



GAYATRI PROJECTS LIMITED

(Incorporated in the Republic of India as a private company limited by shares on September 15, 1989 under the Companies Act, 1956)
Gayatri Projects Limited (the “Company”) is issuing upto [●] equity shares of face value ₹10 each, (the “Equity Shares”) at a price of ₹[●] per Equity Share, including a premium of ₹ [●] per Equity Share, aggregating to ₹ [●] Million (the “Issue”).

ISSUE IN RELIANCE UPON CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED

THIS ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING DONE IN RELIANCE UPON CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, (“SEBI REGULATIONS”) AND OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S (“REGULATION S”) UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (“SECURITIES ACT”). THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR, AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTOR WITHIN OR OUTSIDE INDIA OTHER THAN QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED IN SEBI REGULATIONS). THIS PRELIMINARY PLACEMENT DOCUMENT HAS NOT BEEN REVIEWED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”), THE RESERVE BANK OF INDIA (“RBI”), BSE LIMITED (THE “BSE”), THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (THE “NSE”), (“COLLECTIVELY REFERRED TO AS “STOCK EXCHANGES”) OR ANY OTHER REGULATORY OR LISTING AUTHORITY AND IS INTENDED ONLY FOR USE BY QUALIFIED INSTITUTIONAL BUYERS (“QIBs”). THE ISSUE IS MEANT ONLY FOR QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been and will not be registered as a prospectus with the registrar of companies in India, and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction. The Issue proposed to be made pursuant to this Preliminary Placement Document is meant solely for QIBs on private placement basis.

INVESTMENTS IN EQUITY AND EQUITY-RELATED SECURITIES INVOLVE A CERTAIN DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST ANY AMOUNT IN THIS ISSUE UNLESS THEY ARE PREPARED TO BEAR THE RISK OF LOSING ALL OR PART OF THE AMOUNT INVESTED BY THEM. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION TITLED “RISK FACTORS” ON PAGE 31 BEFORE DECIDING TO INVEST IN THIS ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN EQUITY SHARES BEING ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT.

The information on the Company’s website or any website directly or indirectly linked to the Company’s website does not form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, such websites.

Except as disclosed in this Preliminary Placement Document, the Company’s outstanding Equity Shares, are listed on BSE and NSE. The closing price of Equity Shares on BSE and NSE on December 10, 2012 was ₹ 125.90 and ₹ 124.10 per Equity Share, respectively. Applications shall be made for the listing of the Equity Shares offered through this Preliminary Placement Document on BSE and NSE. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to trading on the Stock Exchanges should not be taken as an indication of the merits of the Company or the Equity Shares.

YOU MAY NOT BE AND ARE NOT AUTHORISED TO (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER. ANY DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

A copy of this Preliminary Placement Document has been delivered to the Stock Exchange. A copy of the Placement Document will be filed with the Stock Exchanges in accordance with SEBI Regulations.

THIS PRELIMINARY PLACEMENT DOCUMENT HAS BEEN PREPARED BY THE COMPANY SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE OF THE EQUITY SHARES DESCRIBED IN THIS PRELIMINARY PLACEMENT DOCUMENT.

The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are “qualified institutional buyers” as defined in Rule 144A under the Securities Act (“Rule 144A”) pursuant to Section 4(2) of the Securities Act and (b) outside the United States to non-U.S. Persons in reliance on Regulation S under the Securities Act (“Regulation S”). For further details, see “Transfer Restrictions”.

This Preliminary Placement Document is dated December 13, 2012

Book Running Lead Manager

Elara Capital (India) Private Limited
Kalpataru Synergy, 6th Level,
East Wing, Opp. Grand Hyatt,
Santacruz (East), Mumbai - 400 055
India

ElaraCapital

Elara Capital (India) Private Limited

The information in this Preliminary Placement Document is not complete and may be changed. This Preliminary Placement Document is not an offer to sell Equity Shares and is not soliciting an offer to subscribe to the Equity Shares.

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CERTAIN DEFINITIONS AND ABBREVIATIONS

The Company has prepared this Preliminary Placement Document using certain definitions and abbreviations which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader/prospective investor only and is not exhaustive

The terms defined in this section shall have the meaning set forth herein, unless specified otherwise in the context thereof, and references to any statute or regulations or policies shall include amendments thereto, from time to time.

Company Related Terms

Term	Description
“our Company”, “the Company” or “the Issuer”	Gayatri Projects Limited
“our” or “we” or “us”	Gayatri Projects Limited and its Subsidiaries unless the context otherwise, requires
Articles/Articles of Association	The Articles of Association of the Company
Auditor	The statutory auditor of the Company, M/s C. B. Mouli & Associates, Chartered Accountants
Board / Board of Directors	The Board of Directors of the Company or committees constituted thereof
Equity Shares	Equity shares of face value of ₹10 each of the Company
Joint Ventures	IJM Gayatri Joint Venture, Gayatri ECI Joint Venture, Gayatri RNS Joint Ventures, Gayatri Ranjit Joint Venture, Gayatri GDC Joint Venture, Gayatri BCBPPL Joint Venture, Jaiprakash Gayatri Joint Venture, Gayatri-Ratna Joint Venture, MEIL-Gayatri-ZVS-ITT Consortium, Gayatri-JMC Joint Venture, Maytas-Gayatri Joint Venture and Vishwanath-Gayatri Joint Venture.
Memorandum/Memorandum of Association	The Memorandum of Association of the Company
Promoters	T.V. Sandeep Kumar Reddy and T. Indira Subbarami Reddy
Promoter Group	Promoter group of the Company as defined in Regulation 2(1)(zb) of the SEBI Regulations
Subsidiaries	Subsidiaries of our Company including our step-down Subsidiaries, namely, Gayatri Infra Ventures Limited, Gayatri Energy Ventures Private Limited, Gayatri Jhansi Roadways Limited, Gayatri Lalitpur Roadways Limited, Thermal Powertech Corporation India Limited, Bhandara Thermal Power Corporation Limited and Sai Maatarini Tollways Limited
Registered Office	B-1, T.S.R. Towers, 6-3-1090, Raj Bhavan Road, Somajiguda, Hyderabad, Andhra Pradesh, India – 500 082

Issue Related Terms

Term	Description
Allocated /Allocation	The allocation of Equity Shares following the determination of the Issue Price to Investors on the basis of Application Forms submitted by them, in consultation with the BRLM and in compliance with Chapter VIII of the SEBI Regulations
Allotment/Allotted/Allot	The allotment and issue of Equity Shares pursuant to this Issue
Allottees	Persons to whom Equity Shares of the Company are issued pursuant to the Issue
Application Form	The form (including any revisions thereof) pursuant to which a QIB shall submit an Application in the Issue
Application(s)	An offer by a QIB pursuant to the Application Form for subscription of Equity Shares under this Issue
Bid Closing Date	[●]
Bid Opening Date	December 13, 2012
BRLM	Book running lead manager to the Issue, in this case being Elara Capital (India) Private Limited
BSE	BSE Limited
CAN/Confirmation of Allocation Note	Note or advice or intimation to not more than 49 QIBs confirming the Allocation of Equity Shares to such QIBs after discovery of the Issue Price and requesting payment for the entire Issue Price for the Equity Shares allocated to such QIB

Term	Description
Cut-off Price	The Issue Price of the Equity Shares which shall be finalised by the Company in consultation with the BRLM
Escrow Agreement	Payment collection agreement dated December 10, 2012 executed between the Company, BRLM and Escrow Bank
Escrow Bank	Standard Chartered Bank
Escrow Bank Account	A special bank account opened by the Company with the Escrow Bank in terms of the arrangement between the Company, the BRLM and the Escrow Bank, into which the application monies payable by QIBs in connection with subscription to the Equity Shares pursuant to the Issue shall be deposited
Floor Price	The floor price of ₹ 120.18 for the Equity Shares, which has been calculated in accordance with Chapter VIII of the SEBI Regulations
Issue	The offer and placement of [●] Equity Shares to QIBs, pursuant to Chapter VIII of the SEBI Regulations aggregating up to ₹ [●] million
Issue Price	A price of ₹ [●] per Equity Share which shall be equal to or more than the Floor Price
Listing Agreement	The agreement executed by the Company with each of the BSE and the NSE on which the Equity Shares of the Company are listed
NSE	National Stock Exchange of India Limited
Pay-in Date	Last date specified in the CAN sent to QIBs, as applicable
Placement Document	The placement document to be issued in accordance with the provisions of Regulation 84 in Chapter VIII of the SEBI Regulations
Placement Agreement	Placement agreement dated December 10, 2012 executed between the Company and the BRLM
Preliminary Placement Document	This preliminary placement document dated December 13, 2012 issued in accordance with Chapter VIII of the SEBI Regulations
QIBs or Qualified Institutional Buyers	Qualified institutional buyer as defined under Regulation 2(1)(zd) of the SEBI Regulations
QIP	Qualified Institutions Placement under Chapter VIII of the SEBI Regulations
RBI	The Reserve Bank of India
Relevant Date	(*)
RoC	Registrar of Companies
Stock Exchanges	BSE and NSE

Conventional and General Terms/ Abbreviations

Term/Abbreviation	Full Form
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in, and registered with SEBI under, the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BOLT	BSE On-line Trading
CAR	Capital Adequacy Ratio
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Civil Code	The Code of Civil Procedure, 1908
Companies Act	The Companies Act, 1956, as amended
Delisting Regulations	Securities Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended from time to time
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996
DIPP	The Indian Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP ID	Depository Participant's Identity
DP/Depository Participant	A depository participant as defined under the Depositories Act, 1996
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing Service
EEA	European Economic Area
EGM	Extraordinary General Meeting
EPS	Earnings Per Share, i.e., profit after tax for a fiscal year divided by the weighted average

Term/Abbreviation	Full Form
	outstanding number of equity shares during that fiscal year
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999
FII	Foreign Institutional Investor (as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI	Government of India
IAS	International Accounting Standards
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
India	The Republic of India
Indian GAAP	Generally Accepted Accounting Principles followed in India
IT Act	Indian Income Tax Act, 1961
Mn/Million	Million
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NSDL	National Securities Depositories Limited
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
Regulation S	Regulation S under the Securities Act
SCRA	Securities Contracts (Regulation) Act 1956, as amended
SCRR	Securities Contracts (Regulation) Rules 1957, as amended
SEBI	The Securities Exchange Board of India
SEBI Act	The SEBI Act, 1992, as amended
SEBI Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
Securities Act	The U.S. Securities Act of 1933, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended
STT	Securities Transaction Tax
Takeover Code	SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended
UIN	Unique Identification Number
US GAAP	Generally Accepted Accounting Principles in the United States of America

Technical and Industry terms

Term/Abbreviation	Full Form/Description
BOT	Build operate and transfer
CSO	Central Statistics Office
EPC	Engineering procurement and construction
G-20	Group of Twenty nations
GDP	Gross Domestic Product
G-Sec	Government Securities
IIP	Index of Industrial Production
JV	Joint Venture
MOU	Memorandum of Understanding
PPP	Public Private Partnership
SEZ	Special Economic Zones
SPV	Special Purpose Vehicle
WPI	Wholesale Price Inflation

NOTICE TO INVESTORS

The Company accepts full responsibility for the information contained in this Preliminary Placement Document and having made all reasonable enquiries, confirms, to the best of our knowledge and belief, that this Preliminary Placement Document contains all information with respect to the Company and our Subsidiaries and the Equity Shares, which is material in the context of this Issue. The statements contained in this Preliminary Placement Document relating to the Company and our Subsidiaries and the Equity Shares are, in all material respects, true and accurate and not misleading. The opinions and intentions expressed in this Preliminary Placement Document with regard to the Company and our Subsidiaries and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on information presently available to the Company and are based on reasonable assumptions. There are no other facts in relation to the Company and our Subsidiaries and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by the Company and our Subsidiaries to ascertain such facts and to verify the accuracy of all such information and statements.

The BRLM has not separately verified all the information (financial, legal or otherwise) contained in this Preliminary Placement Document. Accordingly, neither the BRLM nor any of its members, employees, counsel, officers, directors, representatives, agents or affiliates makes any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLM as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information supplied in connection with the Company, our Subsidiaries and the Equity Shares. Each person receiving this Preliminary Placement Document acknowledges that such person has neither relied on the BRLM nor on any person affiliated with the BRLM in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of the Company and our Subsidiaries and the merits and risks involved in investing in the Equity Shares. Any prospective investor should not construe anything in this Preliminary Placement Document as legal, business, tax, accounting or investment advice.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Company or the BRLM. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the U.S. Securities and Exchange Commission (“SEC”), any state securities commission in the United States, the securities commission of any non-U.S. jurisdiction or any other U.S. or non U.S. regulatory authority. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The distribution of this Preliminary Placement Document and the issue of the Equity Shares in certain jurisdictions may be restricted by law. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by the Company, our Subsidiaries, or the BRLM which would permit an Issue of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, other than India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any Issue materials in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction that would require registration of the Equity Shares in such country or jurisdiction. Please refer to the section titled “*Transfer Restrictions*” on page 146.

In making an investment decision, investors must rely on their own examination of the Company and the terms of this Issue, including the merits and risks involved. Investors should not construe the contents of this Preliminary Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning this Issue. In addition, neither the Company nor the BRLM is making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or purchaser under applicable legal, investment or similar laws or regulations. Each purchaser of the Equity Shares in this Issue is deemed to have acknowledged, represented and agreed

that it is eligible to invest in India and in the Company under Chapter VIII of the SEBI Regulations and is not prohibited by SEBI or any other regulatory authority from buying, selling or dealing in securities. Each purchaser of the Equity Shares in this Issue also acknowledges that it has been afforded an opportunity to request from the Company and review information pertaining to the Company and the Equity Shares.

The information on the Company's website or the website of the BRLM, does not constitute or form part of this Preliminary Placement Document. This Preliminary Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

REPRESENTATIONS BY INVESTORS

All references to “you” in this section are to the prospective investors in the Issue.

By subscribing to any Equity Share under the Issue, you are deemed to have represented to us and the BRLM, and acknowledged and agreed as follows:

- you are a QIB as defined in Regulation 2(1)(zd) of the SEBI Regulations and having a valid and existing registrations under the applicable laws and regulations of India and undertake to acquire, hold, manage or dispose of any Equity Shares that are allocated to you for the purposes of your business in accordance with Chapter VIII of the SEBI Regulations;
- if you are a resident in any other country other than India, that you are permitted by all applicable laws to acquire the Equity Shares;
- if you are Allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the Stock Exchanges (for the additional restrictions that apply if you are within the United States, please see the section of this Preliminary Placement Document entitled “*Transfer Restrictions*”);
- you are aware that the Equity Shares have not been and will not be registered under the SEBI Regulations or under any other law in force in India. The Preliminary Placement Document has not been verified or affirmed by the SEBI or the Stock Exchanges and will not be filed with the Registrar of Companies. The Preliminary Placement Document has been filed with the Stock Exchanges for record purposes only and has been displayed on the websites of the Company and the Stock Exchanges;
- you are entitled to subscribe for the Equity Shares under the laws of all relevant jurisdictions which apply to you and that you have fully observed such laws and obtained all such governmental and other consents in each case which may be required thereunder and complied with all necessary formalities;
- you are entitled to acquire the Equity Shares under the laws of all relevant jurisdictions and that you have all necessary capacity and have obtained all necessary consents and authorities to enable you to commit to this participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorities to agree to the terms set out or referred to in the Preliminary Placement Document) and will honour such obligations;
- you confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by the Company or its agents (“**Company’s Presentations**”) with regard to the Company, the Equity Shares or the Issue; or (ii) if you have participated in or attended any Company’s Presentations: (a) you understand and acknowledge that the BRLM may not have knowledge of the statements that the Company or its agents may have made at such Company’s Presentations and are therefore unable to determine whether the information provided to you at such Company’s Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLM has advised you not to rely in any way on any information that was provided to you at such Company’s Presentations, and (b) confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available,
- neither we nor the BRLM nor any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates is making any recommendations to you, advising you regarding the suitability of any transactions it may enter into in connection with the Issue and that participation in the Issue is on the basis that you are not and will not be a client of the BRLM and that the BRLM has no duties or responsibilities to you for providing the protection afforded to their clients or for providing advice in relation to the Issue and is in no way acting in a fiduciary capacity to you;
- you are aware that if you are Allotted more than 5% of the Equity Shares in this Issue, the Company shall be required to disclose your name and the number of Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- all statements other than statements of historical fact included in the Preliminary Placement Document, including, without limitation, those regarding the Company’s financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company’s business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and environment in which the Company will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of Preliminary Placement Document. The Company assumes no responsibility to update any of the forward-looking statements contained in the Preliminary Placement Document;
- you have been provided a serially numbered copy of the Preliminary Placement Document and have read the Preliminary Placement Document in its entirety, including, in particular, the section titled “*Risk Factors*”;
- you are aware and understand that the Equity Shares are being offered only to QIBs and are not being offered to the general public and the Allotment of the same shall be on a discretionary basis;
- you have made, or been deemed to have made, as applicable, the representations set forth under the sections of this Preliminary Placement Document entitled “*Selling Restrictions*” and “*Transfer Restrictions*”;
- you understand that the Equity Shares have not been and will not be registered under the Securities Act or within any securities regulatory authority of any state of the United States and accordingly, may not be offered or sold within the United States, except in reliance on an exemption from the registration requirements of the Securities Act;
- you are purchasing the Equity Shares in reliance on Regulation S under the Securities Act
- that in making your investment decision, (i) you have relied on your own examination of the Company and the terms of the Issue, including the merits and risks involved, (ii) you have made and will continue to make your own assessment of the Company, the Equity Shares and the terms of the Issue based on such information as is publicly available, (iii) you have consulted your own independent advisors or otherwise have satisfied yourself concerning without limitation, the effects of local laws and taxation matters, (iv) you have relied solely on the information contained in the Preliminary Placement Document and no other disclosure or representation by the Company or any other party; and (v) you have received all information that you believe is necessary or appropriate in order to make an investment decision in respect of the Company and the Equity Shares;
- you have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares and you and any accounts for which you are subscribing the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares; (ii) will not look to the Company and/or the BRLM for all or part of any such loss or losses that may be suffered; (iii) are able to sustain a complete loss on the investment in the Equity Shares; (iv) have no need for liquidity with respect to the investment in the Equity Shares; and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares ;
- the BRLM or the Company has not provided you with any tax advice or otherwise made any representations regarding the tax consequences of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice and will not rely on the BRLM or our Company when evaluating the tax consequences in relation to the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You waive and agree not to assert any claim against the BRLM or the Company with respect to the tax aspects of the Equity Shares or the Issue or as a result of any tax audits by tax authorities, wherever situated;
- that where you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire the Equity Shares for each managed account; and to make the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “you” to include such accounts;

- you are not a Promoter and are not a person related to the Promoters, either directly or indirectly and your Application does not directly or indirectly represent the Promoters or Promoter Group of the Company;
- you have no rights under a shareholders agreement or voting agreement with the Promoters or persons related to the Promoters, no veto rights or right to appoint any nominee director on the Board of Directors of the Company other than the acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoter;
- you have no right to withdraw your Application after the Bid Closing Date;
- you are eligible to apply and hold Equity Shares so Allotted and together with any securities of the Company held by you prior to the Issue. You further confirm that your holding upon the Issue of the Equity Shares shall not exceed the level permissible as per any regulation applicable to you;
- the application form submitted by you would not at any stage including upon conversion of some or all of the Equity Shares, directly or indirectly result in triggering a requirement to make public announcement to acquire Equity Shares in accordance with the Takeover Code;
- to the best of your knowledge and belief together with other prospective Investors in the Issue that belong to the same group or are under common control as you, the Allotment under the Issue shall not exceed 50 percent of the Issue. For the purposes of this representation:
 - the expression ‘belongs to the same group’ shall derive meaning from the concept of ‘companies under the same group’ as provided in sub-section (11) of Section 372 of the Companies Act.
 - ‘control’ shall have the same meaning as is assigned to it by clause (e) of Regulation 2 of the Takeover Code.
- you shall not undertake any trade in the Equity Shares credited to your Depository Participant account until such time that the final listing and trading approval for the Equity Shares is issued by the Stock Exchanges;
- you are aware that the Company has made applications to the Stock Exchanges for final approval for listing and admission of the Equity Shares to trading on the Stock Exchanges’ market for listed securities;
- you are aware that applications shall be made to the Stock Exchanges after the Allotment of the Equity Shares in the Issue for approvals for listing and admission of the Equity Shares to trading on the Stock Exchanges’ market for listed securities and there can be no assurance that such approvals will be obtained on time or at all;
- you are aware and understand that the BRLM has entered into a Placement Agreement with the Company whereby the BRLM has, subject to the satisfaction of certain conditions set out therein, undertaken to use its reasonable endeavours to seek to procure subscription for the Equity Shares;
- that the contents of this Preliminary Placement Document are exclusively the responsibility of the Company and that neither the BRLM nor any person acting on its behalf has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of the Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting a participation in this Issue, you agree to the same and confirm that you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLM or the Company or any other person and neither the BRLM nor the Company nor any other person will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;
- that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares and that you have neither received nor relied on any other information given or representations, warranties or statements made by the BRLM or the Company and the BRLM will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty or statement;

- that each of the representations, warranties, acknowledgements and agreements set forth above shall continue to be true and accurate at all times up to and including the Allotment and listing and trading of the Equity Shares;
- you agree to indemnify and hold the Company and the BRLM harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations and warranties in this section. You agree that the indemnity set forth in this section shall survive the resale of the Equity Shares by or on behalf of the managed accounts;
- that the Company, the BRLM and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to the BRLM on its own behalf and on behalf of the Company and are irrevocable;
- that you are eligible to invest in India and in the Equity Shares under applicable law, including the Foreign Exchange Management (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2000, as amended, and have not been prohibited by the SEBI from buying, selling or dealing in securities;
- that you understand that the BRLM does not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by us of any of our respective obligations or any breach of any representations or warranties by us, whether to you or otherwise;
- that you are a investor who is seeking to purchase the Equity Shares for your own investment and not with a view to distribution; In particular, you acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares; and
- Any dispute arising in connection with this Issue will be governed by and construed in accordance with the laws of the Republic of India and the courts at Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended, an FII may issue or otherwise deal in offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities (all such offshore derivative instruments are referred to herein as “**P-Notes**”) listed or proposed to be listed on any stock exchange in India only in favour of those entities which are regulated by an appropriate foreign regulatory authorities in the countries of their incorporation or establishment subject to compliance with “know your client” requirements. An FII shall also ensure that no further issue or transfer of any instrument referred to above is made to any person other than such entities regulated by appropriate foreign regulatory authorities. P-Notes have not been and are not being offered or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes, including, without limitation, any information regarding any risk factors relating thereto.

Any P-Notes that may be issued are not securities of the Company and do not constitute any obligation of, claims on or interests in the Company. The Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to the P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. The Company does not make any recommendation as to any investment in P-Notes and does not accept any responsibility whatsoever in connection with the P-Notes. Any P-Notes that may be issued are not securities of the BRLM and do not constitute any obligations or claims on the BRLM. FII affiliates of the BRLM may purchase, the Equity Shares to the extent permissible under law and may issue P-Notes in respect thereof.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuers of such P-Notes and the terms and conditions of any such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult with their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of any of the contents of the Preliminary Placement Document;
2. warrant that the Company's Equity Shares will be listed or will continue to be listed on the Stock Exchanges; or take any responsibility for the financial or other soundness of the Company, its Promoters, its management or any scheme or project of the Company;

and it should not for any reason be deemed or construed to mean that the Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against any of the Stock Exchanges 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 for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Preliminary Placement Document, unless the context otherwise indicates or implies, references to “you,” “offeree,” “purchaser,” “subscriber,” “recipient,” “investors” and “potential investor” are to the prospective investors in this Issue, references to our “Company”, the “Company” or the “Issuer” as well as references to “we” “our” “us” are to Gayatri Projects Limited together with our Subsidiary, as the case may be.

Financial and Other Information

The Company and our Subsidiaries prepare their financial statements in accordance with Indian GAAP. Indian GAAP differs in certain respects from IFRS and U.S. GAAP. We do not provide a reconciliation of our financial statements to IFRS or U.S. GAAP. Accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader’s level of familiarity with the respective accounting practices. We recommend you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Preliminary Placement Document 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 this Preliminary Placement Document should accordingly be limited.

In this Preliminary Placement Document, references to, “₹” , “Rs.” and “Rupees” are to the legal currency of India. All references herein to the “U.S.” or the “United States” are to the United States of America and its territories and possessions, and all references to “India” are to the Republic of India and its territories and possessions.

Unless otherwise stated, references in this Preliminary Placement Document to a particular year are to the calendar year ended on December 31 and to a particular “Fiscal” or “Fiscal year” are to the fiscal year ended on March 31 of that particular year.

Our Company’s financial statements, consisting of the audited standalone and consolidated financial statements as of Fiscal 2010, Fiscal 2011 and Fiscal 2012 included in this Preliminary Placement Document have been prepared in accordance with Indian GAAP and the Companies Act, 1956, as amended. Unless otherwise indicated, all financial data in this Preliminary Placement Document for fiscal year ending March 31 is derived from the Company’s financial statements prepared in accordance with Indian GAAP.

Any discrepancies between the amounts listed and total thereof, in the tables included herein, are due to rounding off.

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates and other industry data pertaining to businesses of the Company contained in this Preliminary Placement Document consists of estimates based on data reports compiled by government bodies, professional organizations and analysts, data from other external sources and knowledge of the markets in which the Company competes. The statistical information included in this Preliminary Placement Document relating to the various sectors in which the Company operates has been reproduced from various trade, industry and government publications and websites.

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so the Company has relied on internally developed estimates.

Neither the Company nor the BRLM has independently verified this data and neither the Company nor the BRLM makes any representation regarding the accuracy and completeness of such data. Similarly, while the Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither the Company nor the BRLM can assure potential investors as to their accuracy.

The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute “forward-looking statements.” Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “should”, “will”, “would”, or other words or phrases of similar import. All statements regarding the Company’s expected financial condition and results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to the Company’s business strategy, revenue and profitability, planned projects and other matters discussed in this Preliminary Placement Document that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the Company’s expectations include, among others:

1. Our ability to respond to slowdown in general economic growth in India and globally;
2. Our ability to manage our credit quality;
3. Interest rates and inflation;
4. Our ability to respond to any adverse changes in regulatory policies;
5. Our ability to respond to competition; and
6. Our ability to respond to any adverse ratings received from credit rating agencies in India.

All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Company”, “Industry Overview” and “Business” on pages 56, 74 and 80, respectively. The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure prospective investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of the Company’s underlying assumptions prove to be incorrect, the Company’s actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to the Company are expressly qualified in their entirety by reference to these cautionary statements.

The Company assumes no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these forward-looking statements.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a limited liability company incorporated under the laws of India. Substantially, all of the Company's Directors and key managerial personnel are residents of India and a substantial portion of the assets of the Company and such persons are located in India. As a result, it may not be possible for investors to affect service of process upon the Company or such persons outside India, or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, of India ("**Civil Code**") on a statutory basis. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except:

- where the judgment has not been pronounced by a court of competent jurisdiction;
- where the judgment has not been given on the merits of the case;
- where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable;
- where the proceedings in which the judgment was obtained were opposed to natural justice;
- where the judgment has been obtained by fraud; and
- where the judgment sustains a claim founded on a breach of any law then in force in India;

Under the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of such Section, in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44 A of the Civil Code is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

The United Kingdom, Singapore and Hong Kong have been declared by the Government of India to be reciprocating territories for the purposes of Section 44A, but the United States has not been so declared. A judgment of a court of a country which is not a reciprocating territory may be enforced only by a suit upon the judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Execution of a judgment or repatriation outside India of any amounts received is subject to the approval of the RBI. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amount recovered. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Rupee and the U.S. Dollar will affect the U.S. Dollar equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into U.S. Dollars of any cash dividends paid on Equity Shares in Rupees.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the U.S. dollar (in Rupees per U.S. dollar) based on the reference rates released by the Reserve Bank of India. In 1994, the Rupee was permitted to float fully for the first time. The exchange rate as on September 30, 2012 was ₹ 52.70 per US\$ 1.

Year ended March 31	Period End	Average	High	Low
	(₹ per US\$ 1.00)			
2010	45.14	47.42	50.53	44.94
2011	44.65	45.58	47.57	44.03
2012	51.16	47.95	54.24	43.95
	Quarter ended			
June 30, 2012	56.31	56.03	57.22	55.15
September 30, 2012	52.70	54.61	55.97	52.70

No representation is made that the Rupee amounts actually represent such amounts in U.S. dollars or could have been or could be converted into U.S. dollars at the rates indicated, any other rates, or at all.

Source: Reserve Bank of India (www.rbi.org.in)

SUMMARY OF THE ISSUE

The following is a general summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information appearing elsewhere in this Preliminary Placement Document, including under "Issue Procedure", "Description of the Equity Shares" and "Placement". This information contained in Description of the Equity Shares shall prevail in the event of any inconsistency with the terms set out in this section.

Issuer	Gayatri Projects Limited.
Issue Size	[●] Equity Shares aggregating up to ₹ [●] million.
Issue Price	₹ [●] per Equity Share.
Floor Price	The Floor Price for the Issue calculated on the basis of Chapter VIII of the SEBI Regulations is ₹ 120.18 per Equity Share with reference to December 13, 2012 as the Relevant Date.
Authority for the Issue	The Issue has been authorized pursuant to a resolution of the Board of Directors of the Company passed on July 10, 2012 The Issue has been authorized by a resolution by postal ballot adopted pursuant to Section 81 of the Companies Act, 1956 on July 10, 2012.
Eligible Investors	A QIB as defined in Regulation 2(1) (zd) of the SEBI Regulations and not excluded pursuant to Regulations 86(1)(b) of the SEBI Regulations.
Equity Shares issued and outstanding immediately prior to the Issue	23,968,242 Equity Shares aggregating to ₹ 239.68 million.
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares, aggregating to ₹ [●].
Dividend	For more information, see sections titled "Description of the Equity Shares", "Dividend Policy" and "Taxation" beginning on pages 150, 55 and 159 of this Preliminary Placement Document.
Indian Taxation	The IT Act is the law relating to taxes on income in India. For more information, see section titled "Taxation" beginning on page 159 of this Preliminary Placement Document.
Listing	The Company has obtained an in-principle approval for the listing of the Equity Shares on the Stock Exchanges.
Transferability Restriction	The Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment except on the floor of Stock Exchanges. The Equity Shares are subject to certain selling and transfer restrictions. See sections titled "Transfer Restrictions" and "Selling Restrictions" on pages 146 and 143, respectively. The Company cannot be certain that these restrictions will not have any impact on the price of shares.
Closing Date	The Allotment of the Equity Shares offered pursuant to this Issue is expected to be made on or about [●], 2012 (the "Closing Date").
Ranking	The Equity Shares being issued shall be subject to the provisions of the Company's Memorandum & Articles of Association and Listing Agreement with the Stock Exchanges and shall rank <i>pari passu</i> in all respects with the existing Equity Shares including rights in respect of dividends. The shareholders will be entitled to participate in dividends and other corporate benefits, if any, declared by the Company after the date of Issue, in compliance with the Companies Act. Shareholders may attend and vote in shareholders' meetings on the basis of one vote for every Equity Share held. For details see "Description of the Equity Shares".
Governing Law	The Placement Agreement will be governed by Indian law.

Lock-up	<p>Our Company shall not, and shall not announce an intention to, without the prior written consent of Lead Manager, during the period commencing on the date hereof and ending 90 (ninety) days after the date of Allotment of the Issue Shares pursuant to the Issue (the “Lock-up Period”), directly or indirectly: (a) issue, offer, lend, sell, contract to sell, pledge, encumber, sell any option or contract to purchase, purchase any option or contract to sell, grant any option or right to purchase, make any short sale, lend or otherwise transfer or dispose of any Equity Shares; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) deposit any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or which carry the rights to subscribe for or purchase Equity Shares, in any depository receipt facility or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or (d) announce any intention to enter into any transaction described in (a), (b) or (c) above, whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of the Equity Shares, or such other securities, in cash or otherwise.</p> <p>Provided that the aforementioned restrictions shall not apply to any preferential issue of warrants to the Promoters and/or the promoter group of our Company pursuant to the provisions of Chapter VII of the SEBI Regulations.</p> <p>The Promoters of our Company have undertaken not to, for the Lock-up Period, without the prior written consent of the Lead Manager, directly or indirectly: (a) offer, sell, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, make any short sale, pledge, encumber, lend or otherwise transfer or dispose of, any Equity Shares, (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) deposit any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or which carry the rights to subscribe for or purchase Equity Shares, in any depository receipt facility or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or (d) announce any intention to enter into any transaction described in (a), (b) or (c) above, whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise. Provided that the aforementioned restrictions shall not apply to any preferential issue of warrants to the Promoters and/or the promoter group of our Company pursuant to the provisions of Chapter VII of the SEBI Regulations.</p>
Listing	Our Company will make an application to the Stock Exchange to obtain in-principle approval for the listing of the Equity Shares on the Stock Exchange.
Use of Proceeds	<p>The total proceeds of this Issue will be ₹ [•] million. After deducting the issue expenses of approximately ₹ [•] million, the net proceeds of this Issue will be approximately ₹ [•] million.</p> <p>The proceeds of the Issue shall be used amongst other things for general corporate purposes, capital expenditure and restructuring of debt.</p>
Risk Factors	Prior to making an investment decision, Eligible Investors should consider carefully the matters discussed under the section entitled "Risk Factors".
Security Codes:	
ISIN	INE336H01015
NSE Code	GAYAPROJ
BSE Code	532767

Note:

- Under Regulation 86(1) (a) of the SEBI Regulations, a minimum of 10% of the specified securities issued shall be allotted to Mutual Funds. However, if no Mutual Fund is agreeable to take up the minimum portion mentioned above or any part thereof, such minimum portion or part thereof may be allotted to other QIBs;
- Under Regulation 87 of the SEBI Regulations, for each placement under the qualified institutional placement route, there shall be at least two allottees for an issue of size up to ₹2.5 billion and at least five allottees for an issue size in excess of ₹2.5 billion. Further, no single allottee shall be Allotted Equity Shares in excess of 50% of the Issue Size;
- Investors shall not be allowed to withdraw their Bids/Applications after closure of the Issue;
- The aggregate funds that can be raised through QIP's in one financial year shall not exceed five times of the net worth of the Company as per the audited balance sheet of its previous financial year. This Placement shall not exceed five times of the Company's net worth as per the audited balance sheet of its previous financial year; and
- The shareholders resolution approving this Issue, passed under sub-section (1A) of Section 81 of the Companies Act will remain valid for a period of twelve months from the date of passing of the resolution. There shall be a gap of at least six months between each placement in case of multiple placements of equity shares pursuant to authority of the same shareholders' resolution.

SUMMARY OF BUSINESS

OVERVIEW

Introduction and History

Our Company is an operating cum holding company engaged in the execution of road, irrigation and industrial construction projects. Our Company was originally incorporated on September 15, 1989 as Andhra Coastal Construction Private Limited in the state of Andhra Pradesh for undertaking construction activities. The name of the company was changed to Gayatri Projects Private Limited with effect from March 31, 1994 and was converted into a public limited Company on December 2, 1994. On April 1, 1994 Gayatri Projects Private Limited took over all the assets of Gayatri Engineering Company, a partnership firm, on a going concern basis. Gayatri Engineering Company had been engaged in the business of execution of civil and engineering works for various state governments, central governments, public / autonomous bodies / corporations. We have recently invested in the business of executing power projects through our wholly-owned Subsidiary, Gayatri Energy Ventures Private Limited and its subsidiaries.

Subsidiaries

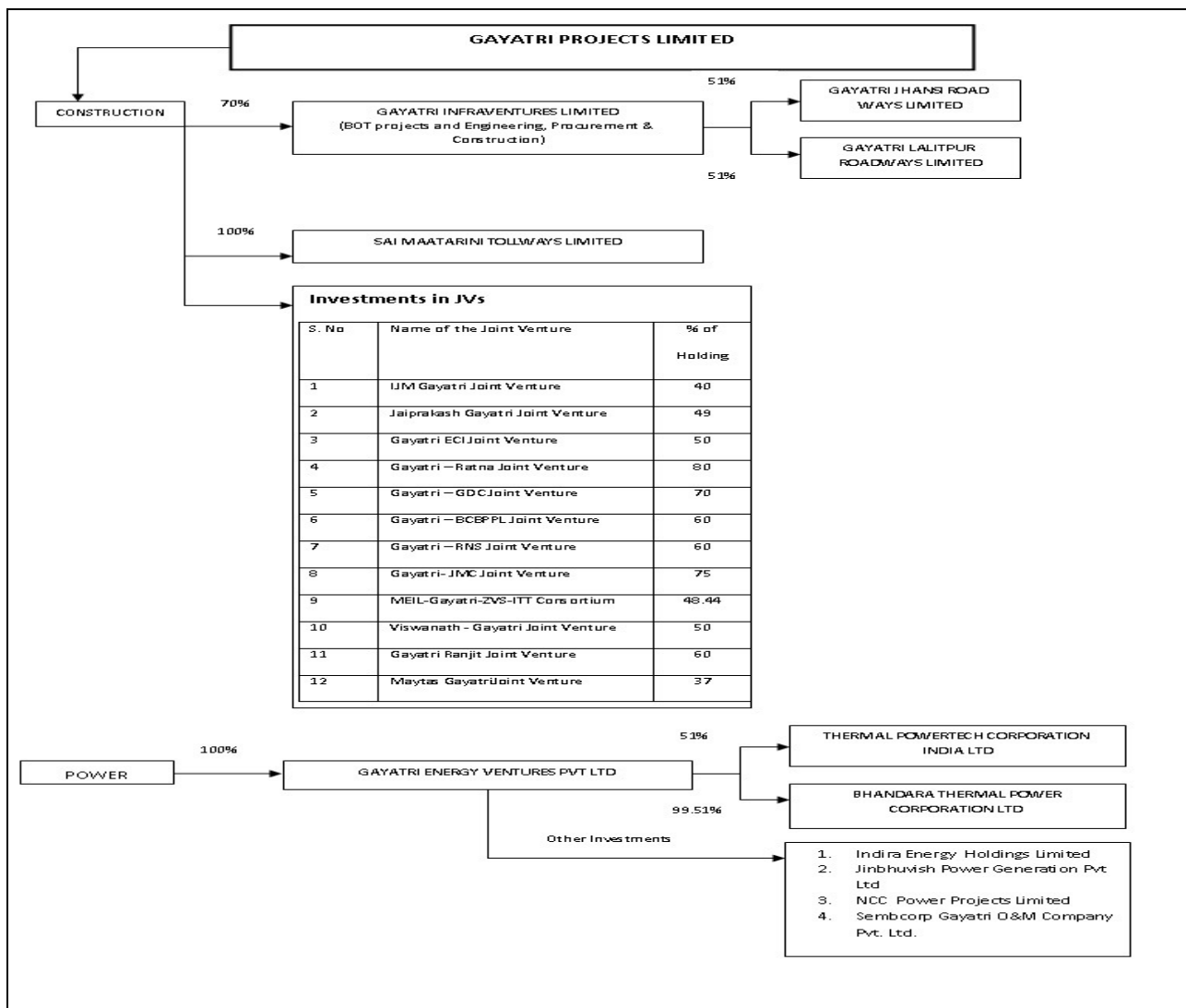
As on date we have three direct Subsidiaries, namely Gayatri Infra Ventures Limited, Gayatri Energy Ventures Private Limited and Sai Maatarini Tollways Limited and four step down Subsidiaries, namely, Gayatri Jhansi Roadways Limited, Gayatri Lalitpur Roadways Limited, Thermal Powertech Corporation India Limited and Bhandara Thermal Power Corporation Limited.

Joint Ventures

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 we have 12 joint ventures, namely IJM Gayatri Joint Venture, Gayatri ECI Joint Venture, Gayatri RNS Joint Ventures, Gayatri Ranjit Joint Venture, Gayatri GDC Joint Venture, Gayatri BCBPPL Joint Venture, Jaiprakash Gayatri Joint Venture, Gayatri-Ratna Joint Venture, MEIL-Gayatri-ZVS-ITT Consortium, Gayatri-JMC Joint Venture, Maytas-Gayatri Joint Venture and Vishwanath-Gayatri Joint Venture.

Corporate Structure

Our Group's corporate structure is as follows:



Lines of Business

Our lines of businesses can be classified as follows:

- A. Construction:** We are engaged in the business of executing various construction projects on a lump sum turnkey, build operate and transfer, (“**BOT**”), annuity, fixed price, engineering procurement and construction, (“**EPC**”) and engineering procurement construction and management basis. We undertake following types of construction projects:
- Irrigation projects such as constructing reservoirs, canals, dams and barrages;
 - Roadway projects such as constructing expressways, state and national highways, bridges, flyovers, aqueducts and dedicated service corridors;
 - Industrial and commercial construction projects such as constructing factory premises, ports, SEZs, hotels, multiplexes and related works;
 - Construction of power and transmission lines; and
 - Orders from BOT projects

- B. Power Projects:** As a group strategy to expand vertically to other business segments to mitigate the business risk, our Company has invested in numerous entities engaged in the power sector through our Company's wholly owned subsidiary Gayatri Energy Ventures Private Limited, ("**GEVPL**").

SELECTED FINANCIAL INFORMATION OF OUR COMPANY

The summary selected financial and operating data set forth below are the audited consolidated financial statements of the Company for Fiscals 2012, 2011 and 2010 and audited standalone financial statements for Fiscals 2012, 2011, and 2010. The selected financial and operating data have been derived from the financial statements of the Company included elsewhere in this Preliminary Placement Document. The financial information included in this Preliminary Placement Document does not reflect the Company's results of operations, financial position and cash flows for the future and its past operating results are no guarantee of its future operating performance. Our Company's financial statements are prepared and presented in accordance with Indian GAAP. For a summary of the Company's significant accounting policies and the basis of presentation of its financial statements, and limited review report for the six month period ended September 30, 2012 refer to the notes to the financial statements under the section titled "Financial Statements", of this Preliminary Placement Document.

The selected financial and operational data set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our Company's audited financial statements for Fiscals 2012, 2011, and 2010.

Summary Statement of Stand Alone Balance Sheet as at March 31, 2012, March 31, 2011 and March 31, 2010

Particulars	₹ in Million		
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a. Share capital	239.68	119.89	111.05
b. Equity warrants	-	-	35.63
b. Reserves and surplus	4922.54	3259.70	2657.44
	5162.22	3379.59	2804.12
2. Non-Current Liabilities			
a. Long-term borrowings	1357.20	2033.98	1501.23
b. Deferred tax liabilities (net)	247.82	208.80	177.79
c. Other long-term liabilities	3709.89	2672.28	2147.00
d. Long-term provisions	22.84	13.63	13.53
	5337.75	4928.69	3839.55
3. Current Liabilities			
a. Short-term borrowings	8218.19	7027.14	4129.43
b. Trade payables	2495.75	1810.21	1500.75
c. Other current liabilities	2723.43	545.89	545.86
d. Short-term provisions	108.96	85.30	63.21
	13546.33	9468.54	6239.25
Total	24046.30	17776.82	12882.92
II. ASSETS			
1. Non-Current Assets			
a. Fixed assets			
i) Tangible assets	2739.39	2192.91	1661.44
ii) Intangible assets	-	-	-
iii) Capital work-in-progress	116.69	-	-

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
b. Non-current investments	6234.93	3964.43	1283.38
c. Long-term loans and advances	581.44	580.77	590.36
	9672.45	6738.11	3535.18
2. Current Assets			
a. Inventories	1470.35	642.54	693.33
b. Trade receivables	5142.83	3284.70	3149.06
c. Cash and Bank Balances	1441.22	1712.03	2052.35
d. Short-term loans and advances	5749.60	4609.00	2720.26
e. Other current assets	569.85	790.44	732.74
	14373.85	11038.71	9347.74
Total	24046.30	17776.82	12882.92

Summary Statement of Stand Alone Profit And Loss For The Year Ended March 31, 2012 , March 31, 2012 and March 31, 2012

₹ in Million

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011	For the year ended March 31, 2010
I Revenue from operations	18,019.04	14,405.52	12,524.86
II Other income	33.33	56.41	42.04
III Total Revenue	18,052.37	14,461.93	12,566.90
IV EXPENSES			
Cost of materials consumed	4,013.35	3,137.40	3,554.36
Work Expenditure	10,849.48	9,066.00	7,078.91
Changes in Inventories of Work-In-Progress	(368.22)	(88.51)	(18.89)
Employee benefit expense	414.92	352.72	280.44
Finance costs	1,043.74	741.85	453.38
Depreciation and amortization expense	290.57	227.33	200.57
Other expenses	1,110.13	231.63	208.11
Total Expenses	17,353.97	13,668.42	11,756.88
V Profit before exceptional & extraordinary items and tax	698.40	793.51	810.02
VI Exceptional Items	-	-	-
VII Profit before extraordinary items and tax	698.40	793.51	810.02
VIII Extraordinary Items	-	-	-
IX Profit Before Tax	698.40	793.51	810.02
X Tax Expenses			
(a) Current tax expense relating to prior years	0.59	0.09	42.57
(b) Current Tax	199.08	262.40	284.59
(c) Deferred Tax	39.02	31.01	(8.04)
XI Profit (Loss) for the year	459.71	500.01	490.90

₹ in Million

Particulars		For the year ended March 31, 2012	For the year ended March 31, 2011	For the year ended March 31, 2010
XII	Earnings per share (of 10/- each):			
	(a) Basic	37.83	43.10	46.02
	(b) Diluted	31.11	33.99	36.67

Summary Statement of Stand Alone Cash Flow For The Year Ended March 31, 2012, March 31, 2011 and March 31, 2010.

₹ in Million

Particulars		For the year ended March 31, 2012	For the year ended March 31, 2011	For the year ended March 31, 2010
A	Cash flow from operating activities			
	PROFIT BEFORE TAX	698.40	793.51	810.02
	ADJUSTMENTS FOR :			
	Depreciation and amortization expense	290.57	227.33	200.57
	Finance Cost	1,043.74	741.85	453.38
	Interest income & other non-operating income	(33.33)	(56.41)	(42.04)
	Loss on sale of Assets (Net)	20.36	0.23	-
	Foreign Currency Translation and Transactions - Net	792.36	-	-
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,812.10	1,706.51	1,421.93
	ADJUSTMENTS FOR :			
	Trade Receivables, Loans and Advances and Other Assets	(2,778.81)	(2,072.49)	(2,188.44)
	Inventories	(827.81)	50.79	(88.97)
	Trade Payables, other Liabilities and Provisions	1,777.46	920.13	756.97
	CASH GENERATED FROM OPERATIONS	982.94	604.94	(98.51)
	Income Tax Paid	(199.67)	(262.49)	(327.16)
	NET CASH FROM OPERATING ACTIVITIES	783.27	342.45	(425.67)
B	Cash flows from investing activities			
	Purchase of Fixed Assets	(913.40)	(815.28)	(255.50)
	Changes in capital work in progress	(116.69)	-	-
	Sale of Fixed Assets	56.00	56.26	0.18
	Interest income & other non-operating income	33.33	56.41	42.04
	Purchase of Non-Current Investments	(2,270.50)	(2,681.05)	-
	NET CASH USED IN INVESTING ACTIVITIES	(3,211.26)	(3,383.66)	(213.28)
C	Cash flows from financing activities			
	Proceeds from issue of share capital includes share premium	1,406.49	63.87	220.63
	Net Proceeds from long-term borrowings	649.52	487.65	278.27
	Net Proceeds from Working Capital Facilities	266.35	1,433.37	588.10
	Net Proceeds from short-term loans	924.69	1,464.32	1,534.99
	Finance Cost	(1,019.74)	(715.00)	(453.38)
	Dividend & Dividend Tax paid	(70.13)	(33.32)	(64.96)
	NET CASH FROM FINANCING ACTIVITIES	2,157.18	2,700.89	2,103.65
	NET INCREASE IN CASH AND CASH EQUIVALENTS	(270.81)	(340.32)	1,464.70

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011	For the year ended March 31, 2010
OPENING CASH AND CASH EQUIVALENTS	1,712.03	2,052.35	587.65
CLOSING CASH AND CASH EQUIVALENTS	1,441.22	1,712.03	2,052.35

Summary Statement of Consolidated Balance Sheet as at March 31, 2012, March 31, 2011 and March 31, 2010

Particulars	₹ in Million		
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a. Share capital	239.68	119.89	111.05
b. Equity Warrants / Share Application Money	-	-	39.20
c. Reserves and surplus	5,798.88	4,543.54	3,385.19
	6,038.56	4,663.43	3,535.44
2. Minority Interest	3864.22	3997.57	1237.15
3. Non-Current Liabilities			
a. Long-term borrowings	37,991.33	21,084.65	12,474.14
b. Deferred tax liabilities (net)	235.13	202.04	162.73
c. Other long-term liabilities	5,264.36	4,101.73	2,376.45
d. Long-term provisions	323.07	184.98	13.53
	43,813.89	25,573.40	15,026.85
4. Current Liabilities			
a. Short-term borrowings	8,449.16	8,095.17	4,709.82
b. Trade payables	4,599.35	2,351.01	2,323.43
c. Other current liabilities	4,532.30	3,309.31	113.71
d. Short-term provisions	114.69	160.86	67.42
	17,695.50	13,916.35	7,214.38
Total	71,412.17	48,150.75	27,013.82
II. ASSETS			
1. Non-Current Assets			
a. Fixed assets			
i. Tangible assets	4971.39	3583.66	3,034.82
ii. Intangible assets	10450.77	7191.12	-
iii. Capital work-in-progress	10388.62	6483.77	10761.61
iv. Intangible assets under development	11607.62	6302.65	-
b. Non-current investments	3,582.17	329.58	29.64
c. Long-term loans and advances	6,087.76	3,554.81	601.36
d. Other non-current assets	100.00	-	-
	47,188.33	27,445.59	14,427.43
2. Current Assets			
a. Current Investments	38.71	9.04	40.85
b. Inventories	1,470.35	642.55	693.32
c. Trade receivables	5,984.22	4,035.31	2,971.02
d. Cash and bank balances	8,017.15	9,394.58	3,130.76
e. Short-term loans and advances	8,173.34	5,145.44	3,525.84
f. Other current assets	540.07	1,478.24	2,224.60
	24,223.84	20,705.16	12,586.39
Total	71,412.17	48,150.75	27,013.82

Summary Statement of Consolidated Profit And Loss For The Year Ended March 31, 2012 , March 31, 2012 and March 31, 2012

		₹ in Million		
Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011	For the year ended March 31, 2010	
INCOME				
I	Revenue from operations	21,995.88	12,061.28	12,745.06
II	Other income	63.49	99.37	64.66
III	Total Revenue	22,059.37	12,160.65	12,809.72
IV EXPENSES				
	(a) Cost of materials consumed	3,190.53	1,782.23	3,554.57
	(b) Work Expenditure	14,584.59	7,787.85	7,183.98
	(b) Changes in Inventories of Work-In-Progress	(368.22)	(88.50)	(18.89)
	(d) Employee benefits expense	362.59	239.36	298.94
	(e) Finance costs	2,207.23	1,173.01	555.40
	(f) Depreciation and amortisation expense	820.89	623.22	200.58
	(g) Other expenses	1,107.66	159.24	270.61
	Total Expenses	21,905.27	11,676.41	12,045.19
V	Profit before exceptional & extraordinary items & tax	154.10	484.24	764.53
VI	Exceptional Items	-	-	-
VII	Profit before extraordinary items and tax	154.10	484.24	764.53
VIII	Extraordinary Items	-	-	-
IX	Profit Before Tax	154.10	484.24	764.53
X	Tax Expenses			
	a. Current Tax	199.08	268.97	284.69
	b. Tax for Previous Year	0.71	0.09	-
	c. Deferred Tax	35.73	39.45	-30.61
XI	Profit for the period from continuing operations	(81.42)	175.73	510.45
XII	Less: Minority Interest	(137.12)	(147.52)	(1.33)
XIII	Profit after Minority Interest	55.70	323.25	511.78
XIV	Earnings per share (of 10/- each): (Rs.)			
	a. Basic	4.58	27.86	47.98
	b. Diluted	3.77	21.97	38.23

Summary Statement of Consolidated Cash Flow For The Year Ended March 31, 2012, March 31, 2011 and March 31, 2010.

Particulars	₹ in Million		
	For the year ended March 31, 2012	For the year ended March 31, 2011	For the year ended March 31, 2010
A Cash flow from operating activities			
PROFIT BEFORE TAX	154.10	484.24	764.53
ADJUSTMENTS FOR :			
Depreciation and amortisation expense	820.89	623.22	200.58
Finance Cost	2,207.22	1,173.01	555.40
Interest income	(25.20)	(92.91)	(40.24)
(Loss on sale of Assets (Net))	20.36	0.22	(0.08)
Foreign Currency Translation and Transactions – Net	792.36	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3,969.73	2,187.78	1,480.19
ADJUSTMENTS FOR :			
Trade Receivables, Loans and Advances and Other Assets	(6,671.60)	(4,890.99)	(2,406.48)
Inventories	(827.81)	50.78	(88.97)
Trade Payables, other Liabilities and Provisions	2175.57	4,262.27	1,258.70
CASH GENERATED FROM OPERATIONS	(1354.09)	1,609.85	243.44
Income Tax Paid	(199.79)	(269.07)	(284.69)
NET CASH FROM OPERATING ACTIVITIES	(1553.88)	1,340.78	(41.25)
B Cash flows from investing activities			
Changes in Fixed Assets	(14698.45)	(10388.22)	(4,942.27)
Adjustment for change in status of erstwhile Associate into Subsidiary	(6.12)	(0.14)	22.16
Interest income	25.20	92.91	40.24
Purchase of Non-current Investments	(3252.59)	(299.93)	348.77
Purchase of Current Investments	(29.69)	31.81	-
NET CASH USED IN INVESTING ACTIVITIES	(17,961.62)	(10,563.57)	(4,531.10)
C Cash flows from financing activities			
Proceeds from issue of share capital includes share premium net of expenditure	1,406.49	841.68	149.08
Proceeds from Minority Interest (Net)	3.77	2,907.94	294.60
Net Proceeds from long-term borrowings	18302.60	9,514.25	4,143.12
Net Proceeds from Working Capital Facilities	266.35	1,433.38	588.09
Net Proceeds from short-term loans	87.64	1,951.96	772.25
Finance Cost	(1858.64)	(1,129.30)	(555.40)
Dividend & Dividend Tax paid	(70.13)	(33.32)	(79.77)
NET CASH USED IN FINANCING ACTIVITIES	18138.07	15,486.61	5,311.97
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,377.43)	6,263.82	739.62
OPENING CASH AND CASH EQUIVALENTS	9,394.58	3,130.76	2,391.14
CLOSING CASH AND CASH EQUIVALENTS	8,017.15	9,394.58	3,130.76

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 this Preliminary Placement Document, 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 16 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 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.

For further details of the legal proceedings which materially affect our financial condition and results of operations, please see the section titled "Legal Proceedings" on page 166 of this Preliminary Placement Document.

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 "Legal Proceedings" beginning on page 166 of this Preliminary Placement Document.

3. ***The auditors' reports on our Company's unconsolidated financial statements for the financial year ended March 31, 2012 and the limited review report on our Company's unconsolidated financial statements for the six month period ended September 30, 2012 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, 2012 and the unconsolidated limited reviewed financial statements for the six months period ended September 30, 2012. 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."

¹ National Highways Authority of India and Andhra Pradesh State Government

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 2011, Fiscal 2012 and six month period ended September 30, 2012. Hence, there was no further increase in the aforesaid accumulated losses for Fiscal 2011, Fiscal 2012 and six month period ended September 30, 2012. 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.

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 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 this Preliminary Placement Document 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 ₹ 40.2 million and ₹ 5.3 million for the Fiscals 2011 and 2012, 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.

₹ 1,4750.00 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 Limited and PTC India Limited was terminated.

If the aforesaid guarantee is invoked, and if at such point of time Thermal Powertech Corporation India Limited is unable 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. We have also sought waiver for default and payment of default interest from holders of foreign currency convertible bonds in connection with foreign currency convertible bonds which have subsequently been redeemed by our Company. 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 Million						
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.

