI (ICDR) Regulations, to the applicable extent, in terms of the disclosures made in the Letter of Offer.

Further, our Company confirms that it is in compliance with the following:

- (a) our Company has been filing periodic reports, statements and information in compliance with the listing agreement for the last three years immediately preceding the date of filing the Letter of Offer with SEBI;

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

- (b) the reports, statements and information referred to in sub-clause (a) above are available on the website of any recognized stock exchange with nationwide trading terminals or on a common e-filing platform specified by SEBI;
- (c) our Company has investor grievance-handling mechanism which includes meeting of the Shareholders' or Investors' Grievance Committee at frequent intervals, appropriate delegation of power by the Board of Directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

Our Company has complied with the provisions of Regulation 4 of the SEBI (ICDR) Regulations in connection with the general eligibility requirements for the Issue and confirms that:

1. Neither our Company, nor our Promoters, our Promoter Group, Directors or person(s) in control of our Company have been debarred from accessing the capital markets by SEBI;
2. None of our Promoters, Directors or persons in control of our Company was or also is a promoter, director or person in control of any other company which has been debarred from accessing the capital markets under any order or direction made by SEBI;
3. Our Company is an existing company registered under the Companies Act, whose Equity Shares are listed on the BSE and the NSE and we have received an in-principle approval for listing of the Rights Equity Shares to be issued pursuant to this Issue from the BSE and the NSE vide their letters dated January 6, 2012 and December 27, 2011 respectively, and have chosen the BSE to be the Designated Stock Exchange for the purposes of this Issue. We will make applications to the BSE and the NSE for permission to deal in and for an official quotation in respect of the Rights Equity Shares being offered in terms of the Letter of Offer.
4. Our Company entered into a tripartite agreement dated March 9, 2006 with NSDL and the Registrar to the Issue and a tripartite agreement dated January 23, 2006 with CDSL and the Registrar to the Issue, for dematerialization of our Equity Shares.
5. All existing partly paid-up Equity Shares of our Company have either been fully paid up or forfeited and as on the date of the Letter of Offer, there are no outstanding partly paid-up Equity Shares of our Company;
6. The objects of the Issue as stated in the section titled "*Objects of the Issue*" on page 66 of the Letter of Offer, are proposed to be entirely financed by the Net Proceeds of the Issue and our Company's internal accruals, thus, we are not required to make any firm arrangements of

finance through verifiable means towards 75% of the stated means of finance excluding the amount to be raised through the proposed Issue, as required under Regulation 4(2)(g) of the SEBI (ICDR) Regulations.

Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. THE LEAD MANAGER, EDELWEISS FINANCIAL SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE LEAD MANAGER, EDELWEISS FINANCIAL SERVICES LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED DECEMBER 15, 2011 WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE LETTER OF OFFER PERTAINING TO THE SAID ISSUE;**
2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE**

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

- (a) THE DRAFT LETTER OF OFFER FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - (b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - (c) THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE.
 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS – NOT APPLICABLE.
 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS – NOT APPLICABLE.
 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE.
 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE
 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

THE SHARES IN DEMAT OR PHYSICAL MODE.

11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:
 - (a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
 - (b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR—NOT APPLICABLE BEING A RIGHTS ISSUE.

The filing of the Letter of Offer does not, however, absolve our Company from any liabilities under Section 63 or Section 68 of the Companies Act or from the requirement of obtaining such statutory or other clearance as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up, at any point of time, with the Lead Manager any irregularities or lapses in the Letter of Offer.

Disclaimer Statement from our Company and the Lead Manager:

OUR COMPANY AND THE LEAD MANAGER, NAMELY EDELWEISS FINANCIAL SERVICES LIMITED ACCEPT NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE LETTER OF OFFER OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF OUR COMPANY AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS OWN RISK.

INVESTORS WHO INVEST IN THE ISSUE WILL BE DEEMED TO HAVE BEEN REPRESENTED BY OUR COMPANY AND THE LEAD MANAGER AND THEIR RESPECTIVE DIRECTORS, OFFICERS, AGENTS, AFFILIATES AND REPRESENTATIVES THAT THEY ARE ELIGIBLE UNDER ALL APPLICABLE LAWS, RULES, REGULATIONS, GUIDELINES AND APPROVALS TO ACQUIRE EQUITY SHARES OF OUR COMPANY, AND ARE RELYING ON INDEPENDENT ADVICE / EVALUATION AS TO THEIR ABILITY AND QUANTUM OF INVESTMENT IN THIS ISSUE.

Disclaimer with respect to jurisdiction

The Letter of Offer has been prepared under the provisions of Indian Laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Hyderabad only.

Selling Restrictions

The distribution of the Letter of Offer and the issue of our Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Letter of Offer may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue of Rights Equity Shares to its Eligible Equity Shareholders and will dispatch the Letter of Offer and Composite Application Form ("CAF") to the shareholders who have an Indian address.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer has been filed with SEBI for observations. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer may

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of the Letter of Offer should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the same in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If the Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Letter of Offer.

Neither the delivery of the Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to this date.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of this Issue will be the BSE.

Disclaimer Clause of the BSE

As required, a copy of the Draft Letter of Offer has been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of the Draft Letter of Offer, is as follows: "BSE Limited (the "Exchange") have given vide its letter dated January 06, 2012, permission to this company to use the Exchange's name in the Letter of Offer as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized the Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- i. warrant, certify or endorse the correctness or completeness of any of the contents of the Letter of Offer; or
- ii. warrant that this company's securities will be listed or will continue to be listed on the Exchange; or
- iii. take any responsibility for the financial or other soundness of this company, its promoters, its management or any scheme or project of this company;

and it should not for any reason be deemed or construed that the Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person

consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated therein or for any other reason whatsoever."

Disclaimer Clause of the NSE

As required, a copy of the Draft Letter of Offer has been submitted to the NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of the Draft Letter of Offer, is as follows:

"As required, a copy of the Letter of Offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. No. NSE/LIST/154651-7 dated December 27, 2011 permission to the Issuer to use the Exchange's name in the Letter of Offer as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized the Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Letter of Offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the exchange; nor does it take any responsibility for the financial or other soundness of this issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Filing with SEBI

The Draft Letter of Offer has been filed with SEBI, Plot No. C4 A, 'G' Block, Bandra Kurla Complex Bandra (East), Mumbai and also with the Stock Exchange(s). Pursuant to SEBI's observations vide their Letter No. CFD/DIL/ISSUES/SP/JAK/OW/2616/2012 dated January 31, 2012, the Letter of Offer has been filed with the Designated Stock Exchange as per the provisions of the SEBI Regulations and the Companies Act.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of section 68A of the Companies Act which is reproduced below:

"Any person who makes in a fictitious name an application to a Company for acquiring, or subscribing for, any shares therein, or otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years"

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

Expert Opinion, if any

Except in the sections titled “*Financial Statements*” and “*Statement of Tax Benefits*” beginning on page 85 and 72 of the Letter of Offer, respectively, no expert opinion has been obtained by our Company in relation to the Letter of Offer.

Expenses of the Issue

The estimated Issue related expenditure is as follows:

S. No.	Activity Expense	Amount (in ₹ million)	Percentage of Total Estimated Issue Expenditure	Percentage of Issue Size
1.	Fees of the Lead Manager	15.44	54.18	1.07
2.	Fees to the legal advisor, other professional services and statutory fees	9.09	31.92	0.63
3.	Fees of Registrar to the Issue	0.30	1.05	0.02
4.	Advertising and marketing expenses	0.40	1.40	0.03
5.	Printing and stationery, distribution, postage etc	0.50	1.75	0.04
6.	Other expenses	2.76	9.70	0.19
	Total Estimated Issue Expenditure	28.50	100.00	1.98

Date of listing on the Stock Exchanges

The Equity Shares of our Company were listed on BSE in w.e.f October 17, 2006, and on the NSE with effect from August 22, 2011.

Previous issues in the last three years

On August 1, 2007, our Company issued 308 FCCBs (zero coupon convertible bonds due 2012 convertible into Equity Shares) of the face value of JPY 10,000,000 each aggregating to an issue size of JPY 3,080,000,000. As on the date of the Letter of Offer, 271 of the aforementioned FCCBs, are outstanding which would entitle the holders thereof to acquire a maximum of 3,108,031 Equity Shares excluding any reservations/adjustments at the relevant FCCB conversion price.

Our Company had filed a draft letter of offer dated March 21, 2011 with SEBI, the BSE and the NSE in connection with a

proposed rights issue of equity shares carrying one detachable warrant per equity share, which was subsequently withdrawn from SEBI, the NSE and BSE vide letters dated December 9, 2011.

Option to Subscribe

Other than the present Issue, our Company has not given any person any option to subscribe to the Equity Shares of our Company.

Important

- This Issue is pursuant to the resolution passed by the Board of Directors at their meeting held on December 5, 2011.
- Eligible Equity Shareholders whose names appear as Beneficial Owners are eligible to subscribe to Rights Equity Shares under the Issue, as per the list to be furnished by the depositories in respect of the shares held in the electronic form and on the Register of Members of our Company at the close of business hours on the Record Date i.e. February 23, 2012, after giving effect to the valid share transfers lodged with our Company up to the Record Date.
- Your attention is drawn to the section entitled “*Risk Factors*” on page 10 of the Letter of Offer.
- Please ensure that you have received the CAF with the Abridged Letter of Offer.
- Please read the Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are each an integral part of the Letter of Offer and must be carefully followed. An application is liable to be rejected for any non-compliance of the provisions contained in the Letter of Offer or the CAF.
- All enquiries in connection with the Letter of Offer or CAF should be addressed to the Registrar to the Issue, quoting the Registered Folio number/ DP and Client ID number and the CAF numbers as mentioned in the CAF.
- All information shall be made available to the Investors by the Lead Manager and the Company, and no selective or additional information would be available by them for any section of the Investors in any manner whatsoever including at road shows, presentations, in research or sales reports, etc.
- The Lead Manager and our Company shall update the Letter of Offer and keep the public informed of any material changes until the listing and trading commences.

Issue Schedule

Issue Opening Date:	Monday, March 05, 2012
Last date for receiving requests for SAFs:	Monday, March 12, 2012
Issue Closing Date:	Monday, March 19, 2012

The Issue will be kept open for a minimum of 15 days and our Board or any committee thereof will have the right to extend

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

the said date for such period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

Allotment Advices / Refund Orders

Our Company will issue and dispatch allotment advice / share certificates/ demat credit and/or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any, within a period of 15 days from the date of closure of the Issue. If such money is not repaid within eight days from the day our Company becomes liable to pay it (i.e. 15 days from closure of the Issue), our Company shall pay that money with interest as stipulated under section 73 of the Companies Act.

Investors residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise eligible to get refunds through direct credit and RTGS.

In case of those Applicants who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, an advice regarding their credit of the Rights Equity Shares shall be given separately. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through certificate of posting intimating them about the mode of credit of refund within 15 days of closure of the Issue.

In case of those Applicants who have opted to receive their Rights Entitlement in physical form, our Company will issue the corresponding share certificates under Section 113 of the Companies Act or other applicable provisions.

Refund orders for a value of ₹ 1,500 and above would be sent by registered post / speed post to the sole / first Applicants 'registered address. Refund orders up to the value of ₹ 1,500 would be sent under certificate of posting. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favour of the sole / first Investor. Adequate funds would be made available to the Registrar to the Issue for this purpose.

Investor Grievances and Redressal System

Our Company has adequate arrangements for redressal of Investor complaints. Well-arranged correspondence system developed for letters of routine nature. Our registrar and share transfer agent is handling the share transfer and dematerialization for our Company. Letters are filed category wise after having attended to. Redressal norm for response time for all correspondence including shareholders complaints is within 7 days.

In accordance with SEBI Circular No. CIR/OIAE/2/2011 dated June 3, 2011, all investor complaints pertaining to our Companies are electronically sent through SEBI Complaints Redress System (SCORES) at <http://scores.gov.in/Admin>. Our Company views the complaints pending against our Company and submits Action Taken Reports (ATRs) along with

supporting documents electronically in SCORES. In case of complaints processed by the Registrar to Issue and Share Transfer Agent (RTI/STA) on behalf of our Company, our Company indicates in the prescribed format whether they require the facility to forward complaints to the RTI/STA, so that the ATRs can be uploaded by them.

The contact details of the Registrar to the Issue are as follows:

Karvy Computershare Private Limited

Plot Nos. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad-500081, Telephone: +91 40 4465 5000
Facsimile: +91 40 2343 1551; Email: gayatrirights@karvy.com
Investors grievance mail: gayatrirights@karvy.com
Website: <http://karisma.karvy.com>;
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221

Status of Complaints

a) Total number of complaints received during Fiscal 2009: 10

Complaints pending at the beginning of the period i.e. Fiscal 2009	Complaints received during the period	Complaints redressed during the period	Complaints pending at the end of the period
NIL	10	10	NIL

b) Total number of complaints received during Fiscal 2010: 10

Complaints pending at the beginning of the period i.e. Fiscal 2010	Complaints received during the period	Complaints redressed during the period	Complaints pending at the end of the period
NIL	10	10	NIL

c) No. of shareholders complaints outstanding as of March 31, 2011: NIL

Complaints pending at the beginning of the period i.e. Fiscal 2011	Complaints received during the period	Complaints redressed during the period	Complaints pending at the end of the period
NIL	NIL	NIL	NIL

d) Investor Complaints for the period April 1, 2011 to February 23, 2012: 10

Complaints pending as at April 1, 2011	Complaints received during the period	Complaints redressed during the period	Complaints pending at the end of the period
NIL	10	10	NIL

e) Time normally taken for disposal of various types of investor grievances: 5-10 days

Changes in Auditors during the last three years

There has been no change in the Auditor of our Company during the last three years.

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

Capitalisation of Reserves or Profits

Our Company has not capitalized any of its reserves or profits for the last five years.

Revaluation of Fixed Assets

There has been no revaluation of our Company's fixed assets for the last five years.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, or the subscription level falls below 90%, after the Issue Closing Date on account of cheques being returned unpaid or withdrawal of applications, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is delay in the refund of the subscription amount by more than eight days after our Company becomes liable to pay the subscription amount (i.e. 15 days after the Issue Closing Date), our Company will pay interest for the delayed period at 15% per annum as prescribed under sub-sections (2) and (2A) of Section 73 of the Companies Act.

Additional Subscription by the Promoters

Our Promoters and Promoter Group, have undertaken, vide their letters dated February 24, 2012, to fully subscribe for their Rights Entitlement. They reserve the right to subscribe for Rights Equity Shares pursuant to any renunciation made by any member of our Company. They also intend to apply for Rights Equity Shares to the extent of any undersubscribed portion of the Issue, subject to obtaining any approvals required under applicable law, to ensure that at least 90% of the Issue is subscribed. Such subscription for Rights Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above their current percentage shareholding. The subscription to such additional Rights Equity Shares to be made by our Promoter and Promoter Group shall be exempt from the obligation to make an open offer subject to compliance with Regulation 10(4)(b) of the Takeover Regulations and other applicable provisions of law. Further, such acquisition by them of additional Rights Equity Shares shall not result in a change of control of the management of our Company.

Presently our Company is complying with clause 40A of the Listing Agreement read with Rule 19A of the Securities Contracts (Regulation) Rules, 1957 in connection with the requirement of maintaining the minimum public shareholding, i.e. at least 25% of the total paid up equity capital, for continuous listing.

The Promoter and/or members of the Promoter Group intend to subscribe for any undersubscribed portion as per the provisions of applicable law. Allotment to the Promoter and/or members of the Promoter Group of any undersubscribed portion, over and above their Rights Entitlement, shall be completed in compliance with clause 40A of the Listing Agreements and other applicable laws prevailing at that time relating to continuous listing

requirements and the minimum public shareholding of 25% of the total paid up equity capital required to be maintained for continuous listing shall be maintained. For further details of under subscription and allotment to the Promoter and Promoter Group, please refer to "*Basis of Allotment*" below under the section titled "*Terms of the Issue*" on page 223 of the Letter of Offer.

In case the permission to deal in and for an official quotation of the Rights Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay without interest, all monies received from the applicants in pursuance of the Letter of Offer and if such money is not repaid within eight days after the day from which our Company is liable to repay it, our Company shall pay interest @ 15% per annum as prescribed under Section 73(2) / 73(2A) of the Companies Act, 1956.

TERMS OF THE ISSUE

The Rights Equity Shares proposed to be issued on rights basis, are subject to the terms and conditions contained in the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the CAF, the provisions of the Memorandum and Articles of Association of our Company, the provisions of the Companies Act, FEMA, SEBI (ICDR) Regulations, guidelines, notifications and regulations for issue of capital and for listing of securities issued by the Government of India and/or other statutory authorities and bodies from time to time, the terms of listing agreements entered into by the Company with the Stock Exchanges and terms and conditions as stipulated in the allotment advice or the security certificate.

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to the Issue shall apply to Renouncee(s) as well.

Please note that in accordance with the provisions of SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs or Non Institutional Investors shall mandatorily make use of ASBA facility. All QIBs and Non Institutional Investors, must mandatorily invest through the ASBA process provided that they are eligible ASBA Investors (as per the conditions of the SEBI circular dated December 30, 2009), namely such Investors who:

- hold the Equity Shares in dematerialised form as on the Record Date and have applied towards his/her Rights Entitlements or additional Rights Equity Shares in the Issue in dematerialised form;
- have not renounced his/her Rights Entitlements in full or in part;
- are not a Renouncee;
- apply through a bank account maintained with one of the SCSBs; and
- have not split the CAF.

Non Retail Investors having bank account with SCSBs that are providing ASBA in cities/ centers where Non Retail

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

Investors are located, are mandatorily required to make use of ASBA facility. Otherwise, applications of such Non Retail Investors are liable for rejection. All Non Retail Investors are encouraged to make use of ASBA facility wherever such facility is available.

Retail Individual Investors may optionally apply through the ASBA process provided that they are eligible ASBA Investors (as per the conditions of the SEBI circular dated December 30, 2009).

ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. For details, please see "*Procedure for Application through the Applications Supported by Blocked Amount ("ASBA") Process*" on page 233 of the Letter of Offer.

Authority for the Issue

This Issue is being made pursuant to a resolution passed by the Board of Directors of our Company under section 81(1) of the Companies Act at their meeting held on December 5, 2011. Pursuant to resolution passed by our Board of Directors on December 5, 2011, the Board has determined a Rights Entitlement of one Rights Equity Share for every one fully paid-up Equity Share held on the Record Date. Pursuant to a meeting of the Board of Directors of our Company held on February 11, 2012, the Board of Directors determined a price of ₹ 120 per Rights Equity Shares as the Issue Price.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to those existing Eligible Equity Shareholders, whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in the electronic form and on the Register of Members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, i.e. February 23, 2012, fixed in consultation with the Designated Stock Exchange.

Rights Entitlement Ratio

As your name appears as beneficial owner in respect of the Equity Shares held in the electronic form or appears in the Register of Members as an Eligible Equity Shareholder as on the Record Date, i.e. February 23, 2012, you are entitled to such number of Rights Equity Shares as shown in Block II of Part A of the CAFs.

The Eligible Equity Shareholders shall be entitled to apply for one Rights Equity Share for every one Equity Share held on the Record Date.

The distribution of the Draft Letter of Offer, the Letter of

Offer and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Our Company is making the issue of the Rights Equity Shares on a rights basis to the Eligible Equity Shareholders and the Letter of Offer/Abridged Letter of Offer and the CAFs will be dispatched only to those Eligible Equity Shareholders who have a registered address in India. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States and in other restricted jurisdictions.

For Eligible Equity Shareholders wishing to apply through the ASBA process for the Issue, kindly refer section titled "*Procedure for Application through the Applications Supported By Blocked Amount ("ASBA") Process*" on page 233 of the Letter of Offer.

I GENERAL TERMS OF THE ISSUE

• Market lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one. In case an Eligible Equity Shareholder holds Equity Shares in physical form, our Company would issue to the allottees one certificate for the Rights Equity Shares allotted to each folio ("**Consolidated Certificate**"). However, our Company would issue split certificates on written requests from Eligible Equity Shareholders. Our Company shall not charge a fee for splitting any of the share certificates.

• Nomination

In terms of Section 109A of the Companies Act, nomination facility is available for Rights Equity Shares. An Eligible Equity Shareholder can nominate any person by filling the relevant details in the CAF in the space provided for this purpose. In case of Eligible Equity Shareholders who are individuals, a sole Eligible Equity Shareholder or the first named Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Rights Equity Shares. A person, being a nominee, becoming entitled to the Rights Equity Shares by reason of the death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the Rights Equity Shares. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner,

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

any person to become entitled to the Rights Equity Shares, in the event of death of the said holder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Rights Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. When the Rights Equity Shares are held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at the Registered Office of our Company or such other person at such addresses as may be notified by our Company. An Eligible Equity Shareholder can make the nomination by filling in the relevant portion of the CAF.

In terms of Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, 1956, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Only one nomination would be applicable for one folio. Hence, in case the Eligible Equity Shareholder(s) has already registered the nomination with our Company, no further nomination needs to be made for Rights Equity Shares that may be allotted in this Issue under the same folio.

In case the allotment of Rights Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in this Issue. Nominations registered with respective Depository Participant (“DP”) of the Applicant would prevail. Any Applicant desirous of changing the existing nomination is requested to inform its respective DP.

• Joint Holders

Where two or more persons are registered as the holders of any Equity Shares they shall be deemed to hold the same as joint holders with the benefit of

survivorship subject to the provisions contained in the Articles of Association of our Company.

• Additional Subscription by our Promoters

Our Promoters and Promoter Group, have undertaken, vide their letters dated February 24, 2012, to fully subscribe for their Rights Entitlement. They reserve the right to subscribe for Rights Equity Shares pursuant to any renunciation made by any member of our Company. They also intend to apply for Rights Equity Shares to the extent of any undersubscribed portion of the Issue, subject to obtaining any approvals required under applicable law, to ensure that at least 90% of the Issue is subscribed. Such subscription for Rights Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above their current percentage shareholding. The subscription to such additional Rights Equity Shares to be made by our Promoter and Promoter Group shall be exempt from the obligation to make an open offer subject to compliance with Regulation 10(4)(b) of the Takeover Regulations and other applicable provisions of law. Further, such acquisition by them of additional Rights Equity Shares shall not result in a change of control of the management of our Company.

Presently our Company is complying with clause 40A of the Listing Agreement read with Rule 19A of the Securities Contracts (Regulation) Rules, 1957 in connection with the requirement of maintaining the minimum public shareholding, i.e. at least 25% of the total paid up equity capital, for continuous listing.

The Promoter and/or members of the Promoter Group intend to subscribe for any undersubscribed portion as per the provisions of applicable law. Allotment to the Promoter and/or members of the Promoter Group of any undersubscribed portion, over and above their Rights Entitlement, shall be completed in compliance with clause 40A of the Listing Agreements and other applicable laws prevailing at that time relating to continuous listing requirements and the minimum public shareholding of 25% of the total paid up equity capital required to be maintained for continuous listing shall be maintained. For further details of under subscription and allotment to the Promoter and Promoter Group, please refer to “*Basis of Allotment*” below under the section titled “*Terms of the Issue*” on page 223 of the Letter of Offer.

In case the permission to deal in and for an official quotation of the Rights Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay without interest, all monies received from the

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

applicants in pursuance of the Letter of Offer and if such money is not repaid within eight days after the day from which our Company is liable to repay it, our Company shall pay interest @ 15% per annum as prescribed under Section 73(2) / 73(2A) of the Companies Act, 1956.

If our Company does not receive the minimum subscription of 90% of the Issue, or the subscription level falls below 90%, after the Issue Closing Date on account of cheques being returned unpaid or withdrawal of applications, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is delay in the refund of the subscription amount by more than eight days after our Company becomes liable to pay the subscription amount (i.e. 15 days after the Issue Closing Date), our Company will pay interest for the delayed period at 15% per annum as prescribed under sub-sections (2) and (2A) of Section 73 of the Companies Act.

- **Notices**

All notices to the Eligible Equity Shareholder(s) required to be given by our Company shall be published in one English language national daily newspaper, one Hindi national daily newspaper and one Telegu language daily newspaper with wide circulation in Hyderabad and/or, will be sent by post to the registered address of the Equity Shareholders in India or the Indian address provided by the Eligible Equity Shareholders from time to time.