Our Company had also sought an extension of time to redem our erstwhile foreign currency convertible bonds which had matured in August 2012 and sought waiver for default and payment of default interest from holders of foreign currency convertible bonds in connection with the same. The said foreign currency convertible bonds were subsequently redeemed by our Company.

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. *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.*

As on October 31, 2012, approximately 48% and 23% 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 66.12% of our total revenues for the financial year ended March 31, 2012 on an unconsolidated basis and 62.44% of our total revenues for the six month period ended September 30, 2012, 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.

8. ***Historically, we have relied upon a limited number of customers for securing repeat orders and/or contracts. Our top 5 customers for Fiscals 2012, 2011 and 2010 on an unconsolidated basis have constituted 50.28%, 53.00% and 54.96% 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 2012, 2011 and 2010 on an unconsolidated basis have constituted 50.28%, 53.00% and 54.96% 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.

9. ***Our Company's revenues are highly dependent upon orders/contracts from Central and State Governments and public sector undertakings ("PSUs"). As on October 31, 2012, 64.03% 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 October 31, 2012, 64.03 % 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	O/s Value of Contract (₹ in Million)	% age of O/s Order Book as on October 31, 2012
1	Central and State Governments	23	40,733.99	57.44
2	PSU	14	4,675.29	6.59
Total :		37	45,409.28	64.03

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 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.

- 10. *Our Company and some of our Joint Ventures have applied for an extension of time for completion of certain outstanding work orders. 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.***

Our Company and some of our Joint Ventures have applied for an extension of time for completion of certain outstanding work orders. 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. Further, our Company, or our Joint Ventures, 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 relevant projects and their outstanding contract amounts, in part or entirety could adversely impact the profitability of our Company.

- 11. *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;
- 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.

- 12. *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.

- 13. *As on October 31, 2012, 23.85% 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 October 31, 2012, 23.85% 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 approximately 84% of our total costs for Fiscal 2012 on an unconsolidated basis and approximately 83% of our total costs for the six month period ended September 30, 2012 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.

- 14. *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 August 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 BBB-' to 'CARE BB+' and has revised the rating assigned to our Company's short term debt facilities (facilities with a tenure up to one year) from 'CARE A3+' to 'CARE A4', on a review of recent developments in connection with our Company. The above ratings have been placed under credit watch with developing implications, in view of the pending outcome of our Company's initiatives towards redemption of our foreign currency convertible bonds (which were redeemed subsequent to the aforesaid letter).

The total debt of our Company as on September 30, 2012 was ₹ 11,557.71 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

- 15. *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.

- 16. *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.

- 17. *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.

- 18. *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.

- 19. *The failure of our Subsidiaries to complete its projects in a timely or a profitable manner, could affect the 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 three direct Subsidiaries, namely Gayatri Infra Ventures Limited, Gayatri Energy Ventures Private Limited and Sai Maatarini Tollways 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)	
	2012	2011
<i>Gayatri Infra Venture Limited</i>	NA	181.25
<i>Gayatri Energy Ventures Private Limited</i>	181.05	3.58
<i>Bhandara Thermal Power Corporation Limited*</i>	2.32	0.72

* 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.

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.

20. *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.*

As a group strategy to expand vertically to other business segments to mitigate the business risk, our Company has invested in numerous entities engaged in the power sector through our Company's wholly owned subsidiary Gayatri Energy Ventures Private Limited, ("GEVPL"). As on September 30, 2012 GEVPL has invested:

In Step-Down Subsidiaries:

- ₹ 2,366.00 million in the equity share capital 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.
- ₹ 49.55 million in equity shares of Bhandara Thermal Power Corporation Limited at a face value of such equity shares of ₹10 per equity share for the purposes of a proposed establishment of a coal based thermal power plant at Bhandara, Maharashtra, India..

In Associate and Other Entities in the Power Sector:

- ₹ 3,789.53 million in the equity share capital of NCC Power Projects Limited.
- ₹ 300 million in the equity share capital of Jinbhuvish Power Generations Private Limited in connection with the establishment of a thermal power project in the state of Maharashtra.
- ₹ 0.30 million in the equity share capital of Sembcorp Gayatri O&M Company 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.

21. *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.

22. *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 ₹ 70,913.55 million and ₹ 78,099.90 million, as on October 31, 2012 and March 31, 2012 and our top five customers represented 82.24% and 80.13% of our aggregate outstanding order book as on October 31, 2012 and March 31, 2012, 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.

23. *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 September 30, 2012, our Company had aggregate outstanding borrowings on an unconsolidated basis in the form of working capital facilities for amounts aggregating ₹ 5,877.25 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 terms to us, or at all may impair our business, results of operations, financial condition and prospects.

24. *As at October 31, 2012, our Company's aggregate order book was approximately ₹ 70,913.55 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 October 31, 2012, our Company's aggregate order book was approximately ₹ 70,913.55 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 September 30, 2012, our Company had outstanding secured debt aggregating to ₹ 8,507.53 million and unsecured debt aggregating to ₹ 3,050.18 million on an unconsolidated basis and as at September 30, 2012 we had shareholders funds (comprising share capital, equity warrants and reserves and surplus) aggregating to ₹ 5,371.75 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 "*Business*" on page 80 of this Preliminary Placement Document.

25. *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.

26. *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 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.

27. *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 October 31, 2012, an aggregate of 15,187,955 Equity Shares held by our Promoters, representing 63.37% of the paid-up equity share capital of our Company and representing 99.84% 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 October 31, 2012:

Sl. No.	Name of the Promoter	Number of shares pledged or otherwise encumbered	% of the Aggregate Paid-up Equity Shares as on October 31, 2012	% of the Aggregate Paid-up Equity Shares held by Promoter Group as on October 31, 2012	Financial institution with which the shares are pledged
1	T. Indira Subbarami Reddy	1,850,000	7.72	12.16	HDFC Bank Limited
		2,650,055	11.06	17.42	Industrial Finance Corporation of India Limited
		110,000	0.46	0.72	Canara Bank
		1,155,000	4.82	7.59	SICOM Limited
		4,852,116	20.24	31.90	IDBI Bank Limited
	Sub-total (A)	10,617,171	44.30	69.79	
2	T.V. Sandeep Kumar Reddy	1,495,162	6.24	9.83	Industrial Finance Corporation of India Limited
		290,000	1.21	1.91	Canara Bank
		2,785,622	11.62	18.31	IDBI Bank Limited
			Sub-total (B)	4,570,784	19.07
	Total (A)+(B)	15,187,955	63.37	99.84	

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.

28. *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 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.

29. ***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.

30. ***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.

31. ***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, 2012 are as follows:

Sl. No.	Description	₹ in million				
		Subsidiary & Step-down Subsidiaries	Associate Companies	Entities in which KMP are interested	Joint ventures	KMP
1.	Equity Contribution	2,270.50	-	-	-	-
2.	Contract Receipts	2,917.48	1,236.20	1,338.77	7,391.34	-
3.	Contract payments	10.26		133.80	-	-
4.	Office Rent & Maintenance	-	-	10.15	-	-
5.	Other Payments	11.05	7.96	0.76	-	-
6.	Donations	-	-	46.58	-	-
7.	Remuneration Paid	-	-	-	-	52.50
8.	Contract Advances/ Other Adv.	42.37	96.52	-	530.22	-
9.	Corporate Guarantees	10.00	-	-	-	-
	Total	5,261.66	1,340.68	1,530.06	7,921.56	52.5

For further details, please refer to the section titled “*Financial Statements*” on page 182 of this Preliminary Placement Document. 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 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.

32. ***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.***

Subject to compliance with applicable laws and regulations, we intend to use the net proceeds of the Issue for long term working capital requirements of the Company. As permissible under applicable laws, our management will have flexibility in deploying the proceeds received by the Company from the Issue. Pending utilization for the purposes described above, the Company intends to temporarily invest funds in creditworthy instruments, including money market mutual funds and deposits with banks and corporates. Such investments would be in accordance with the investment policies as approved by the Board of Directors from time to time. The proposed use of proceeds of the Issue, 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.

33. ***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.

34. ***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.

35. ***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 2012 (₹ in million)	Fiscal 2011 (₹ in million)
Net cash from/(used in) Investing Activities	(3,211.26)	(3,383.65)

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

36. ***Our contingent liabilities, on an unconsolidated basis in our financial statements as of September 30, 2012 aggregated to ₹66,292.86 million. If such contingent liabilities materialize, our financial condition could be adversely affected.***

Our contingent liabilities as of September 30, 2012 aggregated to ₹ 66,292.86 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.

As of September 30, 2012, we had the following contingent liabilities on an unconsolidated basis that have not been provided for in our financial statements:

		(₹ in million)
S.No	Particulars	September 30, 2012
1	Guarantees given by Banks towards performance & contractual commitments	
	a) Issued on behalf of Company	6,231.00
	b) Issued on behalf of Subsidiaries/Group Companies	1,610.55
2	Corporate guarantees given to Group companies	58,296.60
3	Disputed Liability of Sales Tax, Service Tax and Seigniorage Charges	154.71
	Total	66,292.86

37. ***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.

38. ***As of September 30, 2012 our Company had unsecured loans amounting to ₹ 3,100.07 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 September 30, 2012 our Company had unsecured loans amounting to ₹ 3,100.07 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 September 30, 2012
1	Bank of Baroda (500 Million)	December 30, 2011	511.39
2	United Bank of India(1000 Million)	March 26, 2012	1,021.90
3	Syndicate Bank (750 Million)	June 6, 2011	758.60
4.	Indian Overseas bank (1000 Million)	December 10, 2011	808.81

No.	Name of the Lender	Date of Sanction	Outstanding Amount as on September 30, 2012
Total			3,100.07

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.

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

40. *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

41. *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.

42. *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.

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

44. *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.

45. *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.

46. *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 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.

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

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.

48. *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.

49. *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.

50. *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 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.

51. *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

52. *There is no guarantee that the 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 Equity Shares issued pursuant to the Issue will not be granted until after such Equity Shares have been issued and allotted. Such approval will require all other relevant documents authorising the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

MARKET PRICE INFORMATION AND OTHER INFORMATION CONCERNING THE EQUITY SHARES

As on date, 23,968,242 of our Equity Shares were subscribed and paid up.

Our Company's Equity Shares have been listed on BSE and NSE since October 17, 2006 and August 22, 2011.

The following tables set forth, for the period indicated, the reported high, low and average of closing market prices of our Equity Shares on the BSE and NSE and the number of Equity Shares traded on the days such high and low prices were recorded, for the Fiscal years 2012, 2011 and 2010.

a. BSE

Fiscal Year	High (₹)	Date of High	Number of Equity Shares traded on date of high	Volume on date of high (₹ In Million)	Low (₹)	Date of Low	Number of Equity Shares traded on date of low	Volume on date of low (₹ In Million)	Average price for the year (₹)*
2011-2012	242.5	April 06, 2011	66,429	16.01	90.05	December 22, 2011	14,187	1.28	162.82
2010-2011	484.7	May 18, 2010	155,912	75.10	206.3	February 09, 2011	12,032	2.53	358.32
2009-2010	432	December 30, 2009	198,838	86.38	65	April 01, 2009	207,309	13.43	280.86

**Average of the daily closing prices*

b. NSE

Fiscal Year	High (₹)	Date of High	Number of Equity Shares traded on date of high	Volume on date of high (₹ in Million)	Low (₹)	Date of Low	Number of Equity Shares traded on date of low	Volume on date of low (₹ in Million)	Average price for the year (₹)*
2011-2012	181.15	February 16, 2012	220439	40.39	90.25	December 22, 2011	18593	1.68	132.34
2010-2011	N A	N A	N A	N A	N A	N A	N A	N A	N A
2009-2010	N A	N A	N A	N A	N A	N A	N A	N A	N A

**Average of the daily closing prices*

The following tables set forth, for the period indicated, the reported high, low and average of closing market prices of our Equity Shares on the BSE and NSE and the number of Equity Shares traded on the days such high and low prices were recorded, in each month during the last six months preceding the date of filing of the Preliminary Placement Document:

BSE

Month, Year	High (₹)	Date of High	Number of Equity Shares traded on date of high	Volume on date of high (₹ in Million)	Low (₹)	Date of Low	Number of Equity Shares traded on date of low	Volume on date of low (₹ in Million)	Average price for the month (₹)*
November 2012	118.25	November 23, 2012	3,383	0.398	107.6	November 20, 2012	1,767	0.19	112.04
October 2012	122.75	October 23, 2012	87,883	11.06	111.15	October 31, 2012	2,355	0.27	115.69
September 2012	105.65	September 28, 2012	24,646	2.58	90.95	September 10, 2012	4,157	0.38	96.54
August, 2012	102.1	August 07, 2012	913	0.093	93.05	August 30, 2012	3,011	0.28	98.85
July, 2012	117.6	July 19, 2012	10,700	1.06	98.05	July 26, 2012	10,700	1.06	105.42
June, 2012	109.1	June 15, 2012	2,239	0.24	94.65	June 05, 2012	2,211	0.21	100.64

*Average of the daily closing prices

NSE

Month, Year	High (₹)	Date of High	Number of Equity Shares traded on date of high	Volume on date of high (₹ in Million)	Low (₹)	Date of Low	Number of Equity Shares traded on date of low	Volume on date of low (₹ in Million)	Average price for the month (₹)*
November 2012	118.55	November 29, 2012	10,239	1.21	107.75	November 20, 2012	5,762	0.63	112.07
October 2012	122.6	October 23, 2012	186,264	23.397	111.15	October 30, 12	6,524	0.736	115.58
September 2012	105.35	September 28, 2012	164,30	1.727	91.4	September 10, 2012	10,206	0.94	96.55
August, 2012	102.85	August 07, 2012	2,718	0.278	94.05	August 28, 2012	4,980	0.47	98.90
July, 2012	117.7	July 19, 2012	271,840	32.293	97.85	July 26, 2012	10,460	1.035	105.16
June, 2012	102.85	June 11, 2012	4,299	0.444	94.3	June 05, 2012	12,174	1.184	99.52

* Average of the daily closing price

The closing prices of our Equity Shares on NSE and BSE on July 11, 2012 the trading day immediately following the day on which the resolution of the Board to approve this Issue was passed, were ₹ 108.90 and ₹ 109.90 per Equity Share respectively.

USE OF PROCEEDS

The total proceeds of the Issue will be ₹ [●] million. After deducting the Issue expenses of approximately ₹ [●], the net proceeds of the Issue will be approximately ₹ [●].

Subject to compliance with applicable laws and regulations, we intend to use the net proceeds of the Issue for long term working capital requirements of the Company.

As permissible under applicable laws, our management will have flexibility in deploying the proceeds received by the Company from the Issue. Pending utilization for the purposes described above, the Company intends to temporarily invest funds in creditworthy instruments, including money market mutual funds and deposits with banks and corporates. Such investments would be in accordance with the investment policies as approved by the Board of Directors from time to time.

CAPITALISATION

The following table sets forth the Company's capitalisation and indebtedness as of March 31, 2012 which has been extracted from the Company's audited standalone financial statements which were prepared in accordance with Indian GAAP and shows the effect of adjusting for the Issue.

This capitalization table should be read together with "Selected Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and related notes included elsewhere in this Preliminary Placement Document.

(1) Contingent liabilities as at September 30, 2012 amounted to ₹ 66,292.86 Million

	As of March 31, 2012	As of September 30, 2012	As adjusted to account for the Issue
	₹ (in Million)	₹ (in Million)	₹ (in Million)
Indebtedness			
Secured Loans	6151.36	8507.53	-
Unsecured Loans	3424.02	3050.18	-
Total Indebtedness	9575.38	11557.71	-
Shareholder's Funds			
Share Capital	239.68	239.68	[●]*
Reserves and Surplus	4922.54	5132.07	[●]*
Total Shareholder's Funds	5162.20	5371.75	[●]*
Total Capitalisation	14737.60	16929.46	[●]*

**To be determined upon finalisation of the Issue Price and total number of Equity Shares to be issued Pursuant to the Issue*

DIVIDEND POLICY

Dividend Policy

The declaration and payment of dividend will be recommended by the Board of Directors and approved by the shareholders at their discretion and will depend on the Company's revenues, cash flows, financial condition (including capital position) and other factors. The declaration and payment of equity dividend would be governed by the applicable provisions of the Companies Act and Articles of Association of the Company.

The following table details the dividend declared by the Company on the Equity Shares for the Fiscals 2012, 2011, and 2010.

Particulars	Fiscal 2012	Fiscal 2011	Fiscal 2010
Face value of Equity Shares (₹ per share)	10	10	10
Rate of dividend (%)	30%	50%	50%
Dividend per Equity Share (₹)	3	5	5
Total dividend declared (₹ in million)	71.90	60.67	55.52
Tax on total dividend paid (₹ in million)	11.66	10.20	9.44
Number of Equity Shares	23,968,242	11,989,000	11,104,761

The amounts paid as dividend in the past are not necessarily indicative of the dividend amounts, if any, payable or to be paid in the future.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our Reformatted Standalone Financial Statements and Reformatted Consolidated Financial Statements, including the notes thereto, and other financial data on pages 182 to 234 of this Preliminary Placement Document. You should also read the sections titled "Risk Factors" and "Forward Looking Statements" on pages 31 and 16, respectively, of this Preliminary Placement Document, which discuss a number of factors or contingencies that could affect our financial condition and results of operations.

In this section any reference to "our Company" refers to Gayatri Projects Limited on a standalone basis and "our Group", "we", "us" or "our" refers to Gayatri Projects Limited and/or its Subsidiaries and Joint Ventures, on a consolidated basis, as the context may require. Unless stated otherwise, the financial data in this section is as per our Reformatted Standalone Financial Statements and Reformatted Consolidated Financial Statements, as set forth elsewhere in this Preliminary Placement Document.

The following discussion and analysis of our financial condition and results of operation is based on our Reformatted Consolidated Financials as of and for the years ended March 31, 2012 and 2011. Our Reformatted Standalone Financial Statements and Reformatted Consolidated Financial Statements are prepared in accordance with the relevant provisions of the Companies Act and the SEBI Regulations. Our fiscal year ends on March 31 of every year. Unless otherwise stated, "fiscal year" or "fiscal" refers to the twelve month period ending March 31 of that year.

OVERVIEW

Introduction and History

Our Company is an operating cum holding company engaged in the execution of road, irrigation and industrial construction projects. Our Company was originally incorporated on September 15, 1989 as Andhra Coastal Construction Private Limited in the state of Andhra Pradesh for undertaking construction activities. The name of the company was changed to Gayatri Projects Private Limited with effect from March 31, 1994 and was converted into a public limited Company on December 2, 1994. On April 1, 1994 Gayatri Projects Private Limited took over all the assets of Gayatri Engineering Company, a partnership firm, on a going concern basis. Gayatri Engineering Company had been engaged in the business of execution of civil and engineering works for various state governments, central governments, public / autonomous bodies / corporations. We have recently invested in the business of executing power projects through our wholly-owned Subsidiary, Gayatri Energy Ventures Private Limited and its subsidiaries.

Subsidiaries

As on date we have three direct Subsidiaries, namely Gayatri Infra Ventures Limited, Gayatri Energy Ventures Private Limited and Sai Maatarini Tollways 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.

Joint Ventures

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 we have 12 joint ventures, namely IJM Gayatri Joint Venture, Gayatri ECI Joint Venture, Gayatri RNS Joint Ventures, Gayatri Ranjit Joint Venture, Gayatri GDC Joint Venture, Gayatri BCBPPL Joint Venture, Jaiprakash Gayatri Joint Venture, Gayatri-Ratna Joint Venture, MEIL-Gayatri-ZVS-ITT Consortium, Gayatri-JMC Joint Venture, Maytas-Gayatri Joint Venture and Vishwanath-Gayatri Joint Venture.

Lines of Business

Our lines of businesses can be classified as follows:

- C. Construction:** We are engaged in the business of executing various construction projects on a lump sum turnkey, build operate and transfer, (“BOT”), annuity, fixed price, engineering procurement and construction, (“EPC”) and engineering procurement construction and management basis. We undertake following types of construction projects:
- Irrigation projects such as constructing reservoirs, canals, dams and barrages;
 - Roadway projects such as constructing expressways, state and national highways, bridges, flyovers, aqueducts and dedicated service corridors;
 - Industrial and commercial construction projects such as constructing factory premises, ports, SEZs, hotels, multiplexes and related works;
 - Construction of power and transmission lines; and
 - Orders from BOT projects
- D. Power Projects:** As a group strategy to expand vertically to other business segments to mitigate the business risk, our Company has invested in numerous entities engaged in the power sector through our Company’s wholly owned subsidiary Gayatri Energy Ventures Private Limited, (“GEVPL”).

Order Book

Our Company’s aggregate outstanding order book was ₹ 70,913.56 million and ₹ 78,099.90 million, as on October 31, 2012 and March 31, 2012, respectively. As on October 31, 2012, 48.00%, 12.47% and 25.80% of our order book was represented by orders and/or contracts for irrigation projects, roadways contracts, and industrial and commercial work orders respectively. 64.03% of our order book as on October 31, 2012 was represented by contracts and/or orders awarded by the Central and State Governments and public sector undertakings.

Significant Customers and Completed Projects

Our significant clients in the public sector include various state governments, the National Highways Authority of India, Hyderabad Growth Corridor Limited, Vishakapatnam Steel Plant and Rashtriya Ispat Nigam Limited. Our private sector clientele comprises of recognized companies such as Tata Steel Limited and Reliance Petroleum Limited. Our top five customers as on October 31, 2012 in terms of outstanding order/contract value were as follows:

(₹ in Million)				
S.No.	Name of the Customer	No. of Contracts	Outstanding Value of Contract	% age
1	Government of Andhra Pradesh (Irrigation & CAD Department)	16	33,460.41	47.18
2	Tata Steel Limited	10	12,273.42	17.31
3	HKR Roadways Limited	1	4,855.81	6.85
4	Government of Mizoram	1	4,669.64	6.58
5	Thermal Powertech Corporation of India Limited	1	3,061.15	4.32
6	Others	30	12,593.12	17.76
Total :		59	70,913.55	100.00

Financial Performance

Our Company’s profit for the year (after tax and minority interest) for Fiscal 2012 was ₹ 459.71 million on a standalone basis and ₹ 55.70 million on a consolidated basis, as compared to ₹ 500.00 million on a standalone basis and ₹ 323.25 million on a consolidated basis, respectively, for Fiscal 2011. For the half year ended September 30, 2012, our Company’s net profit after tax was ₹ 209.53 million on a standalone basis. Our Company’s revenue from operations for Fiscal 2012 was ₹ 18,019.04 million on a standalone basis and ₹21,995.89 million on a consolidated basis compared to ₹ 14,461.93 million on a standalone basis and ₹ 12,061.28 million on a consolidated basis, respectively, for Fiscal 2011.

For the half year ended September 30, 2012, our Company's revenue from operations on a standalone basis was ₹ 8,238.07 million.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by a number of factors. Some of the factors affecting our results of operations include:

Performance of our Subsidiaries and Joint Venture partners

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 three direct Subsidiaries, namely Gayatri Infra Ventures Limited, Gayatri Energy Ventures Private Limited and Sai Maatarini Tollways 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. Accordingly, the consolidated financial results of our Company depend upon the performance of such Subsidiaries and their ability to complete its projects in a timely or a profitable manner and/or to be otherwise profitable.

Our Company enters into various joint ventures with domestic as well as international infrastructure companies as part of its business. The success of these joint ventures depends significantly on the satisfactory performance by our Company's joint venture partners of their obligations. Further, 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 be required to book losses in our financial statements if any of such Joint Ventures incur losses, or fail to complete the Any losses incurred by or in case of any successful claims against or failure to realize claims made by such Joint Ventures. For instance, 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 aforementioned 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.

Cost escalation in fixed priced 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. 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. 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 approximately 84% of our total costs for Fiscal 2012

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. A proportion of our Company's contracts is, and will continue to be, fixed-price contracts awarded through competitive bidding

Dependence on water and road related infrastructure projects

As on October 31, 2012, approximately 48% and 23% 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 66.12% of our total revenues for the financial year ended March 31, 2012 on an unconsolidated basis and 62.44% of our total revenues for the six month period ended September 30, 2012, 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.

Dependence upon Top 5 clients and government and public sector clients

A significant proportion of our Company's revenues are derived from a limited number of customers. Our top 5 customers for Fiscals 2012, 2011 and 2010 on an unconsolidated basis have constituted 50.28%, 53.00% and 54.96% of our total revenues, respectively. Our results of operations and financial condition accordingly depend upon our ability 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. Further, our Company relies heavily upon Central and State Governments and public sector undertakings who appoint our Company on large-scale infrastructure projects in India. As on October 31, 2012, 64.03 % of our order book was represented by contracts and/or orders awarded by the Central and State Governments and public sector undertakings. Additionally, many of our Company's projects are public sector sponsored projects. Accordingly, our ability to successfully bid for, complete and/or realize revenues from such projects depends significantly on the constitution of the Central and State Governments, policies impacting the public at large, government policies or initiatives, governmental or external budgetary allocation, availability of public funds with such governments. Our Company's business is also directly affected by changes in Central and State Governments spending.

Maintenance of Pre-qualified Status

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. Our ability to participate and successfully bid for infrastructure projects depend upon our ability to maintain pre-qualifications based on financial and execution experience. Further to bid on certain large projects, we may have to enter into memoranda of understanding or joint venture agreements with various other companies, so as to be able to achieve such pre-qualification parameters. Our ability procure contracts and works accordingly, depends upon our ability to manage competition by forging opportune alliances with appropriate companies or to otherwise meet pre-qualification requirements.

Dependence upon Sub-contractors

Our Company relies on sub-contractors in relation to specific aspects of a particular project. Our ability to complete the project in a timely manner or at commercially viable terms, realise revenues and/or profits from projects being executed by us, accordingly depends upon our sub-contractors' ability to meet their specified completion dates, and/or to perform their obligations in accordance with the contracts executed with them. Furthermore, our profitability also depends upon the ability of our sub-contractors' to meet the specifications (including technical requirements and quality standards) prescribed by our customers.

Adequate capital and financing from time to time to meet our working capital requirements

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. Our Company has had, and expects to have, substantial liquidity and capital resource requirements. As at September 30, 2012, our Company had aggregate outstanding borrowings on an unconsolidated basis in the form of working capital facilities for amounts aggregating ₹ 5,877.25 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 ability of our Company to obtain such financing, in a timely manner, on commercially favourable terms to us, or at all affects our business, results of operations, financial condition and prospects.

Interest payment to our lenders

Due to the nature of our business, our Company is heavily dependent on external financing from banks and financial institutions. In the past we have delayed payment of interest due to financial constraints. If in the future our Company fails to make interest payments to our lenders in a timely manner, 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.

Compliance with environmental laws

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

Changes in tax regulations

The Indian Income Tax Act provides certain tax benefits to companies engaged in infrastructure development and construction, including (i) 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 (ii) 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 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.

Slowdown in economic growth

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 and its financial performance.

OUR CRITICAL ACCOUNTING POLICIES

Our audited financial statements are prepared and presented in accordance with Indian GAAP. The most significant accounting conventions and principles used by us and our critical accounting policies followed by us in preparing our financial statements are set out below. For details, see "*Significant Accounting Policies*" in the section titled "*Financial Statements*" on pages 187 and 214 of this Preliminary Placement Document.

Basis for preparation of financial statements

Our restated financial statements have been prepared in accordance with Indian GAAP. The financial statements are prepared under the historical cost convention, on the accounting principles of a going concern and as per applicable accounting standards. Indian GAAP requires that we adopt accounting policies and make estimates that our Directors believe are most appropriate in the circumstances for the purposes of giving a true and fair view of our results of operations and the understanding of our financial condition and results of operations. The preparation of our financial statements requires us to make difficult and subjective judgments in selecting appropriate estimates and assumptions, which affect the amounts reported in our financial statements. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on our historical experience, terms of existing contracts, our observance of trends in the industry and information available from other outside sources, as appropriate. There can be

no assurance that our judgments will prove correct or that actual results reported in future periods will not differ from our expectations reflected in our accounting treatment of certain items.

While we believe that all aspects of our financial statements should be studied and understood in assessing our current and expected financial condition and results, we believe that the following critical accounting policies warrant additional attention:

1 Use of estimates: The preparation of financial statements in conformity with Indian GAAP requires our management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the reporting date of the financial statements and amounts of income and expenses during the year of account. Although these estimates are based upon our management’s best knowledge of current events and actions, actual results could differ from the estimates. Difference between the actual results and such estimates are recognized in the period in which the results are known /materialized.

2 Principles of Consolidation: The Reformatted Consolidated Financial Statements have been prepared on the following basis:

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

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

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

3 Revenue recognition:

- i) Income is recognized on fixed price construction contracts in accordance with the percentage completion basis, which necessarily involve technical estimates of the percentage of completion, and costs to completion, of each contract / activity, on the basis of which profits and losses are accounted. The estimates made by our Company

being technical in nature have been relied upon by the auditors.

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

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

5 Tangible Fixed Assets and Depreciation:

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

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

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

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

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

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

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

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

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

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

- ii) **Provident Fund:** In accordance with applicable local laws, eligible employees of our Company are entitled to receive benefits under the provident fund, a defined contribution plan to which both the employee and employer contributes monthly at a determined rate (currently up to 12% of an employee’s salary). These contributions are either made to the respective Regional Provident Fund Commissioner, or the Central Provident Fund under the State Pension Scheme, and are expenses as incurred.

- iii) **Compensated Absences:** Liability for compensated absence is treated as a long term liability and is provided on the basis of valuation by an independent actuary as at the year end.

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

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

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

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

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

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

14 Taxation

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

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

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

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

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

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

DESCRIPTION OF PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Our income consists of income from operations and other income.

Income from operations

Our income from operations comprises (i) contract revenue, (ii) other operational revenue, (iii) share of profits from joint venture, (iv) annuity income, and (v) toll revenue.

Other Income

Other income primarily includes (i) interest income, and (ii) other non operating income.

Expenditure

Our expenditure comprises of (i) cost of materials consumed, (ii) work expenditure, (iii) changes in inventories of work-in-progress, (iv) employee benefits expense, (v) finance costs, (vi) depreciation and amortization expense, and (vii) other expenses.

Description of expenditures items

Cost of materials consumed

Our cost of materials consumed comprises of consumption of raw materials such as steel, cement, bitumen metal, sand, gravel electrical materials, roller compacted concrete, galvanized iron pipes, building materials, high speed diesel oils, lubricants stores and consumables

Work Expenditure

Our expenses on work expenditure comprises of departmental recoveries. work executed by sub-contractors, earth work concrete, work transport charges, hire charges, repairs road work and maintenance taxes and duties royalties, seigniorage and cess, insurance operation and maintenance expenses.

Changes in inventories of work-in-progress

Our expenses due to changes in inventories of work in progress comprises of opening work in progress but does not include closing work in progress which is deducted from the opening work in progress.

Employee benefits expense

Our employee benefits expenses comprise of salaries and wages, directors' remuneration contribution to provident fund and other funds staff welfare expenses.

Finance Costs

Our finance costs comprise of interest expenses on term loans, working capital facilities, debentures and other borrowing costs.

Depreciation and amortization expense

Depreciation is provided on fixed assets such as land and building, machinery, office equipments, computers, motor vehicles, electrical equipments, amongst other things, using the written down value method to the corresponding rates prescribed under Schedule XIV of the Companies Act.

Other Expenses

Our other expenses comprises of printing and stationery, telephones, traveling and conveyance, advertisement expenses general expenses consultancy fee donations rent power and fuel rates and taxes, tender expenses, insurance, auditors remuneration, loss on sale of assets, foreign exchange translation loss and other administration expenses.

The following table sets out the principal components of our profit and loss line items and as a percentage of our total income, for the Fiscal ended.

Particulars	March 31, 2012		March 31, 2011	
	In ₹ million	As a % of Total Income	In ₹ million	As a % of Total Income
Revenue from operations	21,995.88	99.71%	12,061.28	99.18%
Other Income	63.49	0.29%	99.37	0.82%
Total Income	22,059.37	100.00%	12,160.65	100.00%
Cost of materials consumed	3,190.53	14.46%	1,782.23	14.66%
Work Expenditure	14,584.59	66.12%	7,787.85	64.04%
Changes in Inventories of Work-In-Progress	(368.22)	-1.67%	(88.50)	-0.73%
Employee benefits expense	362.59	1.64%	239.36	1.97%
Finance costs	2,207.23	10.01%	1,173.01	9.65%
Depreciation and amortization expense	820.89	3.72%	623.22	5.12%
Other expenses	1,107.66	5.02%	159.24	1.31%
Total expenditure	21,905.27	99.30%	11,676.41	96.02%
Profit before exceptional & extraordinary items & tax	154.10	0.70%	484.24	3.98%
Exceptional items	-	0.00%	-	0.00%
Profit/(loss) before taxation		0.00%		0.00%
Current Tax	199.08	0.90%	268.97	2.21%
Tax for previous years	0.71-	0.00%	0.09	0.00%
Deferred Tax	35.73	0.16%	39.45	0.32%
Profit for the period from continuing operations	(81.42)	-0.37%	175.73	1.45%
Less: Minority interest	(137.12)	-0.62%	(147.52)	-1.21%
Profit after minority interest	55.70	0.25%	323.25	2.66%

Results for Fiscal 2012 compared to Fiscal 2011

Income

Our total income increased by 81.50% from ₹ 12,160.65 million in Fiscal 2011 to ₹ 22,059.37 million in Fiscal 2012 primarily due to a significant increase in our income from operations.

Revenue from operations

Our revenue from operations increased by 82.37 % from ₹ 12,061.28 million in Fiscal 2011 to ₹21995.88 million in Fiscal 2012. This was primarily on account of the following:

- a significant increase in contract revenue by 78.70% from ₹ 10,948.88 million in Fiscal 2011 to ₹19,565.41 million in Fiscal 2012.
- an increase in our annuity income by 20.83% from ₹ 1,098.94 million in Fiscal 2011 to ₹1,327.90 million in Fiscal 2012.

- c. a substantial increase in our other operational revenue by 7859800% from ₹ 0.01 million in Fiscal 2011 to ₹ 785.99 million in Fiscal 2012.
- d. an increase in our share of profit from joint ventures by 82.23% from ₹13.45 million in Fiscal 2011 to ₹24.51 million in Fiscal 2012.
- e. in Fiscal 2012 we generated toll revenue of ₹292.07 million while we had no toll revenues in Fiscal 2011.

Our total contract revenue increased significantly due to establishment of joint venture partners and completion of projects.

Expenditure

Our total expenditure increased by 87.60% from ₹ 11,676.41million in Fiscal 2011 to ₹ 21,905.27 million in Fiscal 2012 primarily due to increase in expenses incurred on works executed by sub-contractors and other work expenditures.

Cost of Materials Consumed

Our cost of material consumed increased by 79.02% from ₹ 1,782.23million in Fiscal 2011 to ₹ 3,190.53 million in Fiscal 2012, which was due to increase in cost of steel by 87.84% from ₹ 260.79 million in Fiscal 2011 to ₹ 489.86 million in Fiscal 2012, increase in cost of cement by 75.18% from ₹ 152.96 million in Fiscal 2011 to ₹ 267.95 million in Fiscal 2012, increase in cost of bitumen by 27.28% from ₹ 591.51 million in Fiscal 2011 to ₹ 752.88 million in Fiscal 2012, increase in cost of metal by 61.33% from ₹ 265.50 million in Fiscal 2011 to ₹ 428.33 million in Fiscal 2012, increase in cost of electrical materials by 1274.06% from ₹ 27.49 million in Fiscal 2011 to ₹ 377.73 million in Fiscal 2012, increase in cost of roller compacted concrete and galvanized iron pipes by 756.88% from ₹ 17.22 million in Fiscal 2011 to ₹ 147.52 million in Fiscal 2012, increase in cost of building materials by 1581.42% from ₹ 9.69 million in Fiscal 2011 to ₹ 162.93 million in Fiscal 2012 and increase in cost of HSD oils and lubricants by 44.89% from ₹ 302.94 million in Fiscal 2011 to ₹ 438.94 million in Fiscal 2012.

Work Expenditure

Our work expenditure increased by 87.27% from ₹ 7,787.85 million in Fiscal 2011 to ₹ 14,584.59 million in Fiscal 2012, which was due to increase in expenses incurred in connection with work executed by sub-contractors from ₹ 5,087.70 million in Fiscal 2011 to ₹ 11,123.11 million in Fiscal 2012 and increase in expenses incurred in connection with other work expenditure from ₹ 367.69 million in Fiscal 2011 to ₹ 468.32 million in Fiscal 2012. Our increase in work expenditure was also on account of increase in expenses incurred in connection with departmental recoveries, concrete work, transport charges, hired charges, repairs and maintenance, taxes and duties, operational and maintenance expenses, royalties, seigniorage and cess and insurance.

The increase in work expenditure was also on account of losses incurred by our Company due to the excess of expenditure over income amounting to ₹ 1,344.50 million incurred by IJM – Gayatri Joint Venture, a joint venture with IJM Corporation Berhad, Malaysia in which our Company holds 40% share. 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. For further details, please see

“Risk Factor No. 3- The auditors’ reports on our Company’s unconsolidated financial statements for the financial year ended March 31, 2012 and the limited review report on our Company’s unconsolidated financial statements for the six month period ended September 30, 2012 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.” under the section titled “Risk Factors” in this preliminary placement document.

Employee benefit expenses

Our employee benefit expenses has increased from ₹ 239.36 million in Fiscal 2011 to ₹ 362.59 million in Fiscal 2012 primarily on account of increase in salaries and wages paid to employees of our Company.

Finance Costs

Our finance costs increased by 88.17% from ₹ 1,173.01 million in Fiscal 2011 to ₹ 2,207.23 million in Fiscal 2012 primarily on account of increase in interest expenses on term loans from ₹ 762.67 million in Fiscal 2011 to ₹ 1,468.49 million in Fiscal 2012 and increase in interest expenses on working capital loans from ₹ 276.36 million in Fiscal 2011 to ₹ 459.90 million in Fiscal 2012 and increase in interest expenses on debentures from ₹ 24.41 million in Fiscal 2011 to ₹ 198.48 million in Fiscal 2012.

Depreciation and Amortization Expense

Our depreciation and amortization costs increased by 31.72 % from ₹ 623.22 million in Fiscal 2011 to ₹ 820.89 million in Fiscal 2012. The increase in depreciation and amortization expense is primarily on account of expenses incurred on carriage way charges.

Other Expenses

Other expenses increased by 595.59 % from ₹ 159.24 million in Fiscal 2011 to ₹ 1,107.66 million in Fiscal 2012. This is primarily on account of foreign exchange translation loss amounting to ₹ 792.36 million which includes (a) exchange difference arising on buy back of 42 foreign currency convertible bonds amounting to ₹ 119.10 million and (b) the currency translation loss of ₹ 673.26 million (including current year loss of ₹ 352.89 million) as on March 31, 2012 on the outstanding foreign currency convertible bonds of JPY 10,000,000 each.

Minority Interest

Minority interest decreased from ₹ 147.52 million in Fiscal 2011 to ₹ 137.12 million in Fiscal 2012 due to the proportionate adjustment of losses in the subsidiary companies and joint ventures to the minority shareholders.

Profit after minority interest

Our profit after minority interest decreased by 82.77% from ₹ 323.25 million in Fiscal 2011 to ₹ 55.70 million in Fiscal 2012.

FINANCIAL CONDITION

Consolidated Total Assets

The following table sets forth the principal components of our consolidated total assets as of March 31, 2012 and 2011

(₹ in million)

1. Non-Current Assets	As at March 31, 2012	As At March 31, 2011
a. Fixed assets		
i. Tangible assets	4,971.39	3,583.66
ii. Intangible assets	10,450.77	7,191.12
iii. Capital work-in-progress	10,388.62	6,483.77
iv. Intangible assets under development	11,607.62	6,302.65
b. Non-current investments	3,582.17	329.58
c. Long-term loans and advances	6,087.76	3,554.81
d. Other non-current assets	100.00	-
	47,188.33	27,445.59
2. Current Assets		
a. Current Investments	38.71	9.04
b. Inventories	1,470.35	642.55

c. Trade receivables	5,984.22	4,035.31
d. Cash and bank balances	8,017.15	9,394.58
e. Short-term loans and advances	8,173.34	5,145.44
f. Other current assets	540.07	1,478.24
	24,223.84	20,705.16
Total	71,412.17	48,150.75

Our total assets increased by 48.31% from ₹ 48,150.75 million as of March 31, 2011 to ₹ 71,412.17 million as of March 31, 2012. This increase was primarily due to a marginal increase in current assets from ₹ 20,705.16 million as of March 31, 2011 to ₹ 24,223.84 million as of March 31, 2012 and a substantial increase in fixed assets from ₹27,445.59 million to ₹ 47,188.33 million. The increase in our current assets was primarily due to an increase in holding levels of inventory and current investments. The increase in our fixed assets was primarily due to investments made by our Subsidiary company Gayatri Energy Ventures Private Limited having invested in various power sector related entities. For further details of investments made by Gayatri Energy Ventures Private Limited in various power sector related entities, please refer to the section titled “*Business*” on page 80 of this Preliminary Placement Document. There was also a marginal increase of ₹ 13,857.20 million collectively in the fixed assets block, namely, in tangible assets, intangible assets, capital work in progress and intangible assets under development.

Consolidated Total Liabilities

The following table sets forth the principal components of our total liabilities as of March 31, 2011 and March 31, 2012.

Non-Current Liabilities	As At March 31, 2012	As At March 31, 2011
a. Long-term borrowings	37,991.33	21,084.65
b. Deferred tax liabilities (net)	235.13	202.04
c. Other long-term liabilities	5,264.36	4,101.73
d. Long-term provisions	323.07	184.98
	43,813.89	25,573.40
Current Liabilities		
a. Short-term borrowings	8,449.16	8,095.17
b. Trade payables	4,599.35	2,351.01
c. Other current liabilities	4,532.30	3,309.31
d. Short-term provisions	114.69	160.86
	17,695.50	13,916.35

Our total liabilities increased by 48.31 % from ₹48,150.75 million as of March 31, 2011 to ₹71,412.17 million as of March 31, 2012, primarily on account of an increase in current liabilities from ₹ 13,916.35 million as of March 31, 2011 to ₹ 17,695.50 million as of March 31, 2012 and an increase in non current liabilities from ₹25,573.40 million to ₹43,813.89 million. The aforesaid increase in current liabilities was primarily on account of an increase in trade payables and a marginal increase in short term borrowings and other current liabilities. Our aforesaid increase in noncurrent liabilities was primarily on account of an increase in long term borrowings.

Consolidated Shareholders’ Fund

Our shareholders’ fund increased by 29.49 % from ₹ 4,663.43 million as of March 31, 2011 to ₹ 6,038.56 million, as of March 31, 2012. The increase was primarily on account of a substantial increase in equity share capital of our Company from ₹ 119.89 million as of March 31, 2011 to ₹239.68 million as of March 31, 2012 and an increase in reserves in surplus from ₹ 4,543.54 million as of March 31, 2011 to ₹ 5,798.88 million as of March 31, 2012. The aforesaid

increases are primarily attributable to the issuance of Equity Shares pursuant to the rights issue of our Company which was consummated during the last quarter of Fiscal 2012 and the consequent increase in our securities premium account.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with unconsolidated entities that were established for the purpose of facilitating off-balance sheet arrangements.

Contingent Liabilities

As of March 31, 2012, we had the following contingent liabilities on a consolidated basis:

₹ in Million

Particulars	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Contingent Liabilities			
a) Claims against the company not acknowledged as debt	-	-	-
b) Guarantees given by the Banks towards performance & Contractual Commitments			
i) issued on behalf of the Company	6,231.00	64,24.87	4,450.97
ii) Issued on behalf of Subsidiaries / Group Companies	1,610.55	27,46.22	823.25
c) Other money for which the company is contingently liable			
d) Disputed Liability of Sales Tax, Service Tax and Seigniorage charges	282.43	282.43	280.76
Commitments			
Corporate Guarantees given to group companies	5,64,16.60	5,71,16.60	3,356.60
Claims against the Company not acknowledged as debt	231.54	31.54	15.57

Transactions with Related Parties

We have engaged in the past, and may engage in the future, in transactions with related parties, including with our affiliates and certain key management members on an arm's length basis.

For a description of our related party transactions, see "Restated Consolidated Financials - "Related Party Transactions" on page 231 of this Preliminary Placement Document.

Quantitative and Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk and commodity risk. We are exposed to interest rate risk, foreign exchange risk, inflation risk and credit risk in the normal course of our business. For further details please see sections titled "Risk Factors" and "Business" on page 31 and 80, respectively of this Preliminary Placement Document.

Significant developments since March 31, 2012

The Board of Directors of our Company approved the following unaudited limited reviewed financial information of our Company as at and for the period ended September 30, 2012 at their meeting held on November 14, 2012, (as prepared and submitted to the Stock Exchanges in accordance with Clause 41 of the Listing Agreement):

LIMITED REVIEW REPORT

**Review Report to
The Board of Directors
Gayatri Projects Limited**

1. We have reviewed the accompanying statement of un-audited financial results of **M/s. Gayatri Projects Limited** (**‘the Company’**) for the Quarter and Half year ended 30th September, 2012 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. 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) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” 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 un-audited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 “Interim Financial Reporting”, notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended), 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 Registration No: 002140S

M.PREMCHAND
Partner
Membership No: 211745

Place: Secunderabad

Date : November 14, 2012



GAYATRI PROJECTS LIMITED

Regd. Office: B1, TSR TOWERS, 6-3-1090, RAJ BHAVAN ROAD, SOMAJIGUDA, HYDERABAD-500082
UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED 30th SEPTEMBER 2012

(Rs.in Millions)

S.No	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2012	30.06.2012	30.09.2011	30.09.2012	30.09.2011	31.03.2012
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from Operations						
	a. Net Sales / Income from Operations	4,195.91	4,042.16	3,216.45	8,238.07	7,230.77	18,019.04
	b. Other Operating Income						-
2	Expenditure						
	a. Cost of Materials Consumed & Work Expenditure	3,978.30	3,124.27	2,616.02	7,102.57	5,952.98	14,862.83
	b. Changes in Inventories and Work in Progress	(529.08)	(19.05)	(79.47)	(548.13)	(83.77)	(368.21)
	c. Employee Benefits Expense	104.45	106.99	95.11	211.44	189.92	414.92
	d. Depreciation and Amortization	80.90	80.26	74.97	161.16	145.65	290.57
	e. Other Expenditure (Refer Note No.4 below)	(12.96)	271.11	74.83	258.15	135.82	1,110.13
	Total	3,621.61	3,563.58	2,781.46	7,185.19	6,340.60	16,310.24
3	Profit / (Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	574.30	478.58	434.99	1,052.88	890.17	1,708.80
4	Other Income	7.30	6.33	0.94	13.63	23.70	33.34
5	Profit / (Loss) from Ordinary Activities before Finance Costs and Exceptional Items (3+4)	581.60	484.91	435.93	1,066.51	913.87	1,742.14
6	Finance Costs	393.25	360.39	225.97	753.64	451.63	1,043.74
7	Profit / (Loss) from Ordinary Activities After Finance Costs but before Exceptional Items (5-6)	188.35	124.52	209.96	312.87	462.24	698.40
8	Exceptional Items	-	-	-	-	-	-
9	Profit / (Loss) from Ordinary Activities before tax (7+8)	188.35	124.52	209.96	312.87	462.24	698.40
10	Tax Expense	59.12	44.22	76.36	103.34	161.31	238.69
11	Net Profit/(Loss) from Ordinary Activities after tax (9-10)	129.23	80.30	133.60	209.53	300.93	459.71
12	Extraordinary Items (net of tax expenses)	-	-	-	-	-	-
13	Net Profit / (Loss) for the period (11-12)	129.23	80.30	133.60	209.53	300.93	459.71
14	Paid Up Equity Share Capital (Face Value Rs.10/- per Share)	239.68	239.68	119.89	239.68	119.89	239.68
15	Reserves excluding revaluation reserves as per Balance Sheet of previous accounting year						3,259.70
17.i	Earnings Per Share before extraordinary items (of Rs.10/- each not annualised)						
	- Basic	5.39	3.35	11.15	8.74	25.10	37.83
	- Diluted	4.86	3.02	8.85	7.88	19.93	31.11
17.ii	Earnings Per Share after extraordinary items (of Rs.10/- each not annualised)						
	- Basic	5.39	3.35	11.15	8.74	25.10	37.83
	- Diluted	4.86	3.02	8.85	7.88	19.93	31.11
A	PARTICULARS OF SHAREHOLDING						
1	Public Shareholding						
	- Number of shares	87,56,706	87,56,706	53,95,732	87,56,706	53,95,732	87,56,706
	- Percentage of Shareholding	36.53%	36.53%	45.01%	36.53%	45.01%	36.53%
2	Promoters and promoter group shareholdings						
a)	Pledged / Encumbered						
	- Number of shares	75,50,217	75,50,217	59,95,217	75,50,217	59,95,217	65,70,217
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	49.63%	49.63%	90.93%	49.63%	90.93%	43.19%
	- Percentage of shares (as a % of the total share capital of the company)	31.51%	31.51%	50.00%	31.51%	50.00%	27.41%
b)	Non-Encumbered						
	- Number of shares	76,61,319	76,61,319	5,98,051	76,61,319	5,98,051	86,41,319
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	50.37%	50.37%	9.07%	50.37%	9.07%	56.81%
	- Percentage of shares (as a % of the total share capital of the company)	31.96%	31.96%	4.99%	31.96%	4.99%	36.05%
B	INVESTOR COMPLAINTS		3 months ended 30.09.2012				
	Pending at the beginning of the quarter		Nil				
	Received during the quarter		4				
	Disposed of during the quarter		4				
	Remaining unresolved at the end of the quarter		Nil				

STATEMENT OF ASSETS AND LIABILITIES				(Rs.in Lakhs)	
S. No	PARTICULARS	As at 30th September 2012		As at 31st March 2012	
		Unaudited		Audited	
A	EQUITY AND LIABILITIES				
1	SHAREHOLDERS' FUNDS				
(a)	Share capital	239.68		239.68	
(b)	Reserves and surplus	5,132.07	5,371.75	5,006.15	5,245.83
2	NON-CURRENT LIABILITIES				
(a)	Long-term borrowings	1,130.37		1,357.20	
(b)	Deferred tax liabilities (Net)	268.69		247.82	
(c)	Other long term liabilities	3,997.59		3,709.89	
(d)	Long-term provisions	22.86	5,419.51	22.84	5,337.75
3	CURRENT LIABILITIES				
(a)	Short-term borrowings	10,427.34		8,218.18	
(b)	Trade payables	2,368.70		2,495.75	
(c)	Other current liabilities	2,295.54		2,723.38	
(d)	Short-term provisions	37.04	15,128.62	25.39	13,462.70
	TOTAL - EQUITY AND LIABILITIES		25,919.88		24,046.28
B	ASSETS				
1	NON-CURRENT ASSETS				
(a)	Fixed assets	2,730.77		2,856.08	
(b)	Goodwill on Consolidation	-		-	
(c)	Non-current investments	6,234.91		6,234.92	
(d)	Long-term loans and advances	581.44		581.44	
(e)	Other non-current assets	-	9,547.12	-	9,672.44
2	CURRENT ASSETS				
(a)	Current investments	-		-	
(b)	Inventories	2,080.70		1,470.35	
(c)	Trade receivables	6,831.28		5,142.83	
(d)	Cash and cash equivalents	1,497.96		1,441.22	
(e)	Short-term loans and advances	5,310.62		5,749.59	
(f)	Other current assets	652.20	16,372.76	569.85	14,373.84
	TOTAL - ASSETS		25,919.88		24,046.28

Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 14th November, 2012.
- The company does not have more than one reportable segment. Accordingly, pursuant to Accounting Standard (AS-17) on segment reporting, segment information is not applicable.
- The Statutory Auditors have carried out the "Limited Review" of the Results for the Quarter Ended September 30, 2012.
- Other Expenses for the quarter includes Foreign Exchange Gain of Rs. 74.83 Millions on account of restatement of liability of outstanding Zero Coupon Foreign Currency Convertible Bonds (FCCB).
- The Company has fully discharged its obligation towards Foreign Currency Convertible Bonds (FCCB) and the bonds have been cancelled and extinguished as on 22/10/2012.
- Figures have been regrouped and recasted wherever necessary.

By Order of the Board
For Gayatri Projects Limited,

T.V.SANDEEP KUMAR REDDY
Managing Director

Place: Hyderabad.
Date: 14th November, 2012

INDUSTRY OVERVIEW

The information in this section is derived from various government publications and other industry sources. Neither we, nor any other person connected with the issue has verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

THE GLOBAL ECONOMY

After suffering a major setback during 2011, global prospects are gradually strengthening again, but downside risks remain elevated. Improved activity in the United States during the second half of 2011 and better policies in the euro area in response to its deepening economic crisis have reduced the threat of a sharp global slowdown. Accordingly, weak recovery will likely resume in the major advanced economies, and activity is expected to remain relatively solid in most emerging and developing economies. Global growth is projected to drop from about 4% in 2011 to about 3.5% in 2012 because of weak activity during the second half of 2011 and the first half of 2012.

(Source: International Monetary Fund (IMF), World Economic Outlook Database, April 2012).

Overview of the World Economic Outlook Projections

(% change unless noted otherwise)

	Year over Year			
	Projections			
	2010	2011	2012	2013
World Output¹	5.3	3.9	3.5	4.1
Advanced Economies	3.2	1.6	1.4	2.0
United States	3.0	1.7	2.1	2.4
Euro Area	1.9	1.4	(0.3)	0.9
Germany	3.6	3.1	0.6	1.5
France	1.4	1.7	0.5	1.0
Italy	1.8	0.4	(1.9)	(0.3)
Spain	(0.1)	0.7	(1.8)	0.1
Japan	4.4	(0.7)	2.0	1.7
United Kingdom	2.1	0.7	0.8	2.0
Canada	3.2	2.5	2.1	2.2
Other Advanced Economies ²	5.8	3.2	2.6	3.5
Newly Industrialized Asian Economies	8.5	4.0	3.4	4.2
Emerging and Developing Economies³	7.5	6.2	5.7	6.0
Central and Eastern Europe	4.5	5.3	1.9	2.9
Commonwealth of Independent States	4.8	4.9	4.2	4.1
Russia	4.3	4.3	4.0	3.9
Excluding Russia	6.0	6.2	4.6	4.6
Developing Asia	9.7	7.8	7.3	7.9
China	10.4	9.2	8.2	8.8
India	10.6	7.2	6.9	7.3
ASEAN-5 ⁴	7.0	4.5	5.4	6.2
Latin America and the Caribbean	6.2	4.5	3.7	4.1
Brazil	7.5	2.7	3.0	4.1
Mexico	5.5	4.0	3.6	3.7
Middle East and North Africa (MENA)	4.9	3.5	4.2	3.7
Sub-Saharan Africa	5.3	5.1	5.4	5.3
South Africa	2.9	3.1	2.7	3.4

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during February 13–March 12, 2012. When economies are not listed alphabetically, they are ordered on the basis of economic size. The aggregated quarterly data are seasonally adjusted.

1. The quarterly estimates and projections account for 90 % of the world purchasing-power-parity weights.
2. Excludes the G7 (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and Euro Area countries.
3. The quarterly estimates and projections account for approximately 80% of the emerging and developing economies.
4. Indonesia, Malaysia, Philippines, Thailand, and Vietnam.

(Source: International Monetary Fund (IMF), World Economic Outlook Database, April 2012).

The Indian economy continued to outperform most emerging markets during 2010-11 retaining its position as the second fastest growing economy, after China, amongst the Group of Twenty (“G-20”) countries.

(Source: Reserve Bank of India ‘Macroeconomic and Monetary Developments in 2010-11’ dated May 2, 2011 and RBI ‘Bulletin’ dated May 2011)

THE INDIAN ECONOMY

The Indian economy has seen a slowdown in growth in recent times. The overall growth of GDP at factor cost at constant prices, as per Advanced Estimates, is estimated at 6.9% in 2011-12 as compared to the revised growth of 8.4% during 2010-11. Overall growth in the Index of Industrial Production (“IIP”) was negative 3.5% during March 2012 as compared to 9.4% in March 2011. During April-March 2011-12, IIP growth was 2.8% as compared to 8.2% during April-March 2010-11.