- **Offer to Non-Resident Equity Shareholders/Applicants / Foreign Institutional investors**

As per Regulation 6 of Notification No. FEMA 20/200-RB dated May 3, 2000, the RBI has given general permission to Indian companies to issue Rights Equity Shares to non-resident shareholders including additional securities. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be *inter alia*, subject to the conditions imposed from time to time by the RBI under the FEMA Act in the matter of refund of application moneys, allotment of Rights Equity Shares and issue of letter of allotment. **The Abridged Letter of Offer and CAF shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only.** The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Rights Equity Shares, payment of dividend etc. to the non-resident shareholders. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original shares against which Rights Equity Shares are issued on rights basis. CAFs will be made available for eligible NRIs at our

Registered Office and with the Registrar to the Issue.

In case of change of status of holders i.e. from Resident to Non-Resident, a new de-mat account shall be opened for the purpose.

DETAILS OF SEPARATE COLLECTING CENTRES FOR NON-RESIDENT APPLICATIONS SHALL BE PRINTED ON THE CAF.

- **No Offer in the United States**

The rights and the securities of our Company have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (the “**United States**” or “**U.S.**”) or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act (“**Regulation S**”), except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in the Letter of Offer are being offered in India, but not in the United States. The offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or rights. Accordingly, the Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time. Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is, either a “U.S. person” (as defined in Regulation S) or otherwise in the United States when the buy order is made. Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under the Letter of Offer, and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India. Our Company is making this issue of Rights Equity Shares on a rights basis to its Eligible Equity Shareholders and the Abridged Letter of Offer and CAF will be dispatched to Eligible Equity Shareholders who have an Indian address. Any person who acquires rights and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements,

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

it will not be, in the United States when the buy order is made, (ii) it is not a “U.S. person” (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States, and (iii) is authorised to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations. Our Company reserves the right to treat as invalid any CAF which: (i) does not include the certification set out in the CAF to the effect that the subscriber is not a “U.S. person” (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to our Company or its agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Our Company is informed that there is no objection to a United States shareholder selling its rights in India. Rights Entitlement may not be transferred or sold to any U.S. person.

- **Arrangements for disposal of odd lots**

Since the market lot for our Company’s Equity Shares is one (1), there is no question of disposal of odd lots.

II PRINCIPAL TERMS AND CONDITIONS OF THE RIGHTS EQUITY SHARES

1. Face Value

Each Rights Equity Share will have the face value of ₹ 10.

2. Issue Price

Each Rights Equity Share shall be offered at an Issue Price of ₹ 120 for cash, at a premium of ₹ 110 per Equity Share. The Issue Price has been arrived at after consultation between our Company and the Lead Manager.

3. Terms of Payment

Applicants shall have to make full payment of ₹ 120 per Rights Equity Share at the time of making an application.

The payment towards the Rights Equity Shares offered will be applied as under:

₹ 10 per Rights Equity Share towards share capital of our Company.

₹ 110 per Rights Equity Share towards securities premium

account of our Company.

A separate cheque/ demand draft/ pay order must accompany each application form.

All payments should be made by cheque/bank demand draft/ pay order drawn on any bank (including a co-operative bank) which is situated at and is a member or a sub-member of the bankers clearing house located at the center where the CAF is accepted. Outstation cheques /money orders/postal orders will not be accepted and CAFs accompanied by such cheque/money orders/postal orders are liable to be rejected. The Registrar to the Issue will not accept any payments against applications, if such payments are made in cash.

Pursuant to the RBI Circular DBOD No. FSC BC 42/ 24.47.00/2003-04 dated November 5, 2003, the Stockinvest scheme has been withdrawn and accordingly, payment through Stockinvest will not be accepted in the Issue.

Where an applicant has applied for additional Rights Equity Shares and is allotted lesser number of Rights Equity Shares than applied for, the excess application money shall be refunded. The excess application monies would be refunded within 15 days from the closure of the Issue, and if there is a delay beyond 8 days from the stipulated period (15 days from the closure of the Issue), our Company and every Director of our Company who is an officer in default shall be jointly and severally liable to repay the money with interest for the delayed period at 15% per annum as stipulated under sub-sections (2) and (2A) of section 73 of the Companies Act, 1956.

4. Entitlement Ratio

The Rights Equity Shares are being offered to the existing Eligible Equity Shareholders in the ratio of one Rights Equity Share for every one Equity Shares held on the Record Date i.e. February 23, 2012.

5. Ranking

The Rights Equity Shares being issued shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Rights Equity Shares shall rank pari passu, in all respects including dividend, with our existing Equity Shares.

6. Mode of Payment of Dividend

We shall pay dividend to our Equity Shareholders as per the provisions of the Companies Act, and the provisions of our Company’s Articles of Association.

7. Listing and trading of Rights Equity Shares proposed to be issued

Our Company’s existing Equity Shares are currently traded on the Stock Exchanges under the ISIN Code INE 336H01015. The fully paid up Rights Equity Shares

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges under the existing ISIN for fully paid Rights Equity Shares of our Company. All steps for the completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares pursuant to the Issue shall be taken within seven working days of the finalization of the basis of allotment. The Company has made applications to the Stock Exchanges seeking “in-principle” approval for the listing of the Rights Equity Shares pursuant to the Issue in accordance of the Listing Agreement and has received such approval from the BSE pursuant to letter no. BCS/PREF/PR/IP-RT/726/12-13 dated January 6, 2012 and from NSE pursuant to letter no. NSE/LIST/154651-7 dated December 27, 2011. Our Company will apply to the Stock Exchanges for final approval for the listing and trading of the Rights Equity Shares. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

8. Rights of the Eligible Equity Shareholder

The Rights Equity Shares allotted in this Issue shall rank *pari passu* with the existing Equity Shares in all respects including dividend. Subject to applicable laws, the Eligible Equity Shareholders of our Company shall have the following rights:

- Right to receive dividend, if declared.;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote/ poll in person or by proxy.;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right to free transferability of Rights Equity Shares; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Listing Agreement and Memorandum and Articles of Association.

III PROCEDURE FOR APPLICATION

How to Apply

The CAF will be printed in black ink for all Eligible Equity Shareholders. The CAF along with the Abridged Letter of Offer shall be dispatched through registered post or speed post at least three days before the Issue Opening Date. In case the original CAFs are not received by the Applicant or is misplaced by the Applicant, the Applicant

may request the Registrars to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID Number, Client ID Number and their full name and address. In case the signature of the Equity Shareholder(s) does not match with the specimen registered with our Company, the application is liable to be rejected.

Please note that in accordance with the provisions of SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs or Non Institutional Investors shall mandatorily make use of ASBA facility. All QIBs and Non Institutional Investors, must mandatorily invest through the ASBA process provided that they are eligible ASBA Investors (as per the conditions of the SEBI circular dated December 30, 2009), namely such Investors who:

- hold the Equity Shares in dematerialised form as on the Record Date and have applied towards his/her Rights Entitlements or additional Rights Equity Shares in the Issue in dematerialised form;
- have not renounced his/her Rights Entitlements in full or in part;
- are not a Renouncee;
- apply through a bank account maintained with one of the SCSBs; and
- have not split the CAF.

Non Retail Investors having bank account with SCSBs that are providing ASBA in cities/ centers where Non Retail Investors are located, are mandatorily required to make use of ASBA facility. Otherwise, applications of such Non Retail Investors are liable for rejection. All Non Retail Investors are encouraged to make use of ASBA facility wherever such facility is available.

Retail Individual Investors may optionally apply through the ASBA process provided that they are eligible ASBA Investors (as per the conditions of the SEBI circular dated December 30, 2009).

The CAF consists of four parts:

Part A: Form for accepting the Rights Equity Shares offered and for applying for additional securities

Part B: Form for renunciation

Part C: Form for application by Renouncees

Part D: Form for request for split application forms

Please note that neither the Company nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF/duplicate CAF attributable to postal delays or if the CAF/duplicate CAF are misplaced in the transit.

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

Options available to the Eligible Equity Shareholders

The CAFs will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. If the Eligible Equity Shareholder applies for an investment in the Issue, then he can:

- A. Apply for his Rights Entitlement in full;
- B. Apply for his Rights Entitlement in part (without renouncing the other part);
- C. Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- D. Renounce his entire Rights Entitlement; or
- E. Apply for his Rights Entitlement in part and renounce the other part.

Options A and B: Acceptance of the Rights Entitlement

The Eligible Equity Shareholders may accept their Rights Entitlement and apply for the Rights Equity Shares offered, either (i) in full or (ii) in part, without renouncing the other part, by completing Part A of the CAF. For details in relation to submission of the CAF and mode of payment please refer to the sub-section titled “*Submission of Application and Modes of Payment for the Issue*” under this section titled “*Terms of the Issue*” on page 219 of the Letter of Offer.

Option C: Acceptance of the Rights Entitlement and Application for Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you have applied for all the Rights Equity Shares offered to you without renouncing them in whole or in part in favor of any other person(s). Applications for additional Rights Equity Shares shall be considered, and the allotment shall be made at the sole discretion of the Board/ Committee of the Board, subject to sectoral caps and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under “*Basis of Allotment*” on page 223 of the Letter of Offer.

If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF. The Renounee applying for all the Rights Equity Shares renounced in their favor may also apply for additional Rights Equity Shares.

Where the number of additional Rights Equity Shares applied for exceeds the number available for allotment, the allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Options D and E: Renunciation of the Rights Entitlement

This Issue includes a right exercisable by you to

renounce the Rights Equity Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that our Company shall not allot and/or register Rights Equity Shares in favour of :

- More than three persons, including joint holders;
- Partnership firms or their nominees;
- Minors;
- Hindu Undivided Families (HUFs); or
- Trusts or societies (unless registered under the Societies Registration Act, 1860 or the Indian Trusts Act, 1882 or any other law applicable to trusts and societies and is authorised under its constitution or bye-laws to hold equity shares of a company).

‘Part A’ of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid. Submission of the enclosed CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (‘Part B’ of the CAF) duly filled in shall be conclusive evidence for our Company of the Renounees applying for Rights Equity Shares in ‘Part C’ of the CAF to receive allotment of such Rights Equity Shares. The Renounees applying for all the Rights Equity Shares renounced in their favour may also apply for additional Rights Equity Shares. ‘Part A’ of the CAF must not be used by the Renounee(s) as this will render the application invalid. Renounee(s) will have no further right to renounce any Rights Equity Shares in favour of any other person.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Rights Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under “*Terms of the Issue - Basis of Allotment*” on page 223 of the Letter of Offer. If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003. Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renounee shall not renounce the same (whether for consideration or otherwise) in favour of OCB(s).

The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of OCBs may do so provided such Renounee obtains a prior approval from the RBI. On submission of such approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

Renunciation by and/or in favor of Non Residents

Any renunciation (i) from a resident Indian Equity Shareholder to a Non Resident, or (ii) from a Non Resident Equity Shareholder to a resident Indian, or (iii) from a Non Resident Equity Shareholder to a Non Resident, in light of RBI Master circular on Foreign Investment in India dated July 01, 2010, RBI Notification No. FEMA 20/2000-RB dated May 03, 2000 and RBI circular No. 38 dated December 03, 2003 would not require approval from RBI, if such renunciation is made on the floor of the exchange, provided that in case of any renunciation from a resident Indian Equity Shareholder to a Non Resident, the offer price for the Rights Equity Shares should not be less than the price at which an offer is made to the resident Eligible Equity Shareholder. Any renunciation through a private arrangement would be subject to applicable pricing requirements prescribed by the RBI and/or seeking appropriate approvals from the RBI in this regard.

However, the right of renunciation is subject to the express condition that the Board of Directors shall be entitled, in its absolute discretion, to reject the request

from the renounees for the allotment of Equity Shares without assigning any reason therefor.

Procedure for renunciation

To renounce all the Rights Equity Shares offered to an Eligible Equity shareholder in favour of one Renounee

If you wish to renounce the offer indicated in ‘Part A’, in whole, please complete ‘Part B’ of the CAF. In case of joint holding, all joint holders must sign ‘Part B’ of the CAF. The person in whose favour renunciation has been made should complete and sign ‘Part C’ of the CAF. In case of joint Renounees, all joint Renounees must sign part C of the CAF.

To renounce in part/or renounce the whole to more than one person(s)

If you wish to either accept this offer in part and renounce the balance or renounce the entire offer under this Issue in favour of two or more Renounees, the CAF must be first split into requisite number of forms. Please indicate your requirement of Split Application Forms (“SAFs”) in the space provided for this purpose in ‘Part D’ of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs, i.e. Monday, March 12, 2012. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed. In case the signature of the Eligible Equity Shareholder(s), who has renounced the Rights Equity Shares, does not match with the specimen registered with our Company, the application is liable to be rejected.

Renounee(s)

The person(s) in whose favour the Rights Equity Shares are renounced should fill in and sign ‘Part C’ of the CAF and submit the entire CAF to the Bankers to the Issue on or before the Issue Closing Date along with the application money in full. A Renounee cannot further renounce.

Change and/or introduction of additional holders

If you wish to apply for Rights Equity Shares jointly with any other person(s), not more than three, who is/are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above, shall have to be followed. However, this right of renunciation is subject to the express condition that the Board of Directors of our Company shall be entitled in its absolute discretion to reject the request for allotment from the Renounee(s) without assigning any reason thereof.

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

Instructions for Options

The summary of options available to the Eligible Equity Shareholder is presented below. You may exercise any of the following options with regard to the Rights Equity Shares offered, using the enclosed CAF:

Option Available	Action Required
1. Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A (<i>All joint holders must sign</i>)
2. Accept your Rights Entitlement in full and apply for additional Rights Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Equity Shares (<i>All joint holders must sign</i>)
3. Renounce your Rights Entitlement in full to one person (<i>Joint Renouncees are considered as one</i>).	Fill in and sign Part B (<i>all joint holders must sign</i>) indicating the number of Rights Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C (<i>All joint Renouncees must sign</i>)
4. Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s) OR Renounce your Rights Entitlement of all Rights Equity Shares offered to you to more than one Renouncee	Fill in and sign Part D (<i>all joint holders must sign</i>) requesting for SAFs. Send the CAF to the Registrar to the Issue so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. On receipt of the SAF take action as indicated below. For the Rights Equity Shares you wish to accept, if any, fill in and sign Part A. For the Rights Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Rights Equity Shares renounced and hand it over to the Renouncee. Each of the Renouncee should fill in and sign Part C for the Rights Equity Shares accepted by them. \
5. Introduce a joint holder or change the sequence of joint holders	This will be treated as a renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

Applicants must provide information in the CAF as to their savings bank / current account number and the name of the bank with whom such account is held, to enable the Registrar to print the said details in the refund orders after the names of the payee(s) in case of Equity Shares held in the physical form. Failure to comply with this may lead to rejection of the application. Bank account details furnished by the Depositories will be printed on the refund warrant in case of Equity Shares held in electronic form.

Please note that:

- ‘Part A’ of the CAF must not be used by any person(s) other than the Eligible Equity Shareholders to whom the Letter of Offer has been addressed. If used, this will render the application invalid.
- Request for Split Application Forms / SAF should be made for a minimum of one Rights Equity Share or, in either case, in multiples thereof and one SAF for the balance Rights Equity Shares, if any.
- A request by the Applicant for the SAF should reach our Company on or before Monday, March 12, 2012.
- Only the Eligible Equity Shareholders to whom the Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.
- SAFs will be sent to the applicant(s) by post at the Applicant’s risk.
- While applying for or renouncing their Rights Entitlement, joint holders must sign in the same order and as per the specimen signatures registered with our Company.
- In the case of a renunciation, the submission of the CAF to the Bankers to the Issue at the collecting branches specified on the reverse of the CAF together with Part B of the CAF duly completed shall be conclusive evidence of the right of the person applying for the Equity Shares to receive allotment of such Equity Shares.
- Eligible Equity Shareholders may not renounce in favour of persons or entities in the United States, who are not “qualified

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

institutional buyers” (as defined the US Securities Act), or who would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities laws.

Applicants must write their CAF Number at the back of the cheque/demand draft

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Applicant, the Registrar to the Issue will issue a duplicate CAF on the request of the Applicant who should furnish the registered folio number/ DP and Client ID number and his/ her full name and address to the Registrar to the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue within 8 days from the Issue Opening Date. Please note that those who are making the application in the duplicate CAF should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the applicant violates any of these requirements, he / she shall face the risk of rejection of both the CAFs.

Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of duplicate CAF in transit, if any.

Application on Plain Paper

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with demand draft, after deducting bank and postal charges payable at Hyderabad which should be drawn in favor of the “Gayatri Projects Limited- Rights Issue” incase of resident shareholders and shareholders applying on non repatriable basis or “Gayatri Projects Limited- Rights Issue-NR” incase of non resident shareholders applying on repatriable basis and the Eligible Equity Shareholders should send the same by registered post directly to the Registrar to the Issue. The envelope should be superscribed “Gayatri Projects Limited – Rights Issue” incase of shareholders applying on non repatriable basis or “Gayatri Projects Limited-Rights Issue-NR” incase of non resident shareholders applying on repatriable basis and should be postmarked in India.

The application on plain paper, duly signed by the Applicants including joint holders, in the same order as per specimen recorded with our Company, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following

particulars:

- Name of Company, being Gayatri Projects Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID no.;
- Number of Equity Shares held as on Record Date;
- Number of Rights Equity Shares entitled;
- Number of additional Rights Equity Shares applied for, if any;
- Certificate numbers and distinctive numbers, if held in physical form.
- Total number of Rights Equity Shares applied for;
- the total amount paid at the rate of ₹ 120 per Rights Equity Shares;
- Particulars of demand draft / cheque / pay order;
- In case of Equity Shares allotted in physical form, Savings/Current Account Number and name and address of the bank where the Eligible Equity Shareholder will be depositing the refund order; In case of equity shares allotted in demat mode, the bank account details will be obtained from the information available with the depositories
- Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, PAN number of the Applicant and for each Applicant in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue; subject to submitting sufficient documentary evidence in support of their claim for exemption, provided that such transactions are undertaken on behalf of the Central and State Government and not in their personal capacity
- Signature of Eligible Equity Shareholders to appear in the same sequence and order as they appear in the records of our Company.
- In case of Non Resident Shareholders, NRE/ FCNR/ NRO A/c No. Name and Address of the Bank and Branch;
- If payment is made by a draft purchased from NRE/ FCNR/ NRO A/c No., as the case may be, an Account debit certificate from the bank issuing the draft, confirming that the draft has been issued by debiting NRE/ FCNR/ NRO Account.
- A representation that the Eligible Equity Shareholder is not a “U.S. Person” (as defined in Regulation S under the Securities Act);

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

- Additionally, Non Resident applicants shall include the representation in writing that:
 1. “I/We understand that the Rights Entitlement have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**US Securities Act**”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof or to, or for the account or benefit of, “**U.S. Persons**” (as defined in Regulation S under the US Securities Act), except in a transaction exempt from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Equity Shares referred to in this application are being offered in India but not in the United States of America. None of our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company has reason to believe is, a resident of the United States and to whom an offer, if made, would result in requiring registration of this application with the United States Securities and Exchange Commission.
 2. I/We am/are both an institutional investor and an “accredited investor” within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the US Securities Act and we have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Equity Shares, and we are, and any accounts for which we are acting are each, able to bear the economic risk of our or its investment.
 3. I/We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.
 4. I/We understand and agree that the Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.”
- Please note that Eligible Equity Shareholders who are making an application otherwise than on a CAF (i.e., on plain paper as stated above on page 217 of the Letter of Offer) shall not be entitled to renounce their rights and should not utilize the CAF for any purpose, including renunciation, even if it is received subsequently. If the Eligible Equity Shareholder does not comply with any of these requirements, he/she shall face the risk of rejection of both the applications and the application money received shall be refunded. However, our Company and/or any Director of our Company will not be liable to pay any interest whatsoever on the Application Money so refunded.
- The Eligible Equity Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in the application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to such Eligible Equity Shareholders.
- Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Applicant violates any of these requirements, he/she shall face the risk of rejection of both the applications. Our Company shall refund such application amount to the Applicant without any interest thereon.

IV. Submission of Application and Modes of Payment for the Issue (other than ASBA Applicants)

1. Resident Equity Shareholders/ Applicants

1. Applicants who are applying through CAF and residing at places where the bank collection centres have been opened for collecting applications, are requested to submit their applications at the corresponding collection centre together with cheque / bank demand draft drawn on any bank (including a co-operative bank), for the full application amount favouring “Gayatri Projects Limited -Rights Issue” and marked ‘A/c Payee only’.
2. Applicants who are applying through CAF and residing at places other than places where the bank collection centres have been opened for collecting applications, are requested to send their applications together with a demand draft of full amount after

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

deducting bank and postal charges, favouring “Gayatri Projects Limited -Rights Issue” and marked ‘A/c Payee only’ payable at **Hyderabad** directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

3. Applicants who are applying on plain paper, are requested to send their applications on plain paper together with a demand draft of full amount after deducting bank and postal charges, for the Rights Equity Shares favouring “Gayatri Projects Limited -Rights Issue” and marked ‘A/c Payee only’ payable at **Hyderabad** directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

2. Non-Resident Equity Shareholders / Applicants

Application with repatriation benefits

Non-Resident Equity Shareholders / Applicants, applying on a repatriation basis, are required to submit the completed CAF / application on plain paper, as the case may be, along with the payment made through any of the following ways:

1. By Indian Rupee drafts purchased from abroad and payable at Hyderabad or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate); or
2. By Local cheque / bank drafts remitted through normal banking channels or out of funds held in Non-Resident External Account (NRE) or FCNR Account maintained with banks authorized to deal in foreign currency in India, along with documentary evidence in support of remittance; or
3. FIIs registered with SEBI must remit funds from special non-resident rupee deposit account.
4. For Eligible Equity Shareholders / Applicants, applying through CAF, the CAF is to be sent at the bank collection centre specified in the CAF along with cheques/drafts in favour of “Gayatri Projects Limited -Rights Issue-NR” and crossed ‘A/c Payee only’ for the amount payable.
5. For Eligible Equity Shareholders / Applicants, applying on a plain paper, the applications are to be directly sent to the Registrar to the Issue by registered post along with drafts (after deducting bank and postal charges) in favour of “Gayatri Projects Limited-Rights Issue-NR” payable at **Hyderabad** and crossed ‘A/c Payee only’ for the

amount payable so as to reach them on or before the Issue Closing Date.

6. For Eligible Equity Shareholders/ Applicants applying through CAF but not residing at places where the collection centre is located, shall send the CAF to the Registrar to the Issue by registered post along with drafts of an amount after deducting bank and postal charges in favour of “Gayatri Projects Limited -Rights Issue-NR” payable at **Hyderabad** and crossed ‘A/c Payee only’ for the amount payable so as to reach them on or before the Issue Closing Date.

A separate cheque or bank draft must accompany each application form. Applicants may note that where payment is made by drafts purchased from NRE/FCNR accounts as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR account should be enclosed with the CAF. In the absence of the above the application shall be considered incomplete and is liable to be rejected.

In the case of NRIs who remit their application money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account details of which should be furnished in the appropriate columns in the CAF. In the case of NRIs who remit their application money through Indian Rupee Drafts from abroad, refunds and other disbursements, if any will be made in U.S Dollars at the rate of exchange prevailing at such time subject to the permission of RBI. Our Company will not be liable for any loss on account of exchange rate fluctuation for converting the Rupee amount into U.S. Dollar or for collection charges charged by the applicant’s Bankers.

Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of application in transit, if any

Payments through Non Resident Ordinary Account (NRO account) will not be permitted.

Application without repatriation benefits

For non-residents Eligible Equity Shareholders / Applicants applying on a non-repatriation basis, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained at **Hyderabad** or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at **Hyderabad**. In such cases, the allotment of Rights Equity Shares will be on non-repatriation basis.

For Non Resident Equity Shareholders/Applicants, applying through CAF, the CAF is to be sent at the bank

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

collection centre specified in the CAF along with cheques/demand drafts drawn for the full amount after deducting bank and postal charges in favor of “Gayatri Projects Limited -Rights Issue” and crossed ‘A/c Payee only’ for the amount payable.

For Non Resident Eligible Equity Shareholders/Applicants, applying on a plain paper, the applications are to be directly sent to the Registrar to the Issue by registered post along with demand drafts after deducting bank and postal charges drawn in favor of “Gayatri Projects Limited -Rights Issue-” payable at **Hyderabad** so as to reach them on or before the Issue Closing Date.

For Non Resident Eligible Equity Shareholders/Applicants applying through CAF but not residing at places where the collection centre is located, shall send the CAF to the Registrar to the Issue by registered post along with drafts of an amount after deducting bank and postal charges in favour of “Gayatri Projects Limited - Rights Issue” payable at **Hyderabad** for the amount payable so as to reach them on or before the Issue Closing Date.