(Source: Review of the Economy 2011/12, February 2012, Economic Advisory Council to the Prime Minister: <http://india.gov.in/allimpfrms/alldocs/16469.pdf>)

Growth of GDP at factor cost by economic activity (at 2004-05 prices)

Industry	Growth			Percentage share in GDP		
	2009-10PE	2010-11QE	2011-12AE	2009-10PE	2010-11QE	2011-12AE
1. Agriculture, forestry & fishing	1.0	7.0	2.5	14.7	14.5	13.9
2. Industry	8.4	7.2	3.9	28.1	27.8	27.0
a. Mining & quarrying	6.3	5.0	-2.2	2.3	2.2	2.0
b. Manufacturing	9.7	7.6	3.9	16.0	15.8	15.4
c. Electricity, gas & water supply	6.3	3.0	8.3	2.0	1.9	1.9
d. Construction	7.0	8.0	4.8	7.9	7.9	7.7
3. Services	10.5	9.3	9.4	57.2	57.7	59.0
a. Trade, hotels, transport & communication	10.3	11.1	11.2	26.6	27.2	28.3
b. Financing, insurance, real estate & business services	9.4	10.4	9.1	17.1	17.4	17.8
c. Community, social & personal services	12.0	4.5	5.9	13.5	13.1	12.9
4. GDP at Factor Cost	8.4	8.4	6.9	100.0	100.0	100.0

PE: Provisional Estimates; QE: Quick Estimates; AE: Advanced Estimates

Source: Ministry of Finance, Government of India ‘Monthly Economic Report’ dated April 2012

Macroeconomic Outlook

The advance estimate of the GDP growth of 6.95% for 2011-12 by the Central Statistics Office (“CSO”) is close to the Reserve Bank’s baseline projection of 7.0%.

Going forward into 2012-13, assuming a normal monsoon, agricultural growth could stay close to the trend level. Industry is expected to perform better than in last year as leading indicators of industry suggest a turnaround in IIP growth. The global outlook also looks slightly better than expected earlier. Overall, the domestic growth outlook for 2012-13 looks a little better than in 2011-12. Accordingly, the baseline GDP growth for 2012-13 is projected at 7.3%

Inflation in 2011-12 evolved broadly along the trajectory projected by the Reserve Bank. The March 2012 inflation at 6.9% was close to the Reserve Bank’s indicative projection of 7.0%. Going forward, the inflation scenario remains challenging. Food inflation, after a seasonal decline, has risen again. Inflation in respect of protein-based items remains in double digits. Crude oil prices are expected to remain high and the pass-through of past price increases in the international market to domestic petroleum product prices remains significantly incomplete. There also remains an

element of suppressed inflation in respect of coal and electricity. However, non-food manufactured products inflation is expected to remain contained reflecting the lagged effect of past monetary policy tightening on aggregate demand. Corporate performance numbers also indicate that the pricing power has reduced. Consequently, the risk of adjustments in administered prices translating into generalized inflationary pressures remains limited, though there is no room for complacency.

Keeping in view the domestic demand-supply balance, the global trends in commodity prices and the likely demand scenario, the baseline projection for WPI inflation for March 2013 is placed at 6.5%. Inflation is expected to remain range bound during the year.

(Source: RBI Monetary Policy Statement 2012-13' dated April 17, 2012)

INFRASTRUCTURE AND CONSTRUCTION IN INDIA

The Infrastructure Sector in India

Inadequate infrastructure was recognised in the Eleventh Plan as a major constraint on rapid growth. The Plan had, therefore, emphasized the need for massive expansion in investment in infrastructure based on a combination of public and private investment, the latter through various forms of public-private partnerships. Substantial progress has been made in this respect. The total investment in infrastructure which includes roads, railways, ports, airports, electricity, telecommunications, oil gas pipelines and irrigation is estimated to have increased from 5.7% of GDP in the base year of the Eleventh Plan to around 8.0% in the last year of the Plan. The pace of investment has been particularly buoyant in some sectors, notably telecommunications, oil and gas pipelines, while falling short of targets in electricity, railways, roads and ports. Efforts to attract private investment into infrastructure through the PPP route have met with considerable success, not only at the level of the Central Government, but also at the level of the individual States. A large number of PPP projects have taken off, and many of them are currently operational in both the Centre and the States.

Compared to other developing countries, India has been slow to urbanise, but the pace of urbanisation is expected to accelerate over the next two decades. The 2011 Census also shows an increase in the urban population from 27.8% in 2001 to 31.2% in 2011, and it is likely to exceed 40.0% by 2030. This would generate a heavy demand for better quality infrastructure in urban areas, especially water, sewerage, public transport and low cost housing. Since it takes time to create urban infrastructure, it is necessary to have a sufficiently long term focus on urban planning in the Twelfth Plan.

The Twelfth Plan must continue the thrust on accelerating the pace of investment in infrastructure, as this is critical for sustaining and accelerating growth. Public investment in infrastructure will have to bear a large part of the infrastructure needs in backward and remote areas to improve connectivity and expand the much needed public services. Since resource constraints will continue to limit public investment in infrastructure in other areas, PPP-based development needs to be encouraged wherever feasible. It is necessary to review the factors which may be constraining private investment, and take steps to rectify them. PPP, with appropriate regulation and concern for equity, should also be encouraged in the social sectors, such as health and education. Several State Governments are already taking steps in this direction.

(Source: An Approach to the Twelfth Five Year Plan, Planning Commission, Govt. of India – October 2011 - http://planningcommission.nic.in/plans/planrel/12appdrft/approach_12plan.pdf)

Financing of Private Sector Investment in Infrastructure

Since more than two-thirds of the investment in the economy is by private sector (households and corporate), it is necessary to ensure that the financial system is able to translate the otherwise favourable macroeconomic investment-savings balances into effective financing of the private sector investment needed for 9.0% GDP growth. For this, we need a financial system capable of mobilising household savings and allocating them efficiently to meet the equity and debt needs of the fast expanding private corporate sector. This depends upon the efficiency of the financial system as a whole, which at present consists of a large number of financial institutions, such as banks, non-bank finance companies, mutual funds, insurance companies, pension funds, private equity firms, venture capital funds, angel investors and micro-finance institutions.

Special attention must be paid to the financing needs of private sector investment in infrastructure. Infrastructure investment (defined as electricity, roads and bridges, telecommunications, railways, irrigation, water supply and sanitation, ports, airports, storage and oil-gas pipelines) will need to increase from about 8.0% of GDP in the base year (2011-12) of the Plan to about 10.0% of GDP in 2016-17. The total investment in infrastructure would have to be over ₹

45 lakh crore or US\$ 1 trillion during the Twelfth Plan period. Financing this level of investment will require larger outlays from the public sector, but this has to be coupled with a more than proportional rise in private investment. Private and PPP investments are estimated to have accounted for a little over 30.0% of total investment in infrastructure in the Eleventh Plan. Their share may have to rise to 50.0% in the Twelfth Plan.

Some important steps that need to be taken in the Twelfth Plan period are as follows:

1. Equity markets are now well regulated. However, pension and insurance reforms have been pending and need to be undertaken on a fast-track basis. Mutual funds, insurance and pension funds are not only efficient routes through which household savings can be mobilised for corporate investment, but also vehicles that provide financial security to a large section of our population, hitherto excluded from the benefits of modern financial services.
2. A large part of household savings are currently absorbed by the government to finance the fiscal deficit. As fiscal consolidation is undertaken and household savings remain high, more funds are likely to be available for corporate debt investment. The creation of a vibrant and liquid corporate bond market should be taken up on priority basis. Reform of the government securities market is also essential for the establishment of a Government Securities (“G-Sec”) yield curve for all maturities against which corporate bonds can be priced. The creation of public debt management office outside the RBI has been under consideration and should be expedited to free the RBI from the role of a debt manager, and to facilitate building up of institutions and use of technology to allow an integrated bond market to develop.
3. Since investment in infrastructure has to increase as a percentage of GDP and about 50.0% of the investment is projected to be in the private sector, the institutional mechanisms for supporting such investment deserves strong support. The Finance Ministry has announced guidelines for establishing infrastructure debt funds. This will help infrastructure companies to refinance short term bank debt with long term debt thereby freeing banks to finance new corporate investment. This will not only help leverage private investment in infrastructure, through speedier financial closure of public private partnerships, but also crowd-in private investment to propel Indian economy to a high growth path.
4. The public sector banking system needs to achieve economies of scale through both capital infusion and consolidation. If government ownership of equity in public sector banks cannot be diluted below 51.0%, there is no alternative to providing budgetary resources to build up the capital of the public sector banks.
5. Financial inclusion still remains a matter of concern. Until now, the approach was to open more and more rural branches, which involves very high costs. Fortunately, mobile and information technology permits the use of the banking correspondents’ model to improve financial access for ordinary households in under-served areas. This must be expedited in the Twelfth Plan.

The main conclusion that emerges from this Chapter is that despite the slowdown in growth in the current year, GDP growth target of 9.0% for the Twelfth Plan is feasible from a macro-economic perspective. However, while growth at that pace is feasible, it cannot be said to be a forgone outcome. There are several imponderables, including considerable short-term uncertainties in the global economy, and also formidable supply constraints in energy and some other sectors on the domestic front. While there are possible downsides to this scenario, we should aim at an average 9.0% GDP growth for the Twelfth Five Year Plan at this stage. We should however, build in some flexibility in our planning so that at the time of Mid-term Appraisal of the Twelfth Five Year Plan, we could consider raising the target rate of growth, if the global environment improves, and policy reforms, which could raise the growth potential of our economy, become a reality by that time.

(Source: An Approach to the Twelfth Five Year Plan, Planning Commission, Govt. of India – October 2011 - http://planningcommission.nic.in/plans/planrel/12appdrft/approach_12plan.pdf)

Likely Sources of Debt Financing for Infrastructure in the Eleventh Five Year Plan

The total requirement of debt by the public and private sectors is likely to be ₹ 9,88,035 crore (US\$ 247.01 billion). However, the availability of debt financing for infrastructure during the Eleventh Plan is estimated at ₹ 8,25,539 crore or US\$ 206.38 billion. There is a funding gap of ₹ 162496 crore or US\$ 40.62 billion for the debt component, the details of which are given in Table 12.7. Measures would have to be taken for addressing this gap.

The required investment in infrastructure would be possible only if there is a substantial expansion in internal

generation and extra-budgetary resources of the public sector, in addition to a significant rise in private investment. The share of the private sector in total infrastructure investment of around 30% overall, is far higher in some sectors, for instance in telecommunications, ports and airports where over 60% of the investments would have to come from the private sector. As a prerequisite, this would require large infrastructure projects to be structured on sound commercial principles in an enabling policy and regulatory environment. If these initiatives succeed, India would deliver a large programme of PPPs, even by international standards, details of which are given in the next section.

(Source: http://planningcommission.nic.in/plans/planrel/fiveyr/11th/11_v1/11v1_ch12.pdf)

Likely sources of debt financing for infrastructure in the Eleventh Five Year Plan are as follows:

(In ₹ crore at 2006–07 price)

	2007–08	2008–09	2009–10	2010–11	2011–12	Total Eleventh Plan
1. Domestic Bank Credit	49,848	63,207	8,0147	101626	128862	423691
2. Non-Bank Finance Companies	23,852	31,485	41560	54859	72415	224171
3. Pension/Insurance Companies	9,077	9,984	10983	12081	13289	55414
4. External Commercial Borrowing (ECB)	19,593	21,768	24184	26868	29851	122263
5. Likely Total Debt Resources	1,02,370	1,26,444	156874	195435	244416	825539
6. Estimated Requirement of Debt	1,31,718	1,55,704	187333	229571	283709	988035
US\$ Billion	32.93	38.93	46.83	57.39	70.93	247.01
7. Gap between Estimated Requirement and Likely Debt Resources (6–5)	29,348	29,260	30460	34136	39292	162496
US\$ Billion	7.34	7.31	7.61	8.53	9.82	40.62

Source: Computations of the Planning Commission.

(Source: http://planningcommission.nic.in/plans/planrel/fiveyr/11th/11_v1/11v1_ch12.pdf)

Investment in Infrastructure and Construction in the Twelfth Five Year Plan

Development of world class infrastructure is required to achieve faster growth of the economy. Considering the critical need of developing infrastructure in the country, construction activities are crucial for creating physical infrastructure in the country. Construction, on average, accounts for more than half of the investment required for setting up critical infrastructure facilities like power projects, ports, railways, roads and bridges, given the high construction intensity in such projects.

Construction Components Involved in creation of Physical Infrastructure

	Construction Intensity (%)		Construction Intensity (%)
Building	76.0	Mineral Plant	18.0
Roads	63.0	Medium Industry	20.0
Bridges	65.0	Transmission	22.0
Dams, etc.	75.0	Urban Infrastructure	66.0
Power	38.0	Maintenance	81.0
Railways	78.0		

The Construction sector is critical for enhancing the productive capacity of the economy. It has strong linkages with various industries such as cement, steel, chemicals, paints, tiles, fixtures and fittings. While in the short term it serves as a demand booster, in the long term it contributes towards boosting the infrastructure capacity. This is also evident from the fact that infrastructure construction accounts for the maximum share (54.0%) of construction activities. Industrial expansion contributes to 36.0% of overall construction activity, and residential and commercial 5.0% each. As India embarks upon an accelerated drive for infrastructure creation, it would be critical to enhance the capacity and capability of the construction sector.

Opportunities

Considering that the target of double digit growth of the economy will be difficult to achieve without infrastructure growth, ambitious plans for investment into various sectors of physical infrastructure are being prepared and the cumulative investment in infrastructure in the Twelfth Five Year Plan is targeted at around US\$1 trillion. Nearly half of this investment will be channelized into construction projects.

Growth of the Construction sector will also give a boost to many other economic activities. It will stimulate substantial growth in the construction equipment industry as well as a host of other down-stream industries like cement, steel, paints/chemicals, fixture & fittings, bricks & tiles, non-ferrous metals/plastics/glass, timber and wood based products.

(Source: An Approach to the Twelfth Five Year Plan, Planning Commission, Govt. of India – October 2011 - http://planningcommission.nic.in/plans/planrel/12appdrft/approach_12plan.pdf)

The Construction Industry as Compared to GDP

Revised Estimates of GDP at Factor Cost by Economic Activity - (At 2004-05 prices)

In ₹ Crore

Industry	2009-10	2010-11 (QE)	2011-12 (RE)	Percentage change over previous year	
				2010-11	2011-12
1. Agriculture, Forestry & Fishing	662,509	709,103	728,667	7.0	2.8
2. Mining & Quarrying	104,225	109,421	108,469	5.0	-0.9
3. Manufacturing	719,728	774,162	793,468	7.6	2.5
4. Electricity, Gas & Water supply	88,266	90,944	98,105	3.0	7.9
5. Construction	355,717	384,199	404,617	8.0	5.3
6. Trade, Hotels, Transport and Communication	1,197,213	1,330,455	1,462,772	11.1	9.9
7. Financing, Insurance, Real Estate & Business Services	769,883	849,995	931,714	10.4	9.6
8. Community, Social & Personal Services	610,096	637,675	674,703	4.5	5.8
9. GDP at Factor Cost	4,507,637	4,885,954	5,202,514	8.4	6.5

Revised Estimates of GDP at Factor Cost by Economic Activity - (At current prices)

In ₹ Crore

Industry	2009-10	2010-11 (QE)	2011-12 (RE)	Percentage change over previous year	
				2010-11	2011-12
1. Agriculture, Forestry & Fishing	1,079,365	1,269,888	1,417,366	17.7	11.6
2. Mining & Quarrying	157,400	191,207	223,922	21.5	17.1
3. Manufacturing	907,032	1,040,345	1,143,510	14.7	9.9
4. Electricity, Gas & Water Supply	112,522	124,038	136,002	10.2	9.6
5. Construction	502,190	585,265	670,735	16.5	14.6
6. Trade, Hotels, Transport and Communication	1,485,476	1,755,531	2,072,376	18.2	18.0
7. Financing, Insurance, Real Estate & Business Services	962,186	1,170,522	1,395,540	21.7	19.2
8. Community, Social & Personal Services	885,314	1,020,616	1,173,202	15.3	15.0
9. GDP at Factor Cost	6,091,485	7,157,412	8,232,652	17.5	15.0

(Source: Source : Central Statistics Office, Ministry of Statistics and Programme Implementation, Govt. of India - http://mospi.nic.in/Mospi_New/upload/NAD_Press_Note_31may12.pdf)

BUSINESS

In this section any reference to “our Company” refers to Gayatri Projects Limited on a standalone basis and “our Group”, “we”, “us” or “our” refers to Gayatri Projects Limited, its Subsidiaries and Joint Venture Companies, on a consolidated basis, as the context may require. Unless stated otherwise, the financial data in this section is as per our Standalone Financial Statements and Consolidated Financial Statements, as set forth elsewhere in this Preliminary Placement Document.

The following disclosures in connection with our overview, strengths and strategies should be read together with the risk factors as detailed in the section titled “Risk Factors” on page 31 of this Preliminary Placement Document.

OVERVIEW

Introduction and History

Our Company is an operating cum holding company engaged in the execution of road, irrigation and industrial construction projects. Our Company was originally incorporated on September 15, 1989 as Andhra Coastal Construction Private Limited in the state of Andhra Pradesh for undertaking construction activities. The name of the company was changed to Gayatri Projects Private Limited with effect from March 31, 1994 and was converted into a public limited Company on December 2, 1994. On April 1, 1994 Gayatri Projects Private Limited took over all the assets of Gayatri Engineering Company, a partnership firm, on a going concern basis. Gayatri Engineering Company had been engaged in the business of execution of civil and engineering works for various state governments, central governments, public / autonomous bodies / corporations. We have recently invested in the business of executing power projects through our wholly-owned Subsidiary, Gayatri Energy Ventures Private Limited and its subsidiaries.

Subsidiaries

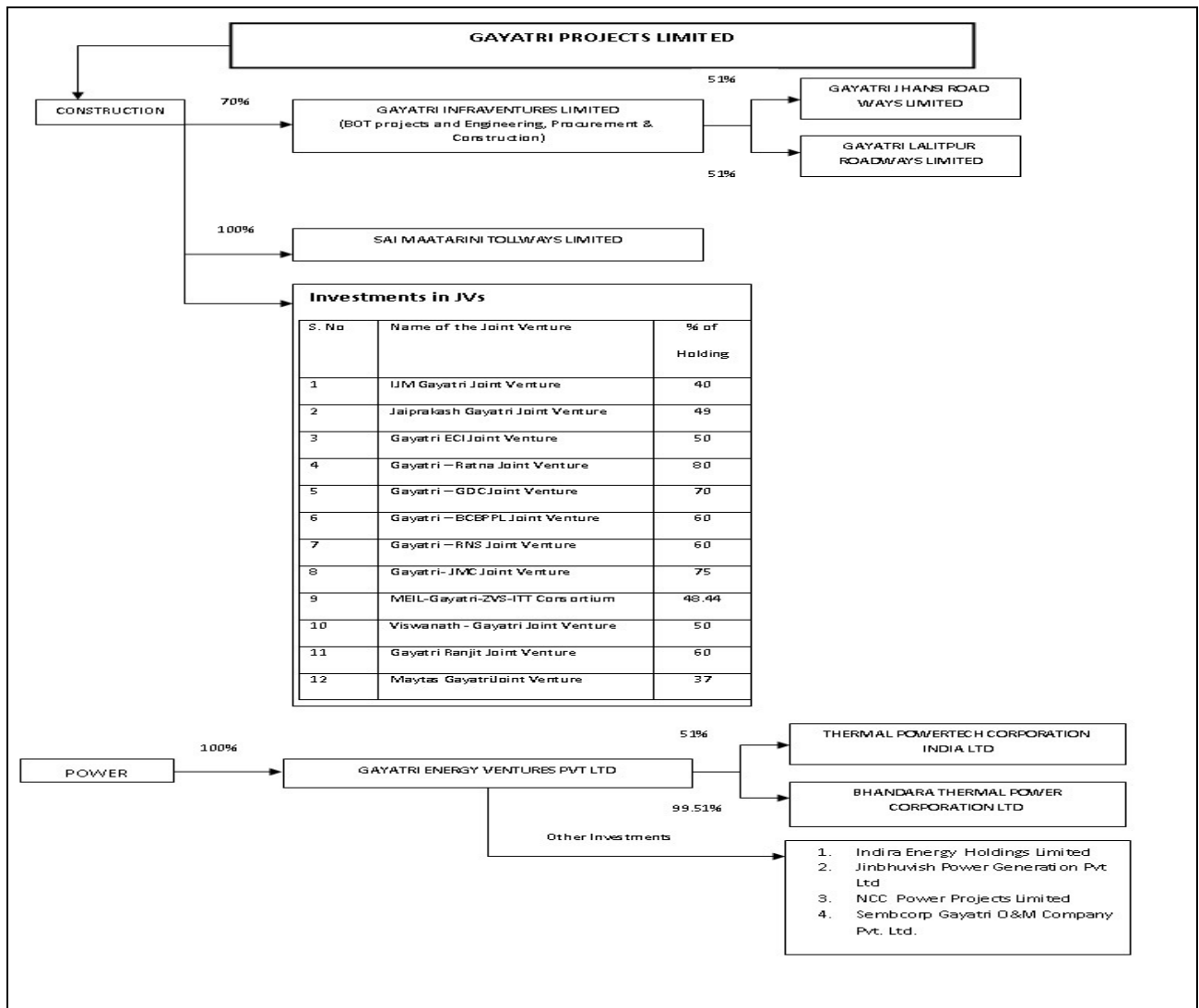
As on date we have three direct Subsidiaries, namely Gayatri Infra Ventures Limited, Gayatri Energy Ventures Private Limited and Sai Maatarini Tollways Limited and four step down Subsidiaries, namely, Gayatri Jhansi Roadways Limited, Gayatri Lalitpur Roadways Limited, Thermal Powertech Corporation India Limited and Bhandara Thermal Power Corporation Limited.

Joint Ventures

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 we have 12 joint ventures, namely IJM Gayatri Joint Venture, Gayatri ECI Joint Venture, Gayatri RNS Joint Ventures, Gayatri Ranjit Joint Venture, Gayatri GDC Joint Venture, Gayatri BCBPPL Joint Venture, Jaiprakash Gayatri Joint Venture, Gayatri-Ratna Joint Venture, MEIL-Gayatri-ZVS-ITT Consortium, Gayatri-JMC Joint Venture, Maytas-Gayatri Joint Venture and Vishwanath-Gayatri Joint Venture.

Corporate Structure

Our Group's corporate structure is as follows:



Lines of Business

Our lines of businesses can be classified as follows:

E. Construction: We are engaged in the business of executing various construction projects on a lump sum turnkey, build operate and transfer, (“**BOT**”), annuity, fixed price, engineering procurement and construction, (“**EPC**”) and engineering procurement construction and management basis. We undertake following types of construction projects:

- Irrigation projects such as constructing reservoirs, canals, dams and barrages;
- Roadway projects such as constructing expressways, state and national highways, bridges, flyovers, aqueducts and dedicated service corridors;
- Industrial and commercial construction projects such as constructing factory premises, ports, SEZs, hotels, multiplexes and related works;
- Construction of power and transmission lines; and
- Orders from BOT projects

F. Power Projects: As a group strategy to expand vertically to other business segments to mitigate the business risk, our Company has invested in numerous entities engaged in the power sector through our Company's wholly owned subsidiary Gayatri Energy Ventures Private Limited, ("GEVPL").

Order Book

Our Company's aggregate outstanding order book was ₹ 70,913.56 million and ₹ 78,099.90 million, as on October 31, 2012 and March 31, 2012, respectively. As on October 31, 2012, 48.00%, 12.47% and 25.80% of our order book was represented by orders and/or contracts for irrigation projects, roadways contracts, and industrial and commercial work orders respectively. 64.03% of our order book as on October 31, 2012 was represented by contracts and/or orders awarded by the Central and State Governments and public sector undertakings.

Significant Customers and Completed Projects

Our significant clients in the public sector include various state governments, the National Highways Authority of India, Hyderabad Growth Corridor Limited, Vishakapatnam Steel Plant and Rashtriya Ispat Nigam Limited. Our private sector clientele comprises of recognized companies such as Tata Steel Limited and Reliance Petroleum Limited. Our top five customers as on October 31, 2012 in terms of outstanding order/contract value were as follows:

(₹ in Million)				
S.No.	Name of the Customer	No. of Contracts	Outstanding Value of Contract	% age
1	Government of Andhra Pradesh (Irrigation & CAD Department)	16	33,460.41	47.18
2	Tata Steel Limited	10	12,273.42	17.31
3	HKR Roadways Limited	1	4,855.81	6.85
4	Government of Mizoram	1	4,669.64	6.58
5	Thermal Powertech Corporation of India Limited	1	3,061.15	4.32
6	Others	30	12,593.12	17.76
Total :		59	70,913.55	100.00

Financial Performance

Our Company's profit for the year (after tax and minority interest) for Fiscal 2012 was ₹ 459.71 million on a standalone basis and ₹ 55.70 million on a consolidated basis, as compared to ₹ 500.00 million on a standalone basis and ₹ 323.25 million on a consolidated basis, respectively, for Fiscal 2011. For the half year ended September 30, 2012, our Company's net profit after tax was ₹ 209.53 million on a standalone basis. Our Company's revenue from operations for Fiscal 2012 was ₹ 18,019.04 million on a standalone basis and ₹ 21,995.89 million on a consolidated basis compared to ₹ 14,461.93 million on a standalone basis and ₹ 12,061.28 million on a consolidated basis, respectively, for Fiscal 2011. For the half year ended September 30, 2012, our Company's revenue from operations on a standalone basis was ₹ 8,238.07 million.

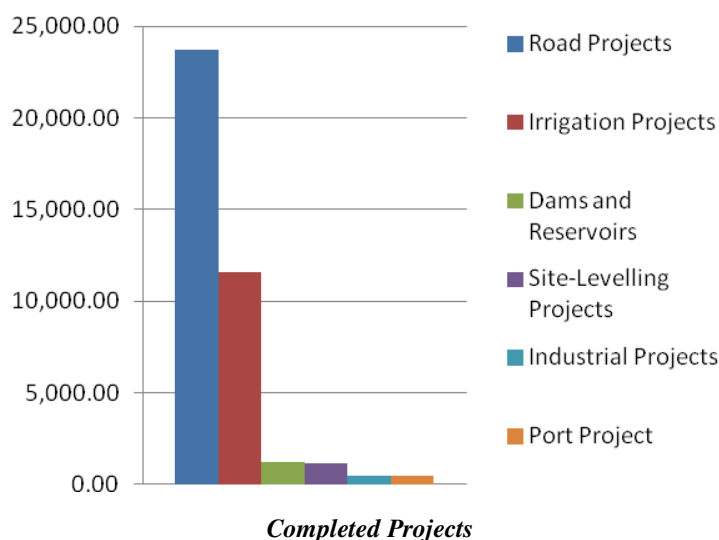
Strengths

Established Track Record in Executing Construction, EPC and BOT Projects

Our Company has over 20 years of experience in the construction industry having executed a diverse range of construction, EPC and BOT projects, including roads, toll ways, bridges, highways, dams, reservoirs, ports, civil work for industrial establishments, power transmission lines, airport runways, railway lines, hotels and multiplexes. Such diversification in different sectors enables us to reduce dependence on any one sector or nature of the project. We further believe that our execution capabilities have also seen a steady growth and by leveraging on our planning and execution expertise we are able to execute a diverse range of orders efficaciously.

Our Company has executed several construction projects during the last 23 years. Our Company has constructed

approximately 1,254.32 kilometers of the roads and approximately 1,156.20 kilometers of irrigation canals. Our Company has completed execution of a total of 19 road projects amounting to ₹ 23,694.5 million, 24 irrigation projects amounting to ₹ 11,562.0 million, 9 projects for construction of dams and reservoir amounting to ₹ 1,243.6 million, 9 site leveling projects amounting to ₹ 1,181.9 million, 5 industrial works projects amounting to amounting to ₹ 489.7 million and 1 port project amounting to amounting to ₹ 450.0 million.



We believe that our experience has made us familiar with the risks associated with construction and EPC projects in India, which has enabled us to negotiate agreements and execute our projects more effectively and efficiently.

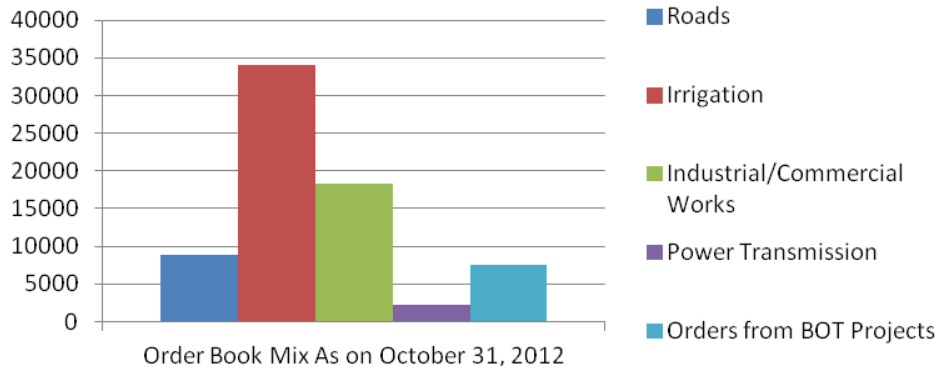
Prequalified Status and Established Relationship with Clients

Our Company believes it currently meets the requirements of the central, state and local governments and various public sector utilities for a range of infrastructure projects in the power, roads and irrigation segments, in terms of having the requisite experience and expertise, as well as a strong balance sheet and minimum financial requirements (including stipulated turnover, working capital limits and net worth). We believe that our Company's prequalification credentials enable it to bid for projects with attractive returns in these segments and additionally allow it to tender for relevant projects, either singly, or in collaboration with joint venture partners. We continue to bid for the road and infrastructure related infrastructure projects, with an object of leveraging and expanding our operations in pre-qualification and there by participating in more states and regions and gaining access to more complex projects. We have setup a base of operation capitalizing on our local experience, established contracts with local clients and suppliers and also familiarity with local working conditions. We believe that our pre-qualified status with our major clients enable us to provide cost and operational advantages to our clients while at the same time help us maintain a steady flow of work orders therefrom.

Diversified and Robust Order Book

Our Company's aggregate outstanding order book was ₹ 70,913.56 million and ₹ 78,099.90 million, as on October 31, 2012 and March 31, 2012, respectively. Our Order book is diversified over a number of segments. Our segment wise order-book as on October 31, 2012 was as follows:

Segment	Amount (₹ in Million)	Percentage (%)
Roads Division	8,841.67	12.47
Irrigation Division	34,036.06	48.00
Industrial Works	18,295.86	25.80
Power Transmission	2,270.01	3.20
Orders from BOT Projects	7,469.95	10.53
Total :	70,913.56	100.00



We believe that a robust order book coupled by a healthy mix of orders for the various segments of projects that we undertake, i.e. primarily roads, irrigation and industrial and commercial projects enables us to reduce our dependence on a particular segment. Furthermore, we believe that a large order book increases our operational efficiency by allowing us economies of scale.

Operations Spread Across Various Geographic Locations

Our operations have been spread across various parts of the India like Andhra Pradesh, Karnataka, Tamil Nadu, Uttar Pradesh, Madhya Pradesh, Orissa, Maharashtra, Nagaland, Mizoram, Assam, Bihar and Gujarat. We believe that the diversifications into different States across the country mitigate the political risk due to change of Governments and unfavourable geological conditions due to weather, earth cakes, and floods.

Partnerships and Collaborations with Experienced Domestic and International Entities

We from time to time have entered into joint venture collaborations and/or bidding arrangements with different reputed domestic and international entities including the DLF group, (a prominent real estate developer in India), Jaiprakash Associates Limited, (a diversified company engaged in the cement, steel, power, hospitality and constructions sectors) and IJM Infrastructure, (a Malaysian head quartered reputed international construction and infrastructure group). As on the date we have 12 joint ventures, namely IJM Gayatri Joint Venture, Gayatri ECI Joint Venture, Gayatri RNS Joint Ventures, Gayatri Ranjit Joint Venture, Gayatri GDC Joint Venture, Gayatri BCBPPL Joint Venture, Jaiprakash Gayatri Joint Venture, Gayatri-Ratna Joint Venture, MEIL-GAYATRI-ZVS-ITT Consortium, Gayatri-JMC Joint Venture, Maytas-Gayatri Joint Venture and Vishwanath-Gayatri Joint Venture. We believe that joint venture participation and collaborations with experienced national and international players allow our Company and our partners to pool in their own resources for pre-qualification as well as submission of the techno-commercial bid thereby enabling sharing of experience, which we believe has helped us bid for prestigious projects with extensive qualification requirements and at the same time enabled us to mitigate the execution risk through sharing of resources, capital costs and profits / losses in connection with such projects.

Sustained Investment in Fleet of Construction Equipment

We have invested in modern construction equipment that allows us to meet the requirements of a broad spectrum of construction activity. Our Company owns a fleet of construction equipments comprising of heavy earth moving machines such as hydraulic excavators, loaders, dozers, earth compacters, concreting plants such as batching plants, concrete mixers, transit mixers, concrete pavers, road equipment such as vibratory tandem rollers, electric paver finishers, mechanical paver finishers, hot mix plants, static rollers, truck mounted pressure bitumen sprayer, integrated stone crushing plants, quarry equipments like wagon drills, jack hammers, air compressors, transportation equipments such as cars and jeeps, tippers, tractors, water tankers, trailers, fabrication and erection plant such as welding generators, gas cuttings sets, work shop equipments, cranes, generators and other miscellaneous equipments. Such an equipment base gives us the capability to design and execute a diverse range of projects. We believe that our Company has a skilled employee resource which has the requisite expertise and experience in the use and handling of modern construction equipment and machinery. We believe that owning and managing a large portion of the equipment we typically use on projects gives us a competitive advantage and allows us to achieve efficacious operating margins.

Project Management Skills

We believe that we have the requisite skills for efficient project management and execution, with skilled manpower, quick decision-making abilities, efficiently deployed resources, as well as strategic purchasing capabilities benefiting from a vertically integrated business model. Our Company also has established working relationships with various sub-contractors who provide services across our Company's various segments of operations. Such relationships and our Company's own expertise facilitate deployment of resources extends our Company's project execution capabilities.

Strategy

Focus on Other Construction and EPC Segments Such As Urban Infrastructure, Water Treatment and Desalination Plants for further Diversification of our Order Book

We propose to leverage on our construction and project execution capabilities to further diversify our operations. We propose to focus on newer segments such as construction and EPC projects for various urban infrastructure works such as civil work for shopping malls, multiplexes and hotels, erection of water treatment and desalination plants, construction of railway lines and airport infrastructure, (such as approach berths at airports). We have undertaken projects for construction / civil work for a five star hotel and a multiplex in Hyderabad which were both recently inaugurated. We believe that such diversification would reduce our dependence on our traditional segments such as roads, irrigation and industrial works. Further such diversification will allow us to gain experience in and meet pre-qualification requirements across a diverse range of projects and further diversify our revenue streams.

Enhance Geographical Reach in Road Projects

We have experience over two decades of experience in road construction projects. We will continue to bid for the road related infrastructure projects, leveraging and expanding our operations in pre-qualification and there by participating in more states and regions and gaining access to more complex projects.

In pursuing our strategies, we seek to identify markets where we believe we can provide cost and operational advantages to our clients. In order to expand our operational strategy we also would seek to identify suitable bidding/joint venture partners whose resources, capabilities and strategies are complementary to and are likely to synergize with our business operations.

Enhance Geographical Reach in Irrigation Projects

Irrigation is one of the main focus areas of various state governments. We have experience in execution of various irrigation projects in the state of Andhra Pradesh. We have tied-up with Jaiprakash Associates Limited to bid for irrigation projects in state of Andhra Pradesh and other regions. We intend to utilize our experience in the irrigation projects and our large equipment base to benefit from any increase in demand for irrigation projects in India. We intend to extend our operations to other irrigation projects of various other state governments such as Orissa, Madhya Pradesh, Gujarat and Maharashtra.

Expand our operations to Industrial Construction Projects and Power Projects

We have knowledge and experience of handling various industrial projects. We have executed various site preparation and grading, construction of roads, drains, ponds, reservoirs and industrial structures for reputed companies like Reliance Petroleum Limited, Jindal Vijayanagar Steel, Visakhapatnam Steel Plant, Hindustan Petroleum Corporation Limited. We have also executed specialized works for Indian railways, ports and the Airports Authority of India. We have established power transmission and distribution and power EPC divisions to focus on the industrial works in the power sector. Accordingly, we intend to expand our existing execution capabilities in industrial construction projects and power projects.

Improve our engineering capabilities

We aim to improve our capabilities to focus on pursuing EPC contracts as such contracts which give us the opportunity to bid for large scale and complex projects. With this view, we are continuing to strengthen our engineering capabilities to enable us to provide engineering services so as to win different EPC projects and also to provide engineering and designed consultancy services to clients.

Our Lines of Business:

A. Construction:

We believe that construction and infrastructure projects will continue to be a significant business driver for us. We have developed skill sets in providing engineering, construction, operation and maintenance services across a diverse range of segments such as the following:

- Irrigation projects such as constructing reservoirs, canals, dams and barrages;
- Roadway projects such as constructing expressways, state and national highways, bridges, flyovers, aqueducts and dedicated service corridors;
- Industrial construction projects such as constructing factory premises, ports, industrial parks, SEZs and related works; and
- Construction of power and transmission lines

Roads

Execution of road projects along with irrigation projects has historically been the most significant component of our order book. We have experience in executing roadway projects in various states in India in diverse range of terrains and geographies. Roadway projects undertaken by us typically inter-alia include construction of expressways, national and state highways, bridges, flyovers, dedicated service corridors and runways.

Completed Projects: In Fiscal 2012 we completed one roadway projects aggregating to a contract value of ₹ 4,643.89 million, as further detailed below:

Sl. No.	Description of the Project and Location	Client	Contract Value of Project Completed (₹ in million)	Completion Date
1.	Rehabilitation and Up-grading of Km.104.000 to Km.170.000 of NH-25 to 4 – lane configuration in the State of Uttar Pradesh, East – West Corridor Project Package EW-II (UP-4)	Sunway Construction SDN BHD	4643.89	January 21, 2012

Projects Under Execution: As on October 31, 2012 we had 14 outstanding contracts/orders for construction of road projects, as further detailed below:

Name of the Customer	Description of the Project and Location	Aggregate Contract Value (₹ in Million)	Outstanding Value of the Order as on October 31, 2012 (₹ in Million)	% of Total Outstanding Order Book as on October 31, 2012	Date of Expiry of Tenure	Extension Sought (if any)	Nature of Contract (Fixed Price / BOT / Annuity / Floating Rate)
GM (E-II), NHAI, Plot No. G5 & 6, Sector - 10, Dwaraka, New Delhi	4-laning from Km.93.00 to Km.60.00 of Bijni to WB Border Section of NH-31C in Assam (AS-10)	1,865.19	256.90	0.36	December 27, 2007	Extension of time recommended up to December 31, 2012	Floating Rate
GM (E-II), NHAI, Plot No. G5 & 6, Sector - 10, Dwaraka, New Delhi	4-laning from Km.60.00 to Km.30.00 of Bijni to WB Border Section of NH-31C in Assam (AS-11)	1,495.56	627.96	0.89	December 27, 2007	Extension of time applied 500 days beyond October 8, 2012	Floating Rate
NHAI, Plot No. G5 & 6, Sector - 10, Dwaraka, New Delhi	Four Laning of National Highway from Km 40.0 to Km 60.5 of Maibong -	1,390.76	783.84	1.11	July 30, 2008	March 31, 2013	Floating Rate

Name of the Customer	Description of the Project and Location	Aggregate Contract Value (₹ in Million)	Outstanding Value of the Order as on October 31, 2012 (₹ in Million)	% of Total Outstanding Order Book as on October 31, 2012	Date of Expiry of Tenure	Extension Sought (if any)	Nature of Contract (Fixed Price / BOT / Annuity / Floating Rate)
	Lumding Section of NH-54 in Assam Contract Package - EW-II (AS-27)						
Executive Engineer, Keonjhar (R&B) Division, Keonjhar	Improvement of Naranpur-Pandapada - Harichandanpur - Brahmanipal - Duburi Road	3,118.86	1,140.14	1.61	November 14, 2010	Provisional extension of time given up to December 31, 2012	Floating Rate
Hyderabad Growth Corridor Limited, Secunderabad	Construction of Eight Lane Access Controlled Expressway as Outer Ring Road to Hyderabad City in the State of Andhra Pradesh, India in the stretches from Patancheru to Shamirpet from km.23.700 to km.61.700 (Northern Arc) Package - 2 from Km.35.000 to Km.46.000 - Mallampet - Dundigal	3,239.68	475.04	0.67	November 30, 2011	Applied for extension of time	Floating Rate
Chief Engineer (R&B), CRN & Managing Director, APRDC, Hyderabad	Widening and Strengthening of Chittoor Puttur Road from Km 3/200 to Km 64/00	848.16	276.54	0.39	March 9, 2012	February 23, 2013	Floating Rate
Chief Engineer (NH), Government of Nagaland	2 laning of Longleng- Changtongya road, Mon-Tamlu-Merangkong road, Phek-Pfutzero road and Zunheboto-Chakabama road in the State of Nagaland. MORTH under Phase "A" of SARD (Maytas-GPL JV at 62 : 38% each)	4,338.38	76.00	0.11	March 31, 2014	NA	Floating Rate
Chief Engineer, PWD, Highway, Mizoram	2 laning/realignment from Km 11.500 to 130 of NH-44A in the State of Mizoram	5,447.54	4,669.64	6.58	March 1, 2014	NA	Floating Rate
Chief Engineer (R&B), CRN & Managing Director, APRDC, Hyderabad	Widening and Strengthening of Mydukuru - Jammalamadugu Road from Km.177/400 to 194/670	535.62	535.62	0.76	April 11, 2014	NA	Floating Rate
Total:		22,279.75	8,841.67	12.47			

Irrigation

Execution of irrigation projects along with roadway projects has historically been the most significant component of our order book. We have experience in executing a range of irrigation projects inter-alia including construction of reservoirs, canals, dams and barrages.

Completed Projects: In Fiscal 2012 we completed 1 irrigation projects aggregating to a contract value of ₹ 1870 million, as further detailed below:

Sl. No.	Description of the Project and Location	Client	Contract Value of Project Completed (₹ in million)	Completion Date
1.	Earth Work Excavation, forming Embankment and Construction of CM & CD works including Investigation, Designing and Estimation of SRSP – Flood Flow Canal from K : 43.000 to KM 57.000 (EPC Package II) near Atmakur (Village), Metpally (Mandal), Karimnagar District in Andhra Pradesh	Government of Andhra Pradesh, Irrigation & CAD Department	1870.00	February 2, 2012

Projects under Execution: As on October 31, 2012 we had 18 outstanding contracts/orders for irrigation projects, as further detailed below:

Name of the Customer	Description of the Project and Location	Aggregate Contract Value (₹ in Million)	Outstanding Value of the Order as on October 31, 2012 (₹ in Million)	% of Total Outstanding Order Book as on October 31, 2012	Date of Expiry of Tenure	Extension Sought (if any)	Nature of Contract (Fixed Price / BOT / Annuity / Floating Rate)
Executive Engineer, Dudhganga Canals Dn.1, Kolhapur	Construction of Earthen Dam of Hiranyakeshi (Sarafnalla) Medium Project, Kolhapur	311.17	41.70	0.06	May 16, 2011	Extension of time applied up to June, 2014	Floating Rate
SE, PBI Circle, Danavaipeta, Rajahmundry	P.P.R.M.C – Work for conducting detailed investigation, including sub-soil exploration, preparation of H.P's Designs, L.P. Schedules, Drawings fixing B.M. Stones, Excavation of Canal from Km.71.500 to Km.105.10 (Package – 4) including lining entire canal - Polavaram Project	3,013.00	1,516.85	2.14	October 22, 2006	Extension of time recommended up to December 31, 2013	Floating Rate
PA & SE, Veligonda Project, Ongole	Velugonda Project - Closing of Sunkesula Gap Excavation of Feeder Canal and Teegaleru Canal including Construction of CM & CD works Distributory System for 62,000 Acres (Package - 2) on EPC Turn	3,470.75	918.87	1.30	May 8, 2007	March 31, 2013	Floating Rate

Name of the Customer	Description of the Project and Location	Aggregate Contract Value (₹ in Million)	Outstanding Value of the Order as on October 31, 2012 (₹ in Million)	% of Total Outstanding Order Book as on October 31, 2012	Date of Expiry of Tenure	Extension Sought (if any)	Nature of Contract (Fixed Price / BOT / Annuity / Floating Rate)
	Key System.- Velugonda Project						
SE, Irrigation Circle, Visakhapatnam	Flood Control Measures for Visakhapatnam Air Port	511.95	150.98	0.21	September 14, 2008	January 14, 2013	Fixed Rate
SE, GNSS Circle, Kadapa	Investigation, Design and Earthwork and Excavation of GNSS Main Canal from Km 119.00 to Km 141.350 Including construction of CM & CD Works, Kadapa District	1,119.60	1,119.60	1.58	24-Jun-11	Applied for extension of time	Floating Rate
SE, Irrigation Circle, Bobbili	Package II - Nagavali - Formation of Flood Bank on Nagavali River	614.55	420.62	0.59	June 18, 2009	December 18, 2012	Fixed Rate
SE, Irrigation Circle, Dowlaiswaram	Raising and Widening of flood bank to 1986 standards of GRB from Km.50.000 to Km.60.000 including formation of W.B.M. Road construction of concrete protection wall and reconstruction / remodelling of existing structures - Tender No.80/2006-07	135.65	13.84	0.02	June 26, 2009	Extension of time applied up to June 30, 2013	Fixed Rate
SE, Irrigation Circle, Dowlaiswaram	Raising and Widening of flood bank to 1986 standards of GRB from Km.60.000 to Km.85.100 including formation of W.B.M. Road construction of concrete protection wall and reconstruction / remodelling of existing structures - Tender No.81/2006-07	313.57	65.36	0.09	June 24, 2009	Applied for extension of time up to June 30, 2013	Fixed Rate
SE, Dummugudem Project Circle, Tekulapally, Khammam	Rajiv Sagar Lift Irrigation Project, Dummugudem - Package No.33/2006	2,816.10	1,311.43	1.85	February 26, 2012	March 31, 2013	Floating Rate
Executive Engineer, Narmada Development Canal Division,	Execution of Canal System of Indira Sagar Project Main canal from R.D.130-935	2,425.50	533.94	0.75	March 26, 2011	Extension of time applied, in principal they have agreed extension of	Floating Rate

Name of the Customer	Description of the Project and Location	Aggregate Contract Value (₹ in Million)	Outstanding Value of the Order as on October 31, 2012 (₹ in Million)	% of Total Outstanding Order Book as on October 31, 2012	Date of Expiry of Tenure	Extension Sought (if any)	Nature of Contract (Fixed Price / BOT / Annuity / Floating Rate)
Khargone (M.P)	to 155-00 Km					time up to December 25, 2012	
Superintending Engineer, Dummugudem Project Circle, Tekulapalli	Package No.9 : Dummugudem Nagarjuna Sagar Project Tail Pond Link Canal From Km.206 to Km.244 (up to tail end) i.e., to carry 19000 Cusecs i.e., from the road connecting Malkapatnam (v) and Salakanoor (v) up to Halia River near Ibrahimpet (v) – E.W.E and F.E of gravity canal including C.C lining and C.M & C.D. works, Structure to cross Nagarjunasagar Canal and regulated out fall structure at Halia River	6,170.88	6,047.46	8.53	August 18, 2013	NA	Floating Rate
Superintending Engineer, Dummugudem Project Circle, Tekulapalli	Package No.8 : Dummugudem Nagarjuna Sagar Project Tail Pond Link Canal from Km.182 to Km.206, i.e., from near Tirumalagiri (v) on NH-9 up to the road connecting Malkapatnam (v) and Salakanoor (v) to carry 19000 cusecs - E.W.E and F.E. of gravity canal including C.C.lining and C.M. & C.D. works, Aqueduct and viaducts across Musi River	10,882.08	10,664.44	15.04	August 18, 2013	NA	Floating Rate
SE, ISRMC Circle, Eluru	Chintalapudi Lift Irrigation Scheme – Detailed Investigation, designs and construction of Lift Irrigation Scheme for drawal and lifting of water Chintalapudi - Package -1 (120261.84 x 51.56%)	6,200.70	5,772.21	8.14	February 26, 2013	NA	Floating Rate
SE, ISRMC Circle, Eluru	Chintalapudi Lift Irrigation Scheme	4,979.50	4,870.99	6.87	February 26, 2013	NA	Floating Rate

Name of the Customer	Description of the Project and Location	Aggregate Contract Value (₹ in Million)	Outstanding Value of the Order as on October 31, 2012 (₹ in Million)	% of Total Outstanding Order Book as on October 31, 2012	Date of Expiry of Tenure	Extension Sought (if any)	Nature of Contract (Fixed Price / BOT / Annuity / Floating Rate)
	– Detailed Investigation, designs and execution of Main Canal (Package No.2 of Chintalapudi Lift Irrigation Scheme)						
SE, Irrigation Circle, Dowlaiswaram	Modernization of Coring River by Dredging from Teki Drain infalling in sea mouth in CIP Basin at Godavari Eastern Delta Drainage System	241.91	173.73	0.24	July 11, 2013	NA	Floating Rate
SE, Irrigation Circle, Dowlaiswaram	Modernization of Kunavaram at Vasalatippa Major drains by Dredging infalling to Sea in Sea Mouth basin of Godavari Central Delta of East Godavari District	125.57	85.95	0.12	July 10, 2013	NA	Floating Rate
SE, Irrigation Circle, Eluru	Modernization of Godavari Delta Drainage System – W.G.District – Gonteru Sub Basin from Km.38.60 to Km.50.680 (By Dredging) in Upputeru Basin in W.G.Dist - Govt of Andhra Pradesh – Irrigation & CAD Department	139.30	133.63	0.19	July 1, 2013	NA	Floating Rate
SE, Irrigation Circle, Guntur	Major Irrigation – Modernization of Krishna Delta System – Dredging for East Thungabhadra drain from Km.0.000 to Km.5.575 - Govt of Andhra Pradesh – Irrigation & CAD Department	194.46	194.46	0.28	July 1, 2013	NA	Floating Rate
Total:		43,666.24	34,036.06	48.00			

Industrial Construction

Our Company's experience in industrial projects can be demonstrated by our completion of various site preparation and grading projects, construction of roads, drains, ponds, reservoirs and industrial structures for companies engaged in a diverse range of industrial activities, such as fertilizer companies, aluminum manufacturers, steel manufacturers, petroleum companies. Our Company has also completed specialist work for the Indian railways, ports and the Airports Authority of India.

Projects under Execution: As on October 31, 2012 we had 22 outstanding contracts/orders for power transmission and distribution line projects, as further detailed below:

Name of the Customer	Description of the Project and Location	Aggregate Contract Value (₹ in Million)	Outstanding Value of the Order as on October 31, 2012 (₹ in Million)	% of Total Outstanding Order Book as on October 31, 2012	Date of Expiry of Tenure	Extension Sought (if any)	Nature of Contract (Fixed Price / BOT / Annuity / Floating Rate)
DGM(C)/Contracts, Rashtriya Ispat Nigam Limited, Visakhapatnam	Civil works for Madharm Mines for Rashtriya Ispat Nigam Limited	121.76	56.41	0.08	March 2, 2008	February 28, 2013	Floating Rate
Tata Steel Limited, Kalinganagar	Site Grading for Kalinganagar Project	2,751.06	1,161.32	1.65	December 31, 2012	NA	Floating Rate
Visakhapatnam Steel Plant	Civil Work for Jaggayyapeta Mines (Zone-11)	32.64	9.60	0.01	July 16, 2008	November 30, 2012	Floating Rate
Tata Steel Limited, Jamshedpur	Civil work for Road and Drain, Welfare Office, Community Centre, Security Post etc., at Gobarghati	324.57	66.60	0.09	March 31, 2013	NA	Fixed Price
Rashtriya Ispat Nigam Limited	Civil Engineering Work for Installation of By-Product Plant (Phase-II)	117.54	1.99	0.00	October 6, 2009	December 31, 2012	Floating Rate
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	553.40	52.99	0.07	January 29, 2010	December 31, 2012	Fixed Price
Thermal Powertech Corporation India Ltd., Krishnapatnam	Site Levelling & Civil Works and Supply and erection of Sea Water Intake System and Coal Handling System at Krishnapatnam, Nellore	6,639.95	3,061.15	4.33	July 9, 2013	NA	Fixed Price
FLS Midth Private Limited, Chennai, Tamil Nadu	Civil, Road & Structural Works for NMDC-Kumaraswamy Iron Ore Crushing Plant, Package - I at Donimalai, Bellary	434.50	183.76	0.26	February 19, 2012	Extension of time applied up to March 31, 2013	Fixed Price
Tecpro Systems Limited, Chennai	Civil works Coal Handling Plant Package at Nabinagar Thermal Power	680.98	555.92	0.78	August 13, 2013	NA	Fixed Price

Name of the Customer	Description of the Project and Location	Aggregate Contract Value (₹ in Million)	Outstanding Value of the Order as on October 31, 2012 (₹ in Million)	% of Total Outstanding Order Book as on October 31, 2012	Date of Expiry of Tenure	Extension Sought (if any)	Nature of Contract (Fixed Price / BOT / Annuity / Floating Rate)
	Project (4X250MW)						
Chief Manager (Electrical), National Aluminium Co. Ltd	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	140.56	0.20	January 19, 2012	Provisional extension of time given up to December 31, 2012	Fixed Price
Tata Steel Limited, Kalinganagar	Construction of Roads & Drains, Laterite Brick Boundary Wall, Water Reservoir at Plant Site at Tata Steel, Kalinganagar	693.05	0.85	0.00	June 30, 2013	NA	Fixed Price
Tata Steel Limited, Kalinganagar	Construction of Service & Peripheral Road & Boudary Wall	205.09	116.48	0.16	December 31, 2011	Extension of time applied up to December 31, 2012	Fixed Price
Tata Steel Limited, Kalinganagar	Construction of Plant Drainage System	2,127.85	1,767.70	2.50	May 12, 2012	March 31, 2013	Floating Rate
Tata Steel Limited, Kalinganagar	Civil Work for 3 Nos. of IM section Shed	128.46	35.13	0.05	December 31, 2011	Extension of time applied up to December 31, 2012	Fixed Price
Tata Steel Limited, Kalinganagar	Construction of railway formation in fitting / cutting, minor bridges, major bridges retaining wall, drain works, track linking including supply of ballast etc.,	3,698.48	2,740.35	3.86	July 7, 2013	NA	Fixed Price
NCC Power Projects Ltd., Hyderabad	Site grading and filling and construction of compound wall for 2 x660 MW TPP at Thotapalli, Gudur Mandal, SPSR Nellore District, AP	800.00	246.85	0.35	July 7, 2012	May 1, 2013	Fixed Price
NCC Power Projects Ltd., Hyderabad	Civil works, erection, testing and	450.00	450.00	0.63	January 25, 2014	NA	Floating Rate

Name of the Customer	Description of the Project and Location	Aggregate Contract Value (₹ in Million)	Outstanding Value of the Order as on October 31, 2012 (₹ in Million)	% of Total Outstanding Order Book as on October 31, 2012	Date of Expiry of Tenure	Extension Sought (if any)	Nature of Contract (Fixed Price / BOT / Annuity / Floating Rate)
	commissioning of sea water intake & outfall system and external coal handling system for 2 x 660 MW thermal power project near Painapuram (V), in Muthukur Mandal, Nellore District, AP						
NCC Power Projects Ltd., Hyderabad	Supply of equipments for sea water intake & outfall system and external coal handling system for 2 x 660 MW thermal power project near Painapuram (v), Nellore District, AP	950.00	950.00	1.34	January 25, 2014	NA	Floating Rate
Tata Steel Ltd., Kalinganagar	Civil Works for RMHS for Tata Steel, Kalinganagar	3,095.29	2,910.65	4.10	February 28, 2014	NA	Floating Rate
Tata Steel Ltd., Kalinganagar	Erection, Alignment, Painting Work for RMHS for Tata Steel, Kalinganagar	1,134.07	1,134.07	1.60	February 28, 2014	NA	Floating Rate
Tata Steel Ltd., Kalinganagar	Fabricated Structural work for RMHS for Tata Steel, Kalinganagar	2,399.05	2,340.26	3.30	February 28, 2014	NA	Floating Rate
BGR Energy Systems Ltd, Chennai	Civil Works for CHP Package for 2 x 660 MW Krishnapatnam Thermal Power Project	313.22	313.22	0.44	July 21, 2013	NA	Fixed Rate
Total		27,868.70	18,295.86	25.80			

Power Transmission and Distribution Lines

We have in recent years diversified our order books by undertaking EPC and/or turnkey projects in connection with erection, civil work, procurement and/or commissioning works in relation to various power generation, distribution and transmission projects.