If the payment is made by a draft purchased from an NRO account, an Account Debit Certificate from the bank issuing the draft, confirming that the draft has been issued by debiting the NRO account, should be enclosed with the CAF. In the absence of the above, the application shall be considered incomplete and is liable to be rejected.

New dematerialised accounts shall be opened for Eligible Equity Shareholders who have had that change in status from resident Indian to NRI.

Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of application in transit, if any, on this account and applications received through mail after closure of the Issue are liable to be rejected. Applications through mails should not be sent in any other manner except as mentioned above. The CAF along with the application money must not be sent to our Company or the Lead Manager or the Registrar except stated otherwise. The Applicants are requested to strictly adhere to these instructions.

Renounees who are NRIs/FIIs/Non-Resident should submit their respective applications either by hand delivery or by registered post with acknowledgement due to the Registrar to the Issue only along with the cheque/demand draft payable at **Hyderabad** so that the same are received on or before the closure of the Issue.

Procedure for Application by Mutual Funds

In case of a Mutual Fund, a separate application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect

of more than one scheme of the Mutual Fund will not be treated as multiple applications provided that the application clearly indicate the scheme concerned for which the application has been made.

Applications made by asset management companies or custodians of a mutual fund shall clearly indicate the name of the concerned scheme for which application is being made.

As per the current norms prescribed by SEBI, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Rights Equity Shares of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs or Non Institutional Investors shall mandatorily make use of ASBA facility. All QIBs and Non Institutional Investors, who are eligible ASBA Investors (i.e. complying with the eligibility conditions of SEBI circular dated December 30, 2009), must mandatorily invest through the ASBA process.

Investment by FIIs

In accordance with the current regulations, the following restrictions are applicable for investment by FIIs: The Issue of Rights Equity Shares under this Issue to a single FII should not exceed 24% of the post-issue paid up capital of our Company. In respect of an FII investing in the Rights Equity Shares on behalf of its sub-accounts the investment on behalf of such FII (including each sub-account) shall not exceed 10% of the total paid up capital of our Company. In accordance with foreign investment limits applicable to our Company, the total FII investment cannot exceed 24% of the total paid-up capital of our Company. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to the permitted sectoral cap applicable to our Company. Applications will not be accepted from FIIs located in restricted jurisdictions

Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs or Non Institutional Investors shall mandatorily make use of ASBA facility. All QIBs and Non Institutional Investors, who are eligible ASBA Investors (i.e. complying with the eligibility conditions of SEBI

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

circular dated December 30, 2009), must mandatorily invest through the ASBA process.

Investments by NRIs

Investments by NRIs are governed by the Portfolio Investment Scheme under Regulation 5(3) (i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. NRI Applicants should note that applications by ineligible Non-residents (including on account of restriction or prohibition under applicable local laws) and where a registered address in India has not been provided are liable to be rejected.

Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs or Non Institutional Investors shall mandatorily make use of ASBA facility. All QIBs and Non Institutional Investors, who are eligible ASBA Investors (i.e. complying with the eligibility conditions of SEBI circular dated December 30, 2009), must mandatorily invest through the ASBA process.

Acceptance of the Issue

You may accept the Issue and apply for the Rights Equity Shares offered, either in full or in part by filling Block III of Part A of the enclosed CAF and submit the same along with the application money payable to the Bankers to the Issue or any of the branches as mentioned on the reverse of the CAF before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board thereof in this regard. Applicants at centers not covered by the branches of Bankers to the Issue can send their CAF together with the cheque drawn on a local bank at Hyderabad /demand draft payable at Hyderabad to the Registrar to the Issue by registered post. Such applications sent to anyone other than the Registrar to the Issue are liable to be rejected.

Note:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to Income Tax Act, 1961.
2. In case Rights Equity Shares are allotted on non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. The CAFs duly completed together with the amount payable on application must be deposited with the collecting bank indicated on the reverse of the CAFs before the close of business hours on or before the

Issue Closing Date. Separate cheque or bank draft must accompany each CAF.

4. In case of a CAF received from non-residents, allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by RBI as applicable at the time of making such allotment, remittance and subject to necessary approvals.

Last date of Application

The last date for submission of the duly filled in CAF is Monday, March 19, 2012. The Issue will be kept open for a minimum of 15 days and our Board or any committee thereof will have the right to extend the said date for such period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

If the CAF together with the amount payable is not received by the Banker to the Issue/ Registrar to the Issue on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board/ Committee of Directors, the offer contained in the Letter of Offer shall be deemed to have been declined and the Board/ Committee of Directors shall be at liberty to dispose off the Rights Equity Shares hereby offered, as provided under the section entitled “*Terms of the Issue – Basis of Allotment*” on page 223 of the Letter of Offer.

APPLICANTS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

Basis of Allotment

Subject to the provisions contained in the Letter of Offer, the Articles of Association of our Company and the approval of the Designated Stock Exchange, the Board will proceed to allot the Rights Equity Shares in the following order of priority:

- (a) Full allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/ have applied for Rights Equity Shares renounced in their favour, in full or in part.
- (b) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of the Issue and have also applied for additional Rights Equity Shares. The allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there is an under-subscribed portion after making full allotment in (a) above. The allotment of such Rights Equity Shares will be at the sole discretion of the Board/Committee of Directors in consultation with the

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

Designated Stock Exchange, as a part of the Issue and not preferential allotment.

- (c) Allotment to Renounees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full allotment under (a) and (b) above. The allotment of such Rights Equity Shares will be at the sole discretion of the Board/Committee of Directors in consultation with the Designated Stock Exchange, as a part of the Issue and not preferential allotment.

After taking into account allotment to be made under (a), (b) and (c) above, if there is any undersubscribed portion, the same shall be deemed to be 'unsubscribed' and allotment of the unsubscribed Rights Equity Shares will be made to any other person including (our Promoter and Promoter Group) as the Board may in its absolute discretion deem fit.

In the event of under subscription, our Promoters and Promoter Group, intend to apply for additional Rights Equity Shares in accordance with the undertaking and disclosures as mentioned hereinbelow.

Our Promoters and Promoter Group, have undertaken, vide their letters dated February 24, 2012, to fully subscribe for their Rights Entitlement. They reserve the right to subscribe for Rights Equity Shares pursuant to any renunciation made by any member of our Company. They also intend to apply for Rights Equity Shares to the extent of any undersubscribed portion of the Issue, subject to obtaining any approvals required under applicable law, to ensure that at least 90% of the Issue is subscribed. Such subscription for Rights Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above their current percentage shareholding. The subscription to such additional Rights Equity Shares to be made by our Promoter and Promoter Group shall be exempt from the obligation to make an open offer subject to compliance with Regulation 10(4)(b) of the Takeover Regulations and other applicable provisions of law. Further, such acquisition by them of additional Rights Equity Shares shall not result in a change of control of the management of our Company.

Presently our Company is complying with clause 40A of the Listing Agreement read with Rule 19A of the Securities Contracts (Regulation) Rules, 1957 in connection with the requirement of maintaining the minimum public shareholding, i.e. at least 25% of the total paid up equity capital, for continuous listing.

The Promoter and/or members of the Promoter Group intend to subscribe for any undersubscribed portion as per the provisions of applicable law. Allotment to the Promoter and/or members of the Promoter Group of any undersubscribed portion, over and above their Rights Entitlement, shall be

completed in compliance with clause 40A of the Listing Agreements and other applicable laws prevailing at that time relating to continuous listing requirements and the minimum public shareholding of 25% of the total paid up equity capital required to be maintained for continuous listing shall be maintained. For further details of under subscription and allotment to the Promoter and Promoter Group, please refer to "*Basis of Allotment*" below under the section titled "*Terms of the Issue*" on page 223 of the Letter of Offer.

In case the permission to deal in and for an official quotation of the Rights Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay without interest, all monies received from the applicants in pursuance of the Letter of Offer and if such money is not repaid within eight days after the day from which our Company is liable to repay it, our Company shall pay interest @ 15% per annum as prescribed under Section 73(2) / 73(2A) of the Companies Act, 1956.

Underwriting

This Issue is not being underwritten.

Allotment / Refund

Our Company will issue and dispatch allotment advice/ share certificates/debenture certificates/demat credit and/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any, within 15 days from the Issue Closing Date. If such money is not repaid within eight days from the day our Company becomes liable to pay the subscription amount (i.e. 15 days after the Issue Closing Date or the date of refusal by the Stock Exchanges, whichever is earlier), our Company shall pay that money with interest at 15% p.a. for the delayed period as stipulated under Section 73 of the Companies Act.

Applicants residing at the centers where clearing houses are managed by the RBI) will get refund through NECS only except where the Applicants are otherwise disclosed as applicable/eligible to get refunds through NEFT, direct credit and RTGS provided the MICR details are recorded with the Depositories or our Company.

In case of those Applicants who have opted to receive their Right Entitlement in dematerialized form by using electronic credit under the depository system, an advice regarding the credit of the Rights Equity Shares shall be given separately. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through Certificate of posting intimating them about the mode of credit of refund within 15 days of the Issue Closing Date. In case of those Applicants who have opted to receive their Rights Entitlement in physical form, our Company will issue the corresponding share/debenture certificates under section 113 of the Companies Act or other applicable provisions if any. Any refund order exceeding ₹ 1,500 will be dispatched by registered

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

post/ speed post to the sole/ first Applicant's registered address. Refund orders up to the value of ₹ 1,500 would be sent under the certificate of posting. Such cheques or pay orders will be payable at par at all places where the applications were originally accepted and will be marked "Account Payee only" and would be drawn in the name of the sole/ first Applicant. Adequate funds would be made available to the Registrar to the Issue for this purpose.

Payment of Refund

Mode of making refunds

The payment of refund, if any, would be done through any of the following modes:

1. **NECS** – Payment of refund would be done through NECS for applicants having an account at one of the centres specified by the RBI, where such facility has been made available.

This would be subject to availability of complete Bank Account Details including MICR code wherever applicable from the depository. The payment of refund through NECS is mandatory for applicants having a bank account at any of the centres where NECS facility has been made available by the RBI (subject to availability of all information for crediting the refund through NECS including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

2. **NEFT** – Payment of refund shall be undertaken through NEFT wherever the Applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. **Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Applicants through this method.**
3. **Direct Credit** – Applicants having bank accounts with the refund bankers shall be eligible to receive refunds through direct credit. Charges, if any, levied by the refund banker(s) for the same would be borne by our Company.
4. **RTGS** – Applicants having a bank account at any of the abovementioned centres specified by RBI and whose refund amount exceeds ₹ 0.20 million, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive refund through

RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through NECS. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.

5. For all other Applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to ₹ 1,500 and through Speed Post/ Registered Post for refund orders of ₹ 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Applicant and payable at par.
6. Credit of refunds to Applicants in any other electronic manner permissible under applicable banking laws which are in force and as permitted by SEBI from time to time.

For shareholders opting for allotment in physical mode, bank account details as mentioned in the CAF shall be considered for electronic credit or printing of refund orders, as the case may be. Refund orders will be made by cheques, pay orders or demand drafts drawn on the Refund Bank(s) and payable at par at places where the applications were received and will be marked account payee and will be drawn in the name of Sole/First Applicant. The bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars will be printed on the refund orders/refund warrants which can then be deposited only in the account specified. Our Company will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Refund payment to Non-Resident

Where applications are accompanied by Indian rupee drafts purchased abroad and payable at Hyderabad, refunds will be made in convertible U.S. dollars equivalent to Indian rupees to be refunded. Indian rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned applicant and our Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO accounts respectively, on which such cheques were drawn and details of which were provided in the CAF. Export of letters of allotment (if any)/ share certificates/ demat credit

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

to non-resident allottees will be subject to the approval of RBI.

Allotment advice / Share Certificates/ Demat Credit

Allotment advice/ share certificates/ demat credit or letters of regret will be dispatched to the registered address of the first named Applicant or respective beneficiary accounts will be credited within 15 days from the Issue Closing Date. In case our Company issues allotment advice, the relative share certificates will be dispatched within one month from the date of allotment. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for share certificates.

Option to receive Rights Equity Shares in Dematerialized Form

Applicants to the Rights Equity Shares of our Company issued through this Issue shall be allotted the Rights Equity Shares in dematerialized (electronic) form at the option of the Applicant. Our Company signed a tripartite agreement dated March 9, 2006 with NSDL and the Registrar to the Issue, which enables the Applicants to hold and trade in securities in a dematerialized form, instead of holding the securities in the form of physical certificates. Our Company has also signed a tripartite agreement dated January 23, 2006 with CDSL and the Registrar to the Issue, which enables the Applicants to hold and trade in securities in a dematerialized form, instead of holding the securities in the form of physical certificates.

In this Issue, the allottees who have opted for Rights Equity Shares in dematerialized form will receive their Rights Equity Shares in the form of an electronic credit to their beneficiary account as given in the CAF with a depository participant. Applicant will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order (if any) would be sent directly to the applicant by the Registrar to the Issue but the applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the applicant's depository account. Applications, which do not accurately contain this information, will be given the Rights Equity Shares in physical form. No separate applications for Rights Equity Shares in physical and/or dematerialized form should be made. If such applications are made, the application for physical Rights Equity Shares will be treated as multiple applications and is liable to be rejected. In case of partial allotment, allotment will be done in demat option for the Rights Equity Shares sought in demat and balance, if any, will be allotted in physical form.

APPLICANTS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

Procedure for availing the facility for allotment of Rights Equity Shares in this Issue in the electronic form is as under:

- (i) Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is exhibited in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as with our Company). In case of Applicants having various folios in our Company with different joint holders, the Applicants will have to open separate accounts for such holdings. *Those Eligible Equity Shareholders who have already opened such beneficiary account (s) need not adhere to this step.*
- (ii) For Eligible Equity Shareholders already holding Equity Shares of our Company in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Rights Equity Shares pursuant to this Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the allotment of Rights Equity Shares arising out of this Issue may be made in dematerialized form even if the original Rights Equity Shares of our Company are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Eligible Equity Shareholders and the names are in the same order as in the records of our Company.
- (iii) Responsibility for correctness of information (including Applicant's age and other details) filled in the CAF vis-à-vis such information with the Applicant's depository participant, would rest with the Applicant. Applicants should ensure that the names of the applicants and the order in which they appear in CAF should be the same as registered with the applicant's depository participant.
- (iv) If incomplete / incorrect beneficiary account details are given in the CAF the Applicant will get Rights Equity Shares in physical form.
- (v) Renouncees will also have to provide the necessary details about their beneficiary account for allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.
- (vi) Rights Equity Share allotted to an Applicant in the electronic account form will be credited directly to the Applicant's respective beneficiary account(s) with depository participant.
- (vii) Applicants should ensure that the names of the Applicants and the order in which they appear in the CAF should be the same as registered with the Applicant's depository participant.

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

- (viii) Non-transferable allotment advice/refund orders will be directly sent to the Applicant by the Registrar to this Issue.
 - (ix) The Rights Equity Shares pursuant to this Issue allotted to Applicants opting for dematerialized form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the Applicant by the Registrar to the Issue but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
 - (x) It may be noted that Rights Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL.
 - (xi) Dividend or other benefits with respect to the Rights Equity Shares held in dematerialized form would be paid to those Eligible Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.
- d) Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, PAN number of the Applicant and for each Applicant in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue, subject to the submission of sufficient documentary evidence to support the veracity of their claim for such exemption. CAF without a PAN number will be considered incomplete and are liable to be rejected.
 - e) Applicants are advised that it is mandatory to provide information as to their savings/current account number and the name of our Company with whom such account is held in the CAF to enable the Registrar to the Issue to print the said details in the refund orders, if any, after the names of the payees for Equity Shares held in the physical form. Application not containing such details is liable to be rejected. For Eligible Equity Shareholders holding Equity Shares in dematerialized form, such bank details will be drawn from the demographic details of the Eligible Equity Shareholder in the records of the Depository.
 - f) All payments should be made by cheque/demand draft only. Application through the ASBA process as mentioned above is acceptable. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Equity Shareholders must sign the CAF as per the specimen signature recorded with our Company.
 - g) In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and a copy of the Memorandum and Articles of Association and / or bye laws of such body corporate or society must be lodged with the Registrar to the Issue giving reference of the serial number of the CAF. In case the above referred documents are already registered with our Company, the same need not be furnished again. In case these papers are sent to any other entity besides the Registrar to the Issue or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Bankers to the Issue.

General instructions for Applicants

- a) Please read the instructions printed on the CAF carefully.
- b) Application should be made on the printed CAF, provided by our Company except as mentioned under the head application on plain paper and should be completed in all respects. For details see "*Application on Plain Paper*" beginning on page 217 of the Letter of Offer. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of the Letter of Offer and/or the Abridged Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Applicants, details of occupation, address, father's / husband's name must be filled in block letters.
- c) The CAF together with cheque/demand draft should be sent to the Bankers to the Issue/Collecting Bank or to the Registrar to the Issue and not to our Company or Lead Manager to the Issue. Applicants residing at places other than cities where the branches of the Bankers to the Issue have been authorised by our Company for collecting applications, will have to make payment by Demand Draft payable at Hyderabad of an amount net of bank and postal charges and send their CAFs to the Registrar to the Issue by REGISTERED POST. If any portion of the CAF is/are detached or separated, such application is liable to be rejected.

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

- h) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company. Further, in case of joint Applicants who are Renounees, the number of Applicants should not exceed three. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- Application(s) received from Non-Resident / NRIs, or persons of Indian origin residing abroad for allotment of Rights Equity Shares shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of equity shares, subsequent issue and allotment of equity shares, interest, export of share certificates, etc. In case a Non-Resident or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, Applications will not be accepted from NRs/NRIs in the United States or its territories and possessions, or any other jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws. **The Abridged Letter of Offer and CAF shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only.**
- i) All communication in connection with application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of allotment in this Issue quoting the name of the first/sole Applicant, folio numbers and CAF number. Please note that any intimation for change of address of Eligible Equity Shareholders, after the date of allotment, should be sent to the Registrar and Transfer Agents of our Company, in the case of Equity Shares held in physical form and to the respective depository participant, in case of Equity Shares held in dematerialized form.
- j) Payment by cash: The Registrar will not accept any payments against any applications, if made in cash. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.
- k) SAFs cannot be re-split.
- l) Only the person or persons to whom Rights Equity Shares have been offered and not Renounee(s) shall be entitled to obtain SAFs.
- m) Applicants must write their CAF number at the back of the cheque /demand draft.
- n) Only one mode of payment per application should be used. The payment must be by cheque / demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the Bankers Clearing House located at the centre indicated on the reverse of the CAF where the application is to be submitted.
- o) A separate cheque / draft must accompany each CAF. Outstation cheques / demand drafts or post-dated cheques and postal / money orders will not be accepted and applications accompanied by such cheques / demand drafts / money orders or postal orders will be rejected. The Registrar will not accept payment against application if made in cash.
- p) No receipt will be issued for application money received. The Bankers to the Issue / Collecting Bank/ Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.
- q) An applicant which is a mutual fund can make a separate application in respect of each scheme of the mutual fund registered with SEBI and such applications in respect of more than one scheme of the mutual fund shall not be treated as multiple applications provided that the application clearly indicate the scheme concerned for which the application has been made. The application made by the asset management company or custodian of a mutual fund shall clearly indicate the name of the concerned scheme for which the application is made.
- r) The distribution of the Letter of Offer and issue of Rights Equity Shares and Rights Entitlements to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in the United States and such other jurisdictions are instructed to disregard the Letter of Offer and not to attempt to subscribe for Rights Equity Shares.

Do's for non-ASBA Investors:

- (a) Check if you are eligible to apply i.e. you are an Equity Shareholder on the Record Date;
- (b) Read all the instructions carefully and ensure that the cheque/ draft option is selected in part A of the CAF and necessary details are filled in;
- (c) In the event you hold Equity Shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only;
- (d) Ensure that your Indian address is available to our Company and the Registrar, in case you hold Equity Shares in physical form or the depository participant, in case you hold Equity Shares in dematerialized form;

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

- (e) Ensure that the value of the cheque/ draft submitted by you is equal to the (number of Equity Shares applied for) X (Issue Price of Equity Shares, as the case may be) before submission of the CAF;
- (f) Ensure that you receive an acknowledgement from the collection centers of the collection bank for your submission of the CAF in physical form;
- (g) Ensure that you mention your PAN allotted under the I.T. Act with the Bid cum Application Form, except for Bids on behalf of the Central and State Governments, residents of the state of Sikkim and officials appointed by the courts;
- (h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF;
- (i) Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts for non-ASBA Investors:

- (a) Do not apply if you are in the United States of America or are not eligible to participate in the Issue the securities laws applicable to your jurisdiction;
- (b) Do not apply on duplicate CAF after you have submitted a CAF to a collection center of the collection bank;
- (c) Do not pay the amount payable on application in cash, by money order or by postal order;
- (d) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- (e) Do not submit Bid accompanied with Stock invest.

Grounds for Technical Rejections

Applicants are advised to note that applications are liable to be rejected on technical grounds, including the following:

- Amount paid does not tally with the amount payable for;
- Bank account details (for refund) are not given and the same are not available with the DP (in the case of dematerialized holdings) or the Registrar (in the case of physical holdings);
- Age of first Applicant not given while completing Part C of the CAFs;
- Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, PAN number not given for application of any value;
- Submit the GIR number instead of the PAN;

- In case of application under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not submitted;
- If the signature of the existing Eligible Equity Shareholder does not match with the one given on the CAF and for renouncee(s) if the signature does not match with the records available with their depositories;
- If the Applicant desires to have Rights Equity Shares in electronic form, but the CAF does not have the Applicant's depository account details;
- Application forms are not submitted by the Applicants within the time prescribed as per the CAF and the Letter of Offer;
- Applications not duly signed by the sole/joint Applicants;
- Applications by OCBs unless accompanied by specific approval from RBI permitting the OCBs to participate in the Issue;
- Applications accompanied by Stockinvest;
- In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity;
- For applications by Applicants that are located outside of the United States and that are not U.S. persons, such applications that do not include the certification set out in the CAF to the effect that the subscriber is not a "U.S. person" (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations;
- For applications by Applicants that are U.S. persons or which have evidence of being executed in/ dispatched from the U.S., such applications by Applicants that have not provided to our Company a duly executed Applicant Representation Letter that our Company has accepted;
- Applications by ineligible Non-residents (including on account of restriction or prohibition under applicable local laws) and where a registered address in India has not been provided;
- Applications where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements;
- Multiple Applications including cases where an Investor submits CAFs along with an application on plain paper;
- Applications which are not made through the ASBA process by Non Retail Investors who are eligible ASBA Investors (i.e. complying with the eligibility conditions

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

of SEBI circular dated December 30, 2009);

- Applications by investors who are not eligible ASBA Investors made through the ASBA process;
- Duplicate Applications, including cases where an Applicant submits CAFs along with a plain paper application;
- Applications by renounces who are persons not competent to contract under the Indian Contract Act, 1872, including minors; and
- Please read the Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are each an integral part of the Letter of Offer and must be carefully followed. An application is liable to be rejected for any non-compliance of the provisions contained in the Letter of Offer or the CAF.

Payment by Stockinvest

In terms of the RBI Circular DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the Stockinvest Scheme has been withdrawn. Hence, payment through Stockinvest would not be accepted in this Issue.

Disposal of application and application money

No acknowledgment will be issued for the application monies received by our Company. However, the Bankers to the Issue / Registrar to the Issue receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF. The Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto. In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Equity Shares allotted, will be refunded to the Applicant within a period of 15 days from the Issue Closing Date. If such money is not repaid within eight days from the day our Company becomes liable to repay it, (i.e. 15 days from the closure of the Issue), our Company and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under Section 73(2) and (2A) of the Companies Act. For further instructions, please read the CAF carefully.

PROCEDURE FOR APPLICATION THROUGH THE APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (“ASBA”) PROCESS

Please note that in accordance with the provisions of SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs or Non Institutional Investors shall mandatorily make use of ASBA facility. All

QIBs and Non Institutional Investors, must mandatorily invest through the ASBA process provided that they are eligible ASBA Investors (as per the conditions of the SEBI circular dated December 30, 2009), namely such Investors who:

- hold the Equity Shares in dematerialised form as on the Record Date and have applied towards his/her Rights Entitlements or additional Rights Equity Shares in the Issue in dematerialised form;
- have not renounced his/her Rights Entitlements in full or in part;
- are not a Renouncee;
- apply through a bank account maintained with one of the SCSBs; and
- have not split the CAF.

For further details please refer to “*Grounds for Technical Rejection under the ASBA Process*” on page 239 of the Letter of Offer.