Projects under Execution: As on October 31, 2012 we had 5 outstanding contracts/orders for power transmission and distribution line projects, as further detailed below:

Name of the Customer	Description of the Project and Location	Aggregate Contract Value (₹ in Million)	Outstanding Value of the Order as on October 31, 2012 (₹ in Million)	% of Total Outstanding Order Book as on October 31, 2012	Date of Expiry of Tenure	Extension Sought (if any)	Nature of Contract (Fixed Price / BOT / Annuity / Floating Rate)
M.P. Paschim Kshetra Vidyut Vitaran Co. Ltd., Indore	Design, manufacture, pre-dispatch inspection, testing and supply of materials for "Construction of New 11 KV Line, LT Line on AB cable, 25 KVA 11/0.4KV distributing X/mer sub-station, four pole structure, additional 11 KV Bay with VCB, replacement of bare LT line with AB Cable etc., (Lot No.X), Ratlam District	501.14	365.67	0.52	May 29, 2012	May 29, 2013	Floating Rate
M.P.Paschim Kshetra Vidyut Vitaran Co. Ltd., Indore	Design, manufacture, pre-dispatch inspection, testing and supply of materials for "construction of new 11 KV Line, LT Line on AB cable, 25 KVA 11/0.4KV distributing X/mer Sub-Station, four pole structure, additional 11 KV bay with VCB, replacement of bare LT line with AB Cable etc., (Lot No.V), Barwani District	630.13	477.80	0.67	June 3, 2012	June 3, 2013	Floating Rate
Gujarat Energy Transmission Corporation Ltd, Vadodara	Supply & erection work of 400KV D/C Amareli - Kasor (Part:2) - 82.170 KM (AP 28 to AP44) on turnkey basis	546.59	529.42	0.75	April 5, 2012	May 31, 2013	Fixed Rate
Gujarat Energy Transmission Corporation Ltd, Vadodara	Supply & erection work of 400KV D/C Amreli - Kasor line (Part:1)- 80.475 KM (Amreli Gantry to AP28) on turnkey basis	554.51	467.33	0.66	April 5, 2012	May 31, 2013	Fixed Rate
Gujarat Energy Transmission Corporation Ltd,	Supply & erection of 400kV D/C	500.65	429.79	0.60	August 11, 2012	May 31, 2013	Fixed Rate

Name of the Customer	Description of the Project and Location	Aggregate Contract Value (₹ in Million)	Outstanding Value of the Order as on October 31, 2012 (₹ in Million)	% of Total Outstanding Order Book as on October 31, 2012	Date of Expiry of Tenure	Extension Sought (if any)	Nature of Contract (Fixed Price / BOT / Annuity / Floating Rate)
Vadodara	Mundra-Zerda line no.1 on turnkey basis Package - III - 156.103 km (AP 46 to Zerda)						
Total		2,733.02	2,270.01	3.20			

BOT Projects

We are at present involved in 8 BOT projects through various SPV companies promoted by our Company and/or our Subsidiaries either individually or jointly with other joint venture and/or consortium partners. The summary of such BOT projects are as follows:

- (1) Western UP Tollway Limited is an SPV jointly promoted by our Company and NCC Limited for the purposes of executing the project of improvement, operation and maintenance of rehabilitation and strengthening of existing 2-lane and widening to 4-lane divided highway of Km 52.250 to Km 131.00 of NH-59 (Meerut- Muzaffarnagar Section) in the state of Uttar Pradesh on BOT basis.
- (2) Gayatri Jhansi Roadways Limited is a SPV, jointly promoted by our Company (through Gayatri Infra Ventures Limited) and Infrastructure Development Finance Company Limited for the purposes of designing, developing, constructing, operating and maintaining a 50 Km stretch between Jhansi and Lalitpur on National Highway No.25/26 as part of the North – South Corridor in Uttar Pradesh.
- (3) Gayatri Lalitpur Roadways Limited a SPV, jointly promoted by our Company (through Gayatri Infra Ventures Limited) and Infrastructure Development Finance Company Limited to design, develop, construct, operate and maintain 50 Km stretch between Jhansi and Lalitpur on National Highway No.26 (NH-26) as part of the North – South Corridor in Uttar Pradesh.
- (4) Cyberabad Expressway Private Limited a SPV jointly promoted by our Company and Maytas Infra Limited to design, construction, development, finance, operation and maintenance of eight lane access controlled expressway under Phase II A program as an extension of Phase I of ORR to Hyderabad city, in the State of Andhra Pradesh, India, for the package from Kollur to Patancheru from Km. 12.00 to Km. 23.70 on a BOT (annuity) basis.
- (5) Hyderabad Expressway Private Limited a SPV jointly promoted by our Company and Maytas Infra Limited to Design, Construction, Development, Finance, Operation and Maintenance of Eight lane access controlled expressway under Phase II A program as an extension of Phase I of ORR to Hyderabad City, in the State of Andhra Pradesh, India, for the package from Bongalur to Tukkuguda from Km 108.00 to Km 121.00 on Build, Operate and Transfer (BOT) (Annuity) Basis.
- (6) Indore-Dewas Tollways Limited a SPV jointly promoted by our Company and DLF Infra Holdings Limited to six laning of Indore – Dewas Section of NH-3 from Km 577.550 to Km 610.000 and Km 0.000 to Km 12.600 (Approx. Length 45.05 Km) in the State of Madhya Pradesh under NHDP Phase –V to be executed as BOT (toll) project on a design, build, finance, operate and transfer basis.
- (7) HKR Roadways Limited a SPV jointly promoted by our Company, DLF Infra Holdings Limited and Megha Engineering & Infrastructures Limited to design, construct, finance, operate and maintain of four-laning of the Hyderabad – Karimnagar – Ramagundam road (SH-1) from Km. 28.200 to Km. 235.058 in the state of Andhra Pradesh under a public private partnership on a BOT basis.
- (8) Sai Maatarini Tollways Ltd., a SPV promoted by our Company for the purposes of four-laning of the Panikoili – Rimuli Section of NH-215 from Km 0.000 to Km 163.000 in the state of Orissa to be executed as BOT (toll) project on a design, build, finance, operate and transfer basis.

Besides having promoted the aforementioned SPVs in connection with various BOT road projects our Company also has undertaken construction and EPC works for the aforementioned projects as a contractor / subcontractor and currently has the following outstanding orders as on October 31, 2012:

Name of the Customer	Description of the Project and Location	Aggregate Contract Value (₹ in Million)	Outstanding Value of the Order as on October 31, 2012 (₹ in Million)	% of Total Outstanding Order Book as on October 31, 2012	Date of Expiry of Tenure	Extension Sought (if any)	Nature of Contract (Fixed Price / BOT / Annuity / Floating Rate)
Western UP Tollway Ltd	Four Lane to Meerut - Muzaffarnagar Section (Km.52.00 to Km.131.00) of NH-58 in the State of Uttar Pradesh	3,037.00	26.39	0.04	March 9, 2009	Already issued provisional completion certificate. balance work to be executed subject to availability of land	BOT – Toll
Gayatri Jhansi Roadways Ltd	Design, Construction, Development, Finance, Operation and Maintenance of Km.0.000 to Km.49.700 on NH-25/26 in the State of UP on BOT Basis - UP2	3,450.00	102.55	0.14	October 10, 2010	Already issued provisional completion certificate. balance work to be executed subject to availability of land	BOT – Annuity
Gayatri Lalitpur Roadways Ltd	Design, Construction, Development, Finance, Operation and Maintenance of Km.49.700 to Km.99.005 on NH-26 in the State of UP on BOT Basis - UP3	2,530.00	22.44	0.03	November 30, 2010	Already issued provisional completion certificate. balance work to be executed subject to availability of land	BOT – Annuity
Indore-Dewas Tollways Ltd	Six laning of Indore-Dewas Section of NH-3 from Km 577.550 to Km 610.000 and Km 0.000 to Km 12.600 (Approx. length 45.05KM) in the State of MP	4,750.00	2,462.76	3.47	July 31, 2013	NA	BOT – Toll
HKR Roadways Ltd	Design, Construction, Finance, Operation and Maintenance of Four-Laning of Hyderabad – Karimnagar – Ramagundam Road (SH-1) from Km.28.200 to 235.058 in the State of Andhra Pradesh under Public Private Partnership (PPP) on Build, Operate, and Transfer (BOT) Basis (Rs.190000*50%)	9,191.00	4,855.80	6.84	August 31, 2013	NA	BOT - Toll
Total		22,958.00	7,469.95	10.52			

Order Book

We define our order book as the value of projects awarded to us and for which we have entered into signed agreements or received letters of award or letters of intent or work orders, which are currently under execution or for which we are yet to commence work. Our order book is not audited and may not accurately depict our future financial results. In our industry, the order book is considered to be one of the indicators of future performance as it represents a significant portion of anticipated future revenue.

Our Company's aggregate outstanding order book was ₹ 70,913.56 million and ₹ 78,099.90 million, as on October 31, 2012 and March 31, 2012, respectively.

Detailed order book as on October 31, 2012

Sl. No.	Name of the Client	Location	Work Description	Total Value of the Order (₹in Million)	Value of the Order completed as at October 31, 2012 (₹in Million)	Outstanding value of Orders (₹in Million)
A	ROADS DIVISION					
1	GM (E-II), NHAI, Plot No. G5 & 6, Sector - 10, Dwaraka, New Delhi	Assam	4-laning from Km.93.00 to Km.60.00 of Bijni to WB Border Section of NH-31C in Assam (AS-10)	1,865.19	1,608.29	256.90
2	GM (E-II), NHAI, Plot No. G5 & 6, Sector - 10, Dwaraka, New Delhi	Assam	4-laning from Km.60.00 to Km.30.00 of Bijni to WB Border Section of NH-31C in Assam (AS-11)	1,495.56	867.60	627.96
3	NHAI, Plot No. G5 & 6, Sector - 10, Dwaraka, New Delhi	Assam	Four Laning of National Highway from Km 40.0 to Km 60.5 of Maibong - Lumding Section of NH-54 in Assam Contract Package - EW-II (AS-27)	1,390.76	606.93	783.84
4	Executive Engineer, Keonjhar (R&B) Division, Keonjhar	Keonjhar, Orissa	Improvement of Naranpur-Pandapada - Harichandanpur - Brahmanipal - Duburi Road	3,118.86	1,978.72	1,140.14
5	Hyderabad Growth Corridor Limited, Secunderabad	Hyderabad	Construction of Eight Lane Access Controlled Expressway as Outer Ring Road to Hyderabad City in the State of Andhra Pradesh, India in the stretches from Patancheru to Shamirpet from km.23.700 to km.61.700 (Northern Arc) Package - 2 from Km.35.000 to Km.46.000 Mallampet - Dundigal	3,239.68	2,764.64	475.04
6	Chief Engineer (R&B), CRN & Managing Director, APRDC, Hyderabad	Chittoor	Widening and Strengthening of Chittoor Puttur Road from Km 3/200 to Km 64/00	848.16	571.62	276.54
7	Chief Engineer PWD (NH), Government of Nagaland	Nagaland	2 laning of Longleng-Changtongya road, Mon-Tamlu-Merangkong road, Phek-Pfutzero road and Zunheboto-Chakabama road in the State of Nagaland. MORTH under Phase "A" of SARD (Maytas-GPL JV at 62 : 38% each)	4,338.38	4,262.38	76.00
8	Chief Engineer, PWD, Highway, Mizoram	Mizoram	2 laning/ realignment from Km 11.500 to 130 of NH-44A in the State of Mizoram	5,447.54	777.90	4,669.63

9	Chief Engineer (R&B), CRN & Managing Director, APRDC, Hyderabad	Hyderabad	Widening and Strengthening of Mydukuru - Jammalamadugu Road from Km.177/400 to 194/670	535.62	-	535.62
			Sub Total :	22,279.75	13,438.08	8,841.67
B IRRIGATION WORKS DIVISION :						
10	Executive Engineer, Dudhganga Canals Dn.1, Kolhapur	Kolhapur, Maharashtra	Construction of Earthen Dam of Hiranyakeshi (Sarafnalla) Medium Project, Kolhapur	311.17	269.47	41.70
11	SE, PBI Circle, Danavaipeta, Rajahmundry	Polavaram, West Godavari Dist, AP	P.P.R.M.C – Work for conducting detailed investigation, including sub-soil exploration, preparation of H.P's Designs, L.P. Schedules, Drawings fixing B.M. Stones, Excavation of Canal from Km.71.500 to Km.105.10 (Package – 4) including lining entire canal - Polavaram Project	3,013.00	1,496.15	1,516.85
12	PA & SE, Veligonda Project, Ongole	Markapur, Prakasam Dist, AP	Velugonda Project - Closing of Sunkesula Gap Excavation of Feeder Canal and Teegaleru Canal including Construction of CM & CD works Distributory System for 62,000 Acres (Package - 2) on EPC Turn Key System.- Velugonda Project	3,470.75	2,551.88	918.87
13	SE, Irrigation Circle, Visakhapatnam	Visakhapatnam, AP	Flood Control Measures for Visakhapatnam Air Port	511.95	360.97	150.98
14	SE, GNSS Circle, Kadapa	Kadapa, AP	Investigation, Design and Earthwork Excavation of GNSS Main Canal from Km 119.00 to Km 141.350 Including construction of CM & CD Works, Kadapa District	1,119.60	0.00	1,119.60
15	SE, Irrigation Circle, Bobbili	Bobbili, AP	Package II - Nagavali - Formation of Flood Bank on Nagavali River	614.55	193.93	420.62
16	SE, Irrigation Circle, Dowlaiswaram	Dowlaiswaram, East Godavari Dist, AP	Raising and Widening of flood bank to 1986 standards of GRB from Km.50.000 to Km.60.000 including formation of W.B.M. Road construction of concrete protection wall and reconstruction / remodelling of existing structures – Tender No.80/2006-07	135.65	121.80	13.84
17	SE, Irrigation Circle, Dowlaiswaram	Dowlaiswaram, East Godavari Dist, AP	Raising and Widening of flood bank to 1986 standards of GRB from Km.60.000 to Km.85.100 including formation of W.B.M. Road construction of concrete protection wall and reconstruction / remodelling of existing structures – Tender No.81/2006-07	313.57	248.21	65.36
18	SE, Dummugudem Project Circle, Tekulapally, Khammam	Khammam, AP	Rajiv Sagar Lift Irrigation Project, Dummugudem - Package No.33/2006	2,816.10	1,504.67	1,311.43
19	Executive	Khargone, MP	Execution of Canal System of	2,425.50	1,891.56	533.94

	Engineer, Narmada Development Canal Division, Khargone (M.P)		Indira Sagar Project Main canal from R.D.130-935 to 155-00 Km			
20	Superintending Engineer, Dummugudem Project Circle, Tekulapalli	Dummugudem, Khammam	Package No.9 : Dummugudem Nagarjuna Sagar Project Tail Pond Link Canal From Km.206 to Km.244 (up to tail end) i.e., to carry 19000 Cusecs i.e., from the road connecting Malkapatnam (v) and Salakanoor (v) up to Halia River near Ibrahimpet (v) – E.W.E and F.E of gravity canal including C.C lining and C.M & C.D. works, Structure to cross Nagarjunasagar Canal and regulated out fall structure at Halia River	6,170.88	123.42	6,047.46
21	Superintending Engineer, Dummugudem Project Circle, Tekulapalli	Dummugudem, Khammam	Package No.8 : Dummugudem Nagarjuna Sagar Project Tail Pond Link Canal from Km.182 to Km.206, i.e., from near Tirumalagiri (v) on NH-9 up to the road connecting Malkapatnam (v) and Salakanoor (v) to carry 19000 cusecs - E.W.E and F.E. of gravity canal including C.C.lining and C.M. & C.D. works, Aqueduct and viaducts across Musi River	10,882.08	217.64	10,664.44
22	SE, ISRMC Circle, Eluru	Pattiseema, West Godavari Dist	Chintalapudi Lift Irrigation Scheme – Detailed Investigation, designs and construction of Lift Irrigation Scheme for drawal and lifting of water Chintalapudi - Package -1 (120261.84 x 51.56%)	6,200.70	428.49	5,772.21
23	SE, ISRMC Circle, Eluru	Gangannagudem, West Godavari Dist	Chintalapudi Lift Irrigation Scheme – Detailed Investigation, designs and execution of Main Canal(Package No.2 of Chintalapudi Lift Irrigation Scheme)”	4,979.50	108.52	4,870.98
24	SE, Irrigation Circle, Dowlaiswaram	Dowlaiswaram, East Godavari Dist., AP	Modernization of Coring River by Dredging from Teki Drain infalling in sea mouth in CIP Basin at Godavari Eastern Delta Drainage System	241.91	68.18	173.73
25	SE, Irrigation Circle, Dowlaiswaram	Dowlaiswaram, East Godavari Dist., AP	Modernization of Kunavaram at Vasalatippa Major drains by Dredging infalling to Sea in Sea Mouth basin of Godavari Central Delta of East Godavari District	125.57	39.62	85.95
26	SE, Irrigation Circle, Eluru	Eluru, West Godavari Dist., AP	Modernization of Godavari Delta Drainage System – W.G.District – Gonteru Sub Basin from Km.38.60 to Km.50.680 (By Dredging) in Upputeru Basin in W.G.Dist - Govt of Andhra Pradesh – Irrigation & CAD Department	139.31	5.67	133.64
27	SE, Irrigation	Guntur, AP	Major Irrigation – Modernization	194.46	0	194.46

	Circle, Guntur		of Krishna Delta System – Dredging for East Thungabhadra drain from Km.0.000 to Km.5.575 - Govt of Andhra Pradesh – Irrigation & CAD Department			
			Sub Total :	43,666.25	9,630.18	34,036.06
C	INDUSTRIAL WORKS					
28	DGM(C)/Contracts, RINL, Visakhapatnam	Madharam, Near Khammam	Civil works for Madharm Mines for Rashtriya Ispat Nigam Limited	121.76	65.35	56.41
29	Tata Steel Limited, Kalinganagar	Kalinganagar, Orissa	Site Grading for Kalinganagar Project	2,751.06	1,589.74	1,161.32
30	Visakhapatnam Steel Plant	Visakhapatnam	Civil Work for Jaggayyapeta Mines (Zone-11)	32.64	23.04	9.60
31	Tata Steel Limited, Jamshedpur	Jamshedpur, Orissa	Civil work for Road and Drain, Welfare Office, Community Centre, Security Post etc., at Gobarghati	324.57	257.97	66.60
32	Rashtriya Ispat Nigam Limited	Visakhapatnam, AP	Civil Engineering Work for Installation of By-Product Plant (Phase-II)	117.54	115.55	1.99
33	Neelachal Ispat Nigam Limited, Duburi, Orissa	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	553.40	500.41	52.99
34	Thermal Powertech Corporation India Ltd., Krishnapatnam	Nellore, AP	Site Levelling & Civil Works and Supply and erection of Sea Water Intake System and Coal Handling System at Krishnapatnam, Nellore	6,639.95	3,578.80	3,061.15
35	FLS Midth Private Limited, Chennai, Tamil Nadu	Donimalai, Bellary	Civil, Road & Structural Works for NMDC-Kumaraswamy Iron Ore Crushing Plant, Package - I at Donimalai, Bellary	434.50	250.75	183.76
36	Tecpro Systems Limited, Chennai	Nabinagar, Bihar	Civil works Coal Handling Plant Package at Nabinagar Thermal Power Project (4X250MW)	680.98	125.06	555.92
37	Chief Manager (Electrical), National Aluminium Co. Ltd	Angul, Orissa	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 Angul, Orissa	217.74	77.18	140.56
38	Tata Steel Limited, Kalinganagar	Kalinganagar, Orissa	Construction of Roads & Drains, Laterite Brick Boundary Wall, Water Reservoir at Plant Site at Tata Steel, Kalinganagar	693.05	692.21	0.85
39	Tata Steel Limited, Kalinganagar	Kalinganagar, Orissa	Construction of Service & Peripheral Road & Boudary Wall	205.09	88.61	116.48
40	Tata Steel Limited, Kalinganagar	Orissa	Construction of Plant Drainage System	2,127.85	360.15	1,767.70
41	Tata Steel Limited, Kalinganagar	Kalinganagar, Orissa	Civil Work for 3 Nos. of IM section Shed	128.46	93.33	35.13
42	Tata Steel Limited, Kalinganagar	Orissa	Construction of Railway Formation in fitting / cutting, minor bridges, major bridges retaining wall, drain works, track linking including supply of ballast etc.,	3,698.48	958.13	2,740.35
43	NCC Power Projects Ltd.,	Nellore, AP	Site Grading and Filling and Construction of Compound Wall	800.00	553.15	246.85

	Hyderabad		for 2 x660 MW TPP at Thotapalli, Gudur Mandal, SPSR Nellore District, AP			
44	NCC Power Projects Ltd., Hyderabad	Nellore, AP	Civil Works, Erection, Testing and Commissioning of Sea Water Intake & Outfall System and External Coal Handling System for 2 x 660 MW Thermal Power Project near Painapuram (V), in Muthukur Mandal, Nellore District, AP	450.00	0.00	450.00
45	NCC Power Projects Ltd., Hyderabad	Nellore, AP	Supply of Equipments for Sea Water Intake & Outfall System and External Coal Handling System for 2 x 660 MW Thermal Power Project near Painapuram (v), Nellore District, AP	950.00	0.00	950.00
46	Tata Steel Ltd., Kalinganagar	Kalinganagar, Orissa	Civil Works for RMHS for Tata Steel, Kalinganagar	3,095.29	184.63	2,910.65
47	Tata Steel Ltd., Kalinganagar	Kalinganagar, Orissa	Erection, Alignment, Painting Work for RMHS for Tata Steel, Kalinganagar	1,134.07	0.00	1,134.07
48	Tata Steel Ltd., Kalinganagar	Kalinganagar, Orissa	Fabricated Structural work for RMHS for Tata Steel, Kalinganagar	2,399.05	58.77	2,340.27
49	BGR Energy Systems Ltd, Chennai	Nellore, AP	Civil Works for CHP Package for 2 x 660 MW Krishnapatnam Thermal Power Project	313.22	0.00	313.22
			Sub Total :	27,868.70	9,572.83	18,295.87
D	POWER TRANSMISSION					
50	M.P. Paschim Kshetra Vidyut Vitaran Co. Ltd., Indore	Indore, MP	Design, Manufacture, Pre-dispatch Inspection, Testing and Supply of Materials for "Construction of New 11 KV Line, LT Line on AB cable, 25 KVA 11/0.4KV Distributing X/mer Sub-Station, Four Pole Structure, Additional 11 KV Bay with VCB, Replacement of Bare LT line with AB Cable etc., (Lot No.X), Ratlam District	501.14	135.47	365.67
51	M.P.Paschim Kshetra Vidyut Vitaran Co. Ltd., Indore	Indore, MP	Design, Manufacture, Pre-dispatch Inspection, Testing and Supply of Materials for "Construction of New 11 KV Line, LT Line on AB cable, 25 KVA 11/0.4KV Distributing X/mer Sub-Station, Four Pole Structure, Additional 11 KV Bay with VCB, Replacement of Bare LT line with AB Cable etc., (Lot No.V), Barwani District	630.13	152.33	477.80
52	Gujarat Energy Transmission Corporation Ltd, Vadodara	Vadodara, Gujarat	Supply & Erection work of 400KV D/C Amareli - Kasor (Part:2) - 82.170 KM (AP 28 to AP44) on turnkey basis	546.59	17.17	529.42
53	Gujarat Energy Transmission Corporation Ltd, Vadodara	Vadodara, Gujarat	Supply & Erection work of 400KV D/C Amreli - Kasor line (Part:1)-80.475 KM (Amreli Gantry to AP28) on turnkey basis	554.51	87.18	467.33
54	Gujarat Energy Transmission Corporation Ltd, Vadodara	Vadodara, Gujarat	Supply & Erection of 400kV D/C Mundra-Zerda line no.1 on turnkey basis Package - III - 156.103 km (AP 46 to Zerda)	500.65	70.86	429.79
			Sub Total :	2733.02	463.01	2270.01
E	ORDERS FROM BOT PROJECTS:					
55	Western UP Tollway Ltd	Meerut, UP	Four Lane to Meerut - Muzaffarnagar Section (Km.52.00 to Km.131.00) of NH-	3,037.00	3,010.61	26.39

			58 in the State of Uttar Pradesh			
56	Gayatri Jhansi Roadways Ltd	Jhansi, UP	Design, Construction, Development, Finance, Operation and Maintenance of Km.0.000 to Km.49.700 on NH-25/26 in the State of UP on BOT Basis - UP2	3,450.00	3,347.45	102.55
57	Gayatri Lalitpur Roadways Ltd	Jhansi, UP	Design, Construction, Development, Finance, Operation and Maintenance of Km.49.700 to Km.99.005 on NH-26 in the State of UP on BOT Basis - UP3	2,530.00	2,507.55	22.45
58	Indore-Dewas Tollways Ltd	Indore, MP	Six Laning of Indore- Dewas Section of NH-3 from Km 577.550 to Km 610.000 and Km 0.000 to Km 12.600 (Approx. length 45.05KM) in the State of MP	4,750.00	2,287.23	2,462.77
59	HKR Roadways Ltd	Hyderabad	Design, Construction, Finance, Operation and Maintenance of Four-Laning of Hyderabad – Karimnagar – Ramagundam Road (SH-1) from Km.28.200 to 235.058 in the State of Andhra Pradesh under Public Private Partnership (PPP) on Build, Operate, and Transfer (BOT) Basis (Rs.190000*50%)	9,191.00	4,335.21	4,855.79
			Sub Total :	22,958.00	15,488.05	7,469.95
			Grand Total	119,505.70	48,592.15	70,913.56

Segment-wise composition of our order book as on October 31, 2012

Our segment wise composition of our order-book as on October 30, 2012 was as follows:

Segment	Amount (₹ in Million)	Percentage (%)
Roads Division	8,841.67	12.47
Irrigation Division	34,036.06	48.00
Industrial Works	18,295.86	25.80
Power Transmission	2,270.01	3.20
Orders from BOT Projects	7,469.95	10.53
Total :	70,913.56	100.00

Client Wise Composition of our Order Book as on October 31, 2012

A high proportion of our contracts are entered with central and state governments and public sector undertakings. As on October 31, 2012, approximately 64.03% of our order book was represented by contracts and/or orders awarded by the Central and State Governments and public sector undertakings as further detailed below:

S.No.	Particulars	No. of Contracts	O/s Value of Contract (₹ in Million)	% age of O/s Order Book as on November 30, 2011
1.	Central and State Governments	23	40,733.99	57.44
2.	Public Sector Undertakings	14	4,675.29	6.59
3.	Private Sector Clients	22	25,504.27	35.97
	Total :	59	70,913.55	100.00

B. Power Projects:

As a group strategy to expand vertically to other business segments to mitigate the business risk, our Company has

invested in numerous entities engaged in the power sector through our Company's wholly owned subsidiary Gayatri Energy Ventures Private Limited, ("GEVPL"). As on September 30, 2012 GEVPL has invested:

In Step-Down Subsidiaries:

- ₹ 2,366.00 million in the equity share capital 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.
- ₹ 49.55 million in equity shares of Bhandara Thermal Power Corporation Limited at a face value of such equity shares of ₹10 per equity share for the purposes of a proposed establishment of a coal based thermal power plant at Bhandara, Maharashtra, India..

In Associate and Other Entities in the Power Sector:

- ₹ 3,789.53 million in the equity share capital of NCC Power Projects Limited.
- ₹ 300 million in the equity share capital of Jinbhuvish Power Generations Private Limited in connection with the establishment of a thermal power project in the state of Maharashtra.
- ₹ 0.30 million in the equity share capital of Sembcorp Gayatri O&M Company Private Limited.

Our Subsidiaries

As on date we have four direct Subsidiaries, namely Gayatri Infra Ventures Limited, Gayatri Energy Ventures Private Limited and Sai Maatarini Tollways 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.

Gayatri Infra Ventures Limited is a holding company for our step down subsidiaries Gayatri Jhansi Roadways Limited and Gayatri Lalitpur Roadways Limited which are special purpose vehicles.

Sai Maatarini Tollways Limited is also a special purpose vehicle.

Gayatri Energy Ventures Private Limited is a holding company for our investments in various entities engaged in the power sector. Thermal Powertech Corporation India Limited and Bhandara Thermal Power Corporation Limited, subsidiaries of Gayatri Energy Ventures Private Limited, are engaged in setting up of thermal power plants in the state of Andhra Pradesh and Maharashtra, respectively.

A brief description of our Subsidiaries is as follows:

Sl. No.	Name of Subsidiary	Date of Incorporation	Direct/ Indirect Subsidiary (Percentage Holding as on October 31, 2012)	Brief Description of Business Activities
1.	Gayatri Infra Ventures Limited	January 22, 2008	Direct Subsidiary (Our Company holds 70.42% of the Issued Equity Share Capital)	Execute works as an EPC contractor, to do all developmental activities of BOT road projects and invest in road project related SPVs and to participate in number of BOT projects through joint ventures with strategic partners, and to get access to funds from India and global investors.
2.	Gayatri Energy Ventures Private Limited	February 23, 2008	Direct Subsidiary (Our Company holds 100.00% of the Issued Equity Share Capital)	Invest in entities and SPVs undertaking various power related projects, enter into joint ventures and/or collaborations with strategic partners, and to get access to funds from Indian and global investors in connection therewith.

Sl. No.	Name of Subsidiary	Date of Incorporation	Direct/ Indirect Subsidiary (Percentage Holding as on October 31, 2012)	Brief Description of Business Activities
3.	Gayatri Jhansi Roadways Limited	July 7, 2006	Step- Down Subsidiary (Gayatri Infra Ventures Limited holds 51% of the Issued Equity Share Capital)	SPV for design, construction, development, finance, operation and maintenance of Km. 0.000 to Km.49.700 on National Highway No.25/26 (NH-25/26) in the State of Uttar Pradesh under North-South Corridor (NHDP Phase - II) on a BOT (Annuity) basis - Package No.NS-1/BOT/UP-2
4.	Gayatri Lalitpur Roadways Limited	July 7, 2006	Step- Down Subsidiary (Gayatri Infra Ventures Limited holds 51% of the Issued Equity Share Capital)	SPV for design, construction, development, finance, operation and maintenance of Km. 49.700 to Km. 99.005 on National Highway No.26 (NH-26) in the State of Uttar Pradesh under North-South Corridor (NHDP Phase - II) on a BOT (Annuity) basis - Package No.NS-1/BOT/UP-3
5.	Sai Maatarini Tollways Limited	September 8, 2011	Direct Subsidiary (Our Company (and its nominees) hold 100% of the Issued Equity Share Capital)	SPV in connection with the four laning of Panikoili-Rimuli section of (Km. 0.000 to Km. 163.00) the National Highway No. 215 in state of Orissa under NHDP Phase-III on a BOT (Toll) basis and to collect toll, charges and fees from the users of the said project in accordance with the terms of the concession agreement with the National Highway Authority of India
6.	Thermal Powertech Corporation India Limited	January 8, 2008	Step- Down Subsidiary (Gayatri Energy Ventures Private Limited holds 51% of the Issued Equity Share Capital)	SPV for setting up of a coal based thermal power plant in Nellore District, Andhra Pradesh.
7.	Bhandara Thermal Power Corporation Limited	January 7, 2008	Step- Down Subsidiary (Gayatri Energy Ventures Private Limited holds 99.51% of the Issued Equity Share Capital)	SPV for setting up of a coal based thermal power plant in Bhandara District, Maharashtra.

Our Joint Ventures

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 we have 12 joint ventures, namely IJM Gayatri Joint Venture, Gayatri ECI Joint Venture, Gayatri RNS Joint Ventures, Gayatri Ranjit Joint Venture, Gayatri GDC Joint Venture, Gayatri BCBPPL Joint Venture, Jaiprakash Gayatri Joint Venture, Gayatri-Ratna Joint Venture, MEIL-GAYATRI-ZVS-ITT Consortium, Gayatri-JMC Joint Venture, Maytas-Gayatri Joint Venture and Vishwanath-Gayatri Joint Venture.

A brief description of our joint ventures is as follows:

Sl. No.	Name of Joint Venture	Date of Joint Venture Agreement	Name of Joint Venture Partner	Brief Description of current Business Activities	Percentage Share in Profits/Losses of our Company	Percentage Share in Profits/Losses of Joint Venture Partner
1.	IJM Gayatri Joint Venture	December 21, 1998	IJM Corporation, Berhad	Construction of road works	40	60
2.	Gayatri ECI Joint Venture	August 18, 2005	ECI Engineering & Construction Co Ltd.	Construction of road works	50	50
3.	Gayatri RNS Joint Ventures	April 7, 2007	RNS Infrastructure Ltd	Construction of road works	60	40
4.	Gayatri Ranjit Joint Venture	February 2, 2001	Ranjit Construction Co.,	Construction of road works	60	40
5.	Gayatri GDC Joint Venture	September 17, 2004	Gannon Dunkerley & Co. Ltd	Construction of road works	70	30
6.	Gayatri BCBPPL Joint Venture	January 19, 2008	B.C. Biyani Projects Pvt Limited	Construction of irrigation projects	60	40
7.	Jaiprakash Gayatri Joint Venture	July 9, 2004	Jaiprakash Associates Limited	Construction of irrigation projects	49	51
8.	Gayatri-Ratna Joint Venture	October 31, 2008	Ratna Infrastructure Projects Pvt. Ltd	Construction of roads and irrigation projects	80	20
9.	MEIL-GAYATRI-ZVS-ITT Consortium	January 28, 2009	Megha Engineering & Infrastructures Ltd.,	Construction of road works	48.44	51.56
10.	Gayatri-JMC Joint Venture	December 8, 2008	JMC Constructions P Ltd	Construction of road works	75	25
11.	Maytas-Gayatri Joint Venture	June 17, 2010	IL& FS Engineering & Construction Company Ltd. (formerly Maytas Infra Limited)	Construction of road works	37	63
12.	Vishwanath-Gayatri Joint Venture	September 25, 2010	Vishwanath Transformers Limited	Construction of road works	50	50

Project Tendering and Execution Process

Prequalification Parameters

Typically a project owner/client conceives of a specific project and follows it up with the appointment of a consultant who prepares a detailed project report. This report addresses various aspects of project implementation commencing from obtaining clearances, right of ways, scope of work, technical parameters, etc., to related costs which define the

approximate estimated cost of the project.

At the next level the project owner invites pre-qualifications from prospective bidders to assess and identify contractors who are capable of bidding for the project and subsequently implementing the same, if awarded. The detailed project report data is utilized to define the pre-qualification criteria by the project owner.

For projects across the various sectors, the project owner /client normally specify the qualifying criteria, which include:

Technical Capability: The tendering company/consortium/ joint venture should have the experience of having implemented projects of similar nature, necessary manpower with a relevant profile to suit the project and the experience to execute it. Depending on the project, relevant machinery as specified by the client should be available with the company. This may be owned or outsourced / hired from a third party.

Financial Strength: This includes the minimum annual turnover, net worth requirement as well as working capital requirements.

In the event the project allows for association of more than one company to participate in the contract to enable the partners to pool in their resources, thereby meeting the threshold pre-qualifying criteria, such a method of invitation is known as joint venture participation. Joint Venture participation allows the individual partners of the proposed project to pool in their own resources for pre-qualification as well as submission of the techno-commercial bid. Joint Venture may happen at the time of RFQ (request for qualification) or at tender stage in case of Two bid process. Normally a joint venture memorandum of understanding is signed by the partners, which is in line with the guidelines provided by the client. This Joint Venture agreement could be either project specific or generic.

- 1) Project Specific JVs/MOUs which are in existence till such time as the outcome of pre qualification or if awarded till the completion of the project.
- 2) Generic MOUs /JVs- In these cases the JVs /MOUs are not formed for any specific project rather it is a partnership wherein the JV can submit their prequalification and bid for the projects. No technology transfer is involved and both the parties will be limited to their respective scope of work derived out of their expertise.

Bidding Strategy

Our bidding strategy is based on the market opportunities, the competitive environment and new focus areas. Further, for each project we consider the project risks involved, impact of location, local environment, and the availability of existing resources such as manpower, equipments and finance. Our major cost inputs are labour, materials and plant and machinery. Once this is assessed the other costs such as site overheads, corporate overheads, profit margin, interest and taxes are added to arrive at the final cost for bidding. Based on the result of the tenders normally the lowest bidder is awarded the contract.

Tendering Process

Typically a project owner/client conceives of a specific project and follows it up with the appointment of a consultant who prepares a detailed project report. This report addresses various aspects of project implementation commencing from obtaining clearances, right of ways, scope of work, technical parameters, etc., to related costs which define the approximate estimated cost of the project.

At the next level the project owner invites pre-qualifications from prospective bidders to assess and identify contractors who are capable of bidding for the project and subsequently implementing the same, if awarded. The detailed project report data is utilized to define the pre-qualification criteria by the project owner.

Execution of Projects

Once the contract is awarded to the company, a project team is constituted to execute the work as per the conditions of the contract. The Team Head procures the relevant drawings and other details of the project from the consultant appointed by the client and based on that, the team selects the labour agencies, employs direct labour, plans purchasing of material, arranges for deployment of labour, and makes necessary arrangements for machines, power and water. The actual construction process begins with soil testing and includes land development, road development, masonry, concrete reinforcing, mixer operations, plumbing, plastering work, finishing etc. Each stage of the construction activity is closely monitored for quality and timely execution of work. The company also has a separate quality control

department that supervises and ensures the quality of work done and to meet demands of Project Management.

Engineering and Design

In the EPC contracts the scope of the work includes investigation, design and execution of the awarded work. The company shall conduct survey work prior to commencement of the work and prepare maps, designs and plans in suitable scale. In other contracts generally the employer will provide the required designs and drawings.

Raw Material and Raw Material Management

Our major raw materials required are steel, cement, diesel, bitumen, reinforcement steel, shuttering material, scaffolding, river sand, and block masonry electrical items.

Our company follow a centralized purchase system for cement, steel, diesel, and bitumen through our purchase department. In case of cement, our requirements are seasonal and we procure directly from manufacturing units located near to project site. We have got an effective system to take the material at competitive rates and to maintain minimum inventory, so the supplies are made on a just-in-time basis. In case of steel, diesel and bitumen our requirements are project specific. We procure steel from major steel suppliers to ensure availability and timely delivery to meet our project schedule needs.

Most of our other raw materials/consumables are easily available and hence we face no monopoly from suppliers. The requirement is processed through negotiations with the suppliers keeping in view the logistics of location of project and timing of supply. For some of our projects, we may require to purchase specific equipments and components, which are key inputs for project implementation, which are also procured by the centralized purchase department. However there are certain consumable which are required at various sites which are available locally at project sites and we have not faced difficulty in past in procuring them.

Plant Machinery and Equipment

We own a large fleet of construction equipment, which includes:

- heavy earth moving machinery, such as hydraulic excavators, loaders, dozers, earth compacters and concreting plants;
- quarry equipment, such as wagon drills, jack hammers, air compressors;
- transportation equipment, such as cars, jeeps, tippers, tractors, water tankers, trailers; and
- fabrication and erection plants, such as welding generators, gas cutting sets, workshop equipment, cranes, generators and other miscellaneous equipment.

Marketing

Although a major portion of the construction work is typically awarded by the government sector, a substantial amount of contracts from the private sector is also currently being offered. A contract offered by the Central or a State Government will normally be backed by budgetary support or financial support or grants from various institutions and agencies, both locally and internationally. As such, these contracts are normally awarded through the process of tendering. In view of the nature of this market, the major sources of information of tenders for construction contracts are newspapers and government gazettes. To effectively bid for these contracts, the Company has a separate department which keeps track of these tender notifications or advertisements and prepares the tender document. Further, bidding capacity of a party is a very important criterion for pre-qualification in a contract. Following the requirements of the tender the Company forms a joint venture with a suitable partner or bids in consortium with other reputed companies.

Competition

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.

Employees

As at November 16, 2012, we employed 1,183 full-time employees. As at November 16, 2012, 999 of our full-time employees, or 84.45 % were employed at our various project sites, while the remainder were employed at our head office. The skill sets of our employees give us the flexibility to adapt to the needs of our clients and the technical requirements of the various projects that we undertake.

The break-up of employees of our Company as on November 16, 2012 can be summarised as follows:

Location	Senior General Managers/ Vice Presidents / Executive Directors/ Chief Executive Officer	Assistant General Managers / Deputy General Managers / General Managers / Company Secretary / Chief Consultant	Assistant Managers / Deputy Managers / Managers / Senior Managers	Supervisor/Executive /Engineer	Support Staff	Total
Head Office	15	37	26	67	39	184
Project Sites and Other Locations	3	29	78	412	477	999
Total	18	66	104	479	516	1,183

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors represents the interests of shareholders and is responsible for our general management and approves our strategic and operational plans.

As per our Articles of Association, our Board shall consist of not less than 3 Directors and not more than 12 Directors, of which not less than two thirds of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement of Directors by rotation. We currently have 6 Directors. The minimum and maximum number of Directors may be increased or decreased by an ordinary resolution of the Company's shareholders, subject to the provisions of the Company's Articles of Association and the Companies Act.

Board of Directors

The Board of Directors has the ultimate responsibility for the management and administration of our affairs, unless otherwise directed by the Articles of Association, or Indian law.

The following table sets forth the composition of our Board of Directors as of the date of this Preliminary Placement Document.

Sr. No.	Name of the Director and Designation	Date of Appointment and Term	Address
1.	T. Indira Subbarami Reddy <i>Chairperson, Non-executive and Non Independent Director</i>	March 8, 1996 Retire By Rotation	6-3-249/5/A Road No. 1 Banjara Hills Hyderabad-500 034
2.	T.V. Sandeep Kumar Reddy <i>Managing Director</i>	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.	8-2-331/2/A, Road # 3 Banjara Hills Hyderabad-500 034
3.	J. Brij Mohan Reddy <i>Executive Vice Chairman</i>	March 30, 1994 Reappointed for a period of three years from October 01, 2012.	8-2-618, Road No.: 11 Banjara Hills Hyderabad- 500 034
4.	Ch. Hari Vittal Rao <i>Independent Non-Executive Director</i>	November 04, 2005 Retire By Rotation	Plot # 24, Kamalapuri Colony Srinagar Colony Road Hyderabad-500 073
5.	Dr. V. L. Moorthy <i>Independent Non-Executive Director</i>	November 04, 2005 Retire By Rotation	408, H. No.: 6-3-1103 Gulrez Apartments, Raj Bhavan Road, Somajiguda Hyderabad-500 082
6.	G. Siva Kumar Reddy <i>Independent Non-Executive Director</i>	March 30, 1994 Retire By Rotation	8-2-684/4/5/6 Road No. 12 Banjara Hills Hyderabad - 500034

BRIEF BIOGRAPHY OF OUR DIRECTORS

T. Indira Subbarami Reddy, aged 61 years, is a Promoter and non-executive chairperson of our Company. T. Indira 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. The total remuneration paid to her in Fiscal 2012 was ₹ 0.12 Million.

T. V. Sandeep Kumar Reddy, aged 45 years, is a Promoter and also, the managing director of our Company. He 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. He holds a masters degree in construction engineering and management from University of Michigan 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. The total remuneration paid to him in Fiscal 2012 was ₹ 39.30 Million.

J. Brij Mohan Reddy, aged 71 years, 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. The total remuneration paid to him in Fiscal 2012 was ₹ 13.20 Million.

Ch. Hari Vittal Rao, aged 73 years, 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. The total remuneration paid to him in Fiscal 2012 was ₹ 0.19 Million.

Dr. V L Moorthy, aged 76 years, our Company's non-executive and independent director holds a masters degree in science and a doctorate in philosophy in the field of pure chemistry from University of Calcutta. He has experience of 40 years in the fields of paper and pulp industry and was previously employed with ITC Bhadrachalam Paper Board. He has been associated with our Company since November 04, 2005. The total remuneration paid to him in Fiscal 2012 was ₹ 0.15 Million.

G. Siva Kumar Reddy, aged 57 years, our Company's non-executive and independent director is a post graduate in 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. The total remuneration paid to him in Fiscal 2012 was ₹ 0.16 Million.

Relationships of the Directors

Except T. Indira Subbarami Reddy, non-executive chairman and T. V. Sandeep Kumar Reddy, managing director who are related to each other as mother and son, and J Brij Mohan Reddy, executive vice chairman and T.V. Sandeep Kumar Reddy, managing director 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.

Interest of our Directors

As of September 30, 2012, following directors held Equity Shares of the Company.

Sr. No.	Name of the Director	Number of Equity Shares held as at September 30, 2012
1.	T. Indira Subbarami Reddy	10,630,932
2.	T.V. Sandeep Kumar Reddy	4,579,544
3.	J. Brij Mohan Reddy	450
4.	G. Siva Kumar Reddy	225
5.	V. L. Moorthy	Nil
6.	Ch. Hari Vittal Rao	Nil

All the Directors, including the independent directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of remuneration or commission and reimbursement of expenses payable to them under the Articles of Association. The executive director will be interested to the extent of remuneration paid to him for his services rendered as officer of the Company

Except as otherwise stated in this Preliminary Placement Document, the Company has not entered into any contract, agreements, arrangements during the preceding two years from the date of this Preliminary Placement Document in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements, arrangements which are proposed to be made with them.

As at September 30, 2012, no loans were granted by the Company to, or guarantees provided to the benefit of, the Directors of the Company. There is no pecuniary relationship or transaction of the Company with any non-executive director.

For further details regarding our related party transactions, please refer the disclosures given in section titled “*Financial Statements*” on page 182 of this Preliminary Placement Document.

Changes in the Board of Directors During the Last Three Years

Name of the Director	Date of Change	Reason for Resignation
Jinnah SMAA	January 28, 2010	Death

Remuneration, Commission and Other Payments to our Directors

T. V. SANDEEP KUMAR REDDY, MANAGING DIRECTOR

T. V. Sandeep Kumar Reddy has been re-appointed as a managing director of the Company with effect from October 01, 2009 for a period of 5 years. The remuneration payable by way of salary, perquisites and commission is as follows:

Name & Designation	Salary	Perquisites and Allowances (p.a.)	Commission
T. V. Sandeep Kumar Reddy <i>Managing Director</i>	₹ 2 million per month (in the pay scale of ₹ 2 million to ₹ 4 million) (With an increment not exceeding ₹ 0.50 million per annum)	₹ 1.50 million	1% of the net profits of the company computed pursuant to Section 349 & 350 of the Companies Act, 1956

The perquisites and allowances payable to the whole time director shall include medical allowance; leave travel allowance for self and family including dependants; club fees, accident/medical reimbursement; encashment of leave and such other perquisites and / or allowances, up to the amounts specified above, subject to an overall ceiling of remuneration stipulated in Sections 198 and 309 of the companies Act, 1956.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the income tax act, 1961, and the rules framed there under (including any statutory modifications or re-enactment thereof for the time being in force). However the company’s contribution to Provident fund, Superannuation or Annuity fund, to the extent these singly or together are not taxable under the Income Tax Act, 1961, and gratuity payable and encashment of leave at the end of the tenure, as per the rules of the Company, shall not be included in the computation of limits for the remuneration which includes salary, perquisites and allowances.

The terms and conditions and payment of remuneration within the limits specified herein may be altered and varied from time to time by the Board of Directors of the company as it may, at its discretion deem fit. The Board is also entitled to revise the salary, perquisites and allowances payable to the said Managing Director shall not exceed the limits specified under Section 309 read with Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) or any amendment made thereto.

The Managing Director will not be entitled for sitting fees.

Commission:

In addition to the salary and perquisites, T. V. Sandeep Kumar Reddy is also eligible for commission up to 1% of the net profits of the Company calculated as per the provisions of section 198 of the Companies Act, 1956.

J. BRIJ MOHAN REDDY, EXECUTIVE VICE CHAIRMAN

J. Brij Mohan Reddy was re-appointed as executive vice chairman of the Company for a period of three years

commencing from October 1, 2012 to September 30, 2015 on the following terms and conditions:

Period: For a period of 3 years commencing from October 1, 2012 to September 30, 2015.

Remuneration: Salary of ₹1.10 million per month and other perquisites as applicable to the senior management of the Company. The remuneration may be reviewed by the board from time to time.

The terms and conditions of the appointment of J. Brij Mohan Reddy may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule XIII to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and J. Brij Mohan Reddy, subject to such approvals as may be required.

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

Remuneration Payable to our Non-Executive and Independent Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

All our Company's non-executive Directors, including our Chairperson, are entitled to sitting fees of ₹ 15,000 per meeting of the Board of Directors and ₹ 7,500 for Audit committee thereof.

Following are the sitting fees paid to the non-executive Directors of our Company for Fiscal 2012:

Sr. No.	Name of the Director	Sitting fees paid during Fiscal 2012 (₹ in million)
1.	G. Siva Kumar Reddy	0.16
2.	Ch. Hari Vittal Rao	0.19
3.	Dr. V. L. Moorthy	0.15

Borrowing Powers of the Board

The Company at its AGM held on September 30, 2011, passed a resolution authorizing the Board of Directors pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, for borrowing any sum(s) of money from time to time as it may consider fit, on such terms and conditions as the Board may deem fit, not withstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained/ to be obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves, so that the total amount of monies so borrowed at any time shall not exceed a sum of ₹70 billion.

Corporate Governance

Our corporate governance policies recognize the accountability of the Board and the importance of the transparency to all our constituents, including employees, customers, investors and the regulatory authorities and of demonstrating that the shareholders are the ultimate beneficiaries of our economic activities.

Our corporate governance philosophy encompasses not only regulatory and legal requirements, including the SEBI Regulations in respect of corporate governance, but also other practices aimed at a high level of business ethics, effective supervision and enhancement of value for all shareholders. Our role, function, responsibility and accountability are clearly defined. In addition to its primary role of monitoring corporate performance, the function of the Board includes approving a business plan, reviewing and approving annual budgets and borrowing limits, fixing exposure limits and ensuring that our shareholders are kept informed about our plans, strategies and performance. To enable the Board of Directors to discharge these responsibilities effectively, the management provides detailed reports on our performance to the board on a quarterly basis.

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

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

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

The Board of Directors also function through various committees such as the Audit Committee, the Finance Committee, the Remuneration and Compensation Committee and the Investors / Shareholders' Grievances Committee.

These committees meet on a regular basis.

Board Committees

Audit Committee

The audit committee of our Company ("**Audit Committee**") is constituted in accordance with the requirements under Section 292A of the Companies Act and Clause 49 of the listing agreement with the Stock Exchanges. The Audit Committee was constituted by our Board of Directors *vide* their meeting dated November 07, 2005. The Audit Committee met five times during the Fiscal year 2012. The Audit Committee was reconstituted on March 15, 2010.

The members of the Audit Committee are:

1. Ch. Hari Vittal Rao (Chairman);
2. Dr. V. L. Moorthy (Member); and
3. G. Siva Kumar Reddy (Member)

The Audit Committee of the Company is formed primarily to monitor and supervise the Company's financial reporting process and to ensure that the disclosure of the financial information is correct, sufficient and credible in accordance with the provisions of the Listing Agreement and Section 292A of the Companies Act. In addition to this function, the responsibilities of the committee also include but are not limited to the following functions:

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

Remuneration Committee

The remuneration committee of our Company ("**Remuneration Committee**") was constituted by our Directors *vide* their Board meeting held on June 23, 2006 and was reconstituted on February 14, 2011. The Remuneration and Compensation Committee met one time during the Fiscal year 2012.

The members of the Remuneration Committee are:

1. G. Siva Kumar Reddy (Chairman);
2. T. Indira Subbarami Reddy (Member); and
3. V. L. Moorthy (Member)

The terms of reference of the Remuneration Committee includes

1. To approve the remuneration and commission/incentive remuneration payable to the managing director/executive Directors for each financial year;
2. To approve the remuneration and annual performance bonus payable to the chief finance officer and the vice president of the Company for each financial year; and
3. Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/approve.

Shareholder's /Investors Grievance Committee

The shareholder's/investors grievance committee of our Company ("**Shareholder's/Investors Grievance Committee**") was constituted by our Directors vide their Board meeting held on November 07, 2005 and was reconstituted on March 15, 2010. No meeting of the Shareholder's/Investors Grievance Committee was held during the Fiscal 2012.

The Shareholder's/Investors Grievance Committee members are:

1. Ch. Hari Vittal Rao (Chairman);
2. J. Brij Mohan Reddy (Member); and
3. G. Siva Kumar Reddy (Member)

The Shareholder's/Investors Grievance Committee was constituted in order to review transfer/transmission of shares/debentures, issue of duplicate share certificates, review of shares dematerialized and all other relevant matters, monitors expeditious redressal of investor's grievances, non receipt of annual reports and declared dividend and all other matters related to shares/debentures

Payment or Benefit to Officers of the Company

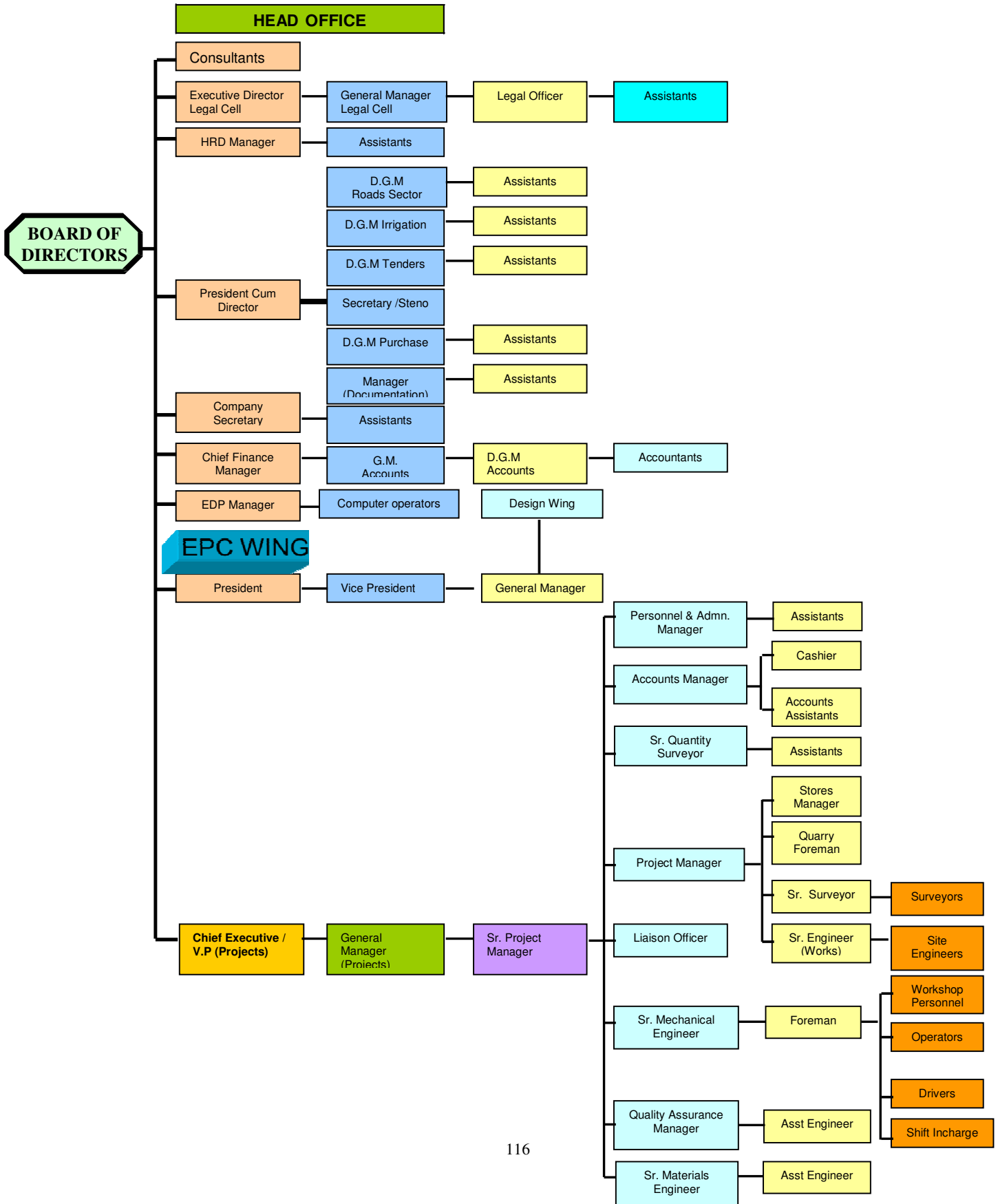
The Company provides no added payment or benefit to the Officers of the Company.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1997, as amended till date, the Company has a comprehensive code of conduct on prohibition of insider trading and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences on non-compliance thereof. The Company follows quiet periods (closure of trading window) prior to the publication of price sensitive information. During the period, the Company has set up a mechanism where the management and relevant staff and business associates of the Company are informed about the same and are advised not to deal in Company's securities.

Key Managerial Personnel

Organizational Chart of the Key Managerial Personnel of the Company



The following are key managerial personnel of the Company:

All key managerial personnel are our employees on a full time basis. The following are brief biographies of our key managerial personnel:

Mr. S. V. Vaidya is the President of the Company. He holds a Bachelors degree in Civil Engineering. Prior to joining the Company, he has been associated with M/s Venkatesh Constructions. He has been associated with the Company for a period of more than 20 years. As on September 30, 2012, he holds no equity shares in our Company.

Mr. C. Satyanarayana is the Chief Executive Officer of the Company. He holds a Bachelors degree in Engineering, a Masters degree in Business Administration and a Doctor of Philosophy degree. Prior to joining the Company, he has been associated with M/s. Andhra Pradesh Construction Corporation. He has been associated with the Company for a period of more than 31 years. As on September 30, 2012, he holds no equity shares in our Company.

Mr. P. Sreedhar Babu is the Chief Financial Officer of the Company. He is a Fellow Chartered Accountant. Prior to joining the Company, he was a practicing Chartered Accountant. He has been associated with the Company for a period of more than 7 years. As on September 30, 2012, he holds 5 equity shares in our Company.

Mr. G. Venkata Rao is the President (EPC – Industrial Projects) of the Company. He holds a Bachelors degree in Civil Engineering. Prior to joining the Company, he has been associated with Vizag Steel Plant. He has been associated with the Company for a period of more than 4 years. As on September 30, 2012, he holds no equity shares in our Company.

Mr. G. Saibaba is the Executive Director (Techno Legal) of the Company. He holds a Bachelors degree in Civil Engineering. Prior to joining the Company, he has been associated with the Irrigation Department, Government of Andhra Pradesh. He has been associated with the Company for a period of more than 13 years. As on September 30, 2012, he holds no equity shares in our Company.

Mr. K. V. M. Prasad is the General Manager (T & C) of the Company. He holds a Masters degree in Technology. Prior to joining the Company, he has been associated with the Madhucon Projects. He has been associated with the Company for a period of more than 11 years. As on September 30, 2012, he holds no equity shares in our Company.

Mr. V.R.C. Abbineni is the Deputy General Manager (HR) of the Company. He holds a Bachelors degree in Commerce and a Diploma in IR & PM. Prior to joining the Company, he has been associated with Tata Projects Limited. He has been associated with the Company for a period of more than 6 years. As on September 30, 2012, he holds no equity shares in our Company.

Mr. K. G. Naidu is the Vice President (Finance) of the Company. He is a Fellow Chartered Accountant. Prior to joining the Company, he has been associated with Deccan Chronicle. He has been associated with the Company for a period of more than 6 years. As on September 30, 2012, he holds no equity shares in our Company.

Mr. G. Koteswara Rao is the Vice President (Cost and Internal Audit) of the Company. He holds an Institute of Cost and Works Accountant of India degree. Prior to joining the Company, he has been associated with Deccan Chronicle. He has been associated with the Company for a period of more than 7 years. As on September 30, 2012, he holds no equity shares in our Company.

Mr. V. V. Chandra Sekhar is the General Manager (Systems & Audit) of the Company. He holds a Bachelors degree in Science and is an Associate Chartered Accountant. Prior to joining the Company, he has been associated with M/s Motilal Oswal. He has been associated with the Company for a period of more than 7 years. As on September 30, 2012, he holds no equity shares in our Company.

Mr. C. C. T. Sambandan is the Deputy General Manager (Procurement) of the Company. He holds a Bachelors degree in Science and is an Associate Chartered Accountant. Prior to joining the Company, he has been associated with M/s Gayatri Starchkem Limited. He has been associated with the Company for a period of more than 11 years. As on September 30, 2012, he holds no equity shares in our Company.

Mr. N .Venkateswara Rao is the Deputy General Manager (IT) of the Company. He holds a Bachelors degree in Commerce. Prior to joining the Company, he has been associated with M/s Gayatri Capital. He has been associated with the Company for a period of more than 20 years. As on September 30, 2012, he holds 5 equity shares in our Company.

Mr. N. V. V. S. Murthy is the Vice President (Projects) of the Company. He holds a Bachelors degree in Civil Engineering. Prior to joining the Company, he has been associated with Prasad & Company. He has been associated with the Company for a period of more than 30 years. As on September 30, 2012, he holds no equity shares in our

Company.

Ms. I. V. Lakshmi is the Company Secretary & Compliance Officer, of the Company. She holds a Bachelors degree in Law and is an Associate Company Secretary. Prior to joining the Company, she has been associated with SEW Constructions Limited. She has been associated with the Company for a period of more than 5 years. As on September 30, 2012, she holds 15 equity shares in our Company.

Mr. D. L. N. Rao is the Vice President (Roads) of the Company. He holds a Masters degree in Technology. Prior to joining the Company, He has been associated with the National Highway Association of India. He has been associated with the Company for a period of more than 4 years. As on September 30, 2012, he holds no equity shares in our Company.

Mr. D. Sitaram is the Executive Director (BD) of the Company. He holds a Bachelors degree in Commerce. Prior to joining the Company, He has been associated with the Transttroy India Limited. He has been associated with the Company for a period of more than 5 years. As on September 30, 2012, he holds no equity shares in our Company

Mr. B. A. Sudhakar Reddy is the Executive Director (T&D) of the Company. He holds a Bachelors degree in Civil Technology. Prior to joining the Company, He has been associated with the Maharashtra Power Transmission Structures Private Limited. He has been associated with the Company for a period of more than 1 year. As on September 30, 2012, he holds no equity shares in our Company

Mr. S. K. Sarkar is the Executive Director (EPC-Power Projects) of the Company. He holds a Bachelors degree in Engineering. Prior to joining the Company, He has been associated with the M/s Reliance Infrastructure Limited. He has been associated with the Company for a period of more than 2 years. As on September 30, 2012, he holds no equity shares in our Company

Transactions with the key managerial personnel

There have been no transactions during the current or previous fiscal year between the Company and any of its key managerial personnel, which, because of their unusual nature or the circumstances in which they have been entered into, are or should be required to be disclosed in the Company's accounts or approved by its shareholders and there are no such transactions during an earlier fiscal year which remain in any respect outstanding or unperformed.

Relation of key managerial personnel with the Promoter, Directors, and other key managerial personnel

None of the key managerial personnel of the Company are related to any Promoter, Director or any other key managerial personnel.

Changes in the key managerial personnel during the past three years.

Name of the Key Managerial Personnel	Date of Change	Appointment/Resignation
Mr. B. A. Sudhakar Reddy	October 02, 2011	Appointment
Mr. S. K. Sarkar	November 16, 2010	Appointment
Mr. V. R. Prasad	June 01, 2012	Resignation

PRINCIPAL SHAREHOLDERS

Capital structure

As of the date of this Issue, the Company's capital structure is as set out in the following table:

Particulars	As at September 30, 2012 (Amount in ₹ million)
Authorised Share Capital	
40,000,000 Equity Shares	400.00
Issued, Subscribed and Paid-up Equity Share Capital before this Issue	
23,968,242 Equity Shares	239.68

Changes in authorized share capital of the Company

- Pursuant to postal ballot resolution dated November 22, 2010 passed by the shareholders of the Company, the authorized share capital was increased from ₹ 150 million divided into 15 million Equity Shares to ₹ 400 million divided into 40 million Equity Shares.

Shareholding Pattern

The shareholding pattern of the Company as on September 30, 2012 is as follows:

Category of Shareholder	No. of Shareholders	Total No. of Equity Shares	Total No. of Equity Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Equity Shares		Equity Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of Equity Shares	As a % of Total No. of Equity Shares
(A) Shareholding of Promoters and Promoter Group							
(1) Indian							
Individuals / Hindu Undivided Family	5	15,211,536	15,211,536	63.47	63.47	7,550,217	49.63
Sub total	5	15,211,536	15,211,536	63.47	63.47	7,550,217	49.63
(2) Foreign							
Bodies Corporate	-	-	-	-	-	-	-
Sub total	-	-	-	-	-	-	-
Total shareholding of Promoters and Promoter	5	15,211,536	15,211,536	63.47	63.47	7,550,217	49.63

Category of Shareholder	No. of Shareholders	Total No. of Equity Shares	Total No. of Equity Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Equity Shares		Equity Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of Equity Shares	As a % of Total No. of Equity Shares
Group (A)							
(B) Public Shareholding							
(1) Institutions							
Mutual funds/ Unit Trust of India	2	1,314,747	1,314,747	5.49	5.49	0	0.00
Financial Institutions / Banks	-	-	-	-	-	-	-
Foreign Institutional Investors	8	3,170,146	3,170,146	13.23	13.23	0	0.00
Any others (specify): Venture Capital Funds)	1	588,351	588,351	2.45	2.45	0	0.00
Sub Total	11	5,073,244	5,073,244	21.17	21.17	0	0.00
(2) Non-Institutions						-	-
Bodies Corporate	299	695,627	695,627	2.90	2.90	0	0.00
Individuals						-	-
Individual shareholders holding nominal share capital up to ₹0.1 Million	10,501	1,740,055	1,737,067	7.26	7.26	0	0.00
Individual shareholders holding nominal share capital in excess of ₹ 0.1 Million	21	1,086,388	1,086,388	4.53	4.53	0	0.00
Any Others	275	161,392	161,392	0.67	0.67	0	0.00
Clearing Members	48	16,775	16,775	0.07	0.07	0	0.00
Foreign Nationals	-	-	-	-	-	-	-
Non Resident Indians	226	144,392	144,392	0.60	0.60	0	0.00

Category of Shareholder	No. of Shareholders	Total No. of Equity Shares	Total No. of Equity Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Equity Shares		Equity Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of Equity Shares	As a % of Total No. of Equity Shares
Directors & their Relatives & Friends	1	225	225	0.00	0.00	0	0.00
Sub Total	11096	3,683,462	3,680,474	15.37	15.37	0	0.00
Total Public shareholding (B)	11107	8,756,706	8,753,718	36.53	36.53	0	0.00
Total (A)+(B)	11112	23,968,242	23,965,254	100.00	100.00	7,550,217	31.50
(C) Shares held by Custodians and against which Depository Receipts have been issued							
(1) Promoters and Promoter Group	-	-	-	-	-	-	-
(2) Public	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-	-
Total (A)+(B)+(C)	11112	23,968,242	23,965,254	0.00	100.00	7,550,217	31.50

Shareholding of securities of persons belonging to the category “Promoter and Promoter Group”

The following table sets out the details of Equity Shares held by our Promoter and Promoter Group as on September 30, 2012:

Sr. No.	Name of the shareholder	Details of Equity Shares held		Encumbered Equity Shares		
		No. of Equity Shares held	As a % of grand total of number of Equity Shares	No. of Equity Shares	As a percentage	As a % of grand total of number of Equity Shares
1.	T. Indira Subbarami Reddy	1,06,30,932	44.35	5765055	54.23	24.05
2.	T.V. Sandeep Kumar Reddy	45,79,544	19.11	1785162	38.98	7.45

Sr. No.	Name of the shareholder	Details of Equity Shares held		Encumbered Equity Shares		
		No. of Equity Shares held	As a % of grand total of number of Equity Shares	No. of Equity Shares	As a percentage	As a % of grand total of number of Equity Shares
3.	J. Brij Mohan Reddy	450	0.00	0	0.00	0.00
4.	Sulochanamma Gunupati	450	0.00	0	0.00	0.00
5.	Sarita Reddy Tikkavarapu	160	0.00	0	0.00	0.00
	Total	1,52,11,536	63.47	7550217	49.63	31.50

Details of Equity Shares issued during the Fiscal Year 2012:

Pursuant to the resolution dated January 21, 2011 passed by the Board and in compliance with the provisions under section 81(1) (a) of the Companies Act and SEBI regulations, the Company has issued 11,979,242 Equity Shares to the shareholders of the Company on the record date i.e February 23, 2012 for cash at a premium of ₹ 110 per Equity Share in the ratio of one right Equity Share for every one Equity Share held by the shareholder on the record date.

Shareholding of Securities belonging to the category “Public” and holding more than 1% of the total number of Equity Shares.

The following table sets out the persons and entities (excluding promoter and promoter group) who beneficially own more than 1% (one percent) of our Equity Shares as at September 30, 2012:

Sr. No.	Name of the shareholder	No. of Equity Shares held	As a % of grand total of total number of Equity Shares
1.	Reliance Capital Trustee Co Limited- Reliance Infrastructure Fund	994,068	4.15
2.	Leman Diversified Fund	862,600	3.60
3.	Davos International Fund	861,200	3.59
4.	Sparrow Asia Diversified Opportunities Fund	832,200	3.47
5.	IL&FS Trust Company Ltd A/c IL&FS Private Equity T	588,351	2.45
6.	UTI Master Value Fund	320,679	1.34
7.	Ashish Dhawan	312,869	1.31
	Total	4,771,967	19.91

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to the Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. Taxation statutes such as the IT Act, 1961 and applicable local sales tax statutes, and other miscellaneous regulations and statutes apply to us as they do to any other Indian company. The statements below are based on the current provisions of the Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

We are engaged in the business of execution of irrigation projects such as constructing reservoirs, canals, dams and barrages; roadway projects such as constructing expressways, state and national highways, bridges, flyovers, aqueducts and dedicated service corridors; industrial construction projects such as constructing factory premises, ports, industrial parks, SEZs and related works; and construction of power and transmission lines.

The major regulations governing the Company are detailed below:

REGULATIONS APPLICABLE TO CONSTRUCTION OF NATIONAL HIGHWAYS, BRIDGES, FLYOVERS, ETC

National Highways Act, 1956 (the “NH Act”)

The central government is responsible for the development and maintenance of ‘National Highways’ and may delegate any function relating to development of ‘National Highways’ to the relevant state government in whose jurisdiction the ‘National Highway’ falls, or to any officer or authority subordinate to the central or the concerned state government. The central government may also enter into an agreement with any person (being, either an individual, a partnership firm, a company, a joint venture, a consortium or any other form of legal entity, Indian or foreign, capable of financing from own resources or funds raised from financial institutions, banks or open market) in relation to the development and maintenance of the whole or any part of a ‘National Highway’. Such agreement may provide for designing and building a project and operating and maintaining it, collecting fees from users during an agreed period, which period together with construction period is usually referred to as the ‘concession period’. Upon expiry of the ‘concession period’, the right of the person to collect fees and his obligation to operate and maintain the project ceases and the facility stands transferred to the central government. The central government may declare a highway as a ‘National Highway’ and acquire land for such purpose. It may, by a notification in this regard, declare its intention to acquire any land when it is satisfied that the building, maintenance, management or operation of a ‘National Highway’, on such land should be undertaken for ‘public purpose’. The NH Act prescribes the procedure for the same.

National Highway (Collection of Fees by any Person for the Use of Section of National Highways/ Permanent Bridge/ Temporary Bridge on National Highway) Rules, 1997 (the “NH Rules”)

As provided under the NH Rules, the central government may enter into an agreement with any person in relation to the development and maintenance of whole or any part of a ‘National Highway’/ ‘permanent bridge’/ ‘temporary bridge’ on a ‘National Highway’ as it may decide, pursuant to which such person may be permitted to invest his own funds for the development or maintenance of a section of ‘National Highway’ or any ‘permanent bridge’/ ‘temporary bridge’ on a ‘National Highway’. Further, such person shall be entitled to collect and retain the fees, at agreed rates, from different categories of mechanical vehicles for an agreed period for the use of the facilities thus created, subject to the terms and conditions of the agreement and the NH Rules. Further, the rates for the collection of fees are decided and specified by the central government. Once the period of collection of fees by such person is completed, all rights pertaining to the facility created would be deemed to have been taken over by the central government.

National Highways Fee (Determination of Rates and Collection) Rules, 2008 (the “NH Fee Rules”)

Pursuant to the NH Fee Rules, the central government may, by a notification, levy fee for use of any section of a ‘National Highway’, ‘permanent bridge’, bypass or tunnel forming part of a ‘National Highway’, as the case may be. However, the central government may, by notification, exempt any section of a ‘National Highway’, ‘permanent

bridge', bypass or tunnel constructed through a public funded project. The collection of fee shall commence within 45 days from the date of completion of the section a 'National Highway', 'permanent bridge', bypass or tunnel constructed through a public funded project. In case of a 'private investment project', the collection of such fee shall be made in accordance with the terms of the agreement entered into by the concessionaire.

National Highways Authority of India Act, 1988 (the "NHAI Act")

The NHAI Act provides for the constitution of the NHAI for the development, maintenance and management of National Highways. Pursuant to the same, the NHAI was set up in 1995. The NHAI has the power to enter into and perform any contract necessary for the discharge of its functions under the NHAI Act. The NHAI Act prescribes a limit in relation to the value of the contracts that may be entered into by NHAI. However, such contracts may exceed the value so specified with the prior approval of the central government. Any land required by NHAI for discharging its functions under the NHAI Act, 1988 shall be deemed to be land needed for a 'public purpose' and such land may be acquired under the provisions of Land Acquisition Act, 1894 or any other corresponding law for the time being in force. Projects may be offered on BOT basis to private agencies. The concession period can be up to a maximum of 30 years, after which the road is transferred back to NHAI by the concessionaires. The bidding for the projects takes place in two stages as per the process provided below:

- In the pre-qualification stage, NHAI selects certain bidders on the basis of technical and financial expertise, prior experience in implementing similar projects and previous track record;
- In the second stage, NHAI invites commercial bids from the pre-qualified bidders on the basis of which the right to develop the project is awarded.
- Where projects are funded by multilateral funding agencies, the selection takes place in consultation and concurrence with the funding organization. For other types of projects, selection is as per standards work procedures.
- Private sector participation in the road sector is sought to be promoted through various initiatives including:
- The government ensures that all preparatory work including land acquisition and utility removal is completed before awarding of the project;
- Right of way is made available to the concessionaires free from all encumbrances;
- NHAI / Government of India may provide capital grant up to 40% of project cost to enhance viability on a case to case basis;
- 100% tax exemption for 5 years and 30% relief for next five years, which may be availed of in 20 years;
- Concession period allowed up to 30 years;
- In BOT projects entrepreneurs are allowed to collect and retain tolls; and
- Duty free import of specified modern high capacity equipment for highway construction.

In addition to the above, there are also certain other legislations that are relevant to the road sector which include the Road Transport Corporation Act, 1950, National Highways Rules, 1957, National Highways (Temporary Bridges) Rules, 1964, National Highways (Fees for the Use of National Highways Section and Permanent Bridge Public Funded Project) Rules, 1997, National Highways (Rate of Fee) Rules, 1997, National Highways Tribunal (Procedure) Rules, 2003, Central Road Fund Act, 2000 and Central Road Fund (State Roads) Rules 2007.

REGULATIONS APPLICABLE TO GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRICITY

The development of electricity industry in India was fashioned by two pieces of legislations namely the Indian Electricity Act, 1910 ("**Electricity Act**") and the Electricity (Supply) Act, 1948 (the "**Supply Act**"). The Electricity Act introduced a licensing system for the electricity industry and the Supply Act was responsible for introducing greater state involvement in the industry, facilitating regional coordination. The Supply Act promoted state-owned, vertically integrated units through the creation of the State Electricity Boards ("**SEBs**"), to develop "Grid System". Under this legislation, the SEBs were made responsible for generation, transmission and distribution of electricity within the geographical limits of each State of the Indian Union. A government department was responsible for the electricity supply in states where SEBs were not set up. Under the Constitution of India, both the State and Central Governments have the power to regulate the electricity industry. In the early 1990s, the power sector was liberalized and private participation in the generation sector was permitted by way of amendments in 1991 and 1998 to the Supply Act to open generation to private sector and establishment of RLDCs and to provide for private sector participation in transmission. In 1998, the Electricity Regulatory Commissions Act, 1998 ("**ERC Act**") was enacted by the Central Government. The ERC Act provided for the establishment of independent electricity regulatory commission both at the Central and State

levels. These regulatory commissions were set up with the objective of rationalizing the prevailing electricity tariff regime and promoting and regulating the electricity industry in the country.

On the other hand, in view of the growing interest of the foreign investors government has allowed 100% FDI in Generation, Transmission and Distribution.

The Electricity Act, 2003

The Electricity Act, 2003 (hereinafter referred to as the “Act”) was enacted with effect from June 10, 2003 repealing and replacing all the three Acts i.e. Indian Electricity Act, 1910, Electricity (Supply) Act, 1948 and Electricity Regulatory Commissions Act, 1998. The Act seeks to provide for demarcation of the roles of generation, transmission and distribution to provide for individual accountability of each. Some of the major provisions of the Act include inter alia the following:

1. de-licenses generation, makes captive-generation freely permissible;
2. provides open access for transmission, distribution and trading;
3. specifies technical standards, grid standards and safety requirements; and
4. introduces power trading as a distinct activity from power generation, transmission and distribution.

As per the Electricity Act, 2003 the functions of the Central Transmission Utility are to, Undertake transmission of energy through inter-State transmission system, Discharge all functions of planning & co-ordination for inter-state transmission system with state transmission utilities; Central Govt., State Govt., Generating companies, Authority, Licensees etc.; Ensure development of an efficient, coordinated and economical system of inter-state transmission lines for smooth flow of electricity from generating stations to load centers; Exercise supervision & control over the inter-state transmission system ; Ensure integrated operation of the regional grids through RLDCs. Similarly, the State Transmission Utilities are responsible for the development of transmission networks at the state level.

Special Economic Zones

Special Economic Zones Act, 2005

The Government of India has enacted the Special Economic Zone Act, 2005 (the “**SEZ Act**”) for the establishment, development and management of special economic zone (the “**SEZs**”) for the promotion of exports. An SEZ is a specifically delineated duty free enclave, deemed to be a foreign territory for the purposes of trade as well as duties and tariffs. A Board of Approval (“**SEZ Board**”) has been set up under the SEZ Act, which is responsible for promoting the SEZ and ensuring its orderly development. The SEZ Board has various powers, including the authority to approve proposals for the establishment of an SEZ, the operations that may be carried out in the SEZ by the developer, monitoring foreign collaborations and foreign direct investments in SEZs. SEZs may be established under the SEZ Act, either jointly or severally by the Government of India, state government or any other person. On receipt of an application, the SEZ Board may, subject to certain conditions approve the proposal and communicate it to the Government of India. The Government of India may, within 30 days of receipt of communication, grant the letter of approval, which may be subject to certain additional conditions. The Government of India initially grants the letter of approval to the proposals for setting up of SEZs, referred to as the ‘in-principle’ approval, which is valid for a period of one year or three years, as the case may be. The developer of the SEZ is required to take effective steps for implementation of the SEZ project within the said validity period. The developer is required to furnish intimation of fulfillment of conditions specified in the ‘in-principle’ approval to Department of Commerce, Ministry of Commerce and Industry, Government of India (the “**DoC**”) within the specified validity period of the ‘in-principle’ approval. The DOC, on being satisfied with the proposal and compliance of the developer with the terms of the approval, issues a notification declaring the specified area as an SEZ.

On an area being notified as an SEZ, the Government of India appoints a development commissioner for the said SEZ who is responsible for monitoring and ensuring strict adherence to the legal framework and the day-to-day operations of the SEZ.

The Special Economic Zone Rules, 2006

The Special Economic Zone Rules, 2006 (the “**SEZ Rules**”) have been enacted to effectively implement the provisions of the SEZ Act. The SEZ Rules provide for a simplified procedure for a single window clearance from the Government of India and state governments for setting up of SEZs and a ‘unit’ in an SEZ. The SEZ Rules also prescribe the procedure for the operation and maintenance of an SEZ, for setting up and conducting business therein, with an

emphasis on 'self certification', and the terms and conditions subject to which entrepreneur and developer shall be entitled to exemptions, drawbacks and concessions etc. The SEZ Rules also provide for the minimum area requirement for various categories of SEZs

Environment Protection Laws

Indian expressway and real estate development must also ensure compliance with environmental legislation such as the Water (Prevention and Control of Pollution) Act 1974 ("**Water Pollution Act**"), the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Pollution Act**") and the Environment Protection Act, 1986 ("**Environment Act**") and rules made therein such as the Hazardous Waste (Management and Handling) Rules, 1989, the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 and the Environment Protection Rules, 1986.

The Water Pollution Act aims to prevent and control water pollution. This legislation provides for the constitution of a Central Pollution Control Board (the "**Central Board**") and State Pollution Control Boards (the "**State Boards**"). The functions of the Central Board include coordination of activities of the State Boards, collecting data relating to water pollution and the measures for the prevention and control of water pollution and prescription of standards for streams or wells. The State Boards are responsible for the planning of programmes for the prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control, inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water, laying down or annulling the effluent standards for trade effluents and for the quality of the receiving waters, and laying down standards for treatment of trade effluents to be discharged. This legislation debars any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer without taking prior consent of the concerned State Board.

The Central Board and State Boards constituted under the Water Pollution Act are also required to perform functions as per the Air Pollution Act for the prevention and control of air pollution. The Air Pollution Act aims for the prevention, control and abatement of air pollution. It is mandated under this Act that no person can, without the previous consent of the concerned State Pollution Control Board, establish or operate any industrial plant in an air pollution control area.

The Environment Act has been enacted for the protection and improvement of the environment. The Act empowers the central government to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The central government may make rules for regulating environmental pollution.

With respect to forest conservation, the Forest (Conservation) Act, 1980 prevents state governments from making any order directing that any forest land be used for a non-forest purpose or that any forest land is assigned through lease or otherwise to any private person or corporation not owned or controlled by the government without the approval of the central government. The Ministry of Environment and Forests mandates that 'Environment Impact Assessment' must be conducted for projects. In the process said Ministry receives proposals for the setting up of projects and assesses their impact on the environment before granting clearances to the projects.

The Environment Impact Assessment Notification S.O. 1533, issued on September 14, 2006 (the "**EIA Notification**") under the provisions of Environment (Protection) Act 1986, prescribes that new construction projects require prior environmental clearance of the Ministry of Environment and Forests, GoI. The environmental clearance must be obtained from the Ministry of Environment and Forests, GoI according to the procedure specified in the EIA Notification. No construction work, preliminary or other, relating to the setting up of a project can be undertaken until such clearance is obtained. Under the EIA Notification, the environmental clearance process for new projects consists of four stages – screening, scoping, public consultation and appraisal. After completion of public consultation, the applicant is required to make appropriate changes in the draft 'Environment Impact Assessment Report' and the 'Environment Management Plan'. The final Environment Impact Assessment Report has to be submitted to the concerned regulatory authority for its appraisal. The regulatory authority is required to give its decision within 105 days of the receipt of the final Environment Impact Assessment Report.

Labour Laws

The employment of construction workers for our Company's business is regulated by various labour laws, rules and regulations including the Workmen Compensation Act, 1923, the Payment of Wages Act, 1936, the Employee's State Insurance Act, 1948, the Factories Act, 1948, the Minimum Wages Act, 1948, the Employee's Provident Funds and

Miscellaneous Provisions Act, 1952, the Payment of Bonus Act, 1965, the Contract Labour (Regulation and Abolition) Act, 1970 and the Payment of Gratuity Act, 1972, where applicable.

Intellectual Property Laws

In India, trademarks enjoy protection under both statutory and common law. The Trade Marks Act, 1999 protects a distinct “mark”. The Registrar of Trademarks is the authority responsible for registration of the trademarks, settling opposition proceedings and rectification of the register of trademarks. The Indian Patent Act, 1970 protects any new invention/ inventive step allowing the inventor the opportunity to reap the benefits of his effort. The patent may be for a process or a product. An application for patent can be filed at any of the four patent offices in India.

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *inter alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Property Laws

The Transfer of Property Act, 1882 (“**TP Act**”) lays down general principles for the transfer of immovable property in India. It specifies the categories of property that can be transferred, the persons competent to transfer property, the legitimacy of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. The TP Act recognizes, among others, sale, mortgage, charge and lease as forms in which an interest in an immovable property may be transferred.

Industrial Development Regulation Act, 1951

The main objectives of the Act is to empower the Government to take necessary steps for the development of industries; to regulate the pattern and direction of industrial development; and to control the activities, performance and results of industrial undertakings in the public interest. The Industries (Development and Regulation) Act provides the conceptual and legal framework for industrial development and industries in India. It is briefly known as the IDR Act. The act was enacted in 1951 and a number of amendments have been made in the Act. The licensing policy for industries is determined under this act. The conceptual and legal framework for small scale and ancillary industrial undertakings is derived from the IDR Act, 1951. IDR Act also provides for statutory reservation of items/products for exclusive production in the small-scale sector. Such products therefore are reserved for manufacture only in the small-scale sector.

Industrial Disputes Act, 1947

It is the main legislation for investigation and settlement of all industrial disputes. The Act enumerates the contingencies when a strike or lock-out can be lawfully resorted to, when they can be declared illegal or unlawful, conditions for laying off, retrenching, discharging or dismissing a workman, circumstances under which an industrial unit can be closed down and several other matters related to industrial employees and employers.

FOREIGN INVESTMENT IN INFRASTRUCTURE SECTOR INCLUDING HIGHWAY CONSTRUCTION AND IRRIGATION AND POWER SECTOR

Foreign Investment in India is governed primarily by the provisions of the FEMA and the rules, regulations and notifications there-under, read with the presently applicable Consolidated FDI Policy, dated April 10, 2012 (“**Consolidated FDI Policy**”) (provisions of the Circular 1 of 2012) issued by the Department of Industrial Policy and Promotion from time to time.

Foreign Ownership

Under the Industrial Policy and FEMA, foreign direct investment up to 100% is permitted in construction and related engineering services. Further, the Industrial Policy now also permits foreign direct investment under the automatic route in projects for construction and maintenance of roads, highways, vehicular bridges, toll roads, vehicular bridges and ports and harbors. Similarly up to 100% foreign direct investment is also allowed in projects for electricity generation, transmission, and distribution produced in hydroelectric power plants, coal/lignite based thermal plants and oil based

thermal power plants.

The sector/ activity included in the Consolidated FDI Policy, dated April 10, 2012, provides that subject to certain conditions and guidelines, the Industrial Policy and FEMA, permit up to 100% foreign direct investment in townships, housing, built-up infrastructure and construction-development projects (which would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure).

The RBI by its A.P. (DIR Series) circular No. 16 dated October 4, 2004 granted general permission for the transfer of shares of an Indian company by Non-Residents to residents, subject to the terms and conditions, including pricing guidelines, specified in such circular.

FII Regulations and Portfolio Investment Scheme of RBI

FII's including institutions such as Asset Management Companies, Pension Funds, Mutual Funds, Investment Trusts as Nominee Companies, Incorporated / Institutional Portfolio Managers or their Power of Attorney holders, University Funds, Endowment Foundations, Charitable Trusts and Charitable Societies, are allowed to make portfolio investments in all securities of listed and unlisted companies in India. Investments by registered Foreign Institutional Investors ("FII's") or non-resident Indians made through a stock exchange and complying with certain other specified criteria under the FEMA Regulations are known as portfolio investments. Securities Exchange Board of India (SEBI) acts as the nodal point in the registration of FII's. The Reserve Bank of India has granted general permission to SEBI Registered FII's to invest in India under the Portfolio Investment Scheme (PIS). Investment by SEBI registered FII's and its sub accounts cannot exceed 10% of the paid up capital of the Indian company. However, in case of foreign corporates or High Networth Individuals (HNIs) registered as sub accounts of an FII, their investment shall be restricted to 5 % of the paid up capital of the Indian company. All FII's and their sub-accounts taken together cannot acquire more than 24 % of the paid up capital of an Indian Company. An Indian company can raise the 24 % ceiling to the sectoral cap / statutory ceiling, as applicable, by passing a resolution by its Board of Directors followed by passing a Special Resolution to that effect by their General Body. The Indian company has to intimate the raising of the FII limit to the Reserve Bank to enable the Bank to notify the same on its website for larger public dissemination. SEBI registered FII's/sub-accounts of FII's can invest in primary issues of Non-Convertible Debentures (NCDs)/ bonds only if listing of such bonds / NCDs is committed to be done within 15 days of such investment. In case the NCDs/bonds issued to the SEBI registered FII's / sub-accounts of FII's are not listed within 15 days of issuance to the SEBI registered FII's / sub-accounts of FII's, for any reason, then the FII/sub-account of FII shall immediately dispose of these bonds/NCDs either by way of sale to a third party or to the issuer and the terms of offer to FII's / sub-accounts should contain a clause that the issuer of such debt securities shall immediately redeem / buyback the said securities from the FII's/sub-accounts of FII's in such an eventuality.

Policy on foreign investment in Power Sector

The Department of Industrial Policy & Promotion via Press Note No.8 (2012 Series) dated September 20, 2012, explains the present position whereby, As per extant policy, FDI, up to 100%, under the automatic route, is permitted in the power sector (except atomic energy). This includes generation, transmission and distribution of electricity, as well as power trading, subject to the provisions of the Electricity Act, 2003.

OVERVIEW OF THE SUBSIDIARIES

The Company has the following Subsidiaries:

1. Gayatri Infra Ventures Limited;
2. Gayatri Energy Ventures Private Limited;
3. Gayatri Jhansi Roadways Limited;
4. Gayatri Lalitpur Roadways Limited ;
5. Thermal Powertech Corporation India Limited;
6. Bhandara Thermal Power Corporation Limited; and
7. SaiMaatarini Tollways Limited

1. Gayatri Infra Ventures Limited

Gayatri Infra Ventures Limited's primary business is to execute works as an EPC Contractor, to do all developmental activities of BOT transport Projects and invest in all transport related SPVs and to participate in number of BOT projects have joint ventures with strategic partners, and to get access to funds from India and global investors. Its registered office is 1st Floor, TSR Towers, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad, Andhra Pradesh.

The Board of Directors of Gayatri Infra Ventures Limited as of September 30, 2012 is as follows:

1. T. V. Sandeep Kumar Reddy;
2. Anoop Seth;
3. Jenna Brijmohan Reddy; and
4. Ch. Harivithal Rao

The shareholding pattern of Gayatri Infra Ventures Limited as of September 30, 2012 is as follows:

Name of the shareholder	Number of equity shares	% of shareholding
Gayatri Projects Limited	12,47,000	70.42
AMP Capital Finance Mauritius	5,20,833	29.41
T. Indira (Nominee of M/s. Gayatri Projects Limited)	1,000	0.06
T.V. Sandeep Kumar Reddy (Nominee of M/s. Gayatri Projects Limited)	1,000	0.06
T. Saritha Reddy (Nominee of M/s. Gayatri Projects Limited)	700	0.04
Dr. C. Satyanarayana (Nominee of M/s. Gayatri Projects Limited)	100	0.01
P. Maruthi Babu (Nominee of M/s. Gayatri Projects Limited)	100	0.01
Ch. Hari Vithal Rao (Nominee of M/s. Gayatri Projects Limited)	100	0.01
TOTAL	17,70,833	100.00

2. Gayatri Energy Ventures Private Limited

Gayatri Energy Ventures Private Limited's primary business is to do all developmental activities of power projects and invest in all power related projects, have Joint ventures with strategic partners, and to get access to funds from India and global investors. Its registered office is 1st Floor, TSR Towers, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad, Andhra Pradesh.

The Board of Directors of Gayatri Energy Ventures Private Limited as of September 30, 2012 is as follows:

1. T. V. Sandeep Kumar Reddy;
2. Indira Subbaramireddy Tikkavarapu;
3. Tikkavarapu Sarita Reddy;
4. Linga Moorthy Vajjhala;
5. Ch. Harivithal Rao; and
6. Satpal Kumar Arora

The shareholding pattern of Gayatri Energy Ventures Private Limited as of September 30, 2012 is as follows:

Name of the shareholder	Number of equity shares	% of shareholding
Gayatri Projects Limited	49,99,700	99.994
T. V. Sandeep Kumar Reddy (Nominee of Gayatri Projects Limited)	100	0.002
T. India Reddy (Nominee of Gayatri Projects Limited)	100	0.002
T.Sarita Reddy (Nominee of Gayatri Projects Limited)	100	0.002
TOTAL	50,00,000	100

3. Gayatri Jhansi Roadways Limited

Gayatri Jhansi Roadways Limited's primary business is the design, construction, development, finance, operation and maintenance of km.0.000 to km.49.700 on national highway No.25/26 (NH-25/26) in the State of Uttar Pradesh under North-South Corridor (NHDP Phase - II) on (BOT) (Annuity) Basis - Package No.NS-1/BOT/UP-2. Its registered office is 1st Floor, TSR Towers, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad, Andhra Pradesh.

The Board of Directors of Gayatri Jhansi Roadways Limited as of September 30, 2012 is as follows:

1. Jenna Brijmohan Reddy;
2. Sachin Satish Johri;
3. Vikram Pant; and
4. Ritesh Kumar Nimani

The shareholding pattern of Gayatri Jhansi Roadways Limited as of September 30, 2012 is as follows:

Name of the shareholder	Number of equity shares	% of shareholding
Gayatri Projects Limited	100	0.0002
T V Sandeep Kumar Reddy	1	0.000002
K. Mani Raju	1	0.000002
T Indira Reddy	1	0.000002
P. Maruthi Babu	1	0.000002
P. Sreedhar Babu	1	0.000002
V V Chandra Sekhar	1	0.000002
Infrastructure Development Finance Company Limited	42,40,000	10.0000
Gayatri Infra Ventures Limited	2,16,19,894	50.9903
India Infrastructure Fund	1,65,40,000	39.0094
Total	4,24,00,000	100.0000

5. Gayatri Lalitpur Roadways Limited

Gayatri Lalitpur Roadways Limited's primary business is the design, construction, development, finance, operation and maintenance of km.49.700 to km.99.005 on national highway No.26 (NH-26) in the State of

Uttar Pradesh under North-South Corridor (NHDP Phase - II) on Build Operate and Transfer (BOT) (Annuity) Basis - Package No.NS-1/BOT/UP-3. Its registered office is 1st Floor, TSR Towers, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad, Andhra Pradesh.

The Board of Directors of Gayatri Lalitpur Roadways Limited as of September 30, 2012 is as follows:

1. Jenna Brijmohan Reddy;
2. Sachin Satish Johri;
3. Vikram Pant; and
4. Ritesh Kumar Nimani

The shareholding pattern of Gayatri Lalitpur Roadways Limited as of September 30, 2012 is as follows:

Name of the shareholder	Number of equity shares	% of shareholding
Gayatri Projects Limited	100	0.0003
T V Sandeep Kumar Reddy	1	0.000003
K. Mani Raju	1	0.000003
T Indira Reddy	1	0.000003
P. Maruthi Babu	1	0.000003
P. Sreedhar Babu	1	0.000003
V V Chandra Sekhar	1	0.000003
Infrastructure Development Finance Company Limited	31,80,000	10.0000
Gayatri Infra Ventures Limited	1,62,17,900	50.8404
India Infrastructure Fund	1,24,00,000	39.1593
Total	3,17,98,006	100.0000

5. Thermal Powertech Corporation India Limited

Thermal Powertech Corporation India Limited is a Special Purpose Vehicle for setting up of a coal based thermal power plant in Nellore District, Andhra Pradesh. Its registered office is 1st Floor, TSR Towers, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad, Andhra Pradesh.

The Board of Directors of Thermal Powertech Corporation as of September 30, 2012 is as follows:

1. T. V. Sandeep Kumar Reddy;
2. D. Venkata Chalam;
3. Tang Kin Fei;
4. Tan Chang Guan;
5. Ng Meng Poh;
6. G. Siva Kumar Reddy;
7. S. N. Gaikwad; and
8. P. K. Singh

The shareholding pattern of Thermal Powertech Corporation India Limited as of September 30, 2012 is as follows:

Name of the shareholder	Number of equity shares	% of shareholding
Gayatri Energy Ventures Private Limited	23,65,99,300	51.000
G. Siva Kumar Reddy (Nominee of Gayatri Energy Ventures Private Limited)	100	0.000
P. Maruthi Babu (Nominee of Gayatri Energy Ventures Private Limited)	100	0.000
P. Sampath Kumar (Nominee of Gayatri Energy Ventures Private Limited)	100	0.000
I.V. Lakshmi	100	0.000

Name of the shareholder	Number of equity shares	% of shareholding
(Nominee of Gayatri Energy Ventures Private Limited)		
P. Purnachander Rao (Nominee of Gayatri Energy Ventures Private Limited)	100	0.000
J. Ramana Rao (Nominee of Gayatri Energy Ventures Private Limited)	100	0.000
Sembcorp Utilities Private Limited	22,73,20,000	49.000
TOTAL	46,39,20,000	100.00

6. Bhandara Thermal Power Corporation Limited

The company has procured 625 acres of land in Rohana village, Bhandara Dist of Maharashtra for setting up of 2X660 MW Thermal power plants. Its main business is to deal in electric power in all its branches at such place or places as may be permitted by appropriate authorities by establishment of Thermal Power plants and other power plants based on any source or energy as may be developed. Its registered office is 1st Floor, TSR Towers, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad, Andhra Pradesh.

The Board of Directors of Bhandara Thermal Power Corporation Limited as of September 30, 2012 is as follows:

1. T. V. Sandeep Kumar Reddy;
2. Indira Subbaramireddy Tikkavarapu;
3. Tikkavarapu Sarita Reddy;
4. Linga Moorthy Vajjhala; and
5. Popuri Purnachander Rao

The shareholding pattern of Bhandara Thermal Power Corporation Limited as of September 30, 2012 is as follows:

Name of the shareholder	Number of equity shares	% of shareholding
Gayatri Projects Limited	25,500	0.512
T. V. Sandeep Kumar Reddy (Nominee of Gayatri Energy Ventures Private Limited)	10,000	0.201
T. Indira Reddy (Nominee of Gayatri Energy Ventures Private Limited)	10,000	0.201
T. Sarita Reddy (Nominee of Gayatri Energy Ventures Private Limited)	4,200	0.084
P. Sreedhar Babu (Nominee of Gayatri Energy Ventures Private Limited)	100	0.002
K. G. Naidu (Nominee of Gayatri Energy Ventures Private Limited)	100	0.002
V. R. Prasad (Nominee of Gayatri Energy Ventures Private Limited)	100	0.002
Gayatri Energy Ventures Private Limited	49,30,000	98.996
TOTAL	49,80,000	100.00

7. Sai Maatarini Tollways Limited

Sai Maatarini Tollways Limited carries on business relating to the four laning of Panikoili-Rimuli section of (Km 0.000 to Km 163.00) NH 215 (Design length 166.173) in state of Orissa under NHDP Phase-III as BOT (Toll) basis on DBFOT pattern and to collect toll, charges and fees from the users of the said project in accordance with the terms of the concession agreement to be entered in to with the National Highway Authority of India. Its registered office is 1st Floor, TSR Towers, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad, Andhra Pradesh.

The Board of Directors of Sai Maatarini Tollways Limited as of September 30, 2012 is as follows:

1. T. V. Sandeep Kumar Reddy;
2. Indira Subbaramireddy Tikkavarapu; and
3. Jenna Brijmohan Reddy

The shareholding pattern of Sai Maatarini Tollways Limited as of September 30, 2012 is as follows:

Name of the shareholder	Number of equity shares	% of shareholding
Gayatri Projects Limited	49,994	99.988
T. V. Sandeep Kumar Reddy	1	0.002
K. G. Naidu	1	0.002
R. Tulasi Mahalakshmi	1	0.002
K. Venkata Mohan	1	0.002
U. Prashant Shenoy	1	0.002
K. Mani Raju	1	0.002
Total	50000	100

ISSUE PROCEDURE

Below is a summary, intended to provide a general outline of the procedures for the bidding, application payment, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and investors are presumed to have apprised themselves of the same from the Company or the BRLM.

The investors are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Investors that apply in this Issue will be required to confirm and will be deemed to have represented to the Company, the BRLM 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 the Company. The Company and the BRLM and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Company. Also see “Selling Restrictions” and “Transfer Restrictions” respectively of this Preliminary Placement Document.

Qualified Institutions Placement

The Issue is being made to QIBs in reliance upon Chapter VIII of the SEBI Regulations through the mechanism of qualified institutions placement. Under Chapter VIII of the SEBI Regulations, a listed company in India may issue equity shares / nonconvertible debt instruments along with warrants and convertible securities (other than warrants), provided that:

- a special resolution approving the qualified institutions placement has been passed by its shareholders; Such special resolution must specify (a) that the allotment of Equity Shares is proposed to be made pursuant to the qualified institutions placement and (b) the relevant date;
- equity shares of the same class of such company are listed on a stock exchange in India that has nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the special resolution; and
- such company complies with the minimum public shareholding requirements set out in the listing agreement with the stock exchange referred to above.
- At least 10% of the equity shares issued to QIBs must be allotted to mutual funds, provided that, if this portion or any part thereof to be allotted to mutual funds remains unsubscribed, it may be allotted to other QIBs. A QIB has been specifically defined under Regulation 2 (1)(zd) of the SEBI Regulations and not otherwise excluded pursuant to Regulation 86(1)(b).

Investors are not allowed to withdraw their Bids after the closure of the Issue.

Additionally, there is a minimum pricing requirement under the SEBI Regulations. The issue price of the securities shall not be less than the average of the weekly high and low of the closing prices of the issuer's equity shares of the same class quoted on the stock exchange during the two weeks preceding the relevant date. However, in accordance with SEBI Notification dated October 12, 2012, the Company may offer a discount of not more than five per cent on the issue price so calculated, subject to approval by way of special resolution of the shareholders of the Company.

The “relevant date” refers to the date of the meeting on which the board of directors or the committee of directors duly authorised by the board of the issuer decides to open the proposed issue and the “stock exchange” means any of the recognised stock exchanges in India in which the equity shares of the same class of the issuer are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the relevant date.

Securities must be allotted within 12 months from the date of the shareholders resolution approving the Issue. The securities issued pursuant to a qualified institutions placement must be issued on the basis of a placement document that shall contain all material information including the information specified in Schedule XVIII of the SEBI Regulations. The placement document is a private document provided to not more than 49 investors through serially numbered copies and is required to be placed on the website of the concerned stock exchange and of the issuer with a disclaimer to

the effect that it is in connection with an issue to QIBs and no offer is being made to the public or to any other category of investors.

The Company has applied for the in principle approval of the Stock Exchanges under Clause 24 (a) of its Equity Listing Agreements for the listing of the Equity Shares on the Stock Exchanges. The Company has filed a copy of the Preliminary Placement Document with the Stock Exchanges. The Company will file a copy of this Placement Document with the Stock Exchange. This Issue was authorized and approved by the Board of Directors of our Company and by the Shareholders of our Company, by a resolution passed by postal ballot of our Company on July 10, 2012

Pursuant to the provisions of Section 67 of the Companies Act, for a transaction that is not a public Issue, an invitation or offer may not be made to more than 49 persons.

The minimum number of allottees for each qualified institutions placement shall not be less than:

- two, where the issue size is less than or equal to ₹ 2.5 billion; and
- five, where the issue size is greater than ₹ 2.5 billion.

No single allottee shall be allotted more than 50% of the issue size. QIBs that belong to the same group or that are under common control shall be deemed to be a single allottee.

The aggregate of the proposed Issue shall not exceed five times the net worth of the Company as per its audited balance sheet of the previous Fiscal. The Company shall furnish a copy of the placement document to each stock exchange on which its equity shares are listed.

Securities allotted to a QIB pursuant to the Issue shall not be sold for a period of one year from the date of allotment, except on a recognised stock exchange in India.

The Company has applied for and obtained the in-principle approval of the Stock Exchanges under Clause 24(a) of the Listing Agreements. The Company has also filed a copy of the Preliminary Placement Document with the Stock Exchanges.

Issue Procedure

The Company and the BRLM shall circulate serially numbered copies of the Preliminary Placement Document and the Application Form, either in electronic or physical form, to not more than 49 QIBs.

The list of QIBs to whom the Application Form is delivered shall be determined by the BRLM at its sole discretion. **Unless a serially numbered Preliminary Placement Document along with the Application Form is addressed to a particular QIB, no invitation to subscribe shall be deemed to have been made to such QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person.

QIBs may submit an Application Form, including any revisions thereof, during the Bidding Period to the BRLM.

QIBs will be required to indicate the following in the Application Form:

1. a representation that it is either (i) a non-U.S. Person outside the United States acquiring the Equity Shares in an offshore transaction under Regulation S, or (ii) an institutional investor in the United States that is a "qualified institutional buyer" as defined in Rule 144A, and it has agreed to certain other representations set forth in the Application Form;
2. name of the QIB to whom Equity Shares are to be Allotted;
3. number of Equity Shares Bid for;
4. price at which they are agreeable to subscribe for the Equity Shares, provided that QIBs may also indicate that they are agreeable to submit an Application Form at "Cut-off Price"; and

5. details of the depository accounts to which the Equity Shares should be credited.

Note: Each sub-account of an FII, other than a sub-account which is a foreign corporate or a foreign individual, will be considered as an individual QIB and separate Application Forms would be required from each such sub-account. FIIs or sub-accounts of FIIs are required to indicate the SEBI FII/ sub-account registration number in the Application Form. Applications by various schemes/funds will be treated as one application from such mutual fund.

Once a duly completed Application Form is submitted by a QIB, such Application Form constitutes an irrevocable offer and cannot be withdrawn after the Bid Closing Date. The Bid Closing Date shall be notified to the Stock Exchanges and the QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

Upon receipt of the Application Form, the Company shall determine the Issue Price and the number of Equity Shares to be issued pursuant to the Issue in consultation with the BRLM. Upon determination of the Issue Price and the QIBs to whom Allocation shall be made, the Company will send the CANs to the QIBs who have been allocated the Equity Shares. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the QIB to pay the entire Issue Price for all the Equity Shares Allocated to such QIB. The CAN shall contain details such as the number of Equity Shares Allocated to the QIB and payment instructions including the details of the amounts payable by the QIB for Allotment of the Equity Shares in its name and the Pay-In Date as applicable to the respective QIB.

Pursuant to receiving a CAN, each QIB shall be required to make the payment of the entire application monies for the Equity Shares indicated in the CAN at the Issue Price, only through electronic transfer to the Company's designated bank account by the Pay-In Date as specified in the CAN sent to the respective QIBs.

Upon receipt of the application monies from the QIBs, the Company shall Allot Equity Shares as per the details in the CANs to the QIBs. The Company shall not Allot Equity Shares to more than 49 QIBs. The Company will intimate to the Stock Exchanges the details of the Allotment and apply for approvals for listing on the Stock Exchanges prior to crediting the Equity Shares into the Depository Participant accounts of the QIBs.

After receipt of the listing approval from the Stock Exchanges, the Company shall credit the Equity Shares into the Depository Participant accounts of the respective QIBs. The Company shall then apply for the final listing & trading permissions from the Stock Exchanges.

The Equity Shares that have been credited to the Depository Participant accounts of the QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges. Upon receipt of the final trading and listing approval from the Stock Exchanges, the Company shall inform the QIBs who have received an Allotment of the receipt of such approval. The Company and the BRLM shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Final listing and trading approvals granted by the Stock Exchanges are also placed on their respective websites. QIBs are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or the Company.

Qualified Institutional Buyers

Only QIBs as defined in Regulation 2(1) (zd) of the SEBI Regulations, and not otherwise excluded pursuant to Regulation 86(1)(b) of the SEBI Regulations are eligible to invest. Under Regulation 86(1)(b) of the SEBI Regulations, no Allotment shall be made, either directly or indirectly, to any QIB who is a promoter or any person related to the Promoters. Currently, the definition of a QIB includes:

1. Mutual funds, venture capital funds and foreign venture capital investors or AIF registered with SEBI;
2. Foreign institutional investors and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI;
3. Public financial institutions as defined in section 4A of the Companies Act;
4. Scheduled commercial banks;
5. Multilateral and bilateral development financial institutions;

6. State industrial development corporations;
7. Insurance companies registered with Insurance Regulatory and Development Authority;
8. Provident funds with minimum corpus of ₹ 250 million;
9. Pension funds with minimum corpus of ₹ 250 million;
10. National Investment Fund set up by Government of India; and
11. Insurance funds set up and managed by army, navy or air force of the Union of India.
12. Insurance funds set up and managed by the Department of Posts, India.

Please note that pursuant to amendments to the SEBI Regulations, a sub-account of an FII that is a foreign corporate or foreign individual is no longer included under the definition of a QIB.

FII's are permitted to participate through the portfolio investment scheme in this Issue. FII's are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FII's does not exceed specified limits as prescribed under applicable laws in this regard. Pursuant to a postal ballot resolution passed by the shareholders of the Company on July 10, 2012, the FII holding limit in the Company has been increased from 13.23% of the paid up capital of the Company to 24% of the paid up capital of the Company.

The issue of Equity Shares to a single FII (including the Equity Shares already held by the FII) should not exceed 10% of our post-Issue and the issued capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each subaccount shall not exceed 10% of our total issued capital, or 5% of our total issued capital in case such subaccount is a foreign corporate or an individual.

Allotments made to FVCIs AND VCFs in the Issue are subject to the rules and regulations that are applicable to them each of them respectively.

No Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being the Company's promoters or any person related to the Company's promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to our promoters:

1. rights under a shareholders' agreement or voting agreement entered into with the Company's promoters or persons related to the Company's promoters;
2. veto rights; or
3. a right to appoint any nominee director on the Board.

provided, however, a QIB which does not hold any of our Equity Shares and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to a Promoter.

The Company and the BRLM are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Code.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion as specified above, such minimum portion or part thereof may be Allotted to other QIBs.

Note: Affiliates or associates of the BRLM who are QIBs may participate in the Issue in compliance with applicable

laws.

Application Process

Application Form

QIBs shall only use the serially numbered Application Forms supplied by the BRLM in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document and this Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms, the QIB will be deemed to have made the following representations and warranties and the representations, warranties and agreements made under “Transfer Restrictions”:

- The QIB confirms that it is a QIB in terms of Regulation 2(1)(zd) of the SEBI Regulations has a valid and existing registration under applicable laws of India and is eligible to participate in this Issue;
- The QIB confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent our Promoter or Promoter Group;
- The QIB confirms that it has no rights under a shareholders’ agreement or voting agreement with the Promoters or persons related to the Promoters, no veto rights or right to appoint any nominee director on the Board;
- The QIB has no right to withdraw its Bid after the Bid Closing Date;
- The QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;
- The QIB confirms that the QIB is eligible to apply and hold Equity Shares so Allotted and together with any Equity Shares and Equity Shares held by the QIB prior to the Issue, the QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;
- The QIB confirms that the Application Form would not result in triggering a tender offer under the Takeover Code;
- The QIB confirms that to the best of its knowledge and belief together with other QIBs in the Issue that belongs to the same group or are under same control, the Allotment to the QIB shall not exceed 50.00% of the Issue Size. For the purposes of this statement:
- The expression “belongs to the same group” shall derive meaning from the concept of “companies under the same group” as provided in sub-section (11) of Section 372 of the Companies Act;
- “Control” shall have the same meaning as is assigned to it under clause (c) of sub-regulation (1) of Regulation 2 of the Takeover Code.
- The QIBs shall not undertake any trade in the Equity Shares credited to its Depository Participant account until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

QIBS MUST PROVIDE THEIR DEPOSITORY ACCOUNT DETAILS, THEIR DEPOSITORY PARTICIPANT’S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD FOR THIS PURPOSE, ELIGIBLE SUB ACCOUNTS OF AN FII WOULD BE CONSIDERED AS AN INDEPENDENT QIB.

Demographic details such as address and bank account will be obtained from the Depositories as per the

Depository Participant account details given above.

The submission of an Application Form by a QIB shall be deemed a valid, binding and irrevocable offer for the QIB to pay the entire Issue Price for its share of the Allotment (as indicated by the CAN) and becomes a binding contract on the QIB upon issuance of the CAN by us in favour of the QIB.

Submission of Application Form

All Application Forms must be duly completed with information including the name of the QIB, the price and the number of Equity Shares applied for. The Application Form shall be submitted to the BRLM either through electronic form or through physical delivery at the following address:

Elara Capital (India) Private Limited
East Wing, 6th Level, Kalpataru Synergy
Opposite Grand Hyatt, Santacruz East
Mumbai-400 055, Maharashtra, India
E-mail: nikhil.panjwani@elaracapital.com
Contact Person: Nikhil Panjwani

The BRLM shall not be required to provide any written acknowledgement of the same. Submission of Bid cum Application Form by a QIB shall be deemed to be a valid, binding and irrevocable offer from the QIB to pay the entire Issue Price for its shares of Allotment (as indicated by the CAN) and shall become a binding contract between the QIB and the Company upon issuance of CAN by the Company in favor of the QIB.

PAN

Each QIB should mention its Permanent Account Number (“**PAN**”) allotted under the IT Act. A copy of each QIB’s PAN card is required to be submitted with the Application Form. Applications without this information will be considered incomplete and are liable to be rejected. QIBs should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Pricing and Allocation

Build up of the book

The QIBs shall submit their Bids (including the revision of bids) within the bidding period to BRLM.

Price discovery and allocation

Our Company, in consultation with the BRLM, shall determine the Issue Price, which shall be at or above the Floor Price.

After finalisation of the Issue Price, the Company shall update the Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

The Company shall determine the Allocation in consultation with the BRLM on a discretionary basis and in compliance with Chapter VIII of the SEBI Regulations.

Bids received from the QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10.00% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF THE COMPANY IN CONSULTATION WITH THE BRLM IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL QIBS. QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF THE COMPANY IN CONSULTATION WITH THE BRLM AND QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AT OR ABOVE THE ISSUE PRICE. NEITHER THE COMPANY NOR THE BRLM IS OBLIGED TO ASSIGN ANY REASON FOR ANY NON ALLOCATION.

Number of Allottees

The minimum number of Allottees in the Issue shall not be less than:

1. two, where the Issue Size is less than or equal to ₹2,500.00 million; or
2. five, where the Issue Size is greater than ₹2,500.00 million;

Provided that no single Allottee shall be Allotted more than 50.00% of the aggregate amount of the Issue Size, and *Provided* further that QIBs belonging to the same group or those who are under common control shall be deemed to be a single Allottee for the purpose of this clause. For details of what constitutes “same group” or “control”, please see- “Application Process - Application Form”.

The maximum number of Allottees of Equity Shares shall not be greater than 49. Further the Equity Shares will be Allotted within 12 months from the date of the shareholders resolution approving the Issue.

CAN

Based on the Application Forms received, the Company, in consultation with the BRLM, in their sole and absolute discretion, decide the QIBs to whom the serially numbered CAN shall be sent, pursuant to which the details of the Equity Shares Allocated to them and the details of the amounts payable for Allotment of such Equity Shares by the Pay-in Date in their respective names shall be notified to such QIBs. Additionally, a CAN will include details of the relevant Escrow Bank accounts for transfer of funds if done electronically, address where the application money needs to be sent, Pay-In Date as well as the probable designated date, being the date of credit of the Equity Shares to the respective QIB’s account.

The eligible QIBs would also be sent a serially numbered Placement Document either in electronic form or by physical delivery along with the serially numbered CAN.

The dispatch of the serially numbered Placement Document and the CAN to the QIBs shall be deemed a valid, binding and irrevocable contract for the QIB to furnish all details that may be required by the BRLM and to pay the entire Issue Price for all the Equity Shares Allocated to such QIB.

QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, the QIB would have deemed to make the representation and warranties as specified in the section “- Notice to Investors” and further that such QIB shall not undertake any trade on the Equity shares credited to its Depository Participant account until such time as the final listing and trading approval is issued by BSE and NSE .

Bank Account for Payment of Application Money

The Company has opened the “GAYATRI- QIP Special Account” with the Standard Chartered Bank in terms of the arrangement among us, the BRLM and Standard Chartered Bank as the Escrow Bank. The QIB will be required to deposit the entire amount payable for the Equity Shares Allocated to it by the Pay-In Date as mentioned in the respective CAN.

If the payment is not made favouring the “GAYATRI- QIP Special Account” within the time stipulated in the CAN, the Application Form and the CAN of the QIB are liable to be cancelled.

In case of cancellations or default by the QIBs, the Company and the BRLM have the right to reallocate the Equity Shares at the Issue Price among existing or new QIBs at their sole and absolute discretion, subject to the compliance with the requirement of ensuring that the Application Forms are sent to not more than 49 QIBs.

Payment Instructions

The payment of application money shall be made by the QIBs in the name of “GAYATRI- QIP Special Account” as per the payment instructions provided in the CAN.

Payments are to be made only through electronic fund transfer.

Designated Date and Allotment of Equity Shares

The Company will endeavor to complete the Allotment of Equity Shares by the probable Designated Date for those QIBs who have paid subscription money as stipulated in the respective CANs. The Equity Shares will not be Allotted unless the QIBs pay the Issue Price to the “GAYATRI- QIP Special Account” as stated above.

In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

The Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the QIB’s Depository Participant accounts, the Company will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us or the BRLM.

The Escrow Bank shall not release the monies lying to the credit of the “GAYATRI- QIP Special Account” to the Company, until the Company delivers to the Escrow Bank the final approval of the Stock Exchanges for the listing and trading of the Equity Shares to be issued pursuant to the Issue.

After finalisation of the Issue Price, the Company shall update the Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those allottees in Issue who have been allotted more than 5% of the securities offered, viz. names of the allottees and number of securities allotted to each of them, pre and post Issue shareholding pattern of the Company in the format specified in clause 35 of the Listing Agreement along with the Placement Document.

In the event that the Company is unable to issue and allot the Equity Shares offered in the Issue or on cancellation of the Issue, the money received from QIBs shall be refunded.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the BRLM, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of the Company and the BRLM in relation to the rejection of Bids shall be final and binding.

Equity Shares in Dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but represented by the statement issued through the electronic mode).

A QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Allotment to a successful QIB will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the QIB.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

The Company will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on part of the QIBs.

PLACEMENT

Placement Agreement

The BRLM has entered into an agreement dated December 10, 2012 with our Company (the “**Placement Agreement**”), pursuant to which the Book Runner has agreed to procure subscriptions from QIBs for the Equity Shares to be issued pursuant to the Issue on a reasonable efforts basis, pursuant to Chapter VIII of the SEBI Regulations, outside the United States in reliance on Regulation S under the Securities Act.

The Placement Agreement contains customary representations, warranties and indemnities from our Company and the Book Runner, and it is subject to termination in accordance with the terms contained therein.

This Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than QIBs. No assurance can be given on liquidity or sustainability of trading market for the Equity Shares of our Company post the Issue.

Lock-up

Our Company shall not, and shall not announce an intention to, without the prior written consent of Lead Manager, during the period commencing on the date hereof and ending 90 (ninety) days after the date of Allotment of the Issue Shares pursuant to the Issue (the “**Lock-up Period**”), directly or indirectly: (a) issue, offer, lend, sell, contract to sell, pledge, encumber, sell any option or contract to purchase, purchase any option or contract to sell, grant any option or right to purchase, make any short sale, lend or otherwise transfer or dispose of any Equity Shares; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) deposit any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or which carry the rights to subscribe for or purchase Equity Shares, in any depository receipt facility or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or (d) announce any intention to enter into any transaction described in (a), (b) or (c) above, whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of the Equity Shares, or such other securities, in cash or otherwise.

Provided that the aforementioned restrictions shall not apply to any preferential issue of warrants to the Promoters and/or the promoter group of our Company pursuant to the provisions of Chapter VII of the SEBI Regulations.

The Promoters of our Company have undertaken not to, for the Lock-up Period, without the prior written consent of the Lead Manager, directly or indirectly: (a) offer, sell, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, make any short sale, pledge, encumber, lend or otherwise transfer or dispose of, any Equity Shares, (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) deposit any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or which carry the rights to subscribe for or purchase Equity Shares, in any depository receipt facility or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or (d) announce any intention to enter into any transaction described in (a), (b) or (c) above, whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise.

Provided that the aforementioned restrictions shall not apply to any preferential issue of warrants to the Promoters and/or the promoter group of our Company pursuant to the provisions of Chapter VII of the SEBI Regulations.

SELLING RESTRICTIONS

United States

The Equity Shares are being offered and sold outside of the United States in an offshore transaction in reliance on Regulation S. The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

United Kingdom

The Book Running Lead Manager has represented and agreed that:

- (a) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (“FSMA”) with respect to anything done by it in relation to the Shares in, from or otherwise involving the UK; and
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated in the UK any invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) received by it in connection with the issue or sale of the Shares in circumstances in which section 21(1) of FSMA does not apply to the Company.

Hong Kong

This Preliminary Placement Document has not been delivered for registration to the Registrar of Companies in Hong Kong and its contents have not been reviewed by any regulatory authority in Hong Kong. Accordingly: (i) the Equity Shares may not be offered or sold in Hong Kong by means of any document other than (a) to persons who are “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and the Securities and Futures (Professional Investor) Rules made thereunder; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and (ii) no person may issue, or have in his possession for the purposes of issue, any invitation, advertisement or document relating to the Equity Shares whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and the Securities and Futures (Professional Investor) Rules made thereunder.

You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary Placement Document and any other materials in connection with the offer or sale, solicitation or invitation for subscription or purchase of Equity Shares, or shares to be issued from time to time by the Company may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of under Section 274 of the SFA Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(2) of the SFA, or any person pursuant to Section 275(1A) of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Equity Shares are subscribed or purchased, they are subject to restrictions on transferability and resale and may not be transferred or resold in Singapore except as permitted under the SFA, in particular (but not limited to), where the shares are acquired under Section 276 of the SFA by a relevant person which is:

- (a) a corporation which is not an accredited investor (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (which the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except: (1) to an institutional investor (under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets and further for corporations, in accordance with the conditions specified in Section 275 (1A) of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law or (4) as specified in Section 276(7) of the SFA.

Japan

The Equity Shares have not been and will not be registered in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "FIEA") in reliance upon the exemption from the registration requirements since the Issue constitutes a small number private placement as provided for in "ha" of Article 2, Paragraph 3, Item 2 of the FIEA.

State of Qatar

The Equity Shares have not been offered, sold or delivered, and will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar in a manner that would constitute a public offering. This Preliminary Placement Document has not been reviewed or registered with or approved by the Qatari government authorities or any other relevant Qatar regulatory body, whether under law no. 25 (2002) concerning investment funds, Central Bank Resolution no. 15 (1997), as amended, or any associated regulations. Therefore, this Preliminary Placement Document is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. No general offering of the Equity Shares has been or will be made in the State of Qatar and the Equity Shares may only be offered, distributed or sold in the State of Qatar to a limited number of investors.

Switzerland

This Preliminary Placement Document is not intended to constitute an offer or solicitation to purchase or invest in the Equity Shares described herein. The Equity Shares may not be publicly offered, sold or advertised, directly or indirectly, in into or from Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This Preliminary Placement Document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Preliminary Placement Document nor any other offering or marketing material relating to the offering, the Company or the Offering Equity Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Preliminary Placement Document will not be filed with, and the offer of the Equity Shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA ("FINMA"), and the offer of the Equity Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Equity Shares.

Australia

This Preliminary Placement Document has not been prepared as a prospectus or other disclosure document in accordance with the Corporations Act 2001 (Commonwealth) and has not been and will not be, lodged with the Australian Securities and Investments Commission. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may any Equity Shares be offered or sold, or made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Australia (or to any resident of Australia) other than pursuant to offers where disclosure to investors is not required under section 708 of the Corporations Act 2001 (Commonwealth) or where such offers are otherwise in compliance with all applicable Australian laws and regulations. The Company does not issue any Equity Shares with the purpose of the person to whom they are issued selling or transferring those Equity Shares or granting, issuing or transferring an interest in, or options over, the Equity Shares to any person in Australia.

Cayman Islands

The Book Running Lead Manager has represented and agreed that it shall not make any invitation to the public in the Cayman Islands to subscribe for any Equity Shares.

South Korea

The Equity Shares may not be offered, sold and delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in South Korea or to any resident of South Korea except pursuant to the applicable laws and regulations of South Korea, include the Financial Investment Services and Capital Markets Act and the Foreign Exchange Transactions Law and the decrees and regulations thereunder. The Equity Shares have not been registered with the Financial Services Commission of South Korea for public offering in South Korea. Furthermore, the Equity Shares may not be re-sold to South Korea residents unless the purchaser of the Equity Shares complies with all applicable regulator requirements (including but not limited to government approval requirements under the Foreign Exchange Transaction Law and its subordinates decrees and regulations) in connection with their purchase.

Kuwait

The Equity Shares have not been licensed for offering in Kuwait by the Ministry of Commerce and Industry or the Central Bank of Kuwait or any other relevant Kuwaiti government agency. The offering of Equity Shares in Kuwait on any basis is, therefore, restricted in accordance with Decree Law No. 31 of 1990, as amended, and Ministerial Order No. 113 of 1992, as amended.

TRANSFER RESTRICTIONS

Because of the following restrictions, investors are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Equity Shares offered hereby.

Purchasers of the equity shares in this Issue are not permitted to sell the Equity Shares for a period of one year from the date of allotment except through the Stock Exchanges.

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in reliance on Regulation S under the Securities Act.

Subject to the foregoing:

Each purchaser of the Equity Shares will be deemed to have represented and agreed as follows:

- It is authorized to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.
- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that such Equity Shares have not been and will not be registered under the Securities Act.
- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S) or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S).
- It agrees that it will not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the Securities Act and in accordance with all applicable securities laws of the States of the United States and any other jurisdiction, including India.
- It acknowledges that the Company, the Placement Agent, its affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify us.

Any resale or other transfer or attempted resale or other transfer, made other than in compliance with the above-stated restrictions will not be recognized by the Company.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from publicly available documents from various sources, including officially prepared materials from the SEBI, the BSE and the NSE, and has not been prepared or independently verified by us, the BRLM, or any of its respective affiliates or advisers.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. There are currently 19 recognised stock exchanges in India. Most of the stock exchanges have their own governing board for self-regulation. A number of these exchanges have been directed by SEBI to file schemes for demutualisation as a measure of moving towards greater investor protection.

The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Stock Exchange Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government of India acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR, which, along with rules, byelaws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner in which contracts are entered into and enforced between members of the stock exchanges.

The SEBI Act, under which the SEBI was established by the Government in February 1992, granted powers to SEBI to promote, develop and regulate the Indian securities markets, including stock exchanges and other financial intermediaries in the capital markets, to protect the interests of investors, to promote and monitor self-regulatory organisations, to prohibit fraudulent and unfair trade practices and insider trading and to regulate substantial acquisitions of shares and takeovers of companies. SEBI has also issued regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisition of shares and takeovers of companies, buyback of securities, delisting of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, FIIs credit rating agencies and other capital market participants.

With effect from April 1, 2003, the stock exchanges in India operate on a trading day plus two, T+2, rolling settlement system. At the end of the T+2 period, obligations are settled with buyers of securities paying for and receiving securities, while securities transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Wednesday. In order to contain the risk arising out of the transactions entered into by the members of various stock exchanges either on their own account or on behalf of their clients, the stock exchanges have designed risk management procedures, which include compulsory prescribed margins on the individual broker members, based on their outstanding exposure in the market, as well as stock-specific margins from the members.

Listing

The listing of securities on recognised stock exchanges in India is regulated by the applicable Indian laws including Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines issued by SEBI and the Listing Agreements. Under the SCRR, the governing body of each stock exchange is empowered to suspend trading of or dealing in a listed security for breach by a listed company of its obligations under such Listing Agreement or for any other reason, subject to such company receiving prior notice of such intent of the stock exchange and upon granting of a hearing in the matter. In the event that a suspension of a company's securities continues for a period in excess of three months, the Company may appeal to the Securities Appellate Tribunal against the suspension. SEBI has the power to vary or veto a stock exchange decision in this regard. SEBI also has the power to amend such Listing Agreements and the by-laws of stock exchanges in India.

Delisting of Securities

SEBI has, pursuant to a notification dated June 10, 2009, notified the SEBI (Delisting of Equity Shares) Regulations,

2009 in relation to the voluntary and compulsory delisting of securities from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies are required to ensure that their minimum level of public shareholding remains at or above 25% and have been given a period of three years to comply with such requirement.

Index-Based Market-Wide Circuit Breaker System

To restrict abnormal price volatility, SEBI has instructed stock exchanges to apply the following price bands calculated at the previous day's closing price (there are no restrictions on price movements of index stocks):

Market Wide Circuit Breakers: In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers, which do not allow transactions beyond certain price volatility. An index based market-wide (equity and equity derivatives) circuit breaker system has been implemented and the circuit breakers are applied to the market for movement by 10%, 15% and 20% for two prescribed market indices: the SENSEX for the BSE and the S&P CNX NIFTY for the NSE, whichever is breached earlier. If any of these circuit breaker thresholds are reached, trading in all equity and equity derivatives markets nationwide is halted.

Price Bands: Price bands are circuit filters of 2%, 5%, 10% and 20% movements either up or down, and are applied to most securities traded in the markets, excluding securities included in the BSE Sensex and the NSE Nifty and derivatives products. In addition to the market-wide index based circuit breakers, there are currently in place varying individual scrip specific bands (except for scrips on which derivative products are available or scrips included in indices that represent the underlying derivative products) of 20% either ways for all other scrips.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

The BSE is one of the stock exchanges in India on which our Equity Shares are listed. Established in 1875, it is the first stock exchange in India to have obtained permanent recognition in 1956 from the Government of India under the SCRA and has evolved over the years into its present status as the largest stock exchange in India. As of the average daily traded value of the capital market segment was ₹ 22.75 billion. As of September 30, 2012 there were 5,163 scrips traded on the BSE. As of September 30, 2012 the estimated market capitalisation of stocks trading on the BSE was ₹ 65,590.49 billion.

NSE

Our Equity Shares are also listed in India on the NSE. The NSE was established by financial institutions and banks to provide nationwide on-line satellite-linked, screen-based trading facilities to market makers, to provide electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. Deliveries for trades executed "on-market" are exchanged through the National Securities Clearing Corporation Limited. After recognition as a stock exchange under the SCRA in April 1993, the NSE commenced operations in the wholesale debt market segment in June 1994 and operations in the derivatives segment in June 2000.

The NSE launched the NSE 50 index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996 and has a wide network in major metropolitan cities, screen based trading and a central monitoring system.

In October, 2012, the average daily traded value of the capital market segment was ₹114.19 billion. As of October 31, 2012 there were 1660 listed companies trading on the NSE. As of October 31, 2012 the estimated market capitalisation of stocks trading on the NSE was ₹ 63,376.76 billion.

Trading Hours

Trading on both the BSE and the NSE normally occurs Monday through Friday, between 9:00 a.m. and 3:30 p.m. The BSE and the NSE are closed on public holidays. Recently, the stock exchanges have been permitted to set their own trading hours (in cash and derivative segments) subject to the condition that (i) the trading hours are between 9 a.m. and 5 p.m.; and (ii) the stock exchange has in place risk management system and infrastructure commensurate to the trading

hours.

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BOLT facility in 1995. This fully automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. NSE also provides online trading facilities.

The NSE trading system called NEAT is a completely automated screen based trading system, which adopts the principle of an order driven market.

Internet-Based Securities Trading and Services

SEBI approved internet trading in January 2000. Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. This permits clients throughout the country to trade using brokers' internet trading systems. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and to comply with certain minimum conditions stipulated by SEBI and other applicable laws. NSE became the first exchange to grant approval to its members for providing Internet-based trading services. Internet trading is possible on both the 'equities' as well as the 'derivatives' segments of the NSE.

Takeover Code

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the specific regulations in relation to substantial acquisition of shares and takeover. Since the Issuer is an Indian listed company, the provisions of the Takeover Code apply to the Issuer. The Takeover Code prescribes certain thresholds or trigger points that give rise to these obligations.

Insider Trading Regulations

Specific regulations have been notified by SEBI to prohibit and penalize insider trading in India. An insider is, inter alia, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfers in book-entry form. Further, SEBI framed regulations in relation to, inter alia, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRA Rules and the SEBI Act. The SCRA was amended in February 2000 and derivative contracts were included within the term 'securities', as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivative exchange or derivative segment of a stock exchange functions as a self regulatory organisation under the supervision of the SEBI. Derivatives products have been introduced in a phased manner in India, starting with future contracts in June 2000 and index options, stock options and stock futures in June 2000, July 2001 and November 2001, respectively.

DESCRIPTION OF THE EQUITY SHARES

Set forth below is certain information relating to the Company's share capital and the Equity Shares, including brief summaries of certain provisions of our Memorandum and Articles of Association, the Companies Act, the Securities Contracts (Regulation) Act, 1956, and certain related legislations of India, all as currently in effect. The following discussion is subject to and qualified in its entirety by our Memorandum of Association and Articles of Association, the provisions of the Companies Act which govern our affairs and other applicable provisions of Indian law.

General

The authorized share capital of the Company is ₹4,00,00,00,000 (Rupees four billion only) into 4,00,00,000 Equity Shares.

Our Equity Shares are listed on the BSE and NSE.

The security identification codes for our Equity Shares are as follows:

ISIN	: INE336H01015
BSE Code	: 532767
NSE Code	: GAYAPROJ

Articles of Association

The Company is governed by our Articles of Association.

DIVIDENDS

The company in Annual General Meeting may declare a dividend to be paid to the members according to their rights and interests in the profits, and for the purpose of the equalization of dividends any sums from time to time in accordance with these presents carried to the reserve, depreciation, or other special funds may be applied in payment thereof. The dividends so declared by the General Body shall not exceed the amount, so recommended by the Directors

Dividend in proportion to amounts paid up on shares

Subject to the rights of person, if any, entitled to shares with special rights as to paid up on shares dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect thereof the dividend is paid but if and so long as nothing is paid upon any of the shares in the company dividends may be declared and paid according to the amounts of the shares.

Bonus

If and whenever any Bonus on shares is declared out of the profits and whether alone or in addition to any dividend thereon, the bonus shall for all purposes whatsoever be deemed to be a dividend on the shares.

Debts may be deducted

When any shareholder is indebted to the company for calls or otherwise, all dividends payable to him, or a sufficient part thereof may be retained and applied by the Directors in or towards satisfaction of the debt, liabilities or engagements. Dividends out of profits only No dividends shall be payable except out of the profits of the year or any other undistributed profits, and no larger dividend shall be declared than is recommended by the Directors, but, the company in General Meeting may declare a smaller dividend. Before declaring any dividend, the company shall have regard to the provisions of Section 205 of the Companies Act.

Dividend in specie

No dividend shall be payable except in cash provided that nothing shall be deemed to prohibit the capitalization of profits or reserves of the company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the company.

Joint holders receipt

In case two or more persons are registered as the joint holders of any share, any of such persons may give effectual receipts for all dividends and payment's on account of dividends in respect of such share. Any Annual General Meeting declaring dividend, may make a call on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the company and the member be set off against the call. The making of call under this Article shall be deemed ordinary business of an ordinary meeting which declares a dividend.

Right to dividend on transfer of share

A transfer of shares shall not pass the rights to any dividend declared thereof before the registration of the transfer.

Mode of Payment

Unless otherwise directed in accordance with Section 206 of the Companies Act, any dividend, interest or other moneys payable in cash in respect of a share may be paid by way of transfer to the bank account of the holder/joint holder or by cheque or warrant sent through the post to the registered address of the holder or, in the case of joint-holders, to the registered address of that one of the joint-holders who is the first named in the Register in respect of the joint holding or to such person and such address as the holder or joint holders, as the case may be, may direct, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

Unclaimed dividend

Where the company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend Account of Gayatri Projects Limited" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of Seven years from the date of such transfer, shall be transferred by the company to the Investor Education & Protection Fund. Claim to any money so transferred to the said fund be preferred the shareholders.

ALTERATION OF CAPITAL

Increase of capital

The Company in General Meeting may, from time to time increase the capital by creating and/or issuing new shares. The new capital may be divided into preference shares or equity shares and may be issued upon such terms and conditions, and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation and/or issuing thereof shall direct, and if no direction be given, as the Board of Directors shall determine, and in particular such shares may be issued with preferential or qualified rights to dividends and in the distribution of assets of the company.

Same as original capital

Any Capital raised by the creation and/or issue of new shares shall be considered as part of the original capital in all respects so far as may be, subject to the foregoing provisions, with reference to the payment of calls and installments, transfer and transmission, forfeiture, lien and surrender, unless it may be otherwise resolved by the General Meeting sanctioning the increase.

Reduction of capital

Any company may, subject to confirmation by the Court from time to time, by special resolution, reduce its capital in any way, and in particular and without prejudice to the generality of the foregoing powers by exercising the powers mentioned in Section 100 of the Companies Act, 1956. The company may by Special Resolution, reduce in any manner and with and subject to, any incident authorized and consent required by law:

1. its Share Capital
2. any Capital Redemption Reserve Fund, or
3. any Share Premium Account.

Consolidation of shares

The company may consolidate all or any of its share capital into shares of large amount than its existing shares. Conversion of shares The Company may convert all or any of its fully paid up shares into stock, and reconvert that stock into fully paid up shares of any denominations.

Transfer of stock

The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulation under which the shares from which the stock arose.

Right of stock holders

The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividend, voting at meeting of the company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have inferred that privilege or advantage. Such of the regulations of the company (other than those relating to share warrants) as are applicable to paid up shares shall apply to stock and the words "Shares" and "Shareholders", in these regulations shall include "Stock" and "Stockholder" respectively. The company may sub-divide its shares or any of them into shares of smaller amount than is fixed by Memorandum so however, that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as was in the case of the share from which the reduced share is derived.

Sub-division of shares Cancellation

The company may cancel shares which at the date of the passing of the resolution of shares in that behalf, have not been or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

Sub-division into preferred and equity

The resolution whereby any share is sub-divided may determine that as between the holders of the resulting shares from such division, one or more of such class of shares shall have same preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others.

Modification of rights

Whenever the capital by reason of the issue of preference shares or otherwise is divided into different classes of shares, all or any of the rights and privileges attached to each class in the capital for the time being of the company may be modified, commuted, effected, abrogated or dealt with by agreement between the company and any person purporting to contract on behalf of that class, provided that such agreement is ratified in writing by the holders of at least 75% in nominal value of the issued shares of the class, or is confirmed by a special resolution passed at a separate General Meeting of the holder of shares of that class. The powers conferred upon the company by this Article are subject to Sections 106 and 107 of the Companies Act.

ANNUAL GENERAL MEETING

- (a) The Board of Directors shall hold Annual General Meeting of the company in accordance with the Provisions of Section 166 of the Companies Act.
- (b) The Board of Directors may, suo moto, call any other General Meeting, besides the Annual General Meeting.

Distinction between annual and other general meetings

The Meetings referred to in Article 71 (a) shall be called as Annual General Meetings and all other meetings of shareholders shall be called as Extra Ordinary General Meetings.

Extra-ordinary general meeting

The Board of Directors of the Company, shall on the requisition of such number of members of the company as is specified in sub-section (4) of Section 169 of the Companies Act, forthwith proceed duly to call an Extra-Ordinary General Meeting of the Company and the provisions of Section 169 of the Companies Act, shall apply thereto. Provided If at any time there are not within India Directors capable of acting who are sufficient in number to form a quorum, any Director or any two members of the Company may call an Extra-Ordinary General Meeting in the same manner, as nearly as possible, as that in which the Board may call a meeting.

Notice

1. Every notice of meeting of the Company shall:
 - a. Specify the place, date and time of the meeting; and
 - b. Contain a statement of the business to be transacted there at.
2. The form of proxy shall be a 'two –way-proxy' as given in IX schedule of the Companies Act, enabling the Shareholders to vote for/against any resolution.
3. The Company shall, in the case of a resolution to be moved as a special resolution, duly specify in the notice calling the General Meeting or other intimation given to the members, of the intention to propose the resolution as a special resolution.
4. The Company shall on compliance with Section 190,225,262 and 284 of the Companies Act, give to its members notice of resolution requiring special notice at the same time and in the same manner as it gives notice of the meeting or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having circulation in the State in which the registered office is situate, not less than 21 days before the meeting.
5. Subject to the provisions of Section 225 and 284 of the Companies Act, the receipt of representation, if any, made under Section 225 of the Companies Act by a retiring Auditor or under Section 284 by a Director sought to be removed from office as a Director, must be stated in the notice of meeting given to the members of the Company, if the representations are received in time.
6. Document to be annexed to the Notice
 - a) Where any items of business to be transacted at the meeting are deemed to be special in accordance with the provisions of the Companies Act, a statement setting out all material facts concerning each such item of business, including in particular the nature and extent of the interest if any therein of every Director, shall be annexed to the notice of the meeting. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement mentioned above.
 - b) A copy of every balance sheet including the profit and loss account, the auditors report and every other document required by law to be annexed or attached, as the case may be, to the balance sheet which is to be laid before the Company in General Meeting, shall not less than twenty one days before the date of the meeting, be sent to every member of the Company in accordance with the provisions of Section 219 (1) of the Companies Act.
 - c) A copy of the representations if any, made under Section 225 of the Companies Act by a retiring auditor or under Section 284 of the Companies Act by a Director sought to be removed from office, shall be sent to the members of the Company as provided for in Section 225 and 284 of the Companies Act. Subject to the provisions of Section 188 of the Companies Act, member's resolution shall be circulated to the members of the Company entitled to receive notice of the Annual General Meeting. The Company shall, duly keep and maintain at the Registers at the Registered Office in accordance with the provisions of the Companies Act. Where under any provisions of the Companies Act, any person where a member of the Company or not entitled to inspect any register, return, certificates, deed, instrument or document required to be kept or

maintained by the Company, the person so entitled to inspection shall be permitted to inspect the same during the hours of 11 a.m. to 1 p.m. on such business days as the Companies Act requires them to be open for inspection. The Company may, after giving not less than Thirty days previous notice by advertisement in some newspapers, circulating in the districts of the office, close the register of members, or the register of debenture-holders, as the case may be, of any period or periods not exceeding thirty days at any time.

Chairman of General Meeting

The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting and if there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act, the members present shall choose another Director as Chairman and if no Director be present or if all the Directors present decline to take the chair, then the members present shall choose one of their members, being a member entitled to vote, to be the Chairman.

When if quorum not present

1. Five members personally present shall be the quorum for a General Meeting. Meeting to be dissolved and No business shall be transacted at any General Meeting unless the quorum when to be adjourned requisite shall be present at the commencement of the meeting.
2. Within half an hour from the time appointed for the meeting a quorum be not present, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case, it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and such time and place, as the Board may by notice appoint and if at such adjourned meeting a quorum be not present those members who are present shall be a quorum and may transact the business for which the meeting was called.

Business to be transacted at adjourned meeting

The Chairman with consent of the Meeting, may adjourn any General Meeting adjourned meeting from time to time and place to place, but no business shall be transacted at any adjourned General Meeting other than the business left unfinished at the General Meeting from which the adjournment took place and which might have been transacted at that meeting. It shall not be necessary to give any notice of adjournment of the business to be transacted at an adjourned meeting. Provided when a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of any adjournment or of the business to be transacted at adjourned meeting.

How question to be decided at meeting

Except where otherwise provided by the Companies Act or by these presents meeting every question to be decided by any General Meeting shall in, the first instance, be decided by a show of hands. In case of an equality of votes, the Chairman shall both on a show of hands and at poll have a casting vote, in addition to the vote or votes to which he may be entitled as a member.

When poll may be demanded

Poll may be demanded and taken in accordance with and subject to the provisions of Sections 179, 184 and 185 of the Companies Act. What is to be evidence of the Unless a poll is demanded in accordance with Section 179 of the Companies Act, passing of a resolution where before or on the declaration of the result by the show of hands, a declaration poll not demanded of the Chairman that a resolution has been carried unanimously or carried by a particular majority shall be sufficient evidence of the facts so declared, without proof of the number or proportion of the votes given for or against the resolution.

Poll

If a poll is demanded as aforesaid, it shall be taken subject to Sections 180 to 185 of the Companies Act in such manner and such time and place as the Chairman of the meeting directs, and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.

The Company shall cause minutes of all proceedings of every General Meeting and of its Board of Directors or of every

Committee of the Board to be kept by making within thirty days of conclusion of every such meeting concerned entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed

1. In the case of minutes of proceedings of a meeting of the Board or a Committee thereof, by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
2. In the case of minutes of proceedings of a General Meeting by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorized by the Board for the purpose. In no case, the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

Vote of members

On a show of hands, every member present in person, or by proxy, or attorney and being a holder of Equity (Ordinary) shares, and entitled to vote shall have one vote. On a poll the voting rights of members shall be as laid down in the Companies Act. Preference share holders shall have right to vote in accordance with provisions of Section 87 of the Companies Act.

Joint holders

If two or more persons are jointly registered as holders of any one share, any one of such persons may vote at any meeting, either personally, or by proxy, or attorney as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting personally or by proxy or attorney, one of such persons so present whose name stands first in the register in respect of such share, shall alone be entitled to vote in respect of the same. Several executors or administrators of a deceased member in whose names any share stands shall, for the purpose of this clause be deemed joint holders.

Right of vote under transmission clause

Any guardian or other person entitled under the transmission clause (Article 54 clause hereof) to transfer any shares, may vote at any General Meeting in respect thereof, as if he was the registered holder of such shares provided that at least 24 hours before the holding of the meeting he shall satisfy the Directors of his right to act in that capacity, unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

No member entitled to vote while call due to company

No Member shall be entitled to be present, or to vote at any General Meeting, call due to company either personally, or by proxy, or attorney whilst any call or other sum is due and presently payable to the company, or in regard to which the company has and has exercised any right of lien.

Right of vote to a member of A member of unsound mind or in respect of whom an order has been made by unsound mind any court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by his nominee or other legal guardian, and any such nominee or guardian may, on a poll, vote by proxy.

As to objection to a voter

- (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

Proxy

Subject to Section 176 of Companies Act, votes may be given either personally or by proxy or by agent acting under a duly executed power of attorney.

Time for deposit of instrument of proxy

The instrument appointing a proxy, and every power of attorney or other authority, (if any) under which it is signed or notorially certified copy of that power or authority, shall be deposited at the registered office of the company, not less than 48 hours before the time of holding the meeting, at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

Form of proxy

An instrument appointing a proxy shall be in the forms in Schedule IX to the Companies Act or form as near thereto as circumstances admit.

Proxy need not be a member

Any member of the company entitled to attend and vote at the meeting of the company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and to vote instead of himself, but a proxy so appointed shall not have any right to speak at the meeting.

As to validity of vote given by proxy

A vote given in accordance with the terms of an instrument of proxy or a power of attorney shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or power of attorney or transfer of share in respect of which the vote is given, unless an intimation in writing of the death, revocation, or transfer, shall have been received at the office of the company before the meeting.

TRANSFER OF SHARES

The transfer of shares and debentures shall be effected by an instrument in writing duly stamped, and all the provisions of Section 108 of the Companies Act, and of any modifications thereof for the time being shall be duly complied with in respect of all the transfers of shares and the registrations thereof, and shall be executed both by the transferor and the transferee, whose executions shall be attested by at least one witness, who shall add his address, and the transferor shall be deemed to remain the holder of such shares until the name of the transferee shall have been entered in the register in respect thereof.

1. No fees shall be charged for registration of transfer, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.
2. Subject to the Stock Exchange Regulations as may be altered from time to time, transfer of shares shall take place in marketable lots.

Instrument of transfer to be deposited

Every instrument of transfer shall be deposited with the company, and no transfer shall be registered until such instrument shall be deposited together with the certificate of the shares or debentures to be transferred, and together with any other evidence the Directors may require to prove the title of the transferor, or his right to transfer the shares or debentures. The instrument of transfer, shall, after registration be kept by the company, but all instruments of transfer, which the Directors may decline to register, shall be returned to the person depositing the same. One instrument of transfer should be in respect of only one class of shares. The Directors may waive the production of the instrument of transfer of any certificate upon evidence satisfactory to them of its loss or destruction, and on such terms as to indemnify as the Board of Directors may think fit.

Power of board to refuse registration

The Board may, without assigning any reasons but subject to the right of appeal to transfer conferred by Section 111 and Section 22(A) of Securities Contract and (Regulations) Act decline to register any transfer of shares or debentures upon which the company has a lien, and in the case of shares which are not fully paid up, may refuse to register a transfer to a transferee of whom the Board does not approve. Provided registration of the transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons, indebted to the company on any account whatsoever except a lien on shares.

Notice of refusal

If registration of the transfer of a share or debenture of the company is refused, the Directors shall within one month from the date on which the instrument of transfer was lodged with the company, send to the transferee and the transferor notice of the refusal.

Closing of share transfer books

The Directors may, on giving forty two days previous notice by advertisement in and register some newspaper circulating in the district in which the registered office of the company is situated, close the register of members for any time not exceeding thirty days at a time, but not exceeding in the whole forty-five days in each year As to transfer of shares of deceased Any committee or guardian of a lunatic or infant member, or any person becoming or bankrupt member entitled to or to transfer shares or debentures in consequence of the death, bankruptcy or insolvency of any member, or otherwise than by transfer may, with consent of the Directors (which they shall not be under any obligation to give), be registered as a member upon such evidence of his title being produced, as may, from time to time, be required by the Directors, or such person, instead of being registered himself, may subject to the regulations as to transfer herein before contained, transfer such shares. The Board shall, in either case, have the same right to decline or suspend registrations as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency

WINDING

Notice

If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be the losses shall be borne by the Members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively and if in a winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. In a winding up the Liquidator may, irrespective of the powers conferred on him by the Companies Act and as an additional power, with the authority of a Special Resolution, sell the undertaking of the company or the whole or any part of its assets, for shares fully or partly paid up or the obligations of or other interests in any other company and may by the contract of sale agreement for the allotment to the members of the proceeds of sale in proportion to their respective interests in the company. Any such sale or arrangement or the special resolution confirming the same may subject to the provisions of Article 11 hereof provide for the distribution or appropriation of the shares or other benefits to be received in compensation otherwise than in accordance with the legal rights of them contributories of the company and in particular, any class may be given preferential or special rights or may be excluded altogether or in part and further by the contract a time may be limited at the expiration of which shares, obligations or other interest not accepted or required to be sold shall be deemed to have been refused, and be at the disposal of the liquidator or the purchasing company.

1. If the company shall be wound-up, the Liquidator may with the sanction of Special Resolution and any other sanction required by the Companies Act divide amongst the members in specie or kind the whole or any part of the assets of the company whether or not they shall consist of property of the same kind.
2. For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. Every Director, Manager, Trustee, Member of a Committee, Officer, Servant, agent, Accountant, or other persons employed in the business of the company, shall if so required by the Directors or Managing Agents sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the company with its customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

No share holder to enter the premises of the company without permission

No member or other person (not being a Director) shall be entitled to enter the premises of the company property of the company or to inspect or examine the company's premises or without permission properties of the company without the permission of the directors of the company for the time being or subject to these articles to require discovery of any information respecting any detail of the company's trading of any matter which is or may be in the nature of a trade secret, mystery of trades or secret process or of any matter whatsoever which may relate to the conduct of the business of the company and which in the opinion of the Directors or Managing Agents it will be inexpedient of the company to communicate to the public

FURTHER ISSUE OF SHARES OF THE SAME CLASS

The rights conferred upon the holders of the shares of any class with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari-passu therewith.

TAXATION

The information provided below sets out the possible tax benefits available to the shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares, under the current tax laws presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultants with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

For these purposes 'Non-Resident' means a person who is not a resident in India. For purposes of the Income-tax Act, 1961 ("the Act"), an individual is considered to be a resident of India during any financial year if he or she is in India in that year for:

- a period or periods amounting to 182 days or more; or
- 60 days or more and has within the four preceding years he/she has been in India for a period or periods amounting to 365 days or more; or
- 182 days or more, in the case of a citizen of India or a person of Indian origin living abroad who visits India and within the four preceding years has been in India for a period or periods amounting to 365 days or more; or
- 182 days or more, in the case of a citizen of India who leaves India for the purposes of employment outside India in any previous year and has within the four preceding years been in India for a period or periods amounting to 365 days or more.

A company is resident in India if it is an Indian company or the control and management of its affairs is situated wholly in India. A firm or association of persons is resident in India except where the control and management of its affairs is situated wholly outside India.

The following summary is based on the provisions of Indian tax laws as of the date hereof, which are subject to change, possibly on a retrospective basis.

This summary is not intended to constitute a complete analysis of the Indian tax provisions. Individual tax consequences of an investment in Equity Shares may vary for Non-Residents in various circumstances, and potential investors should therefore consult their own tax advisers as to the tax consequences of such purchase, ownership and disposition under the tax laws of India, the jurisdiction of their residence and any tax treaty between India and their country of residence.

The Income-tax Act is amended by the Finance Act every financial year.

The Indian Finance Minister released the Direct Taxes Code Bill, 2009 for public comments along with a discussion paper on July 12, 2009, seeking to replace the existing Income Tax Act. Upon receipt of public comments, the Finance Minister released the Revised Discussion Paper addressing the major issues on the Direct Tax Code, on June 15, 2010, which was available for public comments for a brief period up to June 30, 2010. As an outcome of this consultation process, the Indian Finance Minister tabled The Direct Taxes Code, 2010 ("DTC") in the Indian Parliament. The DTC is proposed to come into effect from April 1, 2012. Accordingly, the tax benefits available to investors might change once the Direct Tax Code becomes applicable.

As per the taxation laws in force, the tax benefits / consequences as applicable, to the Qualified Institutional Investors (not being individuals or HUFs) investing in the Equity Shares of Gayatri Projects Limited are stated as follows:

Indian Tax Considerations

1. Benefits available to resident shareholders

1.1 Dividends exempt under Section 10(34)

Dividends (whether interim or final) declared, distributed or paid by the Company are exempt in the hands of shareholders as per the provisions of Section 10(34) of the Act provided the Company declaring the dividend has paid dividend distribution tax which at present is 16.60875 per cent (which includes tax rate of 15 per cent plus a surcharge of 7.5 per cent on dividend distribution tax and education cess of 3 per cent on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend. However it is pertinent to note that Section 14A of the Act restricts claims for deduction of expenses incurred in relation to exempt income. Thus, any expense incurred to earn the dividend income is not an allowable expenditure.

1.2 Long term capital gain exempt under section 10(38)

Income arising from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund is exempt provided securities transaction tax has been paid on such transfer.

1.3 Computation of Capital gains

- a. Capital assets may be categorised into short term capital assets and long term capital assets based on the period of holding. Shares held in a company, or any other securities listed in a recognized stock exchange in India, will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of these assets held for 12 months or less are considered as "short term capital gains".
- b. Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.
- c. As per the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at the rate of 20 per cent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities, calculated at the rate of 20 per cent with indexation benefit exceeds the tax on long term capital gains computed at the rate of 10 per cent without indexation benefit, then such excess shall be ignored for the purpose of computing the tax on capital gains and therefore, would be chargeable to tax at a concessional rate of 10 per cent (plus applicable surcharge and education cess) without indexation benefits.
- d. As per the provisions of section 111A of the Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to Securities Transaction Tax ("STT") shall be subject to tax at a rate of 15 per cent (plus applicable surcharge and education cess) in addition to the other requirements, as specified in the section. No deduction under chapter VI-A of the Act shall be allowed from such income
- e. Short term capital gains arising on sale of equity shares where such transaction is not chargeable to STT, is presently taxable at the rate of 30% (plus applicable surcharge and cess).
- f. As per section 71 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gain as well as long term capital gain. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 years.
- g. As per section 71 read with section 74 of the Act, long term capital loss arising on sale of equity shares which are not subjected to STT during a year is allowed to be set-off only against long term capital gain. Balance loss, if any, shall be carried forward and set-off against long term capital gain arising during subsequent 8 years.

1.4 Exemption of capital gain from Income Tax

- a. According to section 10(38) of the Act, long-term capital gains on sale of equity shares, where the transaction of sale is chargeable to STT shall be exempt from tax. However, in case of shareholders being company, profits on transfer of above referred long term capital asset shall not be reduced in computing the book profits for the purposes of computation of MAT under section 115 JB of the Act.
- b. According to the provisions of section 54EC of the Act and subject to the conditions and investment limits specified therein, long-term capital gains not exempt under section 10(38) of the Act and arising on transfer

of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer.

However, according to Section 54EC(2) of the Act, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. The maximum investment that can be made in the bonds during any financial year is presently Rs. 5 million.

- c. The characterization of the gains/losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding in the hands of the shareholder and various other factors.

2. Benefits available to Non-residents (Other than Foreign Institutional Investors)

2.1 Dividends exempt under Section 10(34)

Dividends (whether interim or final) declared, distributed or paid by the Company are exempt in the hands of shareholders as per the provisions, of Section 10(34) of the Act. However, the Company will presently be liable to pay dividend distribution tax at the rate of 16.60875 per cent (which includes tax rate of 15 per cent plus a surcharge of 7.5 per cent on dividend distribution tax and education cess of 3 per cent on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.

2.2 Computation of capital gains

- a. Capital assets may be categorised into short term capital assets and long term capital assets based on the period of holding. Shares held in a company, or any other securities listed in a recognized stock exchange in India, will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of these assets held for 12 months or less are considered as "short term capital gains"
- b. Section 48 of the Act contains special provisions in relation to computation of capital gains on transfer of an Indian company's shares by non-residents. Computation of capital gains arising on transfer of shares in case of non-residents has to be done in the original foreign currency, which was used to acquire the shares. The capital gain (i.e., sale proceeds less cost of acquisition/ improvement) computed in the original foreign currency is then converted into Indian Rupees at the prevailing rate of exchange. The shareholders are not entitled to indexation benefit in such case.
- c. In case investment is made in Indian Rupees, the long-term capital gain is to be computed after indexing the cost.

As per the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the IT Act would be subject to tax at a rate of 20 per cent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities, calculated at the rate of 20 per cent with indexation benefit exceeds the tax on long-term gains computed at the rate of 10 per cent without indexation benefit, then such excess shall be ignored for the purpose of computing the tax on capital gains and therefore capital gains therefore, would be chargeable to tax at a concessional rate of 10 per cent (plus applicable surcharge and education cess) without indexation benefits.

- d. As per the provisions of section 111A of the Act, short-term capital gains on sale of equity shares, where the transaction of sale is chargeable to STT, shall be subject to tax at a rate of 15 per cent (plus applicable surcharge and education cess) in addition to the other requirements, as specified in the section.
- e. Short term capital gains arising on sale of equity shares or units of equity oriented mutual fund, where such transaction is not chargeable to STT, shall be taxable at the rate of 30% (plus applicable surcharge and cess).
- f. As per section 71 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set off against short term capital gain as well as long term capital gain.

Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 years.

- g. As per section 71 read with section 74 of the Act, long term capital loss arising on sale of equity shares which are not subjected to STT during a year are allowed to be set-off only against long term capital gain. Balance loss, if

any, shall be carried forward and set-off against long term capital gain arising during subsequent 8 years.

2.3 Exemption of capital gain from income tax

- a. According to section 10(38) of the Act, long-term capital gains on sale of equity shares or unit of equity oriented fund, where the transaction of sale is chargeable to STT shall be exempt from tax. However, in case of companies, long term capital gains so earned (which are exempt under section 10(38) of the Act) shall be taken into account in computing the book profit for the purposes of computation of MAT.
- b. According to the provisions of section 54EC of the Act and subject to the conditions and investment limits specified therein, long-term capital gains not exempt under section 10(38) and arising to the assessee on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. However, according to Section 54EC(2) of the Act, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. The maximum investment that can be made in the bonds during any financial year is Rs. 5 million.
- c. The characterization of the gains/losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding in the hands of the shareholder and various other factors.

2.4 Benefits under Double Taxation Avoidance Agreements (DTAA)

As per Section 90 of the Act, the non-resident shareholder can claim relief in respect of double taxation, if any, as per the provision of the applicable DTAA entered into by the Government of India with the country of residence of the non-resident investor.

3. Benefits available to Foreign Institutional Investors (FIIs')

3.1 Dividends exempt under section 10(34)

Dividends (whether interim or final) declared, distributed or paid by the Company are exempt in the hands of shareholders as per the provisions of section 10(34) of the Act. However, the Company will be liable to pay dividend distribution tax at the rate of 16.60875 per cent (which includes tax rate of 15 per cent plus a surcharge of 7.5 per cent on dividend distribution tax and education cess of 3 per cent on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend.

3.2 Taxability of capital gains

- a. As per the provisions of section 115 AD of the IT Act, FIIs will be taxed on the capital gains that are not exempt under section 10(38) of the IT Act at the following rates:

Nature of Income	Rate of Tax
Long Term Capital Gains	10%
Short Term Capital Gains	30%*

*15% where the provisions of section 111A of the Act are applicable.

- b. The above tax rates would be increased by the applicable surcharge and education cess. The benefits of indexation and foreign currency fluctuation protection as provided by Section 48 of the Act are not available to an FII.
- c. According to Section 111A of the IT Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15 per cent (plus applicable surcharge and education cess) in addition to the other requirements, as specified in the section.
- d. Short term capital gains arising on sale of equity shares, where such transaction is not chargeable to STT, shall be taxable at the rate of 30% (plus applicable surcharge and cess).
- e. As per section 71 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gain as well as long term capital gain. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 years.

- f. As per section 71 read with section 74 of the Act, long term capital loss arising on sale of equity shares which are not subjected to STT during a year are allowed to be set-off only against long term capital gain. Balance loss, if any, shall be carried forward and set-off against long term capital gain arising during subsequent 8 years.

3.3 Exemption of capital gain from income tax

- a. According to section 10(38) of the Act, long-term capital gains on sale of shares or unit of equity oriented fund where the transaction of sale is chargeable to STT shall be exempt from tax. However, in case of companies, long term capital gain so earned may be required to be taken into account in computing the book profit for the purpose of computation of MAT.
- b. According to the provisions of section 54EC of the IT Act and subject to the conditions and investment limits specified therein, long-term capital gains not exempt under section 10(38) and arising to the assessee on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. However, according to Section 54EC(2) of the Act, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. The maximum investment permissible for the purpose of claiming the exemption in the above bonds by any person in a financial year is Rs. 5 million.
- c. The characterization of the gains/losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding in the hands of the shareholder and various other factors.

4. Benefits available to Mutual Funds

As per the provisions of Section 10(23D) of the IT Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India would be exempt from income tax, subject to the conditions as the Government may by notification in the Official Gazette specify in this behalf.

5. Gift to an Individual or Hindu undivided family:

As per provisions of Section 56(2)(vii) of the IT Act and subject to exception provided in second proviso regarding gifts to relatives, where any Individual or Hindu Undivided Family receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the aggregate fair market value of such shares and securities as exceeds such consideration, is chargeable to Income-tax under the head Income from other sources.

6. Tax Treaty Benefits

A non-resident investor has the option to be governed by the provisions of the Act or the provisions of the Tax Treaty that India has entered into with the country of which the non-resident investor is a tax resident, whichever is more beneficial.

7. Benefits available under the Wealth-tax Act, 1957

Assets as defined under Section 2(ea) of the Wealth Tax Act, 1957 does not include shares in companies and hence, shares are not liable to wealth tax.

8. Benefits available under the Gift-tax Act, 1958

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares will not attract gift tax. This is however subject to the provisions of section 56 of the Act.

9. Securities Transaction Tax (STT)

STT in respect of any taxable securities transaction shall be collected from the seller or the buyer, on the value of such transaction, by every recognized stock exchange or the prescribed person in case of any Mutual Fund, at the rate specified in section 98 of Chapter VII of the Finance Act 2004.

Notes:

- 1. All the above benefits are as per the current tax law as amended by the Finance Bill, 2010**
- 2. The stated benefits will be available only to the sole / first named holder in case the shares are held by joint holders.**
- 3. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the issue.**

The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Equity Shares held as investment (and not as stock in trade). The statements made above are based on the tax laws in force and as interpreted by the relevant taxation authorities as of date. Investors are advised to consult their tax advisors with respect to the tax consequences of the purchase, ownership and disposal of equity shares.

INDEPENDENT ACCOUNTANTS

Our audited consolidated and stand alone financial statements for fiscal years 2010, 2011 and 2012 have been audited by M/s C. B. Mouli & Associates, the Company's statutory auditor who have agreed to the inclusion of their audit report in this Preliminary Placement Document. Further M/s C. B. Mouli & Associates have carried out a limited review of financials for the six months period ended September 30, 2012. M/s C. B. Mouli & Associates have given their consent for the inclusion of the limited review report for the six months period ended September 30, 2012.

LEGAL PROCEEDINGS

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.*

A. Proceedings initiated against our Company:

Criminal Proceedings

There are no criminal proceedings initiated against our Company.

Civil Proceedings

18 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 filed an original miscellaneous petition (OMP No. 600/2012), against the Ondeo Degremont Limited, Bangalore, (“ODL”), before the High Court of Delhi, in connection with a dispute arising out of a contract executed by our Company for a water treatment plant in 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 at great loss. The total amount involved is ₹ 87.18 million. ODL has preferred counter claims inter-alia alleging a loss on account of office and establishment, overhead expenses, additional cost incurred for completing the incomplete works, Claimant’s failure to attend the works during the defects liability period, delay in electro-mechanical works, 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 interest of ₹22.92 million.

The arbitrators passed an award in favour of GPL, awarding ₹21,28 million and interest at the rate of 9% p.a. from the date of filing the statement of claim to till date of the Award. Further the arbitrators applied 12% interest till payment thereby awarding a total amount of ₹ 37,39 million. ODL challenged the said award under Section 34 of Arbitration and Conciliation Act, 1996 before the High of Delhi at New Delhi. The aforesaid dispute is pending further and final disposal.

2. Our Company has initiated a writ petition against the State of Andhra Pradesh and others before the High Court of Andhra Pradesh (Writ Petition No. 22893 of 2012) in connection with the acquisition of land required to enable GPL to commence work on the execution of Tail Pond Link Canals (Package No. 8 and 9) and GNSS

Main Canal (Package No. 4) respectively, (“**Project**”). Due to the alleged failure on the part of the State of Andhra Pradesh, we were unable to complete work on the project within the designated period. We requested the State of Andhra Pradesh not to consider the said works for evaluation of bid capacity for future. Subsequently, the State of Andhra Pradesh has agreed to ignore the aforesaid works while evaluating the bids. The aforesaid dispute is pending hearing and final disposal.

3. Our Company has initiated 7 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 7 civil suits is ₹350.00 million. The aforesaid proceeding is pending further hearing and final disposal.
4. 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 Supreme Court of India against the final judgment and order dated January 9, 2003 issued by the High Court, 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 an amount of ₹ 104.35 million towards mineral revenue. The Supreme Court of India vide their judgment dated October 20, 2008 set aside the Impugned Order and remitted the matter to the Andhra Pradesh State Government. Our Company is awaiting the Andhra Pradesh State Government to initiate action pursuant to the aforesaid judgment issued by the Supreme Court of India. The aforesaid proceeding is pending hearing and final disposal.

Apart from the aforementioned, 15 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 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

There are no 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 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 (“**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.

F. 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 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 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. APRDC invoked the aforesaid bank guarantees pursuant to a letter dated October 13, 2011 (“**Impugned Letter**”). 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 (c) an injunction restraining Bank of Baroda from paying cash to APRDC under the aforesaid bank guarantees. The aforesaid matter is pending hearing and final disposal.
2. 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. APRDC invoked the aforesaid bank guarantees pursuant to a letter dated October 13, 2011 (“**Impugned Letter**”). 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 hearing and final disposal.
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 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. APRDC invoked the aforesaid bank guarantees pursuant to a letter dated October 13, 2011 (“**Impugned Letter**”). 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 filed an application under section 11 of the Arbitration and Conciliation Act, 1996 against the Andhra Pradesh State Highways Project before the 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 had 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. The Hon’ble High Court allowed the application and nominated a sole arbitrator. The said sole arbitrator issued a notice dated November 01, 2012 which called for a hearing on the preliminary issue before the Arbitral Tribunal. The aforesaid dispute is pending 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 filed a writ petition (W.P. No. 24026/2012) before the High Court of Andhra Pradesh, Hyderabad against a direction of the Customs, Excise and Service Tax Appellate Tribunal, (“**CESTAT**”), Bangalore in connection with an order in original dated March 24, 2009, whereby the Commissioner of Customs and Central Excise, Hyderabad (“**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. Our Joint Venture challenged this order and preferred an interim appeal. The CESTAT, Bangalore directed our Joint Venture to pay ₹ 50.00 Million during the pendency of the appeal, whereby our Joint Venture filed the aforementioned writ petition. The aforesaid dispute is pending hearing and final disposal.
2. Our Joint Venture Gayatri BCBPPL Joint Venture, has filed a writ petition (W.P. No. 24027/2012) before the Hon’ble High Court of Andhra Pradesh, Hyderabad against an order of the Customs, Excise and Service Tax Appellate Tribunal, (“**CESTAT**”), Bangalore preferring the Commissioner of Customs and Central Excise, Hyderabad in connection with an order in original dated March 25, 2009, whereby the Service Tax Commissioner had confirmed as amount of ₹10.88 Million 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 Million, (ii) ₹ 11.00 Million and (iii) ₹5,000 and (iv) interest at applicable rates on amount of service tax determined. The aforesaid Joint Venture had prayed to have the aforesaid order-in-original set aside, its operation be stayed and the appeal be heard on its merits. The CESTAT rejected the interim appeal preferred and directed Gayatri BCBPPL Joint Venture to pay ₹ 10 Million during the pendency of the appeal and hence Gayatri BCBPPL Joint Venture filed the aforementioned writ petition. 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) against inter-alia, our step-down Subsidiary, Thermal Powertech Corporation Limited and other private power plant operators, before the 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 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, 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 A. Koti Lingam, before the Civil Judge, City Civil Court at Siddipet, Karminagar District, (O.S. No. 109/2011) seeking inter-alia, a decree for perpetual injunction restraining the defendants, their agents, servants and anybody 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 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 Million						
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, 2012, we had the following contingent liabilities on an unconsolidated basis that have not been provided for in our financial statements:

S.No	Particulars	September 30, 2012
1	Guarantees given by Banks towards performance & contractual commitments	
	a) Issued on behalf of Company	6,231.00
	b) Issued on behalf of Subsidiaries/Group Companies	1,610.55
2	Corporate guarantees given to Group companies	58,296.60
3	Disputed Liability of Sales Tax, Service Tax and Seigniorage Charges	154.71
	Total	66,292.86

GENERAL INFORMATION

1. We were incorporated on September 15, 1989 under the name of Andhra Coastal Construction Private Limited and received our certificate of commencement of business on September 15, 1989. Subsequently the name of the Company was changed to Gayatri Projects Private Limited with effect from March 31, 1994 and was converted into a public limited Company on December 2, 1994 pursuant to which our name was changed to Gayatri Projects Limited.
2. As of the date the authorized capital of our Company is Rs. 400 million comprising 40,000,000 Equity Shares of ₹ 10 each.
3. Our Company's Registered Office is situated at B-1, T.S.R. Towers, 6-3-1090, Raj Bhavan Road, Somajiguda, Hyderabad, Andhra Pradesh, India – 500 082
4. The Issue has been authorized by a postal ballot resolution pursuant to Section 81 of the Companies Act on July 10, 2012
5. We have applied for in-principle approvals to list the Equity Shares on BSE and the NSE. The Company has received in-principle approvals dated December 12, 2012 and dated December 12, 2012 from the BSE and the NSE respectively to list the Equity Shares on the Stock Exchanges.
6. Copies of our Memorandum and Articles of Association will be available for inspection during usual business hours on any weekday (except Saturdays, Sundays and public holidays) at our Registered Office.
7. Except as disclosed in this Preliminary Placement Document, there are no significant changes in our financial position and of our Subsidiaries since March 31, 2012, the date of our last published financial results.
8. We have obtained all consents, approvals and authorizations required in connection with this Issue.
9. Except as disclosed in this Preliminary Placement Document, there are no litigation or arbitration proceedings against or affecting us or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue of Equity Shares.
10. Our Company's auditor, M/s. C.B. Mouli & Associates, Chartered Accountants have audited the Company's standalone & consolidated accounts for the periods ended, March 31, 2012, 2011 and 2010 and conducted a limited review on the unaudited reviewed standalone financial results of the Company for the six months period ended September 30, 2012 and they have consented to the inclusion of their report in this Preliminary Placement Document.
11. The Company confirms that it is in compliance with the minimum public shareholding requirements as required under the terms of the listing agreements with the Stock Exchanges.
12. The Floor Price for the Issue is ₹ 120.18 per Equity Share on December 13, 2012 as the Relevant Date. The Floor price has been calculated as per Regulation 85 of the SEBI Regulations.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IAS/IFRS

Reference to the underlying accounting standards / any relevant national regulations is essential in understanding the specific differences.

SUBJECT	INDIAN GAAP	IAS/ IFRS
Consolidation and investment in subsidiaries	<p>ICAI issued Accounting Standard (AS 21) on “Consolidated Financial Statements”, on 1 April 2001. AS 21 does not require consolidation, but sets out the standards to be followed in the event that consolidated financial statements are presented or required by law or regulation. SEBI requires listed companies and those seeking a listing to publish consolidated financial statements in accordance with AS 21 <i>in addition</i> to the separate financial statements of the parent. Accordingly, listed companies have presented consolidated financial statements for accounting periods commencing April 1, 2001, in addition to their stand alone financial statements.</p> <p>Unlisted companies will continue to have the option of not presenting consolidated financial statements.</p> <p>Currently exercisable voting rights are not required to be considered in determining control.</p> <p>No specific guidance on Special Purpose Entity (SPE) consolidation. Employee share trust not required to be consolidated.</p> <p>Under AS 21, in a parent’s separate financial statements, investments in subsidiaries are carried at cost less any impairment loss recognized.</p>	<p>As per IAS 27, consolidated financial statements must be prepared whenever there is a parent-subsidiary relationship (with a few minor exceptions).</p> <p>Intermediate parent companies which are wholly owned or virtually wholly owned subsidiaries are exempted from preparing consolidated financial statements irrespective of their location, provided the parent publishes consolidated financial statements that comply with IAS.</p> <p>Under IAS 27, in a parent’s separate financial statements investments in subsidiaries may be accounted for either at cost less any impairment, or by the equity method as described under IAS 28, or as an available-for-sale investment under IAS 39.</p> <p>Currently exercisable voting rights are required to be considered in determining control.</p> <p>Special Purpose Entity required to be consolidated if it is controlled by an entity. SPE includes employee share trusts.</p>
Translation differences	<p>AS 11, "Accounting for the Effects of Changes in Foreign Exchange Rates", deals with accounting for Foreign exchange transactions. Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction or at average rates if the average rate approximates the rate on the date of transaction. Monetary items are restated at year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a</p>	<p>Same as Indian GAAP, except that no different treatment is prescribed for exchange differences arising in respect of liabilities for acquisition of fixed assets.</p> <p>The translation requirements apply when financial statements are prepared other than in functional currency.</p>

SUBJECT	INDIAN GAAP	IAS/ IFRS
	<p>foreign currency are reported using the exchange rates that existed when the values were determined.</p> <p>Exchange differences arising on transactions and translation of monetary items are recognized as income or expense, in the year in which they arise, except in respect of liabilities for the acquisition of fixed assets, where such exchange difference is adjusted in the carrying cost of the fixed assets.</p> <p>There is no concept of functional currency. All entities have to prepare accounts in Indian Rs.</p>	
Foreign entities within consolidated financial statements	<p>Until the revision of AS 11, “Accounting for the Effects of Changes in Foreign Exchange Rates”, with effect from accounting periods commencing on or after April 1, 2004, no guidance existed for the translation of the financial statements of foreign subsidiaries for the purposes of consolidation.</p> <p>With the revision of this standard, foreign operations are classified as either “integral foreign operations” or “non-integral foreign operations”. Translation differences in respect of “integral foreign operations” are required to be recognized in the income statement of the reporting enterprise.</p> <p>Translation differences relating to “non-integral foreign operations” are required to be accumulated in a foreign currency translation reserve in the enterprise’s financial statements until disposal of the net investment. At the time of disposal, the accumulated translation differences would be drawn from the reserve into the income statement.</p>	Closing Rate is used for balance sheet items and average rate for items of the income. Resulting exchange differences taken to equity and included in gain on disposal of subsidiary
Inventories	<p>Inventory valuation method is similar to IAS/IFRS, except that there are additional disclosures under IAS/IFRS.</p> <p>It is not mandatory to use same cost formula for inventories that have similar nature and use.</p>	<p>IAS 2 requires certain additional disclosures: carrying amount of inventories carried at NRV; reversals of write-down; and circumstances that lead to write-down inventories pledged as security for liabilities.</p> <p>It is not mandatory to use same cost formula for inventories that have similar nature and use.</p>

SUBJECT	INDIAN GAAP	IAS/ IFRS
Fixed assets and depreciation accounting	<p>Fixed assets are stated at historical cost or revalued amounts.</p> <p>Replacements costs / inspection charges / periodic overhauling costs cannot be capitalized.</p> <p>Depreciation is allocated so as to charge a fair proportion of the depreciable amount in each accounting period during the expected useful life of the asset. However, rates are prescribed in the Companies Act for the minimum depreciation provision. Where applicable, higher depreciation based on useful life of the asset should be provided. Asset lives are not presently prescribed by the Companies Act but can be derived from the depreciation rates. If the rates applied are different from the rates specified in the governing statute then the rates and useful life to be also disclosed. Recently Exposure Draft has been issued prescribing the useful lives to be adopted for various assets.</p> <p>Under AS 6 the cumulative prior period effect of a change in depreciation method is recognized in the net profit or loss in the period of change.</p> <p>Additional depreciation necessitated on account of revaluation permitted to be withdrawn from revaluation reserve.</p> <p>Periodic review of depreciation method not required.</p>	<p>Fixed assets are stated at cost or revalued amounts.</p> <p>Replacements costs / inspection charges / periodic overhauling costs which meet capitalization criteria need to be capitalized.</p> <p>Allocated on a systematic basis to each accounting period during the useful life of the asset.</p> <p>However, IAS 8 treats changes in depreciation method resulting from a revised useful life or pattern of benefits as a 'change in estimate', recognized prospectively.</p> <p>Depreciation to be charged to profit and loss account except where it inventorised as per IAS2 or capitalized as part of cost of fixed assets as per IAS 38.</p> <p>Periodic review of depreciation method required.</p>
Revenue recognition	<p>In transactions involving sale of goods, revenue is recognized when significant risks and rewards of ownership are transferred and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods.</p>	<p>Revenue from sale of goods are recognized when the following conditions are met:</p> <ul style="list-style-type: none"> (i) the enterprise has transferred to the buyer the significant risks and rewards of ownership of the goods; (ii) the enterprise retains neither continuing managerial involvement to the degree normally associated with ownership nor effective control over the goods sold; (iii) the amount of revenue can be measured reliably; (iv) it is probable that economic benefits associated with the transaction will flow into the enterprise;

SUBJECT	INDIAN GAAP	IAS/ IFRS
		(v) the costs incurred or to be incurred in respect of transactions can be measured reliably.
Employee benefits / retirement benefits	<p>The scope of AS 15, "Accounting for Retirement Benefits in the Financial statements of Employers", is limited to retirement benefits (including pensions and health and welfare schemes).</p> <p>For measuring retirement benefit obligations and expense, AS 15 requires only an actuarially accepted method. Several alternative methodologies are considered acceptable for the purposes of the valuation, and the actuary has considerable latitude in selecting assumptions to be used.</p> <p>No specific guidance on discount rate to be used. However normally discount rate is established by reference to market yield on Government bonds</p> <p>Past service costs are recognized immediately in the profit and loss account.</p> <p>In respect of cumulative unrecognized actuarial gains or losses, no corresponding amortization required.</p> <p>Vacation accrual or leave encashment, is viewed as a retirement benefit and is generally reported at the actuarially determined present value of future benefits.</p>	<p>IAS 19 covers retirement benefits and also short-term employee benefits (such as, compensated absences, profit sharing, and bonus plans); long-term employee benefits (such as, long – service benefits, disability benefits, and deferred compensation); termination benefits; and equity compensation benefits (for disclosure only).</p> <p>For measuring retirement benefit obligations and expense, IAS 19 requires use of a uniform actuarial method by all companies using the Projected Unit Credit Method.</p> <p>The discount rate used is to be determined by reference to market yields on the balance sheet date on high quality corporate bonds.</p> <p>Past service costs on new plans or awarded benefits is spread on a straight-line basis over the average period until awarded benefits become vested or immediately if the plans are already vested.</p> <p>If cumulative unrecognized actuarial gains or losses exceed 10% of the greater of plan assets or the plan obligation, that excess must be amortized through net profit or loss.</p>
Borrowing cost and interest capitalized	<p>Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as a cost of that asset.</p> <p>Other borrowing costs are recognized as an expense in the period in which they are incurred.</p> <p>The capitalization period ends when the asset is ready for use.</p> <p>Borrowing costs include foreign exchange differences that are regarded as an adjustment to interest cost.</p> <p>The capitalized interest is expensed over the estimated useful life of the asset as part of the depreciation charge.</p> <p>No disclosure required in respect of capitalization rate used to determine the</p>	<p>The benchmark treatment is to expense all borrowing costs in the period in which they are incurred.</p> <p>Allowed alternative treatment is that borrowing costs in relation to the acquisition, construction and production of a qualifying asset should be treated as a part of the cost of the relevant asset. Where the allowed alternative method is adopted, that treatment should be applied consistently to all borrowing costs incurred for the acquisition, construction and production of qualifying asset.</p> <p>Similar treatment as in Indian GAAP for charging off the capitalized interest costs.</p> <p>Borrowing costs include foreign exchange differences that are regarded as an adjustment to interest cost.</p> <p>Capitalization rate used to determine the</p>

SUBJECT	INDIAN GAAP	IAS/ IFRS
	amount of borrowing costs capitalized.	amount of borrowing costs capitalized needs to be disclosed.
Issuance and redemption costs for borrowings	Debt issuance costs and redemption premiums payable on the redemption of debt may be amortized, charged as an expense or charged to the Securities Premium Account.	Debt issuance costs and redemption premiums payable on the redemption of debt are treated as deferred charge and amortized using the effective interest rate method over the life of the debt.
Deferred taxation	<p>AS 22, "Accounting for Taxes on Income", requires deferred tax to be provided for the tax effect of timing differences between taxable income and accounting income.</p> <p>Deferred tax assets and liabilities should be measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.</p> <p>Deferred tax assets arising due to unabsorbed depreciation or carry forward of losses are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.</p> <p>Other deferred tax assets should be recognized and carried forward only to the extent that there is a 'reasonable certainty' that sufficient future taxable income will be available against which such deferred tax assets can be realised.</p> <p>Under the transitional adjustment, the impact on profit and loss of the opening deferred tax asset or liability arising on first implementation of the accounting standard is to be set off against the opening balance lying to the credit of general reserve.</p>	<p>Deferred tax assets, however should be recognized for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is 'probable' (more likely than not) that taxable profit will be available against which temporary timing differences can be utilized.</p> <p>IAS 12 requires that taxes should be charged or credited directly to equity if they relate to items that are credited or charged directly to equity.</p>
Impairment of assets	<p>AS 28, "Impairment of Assets", becomes effective for periods commencing April 1, 2004 and is mandatory for certain enterprises including listed public companies.</p> <p>The standard requires an enterprise to assess on each balance sheet date whether there is any indication that an asset is impaired. If such an indication exists, the company is required to estimate the recoverable amount of an asset. If the recoverable amount of an</p>	<p>The standard seeks to ensure that assets are carried at no more than their recoverable amount and to define how the recoverable amount is calculated.</p> <p>At each balance sheet date, an enterprise is required to review all assets for indications that an asset may be impaired. The IAS provides a list of external and internal indicators of impairment. If there are such indicators, then the recoverable amount needs to be computed.</p>

SUBJECT	INDIAN GAAP	IAS/ IFRS
	<p>asset is less than its carrying amount, that carrying amount of the asset should be reduced to its recoverable amount. That reduction is an impairment loss.</p> <p>Reversal of impairment loss is allowed where there is an indication that the impairment loss has decreased. However, the reversal should not be more than what the depreciated historical cost would have been had the impairment not been considered.</p>	<p>For assets to be disposed off, recoverable amount is the net selling price.</p> <p>If net selling price cannot be determined, then the recoverable amount is value in use. Measuring value in use involves:</p> <ul style="list-style-type: none"> a) estimating future cash inflows and outflows relating to continuing use of that asset at net proceeds from its ultimate disposal. b) Discounting those cash flows using an appropriate discount rate. <p>Impairment losses are recognized in the income statement unless it relates to a revalued asset where the value changes are recognized directly in equity.</p> <p>Recoverable amount should be determined for individual assets. If it is not possible to determine recoverable amounts for individual assets, then recoverable amount for the asset's cash generating unit needs to be determined.</p> <p>If goodwill relates to a cash generating unit, the entity must consider impairment of goodwill in the financial statements relating to that cash generating unit.</p> <p>Reversal of impairment loss is allowed where there is an indication that the impairment loss has decreased. However, the reversal should not be more than what the depreciated historical cost would have been had the impairment not been considered.</p>
Provisions, contingent liabilities and contingent assets	<p>AS 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the ICAI comes into effect in respect of accounting periods commencing on or after April 1, 2004 and is mandatory to all listed public companies.</p> <p>The amount recognized as a provision should be the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The amount of a provision should not be discounted to its present value.</p> <p>Disclosure for each class of provision</p>	<p>IAS 37 requires that where the effect of the time value of money is material, the provision should be measured at the present value of the expenditures expected to be required to settle the obligation.</p> <p>Disclosure required for possible losses and probable gains.</p> <p>IAS 37 distinguishes between accruals and provisions.</p> <p>IAS 37 requires that if an enterprise has a contract that is onerous (expected costs exceed expected benefits), the net present obligation under the contract should be</p>

SUBJECT	INDIAN GAAP	IAS/ IFRS
	<p>and contingent liabilities has been prescribed by the standard.</p>	<p>recognized as a loss and a provision.</p> <p>Under IAS 37, a provision is recognized not only when a legal obligation exists but also when a constructive obligation exists, i.e. an obligation created by a pattern of past practice or policy that creates a valid expectation on the part of third parties that the enterprise will discharge its responsibilities.</p> <p>IAS 37 provides guidance on statistical methods to be used in measuring a provision.</p> <p>IAS 37 requires certain disclosures in respect of contingent assets in the financial statements where an inflow of economic benefits is probable.</p> <p>Guarantees, other than financial guarantees that an entity enters into or retains on transferring to another party financial assets or financial liabilities within the scope of IAS 39, qualify as insurance contracts under IFRS 4 on “Insurance Contracts” and are recognized at fair values on inception.</p>
<p>Derivative financial instruments and hedging</p>	<p>Only certain derivatives are recognized in the balance sheet and marked to market at the end of the reporting periods.</p> <p>Foreign exchange contracts held for trading or speculation are carried at fair value and gains /losses are charged to profit and loss account. Premium or discount is amortized over the life of the contract.</p> <p>Equity options are carried at lower of cost and market value.</p> <p>There is no specific guidance for hedge accounting.</p>	<p>All derivatives are recognized on balance sheet date at fair value.</p> <p>Changes in fair value of derivatives (other than hedges) are reported in income statement.</p> <p>Changes in fair value of derivatives that are designated as hedges are either offset against the change in fair value of the hedges asset or liability through earnings or recognized directly into equity.</p> <p>Separation of derivatives embedded in financial instruments required unless it is closed related to economic characteristics of underlying instrument.</p>
<p>Dividend</p>	<p>A liability is recognized for dividends in the year to which they relate.</p>	<p>Dividends declared after the balance sheet date is not recognized as liability at the balance sheet date.</p>
<p>Preference shares</p>	<p>Preference shares under Indian GAAP are classified as share capital and included as part of shareholders' funds.</p> <p>Dividends relating to these shares are treated as an appropriation of profit.</p>	<p>Financial instruments issued in the form of shares that are mandatorily redeemable are required to be classified as liability.</p> <p>Dividends relating to these shares are required to be included in determining net income and not as appropriation.</p>

SUBJECT	INDIAN GAAP	IAS/ IFRS
Cash flow statement	<p>Applies to only specified entities fulfilling certain criteria</p> <p>Companies (other than listed companies who have to prepare cash flow by indirect method only) are permitted to prepare cash flow under direct as well as indirect method.</p> <p>Requires separate disclosure of extra ordinary items.</p>	<p>Applies to all entities without any exceptions.</p> <p>Same as Indian GAAP</p> <p>Disclosure of extra ordinary items prohibited.</p>
Changes in accounting policies	<p>The cumulative amount of the change is included in the income statement for the period in which the change is made.</p> <p>Where specified in certain standards (transitional provisions) the change during the transition period resulting from adoption of the standard has to be adjusted against opening retained earnings and the impact needs to be disclosed.</p>	<p>Changes in accounting policy are applied retrospectively.</p> <p>Comparatives are restated and the effect of period(s) not presented is adjusted against opening retained earnings of the earliest year presented.</p> <p>Policy changes made on the adoption of a new standard are made in accordance with that standard's transitional provisions.</p>
Business combinations	<p>Treatment of a business combination depends on whether the acquired entity is held as a subsidiary, whether it is an amalgamation, or whether it is an acquisition of a business.</p> <p>For an entity acquired and held as a subsidiary, the business combination is accounted for as an acquisition. The assets and liabilities acquired are incorporated at their existing carrying amounts.</p> <p>For an amalgamation of an entity, either pooling of interests or purchase method of accounting is used.</p> <p>Under pooling method, the assets and liabilities amalgamated are incorporated at their existing carrying amounts. If purchase method is adopted, the consideration can be allocated to individual identifiable assets (which may include intangible assets) and liabilities on the basis of their fair values.</p> <p>For an acquisition of a business, the acquired assets and liabilities may be incorporated at their fair values or value of surrendered assets.</p> <p>Adjustments to the value of acquired or amalgamated balances are not permitted after initial recognition.</p>	<p>All business combinations are treated as acquisitions. Assets, liabilities and contingent liabilities acquired are measured at their fair values. Pooling of interest method is prohibited.</p> <p>For acquisitions occurring on or after 1 January 2004, IFRS 3 requires that, when assessing the value of the assets of an acquired entity, certain identifiable intangible assets must be recognized and, if considered to have a finite life, amortized through the income statement over an appropriate period.</p> <p>Adjustments to provisional fair values are permitted provided those adjustments are made within 12 months from the date of acquisition, with a corresponding adjustment to goodwill.</p> <p>After re-assessment of respective fair values of net assets acquired, any excess of acquirer's interest in the net fair values of acquirer's identifiable assets is recognized immediately in the income statement.</p> <p>Where less than 100% of an entity is acquired, the minority interest is stated at its proportion of the fair value of the identifiable net assets and contingent liabilities acquired.</p>

SUBJECT	INDIAN GAAP	IAS/ IFRS
	<p>Any excess of acquirer's interest in the net fair values of acquirer's identifiable assets is recognized as capital reserve. This is neither amortized nor available for distribution to shareholders.</p> <p>In case of an amalgamation accounted under the purchase method, the fair value of intangible assets with no active market is reduced to the extent of capital reserve, if any, arising on the amalgamation.</p> <p>Minority interests arising on the acquisition of a subsidiary are recognized at their share of the historical book value.</p>	
Interest income and expenses	<p>There is no specific requirement to use effective interest rates.</p> <p>Premiums and discounts are usually amortized on a straight line basis over the term of the instrument.</p>	<p>Interest income and expense is recognized in the income statement using the effective interest method.</p> <p>The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument.</p>

FINANCIAL STATEMENTS

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Auditors' Examination Report on the Standalone Financial Statements

To the Board of Directors
Gayatri Projects Limited
6-3-1090, TSR Towers,
Rajbhavan Road, Somajiguda,
Hyderabad – 500082.

1. We have examined the attached Standalone Balance Sheet along with all notes and annexures thereto of **Gayatri Projects Limited**, (“Company”) as at **March 31, 2012, March 31, 2011 and March 31, 2010** and also Standalone Profit and Loss Account along with all notes and annexures thereto and the Standalone Cash Flow Statement for the years ended on those dates, annexed thereto (“**Standalone Financial Statements**”). These Standalone Financial Statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.
2. The figures disclosed in the Standalone Financial Statements are extracted / reformatted from the audited accounts for the respective years as approved by the respective Board of Directors on 30th May 2012, 22nd August 2011 and 28th May 2010 respectively, and our opinion on the Standalone Financial Statements stated herein is as stated in the report for each of those years. Accordingly any event subsequent to the said dates have not been considered/ adjusted. We conducted our audit in respective years in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provided a reasonable basis for our opinion.
3. **Based on the above**, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us. The branch Auditors’ reports have been forwarded to us and have been appropriately dealt with.
 - (iii) The balance sheet and the notes and annexures in connection therewith, profit & loss account and the notes and annexures in connection therewith and cash flow statement dealt with by this report are in agreement with the books of account and with the Audited returns from the branches.
 - (iv) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon **subject to non provision of joint venture losses as more detailed in the Standalone Financial Statements of the respective years**, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Standalone Balance Sheet, and the notes and annexures in connection therewith, of the state of affairs of the Company as at March 31, 2012, March 31, 2011 and March 31, 2010;
 - (ii) in the case of the Standalone Statement of Profit and Loss and the notes and annexures in connection therewith, of the profit of the Company for the years ended on March 31, 2012, March 31, 2011 and March 31, 2010 and
 - (iii) in the case of the Standalone Cash Flow Statement, of the cash flows of the Company for the years ended on March 31, 2012, March 31, 2011 and March 31, 2010.

For **C. B. Mouli & Associates**
Chartered Accountants
(Registration No. 002140S)

M Premchand
Partner
(Membership No. 211745)
Date: December 12, 2012
Place: Hyderabad

Stand Alone Balance Sheet as at March 31, 2012, March 31, 2011 and March 31, 2010

₹ in Million

Particulars	Note	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
I. EQUITY AND LIABILITIES				
1. Shareholders' Funds				
a. Share capital	3	239.68	119.89	111.05
b. Equity warrants		-	-	35.63
b. Reserves and surplus	4	4922.54	3259.70	2657.44
		5162.22	3379.59	2804.12
2. Non-Current Liabilities				
a. Long-term borrowings	5	1357.20	2033.98	1501.23
b. Deferred tax liabilities (net)	6	247.82	208.80	177.79
c. Other long-term liabilities	7	3709.89	2672.28	2147.00
d. Long-term provisions	8	22.84	13.63	13.53
		5337.75	4928.69	3839.55
3. Current Liabilities				
a. Short-term borrowings	9	8218.19	7027.14	4129.43
b. Trade payables	10	2495.75	1810.21	1500.75
c. Other current liabilities	11	2723.43	545.89	545.86
d. Short-term provisions	12	108.96	85.30	63.21
		13546.33	9468.54	6239.25
Total		24046.30	17776.82	12882.92
II. ASSETS				
1. Non-Current Assets				
a. Fixed assets				
i) Tangible assets	13	2739.39	2192.91	1661.44
ii) Intangible assets		-	-	-
iii) Capital work-in-progress		116.69	-	-
b. Non-current investments	14	6234.93	3964.43	1283.38
c. Long-term loans and advances	15	581.44	580.77	590.36
		9672.45	6738.11	3535.18
2. Current Assets				
a. Inventories	16	1470.35	642.54	693.33
b. Trade receivables	17	5142.83	3284.70	3149.06
c. Cash and Bank Balances	18	1441.22	1712.03	2052.35
d. Short-term loans and advances	19	5749.60	4609.00	2720.26
e. Other current assets	20	569.85	790.44	732.74
		14373.85	11038.71	9347.74
Total		24046.30	17776.82	12882.92
Significant accounting policies	2			

Stand Alone Statement Of Profit And Loss For The Year Ended March 31, 2012 , March 31, 2012 and March 31, 2012

₹ in Million

Particulars		Note	For the year ended March 31, 2012	For the year ended March 31, 2011	For the year ended March 31, 2010
I	Revenue from operations	21	18,019.04	14,405.52	12,524.86
II	Other income	22	33.33	56.41	42.04
III	Total Revenue		18,052.37	14,461.93	12,566.90
IV	EXPENSES				
	Cost of materials consumed	23	4,013.35	3,137.40	3,554.36
	Work Expenditure	24	10,849.48	9,066.00	7,078.91
	Changes in Inventories of Work-In-Progress	25	(368.22)	(88.51)	(18.89)
	Employee benefit expense	26	414.92	352.72	280.44
	Finance costs	27	1,043.74	741.85	453.38
	Depreciation and amortization expense	13	290.57	227.33	200.57
	Other expenses	28	1,110.13	231.63	208.11
	Total Expenses		17,353.97	13,668.42	11,756.88
V	Profit before exceptional & extraordinary items and tax		698.40	793.51	810.02
VI	Exceptional Items		-	-	-
VII	Profit before extraordinary items and tax		698.40	793.51	810.02
VIII	Extraordinary Items		-	-	-
IX	Profit Before Tax		698.40	793.51	810.02
X	Tax Expenses				
	(a) Current tax expense relating to prior years		0.59	0.09	42.57
	(b) Current Tax		199.08	262.40	284.59
	(c) Deferred Tax		39.02	31.01	(8.04)
XI	Profit (Loss) for the year		459.71	500.01	490.90
XII	Earnings per share (of 10/- each):				
	(a) Basic		37.83	43.10	46.02
	(b) Diluted		31.11	33.99	36.67
	Significant accounting policies	2			

Stand Alone Cash Flow Statement For The Year Ended March 31, 2012, March 31, 2011 and March 31, 2010.

		₹ in Million		
	Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011	For the year ended March 31, 2010
A	Cash flow from operating activities			
	PROFIT BEFORE TAX	698.40	793.51	810.02
	ADJUSTMENTS FOR :			
	Depreciation and amortization expense	290.57	227.33	200.57
	Finance Cost	1,043.74	741.85	453.38
	Interest income & other non-operating income	(33.33)	(56.41)	(42.04)
	Loss on sale of Assets (Net)	20.36	0.23	-
	Foreign Currency Translation and Transactions - Net	792.36	-	-
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,812.10	1,706.51	1,421.93
	ADJUSTMENTS FOR :			
	Trade Receivables, Loans and Advances and Other Assets	(2,778.81)	(2,072.49)	(2,188.44)
	Inventories	(827.81)	50.79	(88.97)
	Trade Payables, other Liabilities and Provisions	1,777.46	920.13	756.97
	CASH GENERATED FROM OPERATIONS	982.94	604.94	(98.51)
	Income Tax Paid	(199.67)	(262.49)	(327.16)
	NET CASH FROM OPERATING ACTIVITIES	783.27	342.45	(425.67)
B	Cash flows from investing activities			
	Purchase of Fixed Assets	(913.40)	(815.28)	(255.50)
	Changes in capital work in progress	(116.69)	-	-
	Sale of Fixed Assets	56.00	56.26	0.18
	Interest income & other non-operating income	33.33	56.41	42.04
	Purchase of Non-Current Investments	(2,270.50)	(2,681.05)	-
	NET CASH USED IN INVESTING ACTIVITIES	(3,211.26)	(3,383.66)	(213.28)
C	Cash flows from financing activities			
	Proceeds from issue of share capital includes share premium	1,406.49	63.87	220.63
	Net Proceeds from long-term borrowings	649.52	487.65	278.27
	Net Proceeds from Working Capital Facilities	266.35	1,433.37	588.10
	Net Proceeds from short-term loans	924.69	1,464.32	1,534.99
	Finance Cost	(1,019.74)	(715.00)	(453.38)
	Dividend & Dividend Tax paid	(70.13)	(33.32)	(64.96)
	NET CASH FROM FINANCING ACTIVITIES	2,157.18	2,700.89	2,103.65
	NET INCREASE IN CASH AND CASH EQUIVALENTS	(270.81)	(340.32)	1,464.70
	OPENING CASH AND CASH EQUIVALENTS	1,712.03	2,052.35	587.65
	CLOSING CASH AND CASH EQUIVALENTS	1,441.22	1,712.03	2,052.35

Notes forming a part of the Stand Alone Financial Statements

1. CORPORATE INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis for preparation of financial statements

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

2.2 Use of estimates

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

2.3 Revenue recognition

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

2.4 Revenue receipts on Joint Venture Contracts

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

2.5 Inventories and work in progress

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

2.5 Fixed assets and Depreciation

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

2.7 Foreign Currency Transactions

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

2.8 Investments

Trade investments comprise investments in subsidiary companies, joint ventures, associate companies and in the entities in which the Company has strategic business interest. Investments are classified as Non-Current and current investments. Non-Current Investments are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value. Dividend income is accounted when the right to receive dividend is established.

2.9 Employee Benefits

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

i) Gratuity

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

ii) Provident Fund

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

iii) Compensated Absences

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

2.10 Deferred Revenue Expenditure

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

2.11 Borrowing Costs

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

2.12 Leases

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

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

2.13 Earnings per Share (EPS)

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

2.14 Taxation

i) Current Tax

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

ii) Deferred Taxes

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

2.15 Impairment of Fixed Assets

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

2.16 Provisions for Contingent Liabilities and Contingent Assets

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

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

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

3. SHARE CAPITAL

Particulars	₹ in Million		
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Authorised			
40,000,000 (Year 2010-11: 40,000,000, Year 2009-10 : 15,000,000) Equity shares of ₹ 10/- each	400.00	400.00	150.00
Issued, Subscribed and Paid-Up:			
23,968,242 (Year 2010-11 : 11,979,242, Year 2009-10 : 10,104,761) Equity Shares of ₹ 10/- each fully paid-up	239.68	119.89	111.05
	239.68	119.89	111.05

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

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

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

The company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

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

The Board of Directors have recommended dividend of ₹ 3.00 per equity share in their meeting held on 30th May 2012, subjected to approval of the shareholders in the ensuing Annual General Meeting (For the year ended 31st March 2011 : ₹ 5.00 per equity share, For the year ended 31st March 2010 : ₹ 5.00 per equity share).

3(c) The reconciliation of number of shares and amount outstanding at the beginning and at the end of

the reporting period is as under:

	As at 31 st March, 2012		As at 31 st March, 2011		As at 31 st March, 2010	
	Number of shares	₹ in Million	Number of shares	₹ in Million	Number of shares	₹ in Million
Number of shares at the beginning	11,989,000	119.89	11,104,761	111.05	10,104,761	101.05
Add: Shares issued on conversion of FCCBs	--	--	286,718	2.87		
Add : Shares issued on conversion of warrants by the promoters	--	--	597,521	5.97		
Add: Shares issued to the existing Share Holders on Right basis	11,979,242	119.79	--	--		
Add : Shares issued through Preferential allotment					10,00,000	10.00
Number of shares at the end	23,968,242	239.68	11,989,000	1,19.89	11,104,761	111.05

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

Name of Share Holder	As at 31 st March, 2012		As at 31 st March, 2011		As at 31 st March, 2010	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Indira Tikkavarapu	10,630,932	44.35	4,798,816	40.03	4,500,055	40.52
Sandeep Kumar Reddy	4,579,544					
Tikkavarapu		19.11	1,793,922	14.96	1,595,162	14.36
Reliance Capital Trustee Co Ltd –Reliance Infrastructure Fund	-	-	1,000,000	8.34	1,000,000	9.01
IL&FS Trust Company Ltd A/C IL&FS Private Equity Trust	-	-	-	-	588,351	5.30

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

4. RESERVES AND SURPLUS

Particulars	₹ in Million		
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Capital Reserve			
Opening balance	14.34	-	-
Add : Forfeiture of warrants	-	14.34	-
	14.34	14.34	-
Securities Premium Account			
Opening Balance	749.34	590.45	415.45
Add : Receipts on exercise of equity warrants	-	79.18	-
Receipts on exercise of FCCB Conversion	-	79.71	-
Receipts on issue of Right Shares	1,317.72	-	175.00
Less : Utilised towards Rights Issue Expenses	(31.02)	-	-
	2,036.04	749.34	590.45
Debenture Redemption Reserve			

Opening Balance	130.00	-	-
Add: Transferred from Statement of Profit and Loss	-	130.00	-
	130.00	130.00	-
General Reserve			
Opening Balance	760.00	680.00	610.00
Add: Transferred from Statement of Profit and Loss	90.00	80.00	70.00
	850.00	760.00	680.00
Surplus / (Deficit) of Statement of Profit and Loss			
Opening Balance	1,606.02	1,386.99	1,031.05
Add: Surplus for the year	459.71	500.00	490.90
Amount available for appropriation	2,065.73	1,886.99	1,521.95
Appropriations:			
Dividend and Dividend Tax	83.57	70.97	64.96
Amount transferred to Debenture Redemption Reserve	-	130.00	-
Amount transferred to General Reserve	90.00	80.00	70.00
Closing Balance	1,892.16	1,606.02	1,386.99
TOTAL	4,922.54	3,259.70	2,657.44

5. LONG TERM BORROWINGS

Particulars	₹ in Million					
	As at 31st March, 2012		As at 31st March, 2011		As at 31st March, 2010	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
<u>Debentures - Secured</u>						
520 (31 st March 2011: 520) 11.50% Redeemable Non-convertible Debentures (NCDs) of ₹ 10,00,000/- each	520.00	-	520.00	-	-	-
<u>Bonds – Unsecured</u>						
Zero Coupon Foreign Currency Convertible Bonds (FCCBs) (Refer Note. 5.1)		1429.65	895.11		977.69	-
<u>Term Loans – Secured</u>						
- From Banks						
i) Equipment Loans	381.38	169.06	170.70	193.00	172.61	455.00
ii) Vehicle Loans	-	-	-	1.26	-	-
iii) Other Term loans	125.00	625.00	-	-	280.32	-
- From Others						
i) Equipment Loans	322.50	298.20	436.41	205.66	70.61	-
ii) Vehicle Loans	8.32	6.65	11.76	9.98	-	-
	1357.20	2528.56	2033.98	409.90	1501.23	455.00

5.1 The Company had issued 308 Zero Coupon Foreign Currency Convertible Bonds (FCCBs) of Japanese Yen (JPY) 10,000,000 each aggregating to JPY 308,00,00,000 redeemable on 1st August 2012 at 120.414% of its principal amount. The bond holders had an option to convert these bonds into equity shares at an initial

conversion price of ₹ 378.35 (reset at ₹ 288/-) per share with a fixed rate of exchange on conversion at ₹ 0.3303 per JPY. Out of the total bonds of 308, 37 bonds were converted into equity, 42 bonds were bought back by the company and remaining 229 bonds were outstanding as at the date of Balance Sheet. The bonds will mature on 3rd August 2012 at 120.414% of its principal amount.

The Company has provided an amount of ₹ 673.26 million towards the foreign exchange transaction loss on the FCCBs as on date and the loss is recognized in the statement of profit and loss for the year 2011-12.

5.2 Nature of Security:

Debentures:

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

Equipment Loans:

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

Vehicle Loans:

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

Other Term Loans:

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

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

5.3 Maturity Profile of Term Loans is set out below:

Particulars	₹ in Million			
	2013-14	2014-15	2015-16	After 2015-16
Debentures	156.00	156.00	208.00	-
Equipment loans from Banks	164.02	131.24	79.66	-
Term Loans from Banks	125.00	-	-	-
Equipment loans from Others	109.12	72.95	80.71	-
Vehicle loans from Others	7.51	0.81	-	-

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

6. DEFERRED TAX LIABILITIES (NET)

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

Particulars	₹ in Million		
	31st March 2012	31st March 2011	31st March 2010
A) Deferred Tax Assets on timing differences due to :			
Provision for Gratuity and Leave Encashment	(6.31)	(3.80)	(2.30)
NCD Issue Expenses	--	(7.29)	--
B) Deferred Tax Liability on timing differences due to:			
Depreciation	254.13	2,19.89	180.09
Deferred Tax Liabilities (net) (B-A)	247.82	2,08.80	177.79

7. OTHER LONG TERM LIABILITIES

Particulars	₹ in Million		
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Advances from Contractees	3,709.89	2,672.28	2,147.00
	3,709.89	2,672.28	2,147.00

8. LONG TERM PROVISIONS

Particulars	₹ in Million		
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Employee Benefits	22.84	13.63	13.53
	22.84	13.63	13.53

9. SHORT TERM BORROWINGS

Particulars	₹ in Million		
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<u>From Banks</u>			
<i>Secured</i>			
- Equipment Loans	500.00	-	-
- Term Loans	-	1,000.00	1,535.00
- Working Capital Facilities	4,294.17	4,027.81	2,594.43
<i>Un-Secured</i>			
- Term Loans	3,424.02	1,999.33	
	8,218.19	7,027.14	4,129.43

9.1 Nature of security and terms of repayment:

Equipment Loans (Secured)

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

Term Loans (Secured)

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

Working Capital Loans (Secured)

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

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

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

Term Loans (Un-secured)

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

10. TRADE PAYABLES

Particulars	₹ in Million		
	As at 31 st March, 2012	As at 31 st March, 2011	As at 31 st March, 2010
Micro, Small and Medium Enterprises*	-	-	-
Others	2,495.75	1,810.21	1,500.75
	2,495.75	1,810.21	1,500.75

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

11. OTHER CURRENT LIABILITIES

Particulars	₹ in Million		
	As at 31 st March, 2012	As at 31 st March, 2011	As at 31 st March, 2010
Current maturities (Refer Note 5)			
- Long Term Borrowings	1,098.92	409.90	455.00
- Zero Coupon Foreign Currency Convertible Bonds (FCCBs)	1,429.65	-	-
Interest accrued and due on borrowings	50.85	26.85	-
Remuneration Payable to Directors	13.48	16.81	4.59
Unpaid dividends	0.31	0.23	0.15
Unpaid matured debentures and interest accrued thereon	9.83	9.67	-
Other Liabilities *	120.39	82.43	86.12
	2,723.43	545.89	545.86

* Includes statutory dues, payables towards services and expenses.

12. SHORT TERM PROVISIONS

Particulars	₹ in Million		
	As at 31 st March, 2012	As at 31 st March, 2011	As at 31 st March, 2010
Employee Benefits	25.39	15.16	3.82
Provision for Dividend	71.90	59.95	27.76
Provision for Dividend Distribution	11.67	10.19	31.63
Tax			
Total :	108.96	85.30	63.21

13. FIXED ASSETS

₹ in Million

Particulars	Original Cost				Depreciation and Amortization				Net Book Value	
	As at April 1, 2011	Additions/ Adjustment during the year	Deductions / Retirement during the year	As at March 31, 2012	Upto April 1, 2011	For the year	Deductions/ Adjustment during the year	Upto March 31, 2012	As at March 31, 2012	As at March 31, 2011
i) Tangible Assets - Free Hold :										
Land	1.58	0.57	0.00	2.15	0.00	0.00	0.00	0.00	2.15	1.58
Plant and Equipment	1948.23	406.40	140.85	2213.78	602.97	102.38	71.62	633.73	1580.05	1345.26
Earth Moving Machinery	1157.32	230.01	10.26	1377.07	809.03	140.86	4.15	945.74	431.33	348.29
Wind Power Equipment	374.57	219.12	0.00	593.69	0.45	24.94	0.00	25.39	568.30	374.12
Furniture and Fixtures	30.99	9.40	0.00	40.39	15.31	2.30	0.00	17.61	22.78	15.68
Vehicles	188.54	47.91	1.75	234.70	80.56	20.09	0.73	99.92	134.78	107.98
Total	3701.23	913.41	152.86	4461.78	1508.32	290.57	76.50	1722.39	2739.39	2192.91

ii) Intangible Assets - Nil

iii) Capital Work in progress

- Capital Work in progress represents Machinery purchased for ₹ 116.69 Million and yet to be installed.

14. NON-CURRENT INVESTMENTS

Particulars	₹ in Million					
	As at		As at		As at	
	31st March, 2012	31st March, 2011	31st March, 2010	No. of Shares	Amount	Amount
A. Trade Investments (Valued at cost unless stated otherwise)						
Unquoted Equity Shares						
Investment in Subsidiary Companies						
Equity Shares of ₹ 10/- each, fully paid in Gayatri Infra Ventures Ltd.	12,50,000	1,253.24	12,50,000	1,253.24	12,50,000	1,253.24
Equity Shares of ₹ 10/- each, fully paid in Gayatri Energy Ventures Pvt. Ltd.	50,00,000	4,950.50	27,30,000	2,680.50	50,000	0.50
Equity Shares of ₹ 10/- each, fully paid in Bhandara Thermal Power Corporation Ltd.	25,500	0.26	25,500	0.26	24,500	0.24
Equity Shares of ₹ 10/- each, fully paid in Sai Maatarani Tollways Ltd.	50,000	0.50	-	-		
Equity Shares of ₹ 10/- each, fully paid in HKR Roadways Ltd.	37,000	0.37	37,000	0.37		
Investment in Associate Companies						
Equity Shares of ₹ 10/- each, fully paid in Balaji Highways Holdings Pvt. Ltd.	49,000	0.49	49,000	0.49		
Equity Shares of ₹ 10/- each, fully paid in Indore Dewas Tollways Ltd.	16,660	0.17	16,660	0.17		
		6,205.53		3,935.03		1,253.98
B. Investment in Other Companies						
Quoted - at Cost						
Equity Shares of ₹ 10/- each in Gayatri Sugars Ltd.	29,31,000	29.31	29,31,000	29.31	29,31,000	29.31
Equity Shares of ₹ 10/- each in Syndicate Bank Ltd.	1,728	0.09	1,728	0.09	1,728	0.09
		29.40		29.40		29.40
		6,234.93		3,964.43		1,283.38
Aggregate Amount of Quoted Investment		29.40		29.40		29.40
Aggregate Market value of Quoted Investment		8.99		8.97		12.55
Aggregate Amount of Unquoted Investment		6,205.52		3,934.36		1,253.98
Aggregate provision for diminution in the value of investments		--		--		--

Note:

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

15. LONG TERM LOANS AND ADVANCES

Particulars	₹ in Million		
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
To Related Parties – Unsecured, considered good			
- Loan to Joint Venture*	577.31	577.31	577.31
To Others – Unsecured, considered good			
- Security Deposit	4.13	3.46	13.05
	581.44	580.77	590.36

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

16. INVENTORIES

Particulars	₹ in Million		
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Construction material	773.42	313.83	453.12
Work in Progress	696.93	328.71	240.21
	1,470.35	642.54	693.33

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

17. TRADE RECEIVABLES

Particulars	₹ in Million		
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<i>Trade receivables outstanding for a period less than six months from the date they are due for payment</i>			
Unsecured, considered good	4,924.91	3,091.32	2,962.09
Unsecured, considered doubtful	-	-	-
Less: Provision for doubtful debts	-	-	-
<i>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</i>			
Unsecured, considered good	217.92	193.38	186.97
Unsecured, considered doubtful	-	-	-
Less: Provision for doubtful debts	-	-	-
	5,142.83	3,284.70	3,149.06

18. CASH AND BANK BALANCES

Particulars	₹ in Million		
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
a) Cash on hand	13.80	8.69	14.12
b) Balances with Banks			
- Current Accounts	339.92	786.48	1,381.93
- Fixed Deposits	279.89	218.23	183.61
c) Other Deposits			
- Margin money for Bank Guarantees / LCs*	807.61	698.63	472.69
	1,441.22	1,712.03	2,052.35

*Margin Money Deposits with carrying amount are earmarked against bank guarantees / LCs taken by the company (or subsidiaries of the company)

19. SHORT TERM LOANS AND ADVANCES

(Un-secured and Considered Good)

Particulars	₹ in Million		
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Advances to Suppliers	65.91	223.04	14.17
Advances to Subcontractors	4,774.08	2,929.88	2,685.00
Staff Advances	12.19	15.62	13.09
Deposits with Government Agencies	301.54	1,264.17	1.57
Other Advances	595.88	176.29	6.43
	5,749.60	4,609.00	2,720.26

20. OTHER CURRENT ASSETS

Particulars	₹ in Million		
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Pre-paid expenses	56.07	43.02	116.66
Share Application Money Pending Allotment	513.78	747.42	616.08
	569.85	790.44	732.74

21. REVENUE FROM OPERATIONS

Particulars	₹ in Million		
	Year Ended 31st March, 2012	Year Ended 31st March, 2011	Year Ended 31st March, 2010
Contract Revenue	17,208.54	14,392.06	12,524.86
Other Operational Revenue	785.99	0.01	-
Share of Profit from Joint Ventures	24.51	13.45	-
	18,019.04	14,405.52	12,524.86

22. OTHER INCOME

Particulars	₹ in Million		
	Year Ended 31st March, 2012	Year Ended 31st March, 2011	Year Ended 31st March, 2010
Interest income from Bank Deposits	17.54	54.32	37.62
Other Non-operating Income	15.79	2.09	4.42
	33.33	56.41	42.04

23. COST OF MATERIALS CONSUMED

Particulars	₹ in Million		
	Year Ended 31st March, 2012	Year Ended 31st March, 2011	Year Ended 31st March, 2010
Steel	631.87	459.09	590.77
Cement	345.63	269.27	313.38
Bitumen	971.15	1,041.29	1,181.52
Metal	552.51	467.38	475.46
Sand & Gravel	94.65	188.68	162.90
Electrical Materials	385.10	78.82	11.98
RCC & GI Pipes	190.29	17.22	33.79
Building Materials	210.16	9.69	15.73
HSD Oils and Lubricants	566.19	533.28	697.55
Stores and Consumables	36.12	59.57	33.87
Other Materials	29.68	13.11	37.41
	4,013.35	3,137.40	3,554.36

24. WORK EXPENDITURE

₹ in Million

Particulars	Year Ended	Year Ended	Year Ended
	31st March, 2012	31st March, 2011	31st March, 2010
Departmental Recoveries	333.89	183.35	123.83
Work executed by sub-contractors	6,638.99	4,320.45	2,808.35
Earth Work	980.32	1,426.01	1,298.74
Concrete Work	764.31	851.08	856.18
Transport Charges	170.30	117.26	184.33
Hire Charges	99.53	123.16	151.95
Road work	453.20	728.95	607.21
Repairs and Maintenance	223.58	188.14	201.38
Taxes and Duties	492.44	349.74	220.13
Royalties, Seigniorage and Cess	78.67	106.80	195.66
Insurance	32.66	23.08	23.47
Other Work Expenditure	581.59	647.98	407.68
	10,849.48	9,066.00	7,078.91

25. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS

Particulars	₹ in Million		
	Year Ended 31st March, 2012	Year Ended 31st March, 2011	Year Ended 31st March, 2010
Opening Work-In-Progress	328.71	240.20	221.31
Less : Closing Work-In-Progress	696.93	328.71	240.20
	(368.22)	(88.51)	(18.89)

26. EMPLOYEE BENEFIT EXPENSES

Particulars	₹ in Million		
	Year Ended 31st March, 2012	Year Ended 31st March, 2011	Year Ended 31st March, 2010
Salaries and Wages	302.82	255.40	209.55
Directors' Remuneration	52.50	46.70	31.95
Contribution to Provident Fund and Other Funds	5.23	4.62	3.15
Staff Welfare	54.37	46.00	35.79
	414.92	352.72	280.44

27. FINANCE COSTS

Particulars	₹ in Million		
	Year Ended 31st March, 2012	Year Ended 31st March, 2011	Year Ended 31st March, 2010
Interest Expenses			
- On Term Loans	476.51	376.28	146.62
- On Working Capital Facilities	459.9	276.37	240.32
- On Non-Convertible Debentures	59.97	24.41	-
- On Others	6.32	17.54	28.01
Other Borrowing Cost	41.04	47.25	38.43
	1043.74	741.85	453.38

28. OTHER EXPENSES

Particulars	₹ in Million		
	Year Ended 31st March, 2012	Year Ended 31st March, 2011	Year Ended 31st March, 2010
Printing and Stationery	8.01	6.98	7.83
Telephones	10.47	9.57	9.58
Traveling and Conveyance	41.26	34.23	27.63
Advertisement Expenses	15.87	3.61	5.95
General Expenses	22.18	11.90	9.97
Consultancy Fee	57.38	48.36	48.93
Donations	48.68	32.41	24.81
Rent	36.14	30.85	23.83
Power and fuel	15.77	10.91	9.02
Rates and Taxes	6.78	9.93	19.87
Tender Expenses	8.09	6.63	3.05
Insurance	3.13	2.18	1.68
Auditors Remuneration*	4.72	3.27	2.50
Loss on Impairment of Assets / Sale of Assets	20.36	0.23	-
Foreign exchange translation loss**	792.36	-	-
Other Administration Expenses	18.93	20.57	13.46
	1,110.13	231.63	208.11

* ₹ 1.00 Million paid to Statutory Auditors towards Rights Issue certification fee is charged to Rights Issue expenses.

** The exchange translation loss includes (a) exchange difference arising on buy back of 42 FCCB bonds amounting to ₹ 119.10 Million and (b) the currency translation loss of ₹ 673.26 Million (including current year loss of ₹ 352.89 Million) as on 31st March 2012 on the outstanding 229 FCCB bonds of JPY 10,000,000 each.

29. LEASES

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

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

Lease Obligations Payable

₹ in Million	
Due	Minimum Lease Payments
Less than one year	8.28
Between one and five years	24.15
More than five years	--

Lease Obligations Recognized

Particulars	₹ in Million		
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Lease Rentals recognized during the year	0.69	-	-

30. Contingent Liabilities and Commitments

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

Particulars	₹ in Million		
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Contingent Liabilities			
a) Claims against the company not acknowledged as debt			
b) Guarantees given by the Banks towards performance & Contractual Commitments			
i) issued on behalf of the Company	6231.00	6424.87	4450.97
ii) Issued on behalf of Subsidiaries / Group Companies	1610.55	2746.22	823.25
c) Other money for which the company is contingently liable	--	--	
d) Disputed Liability of Sales Tax, Service Tax and Seigniorage charges	154.71	154.71	153.04
Commitments			
Corporate Guarantees given to group companies	56416.60	57116.60	3356.60

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

(₹ in Million)

Name of the Company	Relationship	Balances as on			Maximum outstanding		
		31.03.2012	31.03.2011	31.03.2010	2011-12	2010-11	2009-10
IJM Gayatri Joint Venture	Joint Venture	577.31	577.31	577.31	577.31	577.31	577.31

32. Impairment of Assets

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

33. Joint Venture Loss not considered

IJM-Gayatri Joint Venture

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

The JV has raised claims in excess of ₹ 300 Crores on the National Highways Authority of India and Andhra Pradesh State Government, which are pending for consideration before the appropriate authorities. The joint venture has got favorable awards amounting to ₹ 458.74 Million at the arbitration stage and further the JV has got favorable orders amounting to ₹ 41.92 Million from the District Court. There is a substantial progress in the proceedings of the claims and the management is reasonably confident of recovery of these claims.

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

Gayatri Joint Venture.

34. Disclosure pursuant to Accounting Standard (AS) – 15(Revised) “Employee’s Benefits”:

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

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

(₹ in Million)

Particulars	Gratuity			Leave Encashment		
	2011-12	2010-11	2009-10	2011-12	2010-11	2009-10
Present Value of Obligation as at the beginning of the year	24.00	14.64	9.59	4.79	2.71	0.99
Interest Cost	1.92	1.17	0.77	0.38	0.22	0.08
Current Service Cost	2.02	0.98	0.72	2.27	0.62	0.51
Benefits Paid	(0.12)	(0.76)	(0.15)	(0.10)	(0.13)	(0.11)
Actuarial loss / (gain) on Obligations	8.01	7.97	3.72	5.06	1.37	1.24
Present Value of Obligation at year end	35.83	24.00	14.64	12.41	4.79	2.71

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

(₹ in Million)

Particulars	Gratuity			Leave Encashment		
	2011-12	2010-11	2009-10	2011-12	2010-11	2009-10
Estimated Present Value of obligations as at the end of the year	35.83	24.00	14.64	12.41	4.79	2.71
Fair value of Plan Assets as at the end of the year	-	-	-	-	-	-
Net Liability recognized in Balance Sheet	35.83	24.00	14.64	12.41	4.79	2.71

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

(₹ in Million)

Particulars	Gratuity			Leave Encashment		
	2011-12	2010-11	2009-10	2011-12	2010-11	2009-10
Current Service Cost	2.02	0.98	0.72	2.27	0.62	0.51
Interest Cost	1.92	1.17	0.77	0.38	0.22	0.08
Expected return on Plan Asset	-	-	-	-	-	-
Net Actuarial (Gain)/Loss recognized in the year	8.01	7.97	3.72	5.06	1.37	1.24
Total expenses recognized in Statement of Profit & Loss	11.95	10.12	5.21	7.71	2.21	1.83

(d) **Principal Actuarial Assumption:**

Particulars	Gratuity			Leave Encashment		
	2011-12	2010-11	2009-10	2011-12	2010-11	2009-10
Discount Rate	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Salary Escalation Rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Retirement Age	60	60	60	60	60	60
Mortality	LIC	LIC	LIC	LIC	LIC	LIC

Particulars	Gratuity			Leave Encashment		
	2011-12	2010-11	2009-10	2011-12	2010-11	2009-10
	(1994-96)	(1994-96)	(1994-96)	(1994-96)	(1994-96)	(1994-96)
Attrition Rate	1%	1%	1%	1%	1%	1%

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

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

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

Dr.T.Subbarami Reddy (HUF)	Gayatri-JMC Joint Venture
Balaji Charitable Trust	Maytas Gayatri Joint Venture

Transactions with the related parties:

₹ in Million

Sl. No	Description	Year	Subsidiary & Step-down Subsidiaries	Associate Entities	Entities in which KMP are interested	Joint ventures	KMP
1	Equity contribution	2011-12	2270.50	-	-	-	-
		2010-11	2680.38	0.66	-	-	-
		2009-10	-	-	-	-	-
2	Contract Receipts	2011-12	2917.48	1236.20	1338.77	7391.34	-
		2010-11	5509.83	1736.37	809.56	3098.49	-
		2009-10	1688.74	2926.52	713.29	2884.17	-
3	Contract payments	2011-12	10.26	-	133.80	-	-
		2010-11	-	-	47.01	-	-
		2009-10	31.20	-	40.91	-	-
4	Office Rent & Maintenance	2011-12	-	-	10.15	-	-
		2010-11	-	-	7.33	-	-
		2009-10	-	-	2.65	-	-
5	Other Payments	2011-12	11.05	7.96	0.76	-	-
		2010-11	15.51	17.85	1.32	-	-
		2009-10	10.20	16.40	1.20	-	-
6	Donations	2011-12	-	-	46.58	-	-
		2010-11	-	-	31.90	-	-
		2009-10	-	-	6.20	-	-
7	Remuneration Paid	2011-12	-	-	-	-	52.50
		2010-11	-	-	-	-	46.70
		2009-10	-	-	-	-	31.95
8	Contract Advances/ Other Adv.	2011-12	42.37	96.52	-	530.22	-
		2010-11	1307.50	95.37	-	578.84	-
		2009-10	311.07	254.86	125.56	549.86	-
9	Corporate Guarantees	2011-12	10.00	-	-	-	-
		2010-11	54860.00	-	-	-	-
		2009-10	1600.00	-	-	-	-
10	Closing balances – Debit	2011-12	2113.40	630.93	2954.83	2961.38	-
		2010-11	2104.01	990.46	327.94	1569.05	-
		2009-10	869.56	585.54	215.54	1816.77	-
11	Closing balances – Credit	2011-12	758.91	10.35	17.15	1165.67	13.48
		2010-11	410.63	15.98	24.04	1614.67	16.81
		2009-10	263.91	96.74	193.94	1472.50	4.59

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

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

Particulars	2011-12		2010-11		2009-10	
	JPY Equivalent (Million)	₹ Equivalent (Million)	JPY Equivalent (Million)	₹ Equivalent (Million)	JPY Equivalent (Million)	₹ Equivalent (Million)
Amount payable in foreign currency: Foreign Currency Convertible Bonds (Refer Note no. 5.1)	2290.00	1429.65	2710.00	895.11	2960.00	977.69

JPY denotes Japanese Yen

37. Segment Reporting

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

38. Earnings Per Share (EPS)

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

Particulars	2011-12	2010-11	2009-10
Profit After Tax for calculation of Basic EPS (₹ in Million)	459.71	500.00	490.90
Profit After Tax for calculation of Diluted EPS (₹ in Million)	459.71	500.00	490.90
Weighted average No. of equity shares as denominator for calculating Basic EPS. (No. in Million)	12.15	11.60	10.67
Weighted average No. of equity shares as denominator for calculating Diluted EPS. (No. in Million)	14.78	14.71	13.39
Basic EPS (₹)	37.83	43.10	46.02
Diluted EPS (₹)	31.11	33.99	36.67

39. Disclosure in respect of Joint Ventures pursuant to Accounting Standard – 27 “Financial Reporting of Interest in Joint Ventures”

a) List of Joint Ventures

S. No	Name of the Joint Venture	Description of Interest	% of Holding	Country of residence
1	IJM Gayatri Joint Venture	Jointly controlled entity (construction of Road works)	40	India
2	Jaiprakash Gayatri Joint Venture	Jointly controlled entity (construction of Canals, Dams etc., works)	49	India
3	Gayatri ECI Joint Venture	Jointly controlled entity (construction of Road works)	50	India
4	Gayatri – Ratna Joint Venture	Jointly controlled entity (construction of Road and Irrigation works)	80	India
5	Gayatri – GDC Joint Venture	Jointly controlled entity (construction of Road works)	70	India
6	Gayatri – BCBPPL Joint Venture	Jointly controlled entity (construction of Canals, Dams etc., works)	60	India
7	Gayatri – RNS Joint Venture	Jointly controlled entity (construction of Road works)	60	India
8	Gayatri- JMC Joint Venture	Jointly controlled entity (construction of Road works)	75	India
9	MEIL-Gayatri-ZVS-ITT Consortium	Jointly controlled entity (construction of Road works)	48.44	India
10	Viswanath - Gayatri Joint Venture	Jointly controlled entity (construction of Road works)	50	India
11	Gayatri Ranjit Joint Venture	Jointly controlled entity (construction of Road works)	60	India
12	Maytas Gayatri Joint Venture	Jointly controlled entity (construction of Road works)	37	India

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

₹ in Million

Sl.	Name of Integrated Joint Ventures/ Jointly controlled entities	Year	Company's Share						
			As at March		For the year ended				
			Assets	Liabilities	Income	Expenses	Tax	Net Profit	Net Loss
1	IJM Gayatri Joint Venture	2011-12	197.68	202.56	-	0.53	-	-	0.53
		2010-11	786.02	788.72	19.30	23.32	-	-	4.02
		2009-10	736.65	731.23	-	5.43	-	-	5.43
2	Jaiprakash Gayatri Joint Venture	2011-12	266.88	265.61	1,145.05	1,145.01	-	0.05	-
		2010-11	239.66	238.44	637.78	637.78	-	-	-
		2009-10	96.14	96.13	879.06	878.89	-	0.18	-
3	Gayatri ECI Joint Venture	2011-12	527.66	451.74	1,499.43	1,450.42	-	49.01	-
		2010-11	722.27	695.36	949.46	922.55	-	26.91	-
		2009-10	274.17	522.27	826.08	800.17	-	25.90	-
4	Gayatri – Ratna Joint Venture	2011-12	674.54	673.77	0.77	-	-	0.77	-
		2010-11	673.72	673.72	341.06	341.06	-	-	-
		2009-10	-	-	341.06	341.06	-	-	-
5	Gayatri – GDC Joint Venture	2011-12	93.13	93.13	-	-	-	-	-
		2010-11	93.13	93.13	267.44	267.44	-	-	-
		2009-10	183.17	183.17	492.58	492.58	-	-	-
6	Gayatri – BCBPPL Joint Venture	2011-12	203.36	203.11	1,070.52	1,070.27	-	0.25	-
		2010-11	176.37	176.37	547.11	547.11	-	-	-
		2009-10	-	0.01	310.76	310.76	-	-	-
7	Gayatri – RNS Joint Venture	2011-12	332.61	332.61	896.01	896.01	-	-	-
		2010-11	439.77	439.77	946.42	946.42	-	-	-
		2009-10	568.83	568.83	449.56	449.56	-	-	-
8	Gayatri- JMC Joint Venture	2011-12	152.76	152.76	276.49	276.49	-	-	-
		2010-11	226.21	226.21	166.44	166.44	-	-	-
		2009-10	171.29	171.26	-	-	-	-	-
9	MEIL-Gayatri-ZVS-ITT Consortium	2011-12	109.52	109.52	1,381.69	1,381.69	-	-	-
		2010-11	176.90	176.90	761.70	761.70	-	-	-
		2009-10	-	-	-	-	-	-	-
10	Viswanath-Gayatri Joint Venture	2011-12	176.61	176.61	161.44	161.44	-	-	-
		2010-11	102.67	102.67	-	-	-	-	-
		2009-10	-	-	-	-	-	-	-
11	Gayatri-Ranjit Joint Venture	2011-12	7.96	7.96	-	-	-	-	-
		2010-11	7.96	7.96	-	-	-	-	-
		2009-10	7.96	7.25	-	-	-	-	-
12	Maytas Gayatri Joint Venture	2011-12	3,139.49	3,139.49	7,214.41	7,214.41	-	-	-
		2010-11	-	-	-	-	-	-	-
		2009-10	-	-	-	-	-	-	-
	Total:	2011-12	5,882.20	5,808.87	13,645.81	13,596.27	0.00	50.08	0.53
		2010-11	3,644.68	3,619.25	4,636.71	4,613.82	0.00	26.91	4.02
		2009-10	2,038.21	2,280.15	3,299.10	3,278.45	0.00	26.08	5.43
Company's Share of net assets in jointly controlled entities	2011-12		37.40						
	2010-11		12.97						
	2009-10		(177.89)						

40. **Managerial Remuneration:**
Managerial Remuneration paid during the year:

Particulars	₹ in Million		
	2011-12	2010-11	2009-10
Salaries	46.20	40.20	26.40
Perquisites	0.30	1.50	0.75
Commission	6.00	5.00	4.80
Sub-total	52.50	46.70	31.95
Sitting Fee	--	--	--
Contribution to Provident Fund & Superannuation Fund	--	--	--
Total	52.50	46.70	31.95

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

Particulars	₹ in Million		
	2011-12	2010-11	2009-10
Profit Before Taxation	698.40	917.55	810.02
Add : Managerial Remuneration	52.50	46.70	31.95
Provision for Doubtful Debts / Advances	-	-	-
Loss on Sale of Fixed Assets / Written off Assets	23.26	0.23	0.08
	774.15	964.48	842.05
Less : Profit on Sale of Shares	--	--	--
Profit on Sale of Assets	--	--	--
Profit on Sale of Land	--	--	--
Adjustment / Bad debts written off against the provision created earlier	--	--	--
Profit for the year as per Section 349	774.15	964.48	842.05
Maximum Commission / Remuneration payable under Section 309 @ 10%	77.42	96.45	84.21
Actual Remuneration taken (Incl. Perks)	52.50	46.70	31.95

41. There are no amounts due and outstanding to be credited to Investors Education & Protection Fund as on 31st March, 2012 (As on 31st March, 2011 : Nil, As on 31st March, 2010 : Nil)

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

S.No.	Particulars	₹ in Million		
		2011-12	2010-11	2009-10
1.	Statutory Audit	1.80	1.30	1.10
2.	Limited Review	1.20	0.80	0.40
3.	Tax Audit	0.50	0.40	0.40
4.	Certification Fee	0.70	0.70	0.60
5.	Certification Fee for Rights issue of Shares	1.00	-	-
	Total	5.20	3.20	2.50

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

Account Head	₹ in Million			
	Opening Balance	Provisions made During the year	Paid/Utilized during the year	Closing Balance
Gratuity	23.99	11.95	0.12	35.83
Leave Encashment	4.79	7.71	0.10	12.40
Taxation	Nil	199.08	199.08	Nil
Proposed Dividend & Dividend Tax	70.13	83.57	70.13	83.57

44. Disclosure pursuant to Accounting Standard – 7 “Construction Contracts”

₹ in Million

Sl No	Particulars	2011-12	2010-11	2009-10
1.	Contract revenue recognized for the year ended	18019.04	14405.51	12524.86
2.	Contract cost incurred and recognized profits, less losses	15903.69	13412.08	11909.73
3.	Amount of advances received till date, net of recoveries	3709.89	2672.28	2147.00
4.	Gross amount due from customers for contract works	5142.83	3284.70	3149.07

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

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

i) CIF value of Imports

(₹ in Million)

S. No.	Particulars	2011-12	2010-11	2009-10
1.	Purchase of Capital Goods	42.34	Nil	--

ii) Expenditure / (Income) in Foreign Currency:

(₹ in Million)

S. No.	Particulars	2011-12	2010-11	2009-10
1.	Traveling Expenses	2.74	1.19	0.23
2.	Stock Exchange Fee	0.20	0.22	--
3.	Interest/Premium of FCCB buyback	119.10	-Nil-	0.21
4.	Fee for Singapore Stock Exchange	0.02	0.02	0.02

iii) Details of major raw materials consumption

(₹ in Million)

Particulars	2011-12		2010-11		2009-10	
	Value	%	Value	%	Value	%
Indigenous	3162.00	100	2599.00	100	3258.68	100
Imported	---	---	---	--	--	--

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

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

Auditors' Examination Report on the Consolidated Financial Statements

To the Board of Directors
Gayatri Projects Limited
6-3-1090, TSR Towers,
Rajbhavan Road, Somajiguda,
Hyderabad – 500082.

1. We have examined the attached Consolidated Balance Sheet along with all notes and annexures thereto of **Gayatri Projects Limited**, and its Subsidiaries, Joint Ventures and Associates, (“**Group**”), as at **March 31, 2012, March 31, 2011 and March 31, 2010**, and also Consolidated Profit and Loss Account along with all notes and annexures thereto and the Consolidated Cash Flow Statement for the years ended on those dates, annexed thereto, (“**Consolidated Financial Statements**”). These Consolidated Financial Statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. The figures disclosed in the Consolidated Financial Statements are extracted / reformatted from the audited accounts for the respective years as approved by the respective Board of Directors on 30th May 2012, 22nd August 2011 and 28th May 2010 respectively, and our opinion on the Consolidated Financial Statements stated herein is as stated in the report for each of those years. Accordingly any event subsequent to the said dates have not been considered / adjusted. We conducted our audit in respective years in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provided a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiary companies for the financial year ended 31st March 2012, whose financial statements reflect total assets of Rs. 9650.39 million as at March 31, 2012, total revenue of Rs. Nil and cash flows amounting to Rs. 3327.62 million for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company’s management in accordance with the requirements of Accounting Standards (AS) 21, Accounting Standards (AS) 23 and Accounting Standards (AS) 27, issued by the Institute of Chartered Accountants of India and as adopted and notified under the Companies (Accounting Standards) Rules, 2006, as amended.
5. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its aforesaid subsidiaries, joint ventures and an associates and on the other financial information of the components and accounts certified by the management as explained above and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (iv) in the case of the Consolidated Balance Sheet, and the notes and annexures in connection therewith, of the state of affairs of the Group as at March 31, 2012, March 31, 2011 and March 31, 2010;
 - (v) in the case of the Consolidated Statement of Profit and Loss and the notes and annexures in connection therewith, of the profit of the Group for the years ended on March 31, 2012, March 31, 2011 and March 31, 2010 and
 - (vi) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the years ended on March 31, 2012, March 31, 2011 and March 31, 2010.

For **C. B. Mouli & Associates**
Chartered Accountants
(Registration No. 002140S)
M Premchand
Partner
(Membership No. 211745)
Date: December 12, 2012
Place: Hyderabad

Consolidated Balance Sheet as at March 31, 2012, March 31, 2011 and March 31, 2010

				₹ in Million
Particulars	Note	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
I. EQUITY AND LIABILITIES				
1. Shareholders' Funds				
a. Share capital	2	239.68	119.89	111.05
b. Equity Warrants / Share Application Money		-	-	39.20
c. Reserves and surplus	3	5,798.88	4,543.54	3,385.19
		6,038.56	4,663.43	3,535.44
2. Minority Interest		3864.22	3997.57	1237.15
3. Non-Current Liabilities				
a. Long-term borrowings	4	37,991.33	21,084.65	12,474.14
b. Deferred tax liabilities (net)	5	235.13	202.04	162.73
c. Other long-term liabilities	6	5,264.36	4,101.73	2,376.45
d. Long-term provisions	7	323.07	184.98	13.53
		43,813.89	25,573.40	15,026.85
4. Current Liabilities				
a. Short-term borrowings	8	8,449.16	8,095.17	4,709.82
b. Trade payables	9	4,599.35	2,351.01	2,323.43
c. Other current liabilities	10	4,532.30	3,309.31	113.71
d. Short-term provisions	11	114.69	160.86	67.42
		17,695.50	13,916.35	7,214.38
Total		71,412.17	48,150.75	27,013.82
II. ASSETS				
1. Non-Current Assets				
a. Fixed assets				
i. Tangible assets	12(a)	4971.39	3583.66	3,034.82
ii. Intangible assets	12(b)	10450.77	7191.12	-
iii. Capital work-in-progress	12(c)	10388.62	6483.77	10761.61
iv. Intangible assets under development	12(d)	11607.62	6302.65	-
b. Non-current investments	13	3,582.17	329.58	29.64
c. Long-term loans and advances	14	6,087.76	3,554.81	601.36
d. Other non-current assets	15	100.00	-	-
		47,188.33	27,445.59	14,427.43
2. Current Assets				
a. Current Investments	16	38.71	9.04	40.85
b. Inventories	17	1,470.35	642.55	693.32
c. Trade receivables	18	5,984.22	4,035.31	2,971.02
d. Cash and bank balances	19	8,017.15	9,394.58	3,130.76
e. Short-term loans and advances	20	8,173.34	5,145.44	3,525.84
f. Other current assets	21	540.07	1,478.24	2,224.60
		24,223.84	20,705.16	12,586.39
Total		71,412.17	48,150.75	27,013.82
Significant accounting policies	1			

Consolidated Statement Of Profit And Loss For The Year Ended March 31, 2012 , March 31, 2012 and March 31, 2012

₹ in Million

Particulars	Note	For the year ended March 31, 2012	For the year ended March 31, 2011	For the year ended March 31, 2010	
INCOME					
I	Revenue from operations	22	21,995.88	12,061.28	12,745.06
II	Other income	23	63.49	99.37	64.66
III	Total Revenue		22,059.37	12,160.65	12,809.72
IV EXPENSES					
	(a) Cost of materials consumed	24	3,190.53	1,782.23	3,554.57
	(b) Work Expenditure	25	14,584.59	7,787.85	7,183.98
	(b) Changes in Inventories of Work-In-Progress	26	(368.22)	(88.50)	(18.89)
	(d) Employee benefits expense	27	362.59	239.36	298.94
	(e) Finance costs	28	2,207.23	1,173.01	555.40
	(f) Depreciation and amortisation expense	12(a,b)	820.89	623.22	200.58
	(g) Other expenses	29	1,107.66	159.24	270.61
	Total Expenses		21,905.27	11,676.41	12,045.19
V	Profit before exceptional & extraordinary items & tax		154.10	484.24	764.53
VI	Exceptional Items		-	-	-
VII	Profit before extraordinary items and tax		154.10	484.24	764.53
VIII	Extraordinary Items		-	-	-
IX	Profit Before Tax		154.10	484.24	764.53
X	Tax Expenses				
	a. Current Tax		199.08	268.97	284.69
	b. Tax for Previous Year		0.71	0.09	-
	c. Deferred Tax		35.73	39.45	-30.61
XI	Profit for the period from continuing operations		(81.42)	175.73	510.45
XII	Less: Minority Interest		(137.12)	(147.52)	(1.33)
XIII	Profit after Minority Interest		55.70	323.25	511.78
XIV	Earnings per share (of 10/- each): (Rs.)				
	a. Basic		4.58	27.86	47.98
	b. Diluted		3.77	21.97	38.23

Consolidated Cash Flow Statement For The Year Ended March 31, 2012, March 31, 2011 and March 31, 2010.

₹ in Million

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011	For the year ended March 31, 2010
A Cash flow from operating activities			
PROFIT BEFORE TAX	154.10	484.24	764.53
ADJUSTMENTS FOR :			
Depreciation and amortisation expense	820.89	623.22	200.58
Finance Cost	2,207.22	1,173.01	555.40
Interest income	(25.20)	(92.91)	(40.24)
(Loss on sale of Assets (Net))	20.36	0.22	(0.08)
Foreign Currency Translation and Transactions – Net	792.36	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3,969.73	2,187.78	1,480.19
ADJUSTMENTS FOR :			
Trade Receivables, Loans and Advances and Other Assets	(6,671.60)	(4,890.99)	(2,406.48)
Inventories	(827.81)	50.78	(88.97)
Trade Payables, other Liabilities and Provisions	2175.57	4,262.27	1,258.70
CASH GENERATED FROM OPERATIONS	(1354.09)	1,609.85	243.44
Income Tax Paid	(199.79)	(269.07)	(284.69)
NET CASH FROM OPERATING ACTIVITIES	(1553.88)	1,340.78	(41.25)
B Cash flows from investing activities			
Changes in Fixed Assets	(14698.45)	(10388.22)	(4,942.27)
Adjustment for change in status of erstwhile Associate into Subsidiary	(6.12)	(0.14)	22.16
Interest income	25.20	92.91	40.24
Purchase of Non-current Investments	(3252.59)	(299.93)	348.77
Purchase of Current Investments	(29.69)	31.81	-
NET CASH USED IN INVESTING ACTIVITIES	(17,961.62)	(10,563.57)	(4,531.10)
C Cash flows from financing activities			
Proceeds from issue of share capital includes share premium net of expenditure	1,406.49	841.68	149.08
Proceeds from Minority Interest (Net)	3.77	2,907.94	294.60
Net Proceeds from long-term borrowings	18302.60	9,514.25	4,143.12
Net Proceeds from Working Capital Facilities	266.35	1,433.38	588.09
Net Proceeds from short-term loans	87.64	1,951.96	772.25
Finance Cost	(1858.64)	(1,129.30)	(555.40)
Dividend & Dividend Tax paid	(70.13)	(33.32)	(79.77)
NET CASH USED IN FINANCING ACTIVITIES	18138.07	15,486.61	5,311.97
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,377.43)	6,263.82	739.62
OPENING CASH AND CASH EQUIVALENTS	9,394.58	3,130.76	2,391.14
CLOSING CASH AND CASH EQUIVALENTS	8,017.15	9,394.58	3,130.76

Notes forming a part of the Consolidated Financial Statements

1.1 Basis for preparation of financial statements

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

1.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the reporting date of the financial statements and amounts of income and expenses during the year of account. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized.

1.3 Principles of Consolidation

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

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

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

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

1.4 Revenue recognition

- i) Income is recognized on fixed price construction contracts in accordance with the percentage completion basis, which necessarily involve technical estimates of the percentage of completion, and costs to completion, of each contract / activity, on the basis of which profits and losses are accounted. The estimates made by the Company being technical in nature have been relied upon by the auditors.
- ii) The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract.
- iii) An expected loss on construction contract is recognized as an expense immediately when it is certain that the total contract costs will exceed the total contract revenue.
- iv) The price escalation and other claims and/or variation in the contract work are included in contract revenue only when:
 - a) Negotiations have reached at an advanced stage such that it is probable that customer will accept the claim; and
 - b) The amount that is probable will be accepted by the customer can be measured reliably.
- v) Incentive payments, as per customer-specified performance standards, are included in contract revenue only when:
 - a) The contract is sufficiently advanced that it is probable that the specified performance standards will be met; and
 - b) The amount of the incentive payment can be measured reliably.
- vi) Toll income is recognized/accounted as and when collected in accordance with the provisions of the concession agreement entered with the respective authorities.
- vii) Annuity income is accounted on accrual basis as per the concession agreement entered with the respective authorities.
- viii) Revenue from wind power operations is recognized when the units are reliably measured and billed and it is reasonable to expect ultimate collection.

1.5 Inventories and work in progress

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

1.6. Tangible Fixed Assets and Depreciation

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

1.7. Intangible Assets and Amortization

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

reliably. Intangible assets are amortized as follows:

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

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

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

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

1.7 Foreign Currency Transactions

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

1.8 Investments

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

1.9 Employee Benefits

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

i) Gratuity

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

ii) Provident Fund

In accordance with applicable local laws, eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan to which both the employee and employer contributes

monthly at a determined rate (currently up to 12% of an employee's salary). These contributions are either made to the respective Regional Provident Fund Commissioner, or the Central Provident Fund under the State Pension Scheme, and are expenses as incurred.

iii) Compensated Absences

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

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

1.10 Deferred Revenue Expenditure

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

1.11 Borrowing Costs

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

1.12 Leases

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

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

1.13 Earnings per Share (EPS)

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

1.14 Taxation

i) Current Tax

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

ii) Deferred Tax

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

1.15 Impairment of Fixed Assets

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

recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

1.16 Provisions for Contingent Liabilities and Contingent Assets

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

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

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

2. SHARE CAPITAL

Particulars	₹ in Million		
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Authorised			
40,000,000 (Year 2010-11: 40,000,000, Year 2009-10 : 15,000,000) Equity shares of ₹ 10/- each	400.00	400.00	150.00
Issued, Subscribed and Paid-Up:			
23,968,242 (Year 2010-11 : 11,979,242, Year 2009-10 : 10,104,761) Equity Shares of ₹ 10/- each fully paid-up	239.68	119.89	111.05
	239.68	119.89	111.05

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

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

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

The company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

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

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

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

	As at 31 st March, 2012		As at 31 st March, 2011		As at 31 st March, 2010	
	Number of shares	₹ in Million	Number of shares	₹ in Million	Number of shares	₹ in Million
Number of shares at the beginning	11,989,000	119.89	11,104,761	111.05	10,104,761	101.05
Add: Shares issued on conversion of FCCBs	--	--	286,718	2.87		
Add : Shares issued on conversion of warrants by the promoters	--	--	597,521	5.97		
Add: Shares issued to the existing Share	11,979,242	119.79	--	--		

Holder on Right basis						
Add : Shares issued through Preferential allotment					1,000,000	10.00
Number of shares at the end	23,968,242	239.68	11,989,000	119.89	11,104,761	111.05

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

Name of Share Holder	As at 31 st March, 2012		As at 31 st March, 2011		As at 31 st March, 2010	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Indira Tikkavarapu	10,630,932	44.35	4,798,816	40.03	4,500,055	40.52
Sandeep Kumar Reddy Tikkavarapu	4,579,544	19.11	1,793,922	14.96	1,595,162	14.36
Reliance Capital Trustee Co Ltd – Reliance Infrastructure Fund	-	-	1,000,000	8.34	1,000,000	9.01
IL&FS Trust Company Ltd A/C IL&FS Private Equity Trust	-	-	-	-	588,351	5.30

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

3. RESERVES AND SURPLUS

₹ in Million

Sch No	Particulars	31 March, 2012	31 March, 2011	31 March, 2010
a	Capital Reserve			
	Opening balance	14.34	-	-
	Add : Forfeiture of warrants	-	14.34	-
		14.34	14.34	-
b	Securities Premium Account			
	Opening Balance	1,761.95	902.42	662.58
	Add : Receipts on Issue of Shares	1,317.72	779.82	-
	Receipts on exercise of FCCB Conversion	-	79.71	-
	Less: Transfers to Minority Interest	-	-	-
	Less: Rights Issue Expenses	-31.02	-	239.85
		3,048.65	1,761.95	902.43
c	Capital Reserve (Grant) *	437.15	437.15	530.83
d	Debenture Redemption Reserve			
	Opening Balance	130.00	-	-
	Add: Transferred from Surplus	-	130.00	-
		130.00	130.00	-
e	General Reserve			
	Opening Balance	760.00	680.00	610.00
	Add: Transferred from Surplus	90.00	80.00	70.00
		850.00	760.00	680.00
	Surplus in the Statement of Profit and Loss			
	Opening Balance	1,440.09	1,397.82	872.95
	Add: Surplus for the year	55.70	323.25	511.78
	Add /Less Other Adjustments	(3.48)	-	22.16
	Amount available for appropriation	1,492.31	1,721.07	1,406.89
	Appropriations:			
	Dividend and Dividend Tax	83.57	70.97	64.96
	Amount transferred to Debenture Redemption Reserve	-	130.00	-
	Amount transferred to General Reserve	90.00	80.00	70.00
	Closing Balance	1,318.74	1,440.10	1,271.93
		5,798.88	4,543.54	3,385.19

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

4. LONG TERM BORROWINGS

Particulars	₹ in Million					
	As at		As at		As at	
	31st March, 2012		31st March, 2011		31st March, 2010	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
<u>Debentures - Secured</u>						
520 (31 st March 2011: 520) 11.50% Redeemable Non-convertible Debentures (NCDs) of ₹ 10,00,000/- each	520.00	-	520.00	-	-	-
150,000,000 (31st March 2011 : Nil) 10.50% Compulsorily Convertible Debentures (CCD) of ₹10/- each	1500.00	-	-	-	-	-
<u>Bonds – Unsecured</u>						
Zero Coupon Foreign Currency Convertible Bonds (FCCBs) (Refer Note. 4.1)	-	1429.65	895.11	-	977.69	-
<u>Term Loans – Secured</u>						
- From Banks						
i) Equipment Loans	381.38	169.06	170.70	193.00	276.55	
ii) Vehicle Loans	0.65	0.25	0.90	1.49	-	
iii) Other Term loans	15,712.27	1,053.94	10,996.19	355.07	7,549.67	
- From Others						
i) Equipment Loans	322.49	298.20	436.42	205.66		
ii) Vehicle Loans	8.32	6.66	11.76	9.98	3.77	
iii) Other Term loans	16,605.47	134.27	7644.70	138.55		
<u>Term Loans - Unsecured</u>						
i) From related parties	1,353.20	-	322.40	-	-	
ii) Others	73.52	-	86.47	-	3666.46	
Buyers Credit - Unsecured	1514.03	-	-	-		
	37,991.33	3092.03	21,084.65	903.75	12,474.14	--

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

The Company has provided an amount of ₹ 673.26 Million towards the foreign exchange transaction loss on the FCCBs as on date and the loss is recognized in the statement of profit and loss for the year 2011-12.

4.2 Debentures:

Nature of Security

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

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

150000000, 10.50% Compulsorily Convertible Debentures (CCD)

i) 24,79,338 Equity Shares of Jinbhuvish Power Generations Private Ltd held by the Company are pledged in favour of IFCI Limited as collateral security for the debentures issued by the Company ii) 26% of Total equity shares of the Company held by Gayatri Projects Ltd i.e 13,00,000 as on 31-03-2012 are pledged in favour of IFCI Limited as collateral security for the debentures issued by the Company iii) The debentures are

guaranteed by the personal guarantee of T. V. Sandeep Kumar Reddy and T. Indira Reddy, Directors of the company. iv) Gayatri Projects Ltd the holding company of the Company has given buy back guarantee to IFCI Ltd.

Terms of Repayment

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

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

4.3 Equipment Loans:

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

4.4 Vehicle Loans:

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

4.5 Other Term Loans:

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

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

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

5. DEFERRED TAX LIABILITIES (Net)

Particulars	₹ in Million		
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Deferred Tax Liability as at beginning of the year	202.04	162.73	193.34
Adjustment for change in share of Joint Controlled Entities	(2.63)	(0.13)	-
Deferred Tax Liability for the year	35.72	39.44	(30.61)
	235.13	202.04	162.73

6. OTHER LONG TERM LIABILITIES

Particulars	₹ in Million		
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Advances from Contractees	4,625.54	4,022.74	2,376.45
Capital Creditors	452.06	-	-
Retention Money Payable	186.76	78.99	-
	5,264.36	4,101.73	2,376.45

7. LONG TERM PROVISIONS

Particulars	₹ in Million		
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Employee Benefits	24.84	14.15	13.53
Provision for Periodic Maintenance	298.23	156.83	-
Provision for Other Expenses	-	14.00	-
	323.07	184.98	13.53

8. SHORT TERM BORROWINGS

Particulars	₹ in Million		
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
From Banks – Secured			
Equipment Loans	500.00	-	-
Vehicle Loans	-	-	-
Working Capital Facilities	4,294.17	4,027.81	2,594.43
Term Loans	-	2,000.00	-
From Banks - Un-secured			
Term Loans	3,424.01	1,999.34	2,115.39
Loans / Advances from related parties – Un-secured			
	230.98	68.02	-
	8,449.16	8,095.17	4,709.82

8.1 Nature of security and terms of repayment:

Equipment Loans (Secured)

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

Term Loans (Secured)

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

Working Capital Loans (Secured)

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

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

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

Term Loans (Un-secured)

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

9. TRADE PAYABLES

₹ in Million

Particulars	As at 31 st March, 2012	As at 31 st March, 2011	As at 31 st March, 2010
Micro, Small and Medium Enterprises*	-	-	-
Others	4599.35	2,351.01	2323.43
	4,599.35	2,351.01	2,323.43

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

10. OTHER CURRENT LIABILITIES

₹ in Million

Particulars	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Current maturities (refer note no.4)			
- Long Term Borrowings	1,662.38	903.75	-
- Zero Coupon Foreign Currency Convertible Bonds (FCCBs)	1,429.65	-	-
Interest accrued and due on borrowings	234.18	38.52	-
Interest accrued but not due on borrowings	158.12	5.20	-
Remuneration Payable to Directors	13.48	16.81	113.71
Unpaid dividends	0.30	0.23	-
Unpaid matured debentures and interest accrued thereon	29.68	132.88	-
Application money received for allotment of securities and due for refund and interest accrued thereon	33.57	80.74	-
Capital Creditors	451.29	83.70	-
Other Liabilities *	519.65	2,047.48	-
	4,532.30	3,309.31	113.71

* includes statutory dues, payables towards services and expenses.

11. SHORT TERM PROVISIONS

₹ in Million

Particulars	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Provision for Dividend & Dividend Distribution Tax	83.57	70.13	33.32
Provision for Income Tax	0.90	5.35	30.28
Employee Benefits	25.40	15.16	3.82
Provision for Other expenses	4.82	70.22	-
	114.69	160.86	67.42

12. FIXED ASSETS

₹ in Million

Particulars	Original Cost				Depreciation and Amortization				Net Book Value	
	As at April 1,2011	Additions / Adjustme nt during the year	Deductio ns/ Retiremen t/Adjustm ent during the year	As at March 31, 2012	Upto April 1,2011	For the Year	Deductio ns/ Adjustm ent during the Year	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
a. TANGIBLE ASSETS										
Land	1,344.70	614.10	-	1,958.80	-	-	-	-	1,958.80	1,344.70
Roads & Buildings	-	99.24	-	99.24	-	1.42	-	1.42	97.82	-
Plant and Equipment	1,990.53	539.55	140.86	2,389.22	604.44	114.02	71.62	646.84	1,742.38	1,386.09
Vehicles	196.14	53.08	1.75	247.47	82.63	21.15	0.73	103.05	144.42	113.51
Wind Power Equipment	374.57	219.11	-	593.68	0.45	24.94	-	25.39	568.29	374.12
Earth Moving Machinery	1,157.32	230.01	10.26	1,377.07	809.03	140.86	4.15	945.74	431.33	348.29
Furniture and Fixtures	32.71	14.17	-	46.88	15.76	2.77	-	18.53	28.35	16.95
Sub-total :	5,095.97	1,769.26	152.87	6,712.36	1,512.31	305.16	76.50	1,740.97	4,971.39	3,583.66
b. INTANGIBLE ASSETS										
Goodwill on consolidation	-	537.06	-	537.06	-	-	-	-	537.06	-
Carriage Way	7,585.79	3,634.34	403.14	10,816.99	395.05	546.36	17.55	923.86	9,893.13	7,190.74
Computer Software	0.44	21.59	-	22.03	0.06	1.39	-	1.45	20.58	0.38
Sub-total :	7,586.23	4,192.99	403.14	11,376.08	395.11	547.75	17.55	925.31	10,450.77	7,191.12
Total	12,682.20	5,962.25	556.01	18,088.44	1,907.42	852.91	94.05	2,666.28	15,422.16	10,774.78

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

(32.01)

Net Depreciation charged to statement of Profit & Loss

820.89

c. CAPITAL WORK IN PROGRESS

₹ in Million

Particulars	As at 31st March, 2012	As at 31st March, 2011
Opening Balance	6,483.77	8,538.75
Add : Expenditure incurred during the year	7,641.37	3,852.52
Less : Transfer to Asset / Capitalised during the year	(3,736.52)	(5,907.50)
Closing Balance	10,388.62	6,483.77

d. INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Million

Particulars	As at 31st March, 2012	As at 31st March, 2011
Opening Balance	6,302.65	1,705.05
Add : Expenditure incurred during the year	5,304.97	4,597.60
Closing Balance	11,607.62	6,302.65

13. NON-CURRENT INVESTMENTS

₹ in Million			
Particulars	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
A. Trade Investments (Valued at cost unless stated otherwise)			
Unquoted Equity Shares			
Investment in Associate Companies			
28,32,66,074 (Previous Year:Nil) Equity share of ₹ 10/- each fully paid - NCC Power Projects Ltd (NCCPPL)	3252.49	-	-
30,000 (Previous Year:Nil) equity share of ₹ 10/- each fully paid up Sembcorp Gayatri O&M Co. Pvt Ltd	0.28	-	-
Nil (Previous 18000) Equity Shares of ₹10/- each, fully paid in HKR Tollways Ltd.	-	0.18	-
24500 Equity Shares of ₹ 10/- each, fully paid in Bhandara Thermal Power Corporation Ltd.	-	-	0.24
Investment in Others			
24,79,338 (Previous Year:24,79,338) Equity shares of ₹ 10/- each fully paid up - Jimbhuish Power Generation Pvt Ltd (JPGPL)	300.00	300.00	-
B. Investment in Other Companies			
Quoted - at Cost			
29,31,000 (Previous Year 29,31,000) Equity Shares of ₹10/- each in Gayatri Sugars Ltd.,	29.31	29.31	29.31
1,728 (Previous Year 1,728) Equity Shares of ₹10/- each in Syndicate Bank Ltd.,	0.09	0.09	0.09
	3582.17	329.58	29.64
Aggregate Amount of Quoted Investment	29.40	29.40	29.64
Aggregate Market value of Quoted Investment	8.98	8.97	10.87
Aggregate Amount of Unquoted Investment	3552.77	300.18	-
Aggregate provision for diminution in the value of investments	-	-	-

Pledge of shares:

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

14. LONG TERM LOANS AND ADVANCES

₹ in Million			
Particulars	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
To Related parties - Unsecured, considered good			
Loan to Joint Ventures	577.31	577.31	577.31
Others	7.01	5.88	24.05
To others – Unsecured, considered good			
Capital Advances to suppliers	4659.11	2898.46	-

Particulars	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Security Deposit	4.91	3.54	-
Prepaid Expenses	103.11	69.60	-
Electricity and Other deposits	7.51	0.02	-
Un-amortized process fees	192.40	-	-
Balances with customs authorities	536.40	-	-
	6087.76	3554.81	601.36

15. OTHER NON-CURRENT ASSETS

₹ in Million

Particulars	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Margin Deposit against Bank Guarantees / Letter of Credits.	-	-	-
Advance for purchase of Equity Shares	100.00	-	-
	100.00	-	-

16. CURRENT INVESTMENTS

₹ in Million

Particulars	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Investments In Mutual Funds (At Cost)	38.71	9.04	40.85
	38.71	9.04	40.85

17. INVENTORIES

₹ in Million

Particulars	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Raw Materials	773.42	281.31	453.12
Stores and Spares	-	32.53	-
Work in Progress	696.93	328.71	240.20
	1,470.35	642.55	693.32

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

18. TRADE RECEIVABLES

₹ in Million

Particulars	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<i>Trade receivables outstanding for a period less than six months from the date they are due for payment</i>			
Unsecured, considered good	5,765.31	3,841.93	2,784.05
<i>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</i>			
Unsecured, considered good	218.91	193.38	186.97
	5,984.22	4,035.31	2,971.02

19. CASH AND BANK BALANCES

Particulars	₹ in Million		
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
a) Cash on hand	16.36	9.55	14.67
b) Balances with Banks			
- Current Accounts	1,382.24	5,747.44	2,234.62
- Fixed Deposits	5800.54	2938.96	408.78
c) Margin money for Bank Guarantees / LCs	818.01	698.63	472.69
	8,017.15	9,394.58	3,130.76

*Margin Money Deposits with carrying amount earmarked against bank guarantees/LCs taken by the company (or subsidiaries of the company)

20. SHORT-TERM LOANS AND ADVANCES

Particulars	₹ in Million		
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
To Related Parties -Un-secured, Considered Good			
Others	171.95	40.39	-
To Others - Un-secured, Considered Good			
Advances to Suppliers	67.58	223.03	-
Advances to Subcontractors	6418.79	4425.25	3,437.47
Staff Advances	12.50	16.54	13.82
Deposits with Government Agencies	637.87	1,65.15	74.55
Other Advances	864.65	2,75.07	-
	8173.34	5145.44	3,525.84

21. OTHER CURRENT ASSETS

Particulars	₹ in Million		
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Share Application Money Pending Allotment	177.27	1,114.81	15.52
Interest Accrued but not due	44.30	-	-
Annuity Income accrued but not due	86.76	3.13	-
Pre-paid expenses	166.80	43.46	2,208.49
Others	64.94	316.84	0.59
	540.07	1,478.24	2,224.60

22. REVENUE FROM OPERATIONS

Particulars	₹ in Million		
	Year Ended 31 st March 2012	Year Ended 31 st March 2011	Year Ended 31 st March 2010
Contract Revenue	19,565.41	10,948.88	12,569.27
Other Operational Revenue	785.99	0.01	-
Share of Profit from Joint Ventures	24.51	13.45	175.79
Annuity Income	1,327.90	1,098.94	-
Toll Revenue	292.07	-	-
	21,995.88	12,061.28	12,745.06

23. OTHER INCOME

Particulars	₹ in Million		
	Year Ended 31 st March 2012	Year Ended 31 st March 2011	Year Ended 31 st March 2010
Interest Income	25.20	92.91	40.24
Other Non Operating Income	38.29	6.46	24.42
	63.49	99.37	64.66

24. COST OF MATERIALS CONSUMED

Particulars	₹ in Million		
	Year Ended 31 st March 2012	Year Ended 31 st March 2011	Year Ended 31 st March 2010
Steel	489.86	260.79	590.98
Cement	267.95	152.96	313.38
Bitumen	752.88	591.51	1,181.51
Metal	428.33	265.50	475.46
Sand & Gravel	73.38	107.18	162.90
Electrical Materials	377.73	27.49	11.98
RCC & GI Pipes	147.52	17.22	33.80
Building Materials	162.93	9.69	15.73
HSD Oils and Lubricants	438.94	302.94	697.55
Stores and Consumables	28.00	33.84	33.87
Other Materials	23.01	13.11	37.41
	3,190.53	1,782.23	3,554.57

25. WORK EXPENDITURE

Particulars	₹ in Million		
	Year Ended 31 st March 2012	Year Ended 31 st March 2011	Year Ended 31 st March 2010
Departmental Recoveries	258.85	104.15	123.83
Work executed by sub-contractors	11,123.11	5,087.70	3,006.96
Earth Work	721.02	810.06	1,298.77
Concrete Work	592.53	483.46	856.18
Transport Charges	132.02	66.61	184.33
Hire Charges	77.16	69.96	151.95
Road work	351.35	414.09	607.21
Repairs and Maintenance	173.33	106.88	201.38
Taxes and Duties	389.74	203.47	220.20
Royalties, Seigniorage and Cess	60.98	60.67	195.66
Insurance	25.32	13.11	23.47
Operation & Maintenance Expenses	210.86	-	-
Other Work Expenditure	468.32	367.69	314.04
	14,584.59	7,787.85	7,183.98

26. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS

₹ in Million

Particulars	Year Ended 31 st March 2012	Year Ended 31 st March 2011	Year Ended 31 st March 2010
Opening Work-In-Progress	328.71	240.21	221.32
Less : Closing Work-In-Progress	696.93	328.71	240.21
	(368.22)	(88.50)	(18.89)

27. EMPLOYEE BENEFITS EXPENSE

₹ in Million

Particulars	Year Ended 31 st March 2012	Year Ended 31 st March 2011	Year Ended 31 st March 2010
Salaries and Wages	263.13	163.85	228.05
Directors' Remuneration	52.50	46.70	3.15
Contribution to Provident Fund and Other Funds	4.44	2.63	35.79
Staff Welfare	42.52	26.18	31.95
	362.59	239.36	298.94

28. FINANCE COSTS

₹ in Million

Particulars	Year Ended 31 st March 2012	Year Ended 31 st March 2011	Year Ended 31 st March 2010
Interest Expenses			
- On Term Loans	1468.49	762.67	147.54
- On Working Capital Facilities	459.90	276.36	240.32
- On Debentures	198.48	24.41	-
- On Others	6.44	17.66	28.01
Other Borrowing Cost	73.92	91.91	139.53
	2207.23	1173.01	555.40

29. OTHER EXPENSES

₹ in Million

Particulars	Year Ended 31 st March 2012	Year Ended 31 st March 2011	Year Ended 31 st March 2010
Printing and Stationery	6.41	4.12	7.94
Telephones	8.20	5.57	9.64
Traveling and Conveyance	39.27	22.67	29.61
Advertisement Expenses	12.30	2.05	5.95
General Expenses	17.20	6.76	10.07
Consultancy Fee	46.78	32.64	52.48
Donations	37.74	18.44	24.81
Rent	35.72	24.34	27.74
Power and fuel	12.22	6.26	9.02
Rates and Taxes	7.04	6.05	26.19
Tender Expenses	6.27	11.73	5.59
Insurance	6.77	2.10	1.68

Particulars	Year Ended 31 st March 2012	Year Ended 31 st March 2011	Year Ended 31 st March 2010
Auditors Remuneration	6.49	2.67	2.86
Loss on Sale of Assets	15.78	0.23	-
Foreign exchange translation loss*	792.36	-	-
Other Administration Expenses	57.11	13.61	57.03
	1,107.66	159.24	270.61

* The exchange translation loss includes (a) exchange difference arising on buy back of 42 FCCB bonds amounting to ₹ 119.10 Million and (b) the currency translation loss of ₹ 673.26 Million (including current year loss of ₹ 352.89 Million) as on 31st March 2012 on the outstanding 229 FCCB bonds of JPY 10,000,000 each.

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

31. Basis of preparation of consolidated financial statements:

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

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

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

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

S.No	Name of the Entity	Nature of the Entity	% of Holding	Country of Incorporation
1	Gayatri Energy Ventures Private Limited	Wholly owned Subsidiary	100	India
2	Gayatri Infra Ventures Limited	Subsidiary	70.59	India
3	HKR Roadways Limited	Subsidiary	74	India
4	Sai Maatarini Tollways Limited	Subsidiary	99.51	India
5	Balaji Highways Holding Limited (Considered as subsidiary as per AS-21 for consolidation)	Associate	49	India
6	Indore Dewas Tollways Limited (Considered as subsidiary as per AS-21 for consolidation)	Associate	33.33 (66.66 along with subsidiary)	India
7	IJM Gayatri Joint Venture	Joint venture	40	India
8	Jaiprakash Gayatri Joint Venture	Joint venture	49	India
9	Gayatri ECI Joint Venture	Joint venture	50	India
10	Gayatri Ratna Joint Venture	Joint venture	80	India
11	Gayatri – Ranjit Joint Venture	Joint venture	60	India

S.No	Name of the Entity	Nature of the Entity	% of Holding	Country of Incorporation
12	Gayatri – GDC Joint Venture	Joint Venture	70	India
13	Gayatri – BCBPPL Joint Venture	Joint Venture	60	India
14	Gayatri – RNS Joint Venture	Joint Venture	60	India
15	Gayatri - JMC Joint Venture	Joint Venture	75	India
16	MEIL-Gayatri-ZVS-ITT Consortium	Joint Venture	48.44	India
17	Viswanath-Gayatri Joint Venture	Joint Venture	50	India
18	Maytas-Gayatri JV	Joint Venture	37	India

33. Contingent Liabilities and Commitments

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

Particulars	₹ in Million		
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<i>Contingent Liabilities</i>			
a) Claims against the company not acknowledged as debt	-	-	-
b) Guarantees given by the Banks towards performance & Contractual Commitments			
i) issued on behalf of the Company	6,231.00	64,24.87	4,450.97
ii) Issued on behalf of Subsidiaries / Group Companies	1,610.55	27,46.22	823.25
c) Other money for which the company is contingently liable			
d) Disputed Liability of Sales Tax, Service Tax and Seigniorage charges	282.43	282.43	280.76
<i>Commitments</i>			
Corporate Guarantees given to group companies	5,64,16.60	5,71,16.60	3,356.60
Claims against the Company not acknowledged as debt	231.54	31.54	15.57

34. EARNING PER SHARE (EPS)

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

Particulars	2011-12	2010-11	2010-10
Profit After Tax for calculation of Basic EPS (₹ in Million)	55.67	323.25	511.79
Profit After Tax for calculation of Diluted EPS (₹ in Million)	55.67	323.25	511.79
Weighted average No. of equity shares as denominator for calculating Basic EPS. (No. in Million)	12.15	11.602	10.67
Weighted average No. of equity shares as denominator for calculating Diluted EPS. (No. in Million)	14.78	14.71	13.39
Basic EPS (₹)	4.58	27.86	47.98
Diluted EPS (₹)	3.77	21.97	38.23

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

(i) Details of related parties:

Entities in which KMP are interested	Key Management Personnel (KMP)
Deep Corporation Pvt. Ltd	Mr. T.V.Sandeep Kumar Reddy
Indira Constructions Pvt. Ltd	Mr. J.Brij Mohan Reddy
Gayatri Tissue & Papers Ltd	Mrs. T.Indira Reddy
Gayatri Sugars Ltd	

Entities in which KMP are interested	Key Management Personnel (KMP)
Gayatri Hi-Tech Hotels Ltd Gayatri Housing Ventures Pvt. Ltd Gayatri Hotels & Theaters Pvt. Ltd Balaji Charitable Trust Amaravathi Thermal Power Pvt.Ltd. Gayatri Bio-Organics Limited TSR Foundation Dr.T.Subbarami Reddy (HUF)	Joint Ventures Simplex Gayatri Consortium *

* not considered for consolidation

(ii) Transactions with the related parties:

₹ in Million

SI	Description	2011-12			2010-11			2009-10		
		JV	Entities in which KMP are interested	KMP	JV	Entities in which KMP are interested	KMP	JV	Entities in which KMP are interested	KMP
1	Equity contribution	-	-	-	-	-	-	-	-	-
2	Contract Receipts	-	1338.77	-	-	809.56	-	25.71	713.29	-
3	Contract payments	-	133.80	-	-	47.01	-	-	40.91	-
4	Office Rent & Maintenance	-	10.15	-	-	7.33	-	-	2.65	-
5	Other Payments	-	0.76	-	-	1.32	-	-	1.20	-
6	Donations	-	46.58	-	-	31.90	-	-	6.21	-
7	Remuneration Paid	-	-	52.50	-	-	46.70	-	-	31.95
8	Contract Advances/ Othe Adv.	-	-	-	-	-	-	62.00	125.56	-
9	Corporate Guarantees	-	-	-	-	-	-	-	-	-
10	Closing balances – Debit	-	2954.84	-	19.78	327.94	-	29.06	215.54	-
11	Closing balances – Credit	-	17.15	13.48	-	22.89	16.81	62.00	193.94	4.59

36. Segment Reporting

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

37. Managerial Remuneration:

Managerial Remuneration paid during the year:

₹ in Million

Particulars	2011-12	2010-11	2009-10
Salaries	46.20	40.20	26.40
Perquisites	0.30	1.50	0.75
Commission	6.00	5.00	4.80
Sub-total	52.50	46.70	31.95
Sitting Fee	--	--	--
Contribution to Provident Fund & Superannuation Fund	--	--	--
Total	52.50	46.70	31.95

38. Figures pertaining to the subsidiary companies and Joint ventures have been reclassified wherever necessary to bring them line with the company's financial statements.
39. The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
40. All amounts are rounded off to nearest thousand.

Limited Review Report

Review Report to The Board of Directors Gayatri Projects Limited

4. We have reviewed the accompanying statement of un-audited financial results of **M/s. Gayatri Projects Limited** (**‘the Company’**) for the Quarter and Half year ended 30th September, 2012 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. Our responsibility is to issue a report on these financial statements based on our review.
5. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” 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.
6. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of un-audited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 “Interim Financial Reporting”, notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) 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 Registration No: 002140S


M.PREMCHAND
Partner
Membership No: 211745

Place: Secunderabad
Date : November 14, 2012

DECLARATION

The Company certifies that all relevant provisions of Chapter VIII read with schedule XVIII of the SEBI Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VIII and Schedule XVIII of the SEBI Regulations and that all approvals and permissions required to carry on our business have been obtained, are currently valid and have been complied with. The Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

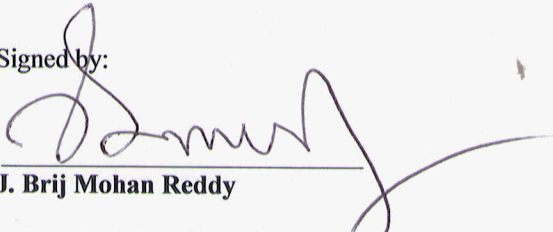
Signed by:



T. Indira Subbarami Reddy

CHAIRPERSON, NON-EXECUTIVE AND NON INDEPENDENT DIRECTOR

Signed by:



J. Brij Mohan Reddy

EXECUTIVE VICE CHAIRMAN

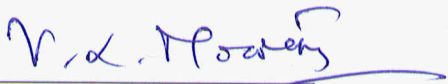
Signed by:



Ch. Hari Vittal Rao

INDEPENDENT NON-EXECUTIVE DIRECTOR

Signed by:



Dr. V. L. Moorthy

INDEPENDENT NON-EXECUTIVE DIRECTOR

Date: December 13, 2012

Place: Hyderabad

REGISTERED OFFICE OF THE COMPANY

B-1, T.S.R. Towers, 6-3-1090
Raj Bhavan Road, Somajiguda
Hyderabad – 500082, Andhra Pradesh, India

BOOK RUNNING LEAD MANAGER

Elara Capital (India) Private Limited
East Wing, 6th Level, Kalpataru Synergy,
Opposite Grand Hyatt,
Santacruz East,
Mumbai-400 055 INDIA

DOMESTIC LEGAL ADVISOR TO THE BOOK RUNNING LEAD MANAGER

J. Sagar Associates
Vakils House, 18, Sprott Road, Ballard Estate
Mumbai 400001, Maharashtra, India

STATUTORY AUDITOR TO THE COMPANY

M/s C. B. Mouli & Associates
Chartered Accountants
125, M.G. Road
Secunderabad – 500 003, Andhra Pradesh, India