Non Retail Investors having bank account with SCSBs that are providing ASBA in cities/ centers where Non Retail Investors are located, are mandatorily required to make use of ASBA facility. Otherwise, applications of such Non Retail Investors are liable for rejection. All Non Retail Investors are encouraged to make use of ASBA facility wherever such facility is available.

Retail Individual Investors may optionally apply through the ASBA process provided that they are eligible ASBA Investors (as per the conditions of the SEBI circular dated December 30, 2009).

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Eligible Equity Shareholders who are eligible to apply under the ASBA Process are advised to make their independent investigations and to ensure that the CAF is correctly filled up and also ensure that the number of Rights Equity Shares applied for by such Eligible Equity Shareholders do not exceed the applicable limits under laws or regulations.

The Lead Manager, our Company, its directors, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to applications accepted by SCSBs, Applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

Account.

This section is only to facilitate better understanding of aspects of the procedure which is specific to ASBA Investors. ASBA Investors should nonetheless read this document in entirety.

The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on <http://www.sebi.gov.in/pmd/scsb.html>. For details on designated branches of SCSB collecting the CAF, please refer the above mentioned SEBI link.

Eligible Equity Shareholders who are eligible to apply under the ASBA Process

The option of applying for Rights Equity Shares in the Issue through the ASBA Process is only available to Eligible Equity Shareholders of our Company on the Record Date and who:

- hold the Equity Shares in dematerialised form as on the Record Date and have applied towards his/her Rights Entitlements or additional Rights Equity Shares in the Issue in dematerialised form;
- have not renounced his/her Rights Entitlements in full or in part;
- are not a Renouncee;
- apply through a bank account maintained with one of the SCSBs; and
- have not split the CAF.

CAF

The Registrar will dispatch the CAF to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Eligible Equity Shareholders who wish to apply through the ASBA payment mechanism will have to select for this mechanism in Part A of the CAF and provide necessary details.

Eligible Equity Shareholders desiring to use the ASBA Process are required to submit their applications by selecting the ASBA Option in Part A of the CAF only or in plain paper application and indicate that they wish to apply through the ASBA payment mechanism. On submission of the CAF after selecting the ASBA Option in Part A or plain paper applications indicating application through the ASBA payment mechanism, the Eligible Equity Shareholders are deemed to have authorized (i) the SCSB to do all acts as are necessary to make the CAF in the Issue, including blocking or unblocking of funds in the bank account maintained with the SCSB specified in the CAF or the plain paper, transfer of funds to the separate bank account maintained by our Company as per the provisions of section 73(3) of the Companies Act, on receipt of instruction from the Registrar to the Issue after finalization of the basis of Allotment; and (ii) the Registrar to the Issue to issue instructions to the SCSB to remove the block on the funds in the bank account

specified in the CAF or plain paper, upon finalization of the basis of Allotment and to transfer the requisite funds to the separate bank account maintained by our Company as per the provisions of Section 73(3) of the Companies Act.

Application in electronic mode will only be available with such SCSB who provides such facility. The Equity Shareholder shall submit the CAF/ plain paper application to the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. However, no more than five (5) applications (including CAF and plain paper application) can be submitted per bank account in the Issue. In case of withdrawal / failure of the Issue, the Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the blocked amount of the Equity Shareholder applying through ASBA within one (1) day from the day of receipt of such notification.

Mode of payment

The Equity Shareholder applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in a bank account maintained with the SCSB.

After verifying that sufficient funds are available in the bank account provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrar. Upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per Registrar's instruction allocable to the Eligible Equity Shareholders applying under the ASBA Process from bank account with the SCSB mentioned by the Equity Shareholder in the CAF. This amount will be transferred in terms of the SEBI (ICDR) Regulations, into the separate bank account maintained by our Company as per the provisions of Section 73(3) of the Companies Act. The balance amount remaining after the finalization of the basis of allotment shall be either unblocked by the SCSBs or refunded to the investors by the Registrar on the basis of the instructions issued in this regard by the Registrar to the Issue and the Lead Manager to the respective SCSB.

The Eligible Equity Shareholders applying under the ASBA Process would be required to block the entire amount payable on their application at the time of the submission of the CAF.

The SCSB may reject the application at the time of acceptance of CAF if the bank account with the SCSB details of which have been provided by the Equity Shareholder in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF or (ii) more than five (5) applications (including CAF and plain paper application) are submitted per account held with the SCSB in the Issue. Subsequent to the acceptance of the application by the SCSB, our Company would have a right to reject the

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

application only on technical grounds.

Please note that in accordance with the provisions of SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs or Non Institutional Investors shall mandatorily make use of ASBA facility. All QIBs and Non Institutional Investors, must mandatorily invest through the ASBA process provided that they are eligible ASBA Investors (as per the conditions of the SEBI circular dated December 30, 2009), namely such Investors who:

- hold the Equity Shares in dematerialised form as on the Record Date and have applied towards his/her Rights Entitlements or additional Rights Equity Shares in the Issue in dematerialised form;
- have not renounced his/her Rights Entitlements in full or in part;
- are not a Renouncee;
- apply through a bank account maintained with one of the SCSBs; and
- have not split the CAF.

Non Retail Investors having bank account with SCSBs that are providing ASBA in cities/ centers where Non Retail Investors are located, are mandatorily required to make use of ASBA facility. Otherwise, applications of such Non Retail Investors are liable for rejection. All Non Retail Investors are encouraged to make use of ASBA facility wherever such facility is available.

Retail Individual Investors may optionally apply through the ASBA process provided that they are eligible ASBA Investors (as per the conditions of the SEBI circular dated December 30, 2009).

Options available to the Eligible Equity Shareholders applying under the ASBA Process

The summary of options available to the Eligible Equity Shareholders is presented below. You may exercise any of the following options with regard to the Equity Shares, using the respective CAFs received from Registrar:

Option Available	Action Required
1. Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A <i>(All joint holders must sign)</i>
2. Accept your Rights Entitlement in full and apply for additional Rights Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Equity Shares <i>(All joint holders must sign)</i>

The Equity Shareholder applying under the ASBA Process will need to select the ASBA option process in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the SCSB with the relevant details required under the ASBA process option and SCSB blocks the requisite amount, then that CAF would be treated as if the Equity Shareholder has selected to apply through the ASBA process option.

Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs or Non Institutional Investors shall mandatorily make use of ASBA facility. All QIBs and Non Institutional Investors, who are eligible ASBA Investors (i.e. complying with the eligibility conditions of SEBI circular dated December 30, 2009), must mandatorily invest through the ASBA process.

Non Retail Investors having bank account with SCSBs that are providing ASBA in cities/ centers where Non Retail Investors are located, are mandatorily required to make use of ASBA facility. Otherwise, applications of such Non Retail Investors are liable for rejection. All Non Retail Investors are encouraged to make use of ASBA facility wherever such facility is available.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above the number of Rights Equity Shares that you are entitled too, provided that (i) you have applied for all the Rights Equity Shares (as the case may be) offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, in consultation with the Designated Stock Exchange and in the manner prescribed under “*Terms of the Issue - Basis of Allotment*” on page 223 of the Letter of Offer.

If you desire to apply for additional Rights Equity Shares please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF.

Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Renunciation under the ASBA Process

Renouncees cannot participate in the ASBA Process.

Application on Plain Paper

An Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. Eligible Equity

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

Shareholders applying on the basis of a plain paper application are required to indicate their choice of applying under the ASBA Process.

The envelope should be super scribed "Gayatri Projects Limited – Rights Issue" and should be postmarked in India. The application on plain paper, duly signed by the Applicants including joint holders, in the same order as per specimen recorded with our Company, must reach the Designated Branch / corporate branch of the SCSBs before the Issue Closing Date and should contain the following particulars:

- Name of the Company, being Gayatri Projects Limited;
- Name and address of the Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID no.;
- Number of Rights Equity Shares held as on Record Date;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount blocked at the rate of ₹ 120 per Equity Share;
- Particulars of cheque/draft;
- Except for applications on behalf of the Central or State Government and the officials appointed by the courts, PAN number of the Applicant and for each Applicant in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue;
- Authorizing such SCSB to block an amount equivalent to the amount payable on the application in such bank account maintained with the same SCSB;
- A representation that the Equity Shareholder is not a "U.S. Person" (as defined in Regulation S under the Securities Act); and
- Signature of the Eligible Equity Shareholders to appear in the same sequence and order as they appear in the records of our Company.

Option to receive Rights Equity Shares in Dematerialized Form

ELIGIBLE EQUITY SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES OF OUR COMPANY UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE RIGHTS EQUITY SHARES ARE BEING HELD ON RECORD DATE.

Issuance of Intimation Letters:

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send the Controlling Branches, a list of the ASBA Investors who have been allocated Rights Equity Shares in the Issue, along with:

- The number of Rights Equity Shares to be allotted against each successful ASBA;
- The amount to be transferred from the ASBA Account to the separate account opened by our Company for the Issue, for each successful ASBA;
- The date by which the funds referred to in above paragraph, shall be transferred to separate account opened by our Company for the Issue; and
- The details of rejected ASBAs, if any, along with reasons for rejection to enable SCSBs to unblock the respective ASBA Accounts.

General instructions for Eligible Equity Shareholders applying under the ASBA Process

- a. Please read the instructions printed on the respective CAF carefully.
- b. Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer are liable to be rejected. The CAF / plain paper application must be filled in English.
- c. The CAF / plain paper application in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to our Company or Registrar or Lead Manager to the Issue.
- d. All applicants, and in the case of application in joint names, each of the joint applicants, should mention his/her PAN number allotted under the Income-Tax Act, 1961, irrespective of the amount of the application. Except for applications on behalf of the Central or State Government and the officials appointed by the courts, **CAFs / plain paper applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no allotment and credit of Rights Equity Shares shall be made into the accounts of such Investors.**
- e. All payments will be made by blocking the amount in the bank account maintained with the SCSB. Cash payment is not acceptable. In case payment is affected in contravention of this, the application may be deemed

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

- invalid and the application money will be refunded and no interest will be paid thereon.
- f. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Eligible Equity Shareholders must sign the CAF / plain paper application as per the specimen signature recorded with our Company /or Depositories.
- g. In case of joint holders, all joint holders must sign the relevant part of the CAF / plain paper application in the same order and as per the specimen signature(s) recorded with our Company. In case of joint applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- h. All communication in connection with application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of allotment in this Issue quoting the name of the first/sole Applicant, folio numbers and CAF number.
- i. Only the person or persons to whom the Rights Equity Shares have been offered and not renouncee(s) shall be eligible to participate under the ASBA process.
- j. Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
- k. Only the Eligible Equity Shareholders holding shares in demat are eligible to participate through ASBA process.
- l. Eligible Equity Shareholders who have renounced their entitlement in part/ full are not entitled to apply using ASBA process.
- m. **Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs or Non Institutional Investors shall mandatorily make use of ASBA facility. All QIBs and Non Institutional Investors, who are eligible ASBA Investors (i.e. complying with the eligibility conditions of SEBI circular dated December 30, 2009), must mandatorily invest through the ASBA process.**
- n. Non Retail Investors having bank account with SCSBs that are providing ASBA in cities/ centers where Non Retail Investors are located, are mandatorily required to make use of ASBA facility. Otherwise, applications of such Non Retail Investors are liable for rejection.
- o. All Non Retail Investors are encouraged to make use of ASBA facility wherever such facility is available.
- Do's:**
- a. Ensure that the ASBA Process option is selected in part A of the CAF and necessary details are filled in. In case of non-receipt of the CAF, the application can be made on plain paper indicating application through the ASBA payment mechanism with all necessary details as indicated under the section titled "*Terms of the Issue – Application on Plain Paper*" on page 236 of the Letter of Offer.
- b. Ensure that you submit your application in physical mode only. Electronic mode is only available with certain SCSBs and not all SCSBs and you should ensure that your SCSB offers such facility to you.
- c. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Rights Equity Shares will be allotted in the dematerialized form only.
- d. Ensure that the CAFs / plain paper applications are submitted at the registered branch of the SCSBs and details of the correct bank account have been provided in the CAF.
- e. Ensure that there are sufficient funds (equal to {number of Rights Equity Shares as the case may be applied for} X {Issue Price of Rights Equity Shares, as the case may be}) available in the bank account maintained with the SCSB mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.
- f. Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF / plain paper application, in the bank account maintained with the respective SCSB, of which details are provided in the CAF / plain paper application and have signed the same.
- g. Ensure that you receive an acknowledgement from the SCSB for your submission of the CAF /plain paper application in physical form or electronic mode.
- h. Except for applications on behalf of the Central or State Government and the officials appointed by the courts, each applicant should mention their PAN allotted under the IT Act.
- i. Ensure that the name(s) given in the CAF / plain paper application is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF / plain paper application is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF / plain paper application.

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

- j. Ensure that the Demographic Details are updated, true and correct, in all respects.
 - k. Ensure that the account holder in whose bank account the funds are to be blocked has signed authorizing such funds to be blocked.
 - l. Apply under the ASBA process only if you comply with the definition of an ASBA Investor, namely such Investors who:
 - hold the Equity Shares in dematerialised form as on the Record Date and have applied towards his/her Rights Entitlements or additional Rights Equity Shares in the Issue in dematerialised form;
 - have not renounced his/her Rights Entitlements in full or in part;
 - are not a Renouncee;
 - apply through a bank account maintained with one of the SCSBs; and
 - have not split the CAF.
- d) Renouncee applying under the ASBA Process.
 - e) Insufficient funds are available with the SCSB for blocking the amount.
 - f) Funds in the bank account with the SCSB whose details are mentioned in the CAF / plain paper application having been frozen pursuant to regulatory orders.
 - g) Account holder not signing the CAF / plain paper application or declaration mentioned therein.
 - h) Submitting the GIR number instead of the PAN.
 - i) Applications by investors who are not eligible ASBA Investors made through the ASBA process.
 - j) Application on SAF.
 - k) CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in restricted jurisdictions and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations.

Don'ts:

- a. Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.
 - b. Do not pay the amount payable on application in cash, by money order or by postal order.
 - c. Do not send your physical CAFs / plain paper applications to the Lead Manager to Issue / Registrar / Collecting Banks (assuming that such Collecting Bank is not a SCSB) / to a branch of the SCSB which is not a Designated Branch of the SCSB / Company; instead submit the same to a Designated Branch of the SCSB only.
 - d. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
 - e. Do not instruct your respective banks to release the funds blocked under the ASBA Process.
 - f. Do not apply if the ASBA Account has been used for five Applicants.
- l) CAFs which have evidence of being executed in/ dispatched from restricted jurisdiction.
 - m) QIBs and Non Institutional Investors who are eligible ASBA Investors (as per the conditions of the SEBI circular dated December 30, 2009) not applying through the ASBA process. Non Retail Investors having bank account with SCSBs that are providing ASBA in cities/ centers where Non Retail Investors are located, are mandatorily required to make use of ASBA facility. Otherwise, applications of such non-retail investors are liable for rejection.
 - n) The application by an Eligible Equity Shareholder whose cumulative value of Rights Equity Shares applied for is more than ₹ 200,000 but has applied separately through split CAFs of less than ₹ 200,000 and has not done so through the ASBA process.
 - o) Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs or Non Institutional Investors shall mandatorily make use of ASBA facility. All QIBs and Non Institutional Investors, who are eligible ASBA Investors (i.e. complying with the eligibility conditions of SEBI circular dated December 30, 2009), must mandatorily invest through the ASBA process. Non Retail Investors having bank account with SCSBs that are providing ASBA in cities/ centers where Non Retail Investors are located, are mandatorily required

Grounds for Technical Rejection under the ASBA Process

In addition to the grounds listed under “*Grounds for Technical Rejection*” beginning on page 231 of the Letter of Offer, applications under the ASBA Process are liable to be rejected on the following grounds:

- a) Application for Rights Entitlements or additional shares in physical form.
- b) DP ID and Client ID mentioned in CAF / plain paper application not matching with the DP ID and Client ID records available with the Registrar.
- c) Sending CAF / plain paper application to the Lead

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

to make use of ASBA facility. Otherwise, applications of such Non Retail Investors are liable for rejection. All Non Retail Investors are encouraged to make use of ASBA facility wherever such facility is available.

Depository account and bank details for Eligible Equity Shareholders applying under the ASBA Process

IT IS MANDATORY FOR ALL THE ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM. ALL ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF / PLAIN PAPER APPLICATION. ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF / PLAIN PAPER APPLICATION IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF / PLAIN PAPER APPLICATION IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF / PLAIN PAPER APPLICATION.

Eligible Equity Shareholders applying under the ASBA Process should note that on the basis of name of these Eligible Equity Shareholders, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF / plain paper application, the Registrar to the Issue will obtain from the Depository demographic details of these Eligible Equity Shareholders such as address, bank account details for printing on refund orders and occupation ("**Demographic Details**"). Hence, Eligible Equity Shareholders applying under the ASBA Process should carefully fill in their Depository Account details in the CAF / plain paper application.

These Demographic Details would be used for all correspondence with such Eligible Equity Shareholders including mailing of the letters intimating unblock of bank account of the respective Equity Shareholder. The Demographic Details given by Eligible Equity Shareholders in the CAF / plain paper application would not be used for any other purposes by the Registrar. Hence, Eligible Equity Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs / plain paper applications, the Eligible Equity Shareholders applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Letters intimating allotment and unblocking or refund (if any) would be mailed at the address of the Equity Shareholder applying under the ASBA Process as per the Demographic Details received from the Depositories. Refunds, if any, will be made directly to the bank account in the SCSB and which details are provided in the CAF / plain paper application and not the bank account linked to the DP ID. Eligible Equity Shareholders applying under the ASBA Process may note that delivery of letters intimating unblocking of bank account may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Equity Shareholder in the CAF / plain paper application would be used only to ensure dispatch of letters intimating unblocking of bank account.

Note that any such delay shall be at the sole risk of the Eligible Equity Shareholders applying under the ASBA Process and none of our Company, the SCSBs or the Lead Manager shall be liable to compensate the Equity Shareholder applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Eligible Equity Shareholders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such applications are liable to be rejected.

Transfer of Funds

The Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA bank accounts for (i) transfer of requisite funds to the separate bank account maintained by our Company as per the provisions of section 73(3) of the Companies Act, (ii) rejected / unsuccessful ASBAs.

In case of failure or withdrawal of the Issue, on receipt of appropriate instructions from the Lead Manager through the Registrar to the Issue, the SCSBs shall unblock the bank accounts latest by the next day of receipt of such information.

Utilisation of Issue Proceeds

The Board of Directors declares that:

- (i) All monies received out of this Issue shall be transferred to a separate bank account other than the bank account referred to sub-section (3) of Section 73 of the Companies Act;
- (ii) Details of all monies utilized out of the Issue referred to in clause (i) above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and
- (iii) Details of all unutilized monies out of the Issue, if any,

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

referred to in clause (i) above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Undertakings by our Company

Our Company undertakes:

1. The complaints received in respect of the Issue shall be attended to by the company expeditiously and satisfactorily;
2. That all steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the securities are to be listed are taken within 7 working days of finalization of basis of allotment;
3. The funds required for making refunds to unsuccessful applicants under the Issue as per the mode(s) disclosed in the Letter of Offer shall be made available to the Registrar to the Issue;
4. That where refund are made through electronic transfer of funds, a suitable communication shall be sent to the applicant/s under the Issue within fifteen days of the Issue Closing Date giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of refund; and
5. Adequate arrangements shall be made to collect all ASBA applications and to consider them similar to non-ASBA applications while finalizing the basis of allotment under the Issue.

Our Company accepts full responsibility for the accuracy of information given in the Letter of Offer and confirms to the best of his knowledge and belief, there are no other facts or the omission of which makes any statement made in the Letter of Offer misleading and further confirms that it has made all reasonable inquiries to ascertain such facts.

Important

Please read the Letter of Offer carefully before taking any action. The instructions contained in the accompanying CAF are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.

As a matter of abundant caution, attention of the Applicants is specifically drawn to the provisions of sub-section (1) of section 68A of the Companies Act which is reproduced below:

“Any person who makes in a fictitious name an application to a Company for acquiring, or subscribing for, any shares therein, or otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years”

All enquiries in connection with the Letter of Offer or accompanying CAF and requests for SAFs must be addressed (quoting the Registered Folio Number/ DP and Client ID number, the CAF number and the name of the first Applicant as mentioned on the CAF and superscribed “*Gayatri Projects Rights Issue*” on the envelope and postmarked in India) to the Registrar to the Issue at the following address:

Karvy Computershare Private Limited, Plot Nos. 17-24 , Vittal Rao Nagar, Madhapur, Hyderabad-500081, Telephone: +91 40 4465 5000 Facsimile: +91 40 2343 1551; Email: gayatrirights@karvy.com; Investors grievance mail: gayatrirights@karvy.com; Website : <http://karisma.karvy.com>; Contact Person: M. Murali Krishna

It is to be specifically noted that this Issue of Equity Shares is subject to the risks as detailed in the section entitled “*Risk Factors*” beginning on page 10 of the Letter of Offer.

Issue to remain open for a minimum of 15 days and maximum of 30 days as may be determined by the Board.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office of our Company from 10:00 A.M. to 5:00 P.M. from the date of the Letter of Offer until the Issue Closing Date, on working days.

(A) Material Contracts

1. Engagement letter dated October 13, 2010 and the addendum to the engagement letter dated December 13, 2011 appointing Edelweiss Financial Services Limited to act as Lead Manager to the Issue.
2. Issue Agreement dated December 14, 2011 between our Company and the Lead Manager to the Issue.
3. Agreement dated December 12, 2011 between our Company and the Registrar to the Issue.
4. Escrow Agreement dated February 24, 2012 between our Company, the Lead Manager, Bankers and Registrar to the Issue.

(B) Documents

1. Certificate of incorporation of our Company dated September 15, 1989.
2. Memorandum and Articles of Association of our Company.

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

3. Board resolution dated December 5, 2011 authorizing this Issue.
4. Board resolutions dated September 24, 2009 appointing T.V Sandeep Kumar Reddy as the Managing Director and Brij Mohan Reddy as Vice Chairman of our Company respectively.
5. Consents of the Directors, Company Secretary and Compliance Officer, Auditor, Lead Manager to the Issue, Registrar to the Issue and the Legal Advisor to the Issue to include their names in the Letter of Offer to act in their respective capacities.
6. Statement of Tax Benefits dated December 14, 2011 from the Auditor of our Company as disclosed in the Letter of Offer.
7. The Reports of the Auditors dated December 14, 2011 in relation to the audited unconsolidated and consolidated financial statements of our Company as at and for the financial year ended March 31, 2011.
8. The Report of the Auditors dated December 14, 2011 in relation to the limited reviewed unconsolidated financial statements of our Company as at and for the six months ended September 30, 2011.
9. The Report of the Auditors dated December 9, 2011 in relation to the limited reviewed consolidated financial statements of our Company as at and for the six months ended September 30, 2011.
10. Audited Reports of our Company for Fiscal 2011, Fiscal 2010, Fiscal 2009, Fiscal 2008 and Fiscal 2007.
11. In-principle listing approval dated January 6, 2012 and December 27, 2011 from the BSE and the NSE respectively.
12. Due Diligence Certificate dated December 15, 2011 from the Lead Manager.
13. Tripartite agreement with January 23, 2006 dated with CDSL and Karvy Computershare Private Limited.
14. Tripartite agreement with March 9, 2006 dated with NSDL and Karvy Computershare Private Limited.
15. Prospectus dated September 12, 2006 for the public issue of 1,000,000 equity shares of face value ₹ 10 each of our Company.
16. Letter No. CFD/DIL/ISSUES/SP/JAK/OW/2616/2012 dated January 31, 2012, issued by SEBI for the Issue.

DECLARATION

No statement made in the Letter of Offer contravenes any of the provisions of the Companies Act, 1956 and the rules made thereunder. All the legal requirements connected with the said Issue as also the regulations, guidelines, instructions, etc. issued by SEBI, Government and any other competent authority in this behalf have been duly complied with.

We hereby certify that all disclosures made in the Letter of Offer are true and correct.

Signed by all the Directors of our Company

T. Indira Subbarami Reddy

Non-Executive Chairperson

J. Brij Mohan Reddy

Executive, Vice-Chairman

T.V. Sandeep Kumar Reddy

Managing Director

Ch. Hari Vittal Rao

Non-Executive Independent Director

Dr. V. L. Moorthy

Non-Executive Independent Director

G. Siva Kumar Reddy

Non-Executive Independent Director

P. Sreedhar Babu

Chief Financial Officer

I.V. Lakshmi

Company Secretary & Compliance Officer

Date: February 24, 2012

Place: Hyderabad

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK