



GAYATRI

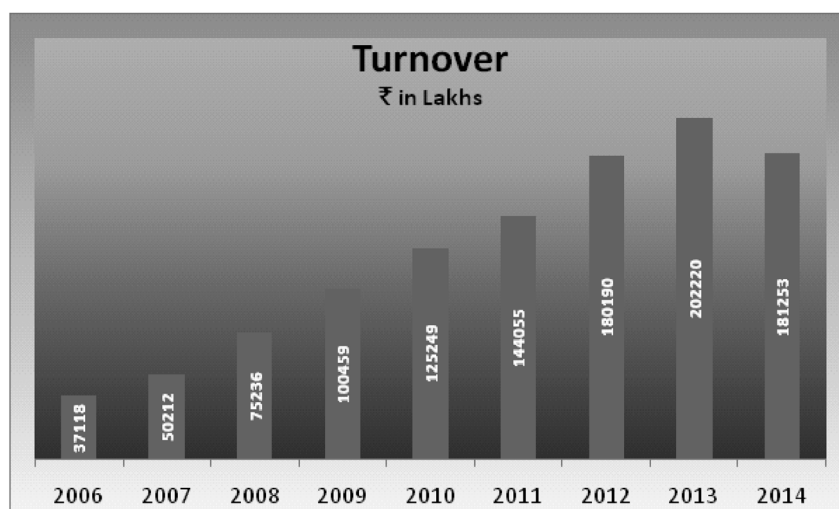
GAYATRI PROJECTS LIMITED

Annual Report 2013–14

FINANCIAL HIGHLIGHTS

₹ in Lakhs

DESCRIPTION	2013-14	2012-13	2011-12	2010-11	2009-10
Turnover	1,81,253.22	2,02,220.21	1,80,190.39	1,44,055.10	1,25,248.56
Profit Before Tax	8,247.52	10,201.08	6,983.99	9,175.54	8,100.20
Profit After Tax	4,760.73	6,308.91	4,597.12	5,000.01	5,334.76
Equity Capital	3,022.70	3,022.70	2,396.82	1,198.90	1,110.48
Reserves & Surplus	63,573.62	59,520.17	49,225.36	32,596.98	26,930.69
Net Worth	66,596.32	62,542.87	51,622.18	33,795.88	28,041.17
Gross Block	45,431.76	45,068.58	44,617.76	37,012.37	30,029.60
Net Block	22,936.36	24,738.09	27,393.87	21,929.13	16,614.62
Book Value (₹) Per Share	210.32	206.91	215.38	281.89	252.51
EPS (₹) Basic	15.75	24.53	37.83	43.10	46.02
Dividend	20%	30%	30%	50%	50%



NOTICE

NOTICE is hereby given that the TWENTY FIFTH ANNUAL GENERAL MEETING of M/s. Gayatri Projects Limited will be held at KLN Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad – 500 004, on Monday the 29th day of September, 2014 at 3.30 p.m to transact the following businesses.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares for the Year ended 31st March, 2014.

3. TO APPOINT AUDITORS AND FIX THEIR REMUNERATION

To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of sections 139 (2) and 142(1) of the Companies Act 2013 the retiring Auditors, M/s M O S & Associates, Chartered Accountants, Hyderabad be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Annual General meeting until the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company from time to time.”

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:
“RESOLVED THAT, pursuant to provision of Section 149(10) of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013, Shri. V.L. Moorthy (holding DIN 00013083), who holds office up to the date of this annual general meeting and liable to retire by rotation, and in respect of whom the company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013 along with deposit of ₹1 lakh signifying his intention to propose the appointment of Shri. V.L. Moorthy as an Independent Director, be and is hereby appointed as Independent Director for a period of consecutive term of 5 years from the date of this general meeting.”
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:
“RESOLVED THAT, pursuant to provision of Section 149(10) of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013, Shri. G. Siva Kumar Reddy (holding DIN 00439812) who holds office up to the date of this annual general meeting and liable to retire by rotation and in respect of whom the company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013 along with deposit of ₹1 lakh signifying his intention to propose the appointment of Shri. G. Siva Kumar Reddy as an Independent Director, be and is hereby appointed as Independent Director for a period of consecutive term of 5 years from the date of this general meeting.”
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:
“RESOLVED THAT, pursuant to provision of Section 149 of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013, Shri. CH. Hari Vittal Rao (holding DIN 00012970), and in respect of whom the company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013 along with deposit of ₹1 lakh signifying his intention to propose the appointment of Shri. CH. Hari Vittal Rao as an Independent Director, be and is hereby appointed as Independent Director for a period of consecutive term of 5 years from the date of this general meeting.”
7. **Re-appointment of Sri T. V. Sandeep Kumar Reddy as Managing Director**
To consider and if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:
“RESOLVED THAT pursuant to provisions of sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to such approvals/ permissions from any authorities as maybe necessary and subject to such modifications or stipulations as may be advised / stipulated by such authorities, approval of the members be and is hereby accorded for re-appointment of **Sri T. V. Sandeep Kumar Reddy**, (holding DIN: 00005573) as Managing Director of the Company for a period of Five Years with effect from 01/10/2014 on the following terms and conditions:

Twenty Fifth Annual Report

The remuneration payable by way of salary is as follows:

Name & Designation	Salary (₹ P. M.)
Sri T. V. Sandeep Kumar Reddy Managing Director	₹ 34,00,000/- per month (in the pay scale of ₹ 34,00,000/- to ₹ 54,00,000/-) (With an increment not exceeding ₹ 5,00,000 p.a.)

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.

The terms and conditions and payment of remuneration are 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 payable to the said Managing Director shall not exceed the limits specified under **Section 197 read with Schedule V** of the **Companies Act, 2013** (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.

MINIMUM REMUNERATION:

"RESOLVED FURTHER that in the event of absence or inadequacy of profits in any financial year, the remuneration by way of salary to **Sri T. V. Sandeep Kumar Reddy**, shall not, except with the approval of the Central Government, exceed the limits prescribed under the Companies Act, 2013 and rules made there under or any statutory modification or re-enactment thereof."

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

Place: Hyderabad
Date: 14th August, 2014

CS I.V. LAKSHMI
Company Secretary & Compliance Officer

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Proxies, in order to be effective must be received at the company's registered office not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. Must be supported by appropriate resolution / authority as applicable, issued on behalf of the nominating organization.
2. The Register of Members and the Share Transfer Books of the Company will be closed from September 24, 2014 to September 29, 2014 (both days inclusive).
3. Shareholders are requested to bring their copies of Annual Report to the Annual General Meeting.
4. A member desirous of seeking any information on the accounts or operations of the Company is requested to forward his / her query to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
5. The dividend for the year ended 31st March, 2014 as recommended by the Board, if approved at the Meeting, will be payable to those members whose names appear on the Company's Register of Members on 23RD of September, 2014.
6. Members, holding shares in physical form, are requested to notify immediately any changes in their address to the Registrar and Transfer Agents (RTA), M/s. Karvy Computershare Pvt. Ltd., 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081. Phones: 040 44655000 Fax: 23420814. Members, holding shares in electronic form, are requested to notify any such changes to the concerned Depository Participant.

7. Appointment / Re-appointment of Directors

At the ensuing Annual General Meeting, **Shri. V.L. Moorthy** and **Shri. G. Siva Kumar Reddy**, Directors retire by rotation and being eligible offers themselves for re-appointment. The relevant information as required under Clause 49 of Listing Agreement concerning Corporate Governance Code in respect of appointment / reappointment of Directors is given below for information of the Members;

Dr. V.L. Moorthy, is a master in science and Doctorate in Philosophy in the field of Pure Chemistry from University of Calcutta. He has an experience of 40 years in the field of paper and pulp Industry and visited many countries for project work operations. He worked with pulp & paper companies like ITC Bhadrachalam Paper Board in India and abroad.

S.No.	Directorship in Companies	Name of the Committee
1.	Gayatri Tissue and Paper Limited	Audit Comittee-Chairman Shareholders/Investors Grievance Committee-Chairman
2.	Gayatri Capital Limited	—
3.	Sandeep Housing Developers Pvt Ltd	—
4.	Gayatri Energy Ventures Private Ltd	Audit Committee-Member
5.	Bhandara Thermal Power Corporation Ltd.	—

Shri. V.L. Moorthy does not hold any shares of the Company and he is not related to any directors of the Company.

Mr. G. Siva Kumar Reddy, is a Post Graduate in Commerce, over the years he has gained experience in the field of civil construction, both in the execution and management areas. Under his guidance we have completed Upper Krishna Project involving huge quantities of excavation and mass concreting. He is into the hospitality Industry and is running Grand Kakatiya Hotel & Towers, a Five Star Hotel in the city of Hyderabad, Telangana.

S.No.	Directorship in Companies	Name of the Committee
1.	Srinivasa Resorts Limited	—
2.	G.S.R. Projects Pvt. Ltd	—
3.	Anirudh Townships Pvt Ltd	—
4.	Thermal Powertech Corporation India Limited	—
5.	GSR Ventures Pvt Ltd.	—

Shri G.Siva Kumar Reddy holds 225 shares of the company and he is not related to any directors of the Company.

8. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide member's the facility to vote at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Karvy Computershare Private Limited ("Karvy").
9. It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link <http://evoting.karvy.com> during the e-voting period commences from 22nd September, 2014 (9 a.m. IST) to 24th September, 2014 (5 p.m. IST).
10. E-voting shall not be allowed beyond 5 p.m. on 24th September, 2014. During the e-voting period, shareholders of the company, holding shares either in physical form or in dematerialized form, as on 29th August, 2014 may cast their vote electronically.
11. The Company has appointed, Mr. Y. Koteswara Rao Practicing Company Secretary, as a Scrutinizer(s) to scrutinize the e-voting process for Annual General Meeting in a fair and transparent manner.

E-Voting Facility:

Process and Manner for members opting for e-voting is as under:-

- (i) Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'.
- (ii) Enter the login credentials i.e. user id and password as communicated to you. In case you are receiving this notice through email, then the details are as provided in the email. In case, you are receiving this notice in physical form, then the details are provided as part of the Ballot Form.
- (iii) Members can cast their vote online **from 22.09.2014 at 9.00 a.m. to 24.09.2014 at 5.00 p.m.**
- (iv) After entering these details appropriately, click on "LOGIN".
- (v) Members will now reach 'Password Change' menu wherein they are required to mandatorily change your login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. System will prompt you to change your password and update any contact details like mobile no., email ID etc on 1st login. You may also enter the 'Secret Question' and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) You need to login again with the new credentials.
- (vii) On successful login, system will prompt to select the 'Event' i.e. 'Gayatri Projects Limited'.
- (viii) If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and casted your vote earlier for any company where the System Provider was **Karvy Computershare Private Limited**, then your existing login id and password given earlier are to be used.
- (ix) On the voting page, you will see Resolution description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the Member do not want to cast, select 'ABSTAIN') After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
- (x) Once you 'CONFIRM' your vote on the Resolution, you will not be allowed to modify your vote.
- (xi) Corporate/institutional Members (Corporate/FIs/foreign institutional investors/trust/mutual funds/banks, etc.) are required to send scan (PDF format) of the relevant resolution of the Board of Directors together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote to the Scrutinizer through e-mail : scrutinizer@gayatri.co.in.
- (xii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Karvy Computershare Pvt Ltd at 040- 44655000 or at 1800 345 4001 (toll free).

Please follow all steps from (ii) to (xi) as mentioned above to cast vote.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013

Item No.4:

Shri. V.L. Moorthy is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on November 4, 2005. Shri. V.L. Moorthy is a member of the Nomination and Remuneration Committee and Audit Committee of the Board of Directors of the Company.

Shri. V L. Moorthy 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 42 years in the fields of paper and pulp industry and was previously employed with ITC Bhadrachalam Paper Board.

Shri. V.L. Moorthy retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 is proposed to be appointed as an Independent Director for five consecutive years for a term upto 28th September, 2019. A notice has been received from a member proposing Shri. V.L. Moorthy as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri. V.L. Moorthy fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri. V.L. Moorthy as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri. V.L. Moorthy as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri. V.L. Moorthy as an Independent Director, for the approval by the shareholders of the Company by way of special resolution.

Except Shri. V.L. Moorthy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No.5:

Shri. G. Siva Kumar Reddy is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on March 30, 1995. Shri. G. Siva Kumar Reddy is a Chairman of the Nomination and Remuneration Committee and Member of the Audit Committee and Share Holder's/ Investor Grievance Committee (which was renamed as Stakeholders Relationship Committee as per the provisions of the Companies Act, 2013) of the Board of Directors of the Company.

Shri. G. Siva Kumar Reddy, is a Post Graduate in Commerce, over the years he has gained experience in the field of civil construction, both in the execution and management areas. Under his guidance we have completed Upper Krishna Project involving huge quantities of excavation and mass concreting. He is into the hospitality Industry and is running Grand Kakatiya Hotel & Towers, a Five Star Hotel in the city of Hyderabad, Telangana.

Shri. G. Siva Kumar Reddy, retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 is proposed to be appointed as an Independent Director for five consecutive years for a term upto 28th September, 2019. A notice has been received from a member proposing Shri. G. Siva Kumar Reddy as a candidate for the office of Director of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri. G. Siva Kumar Reddy as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri. G. Siva Kumar Reddy as an Independent Director, for the approval by the shareholders of the Company by way of special resolution.

Except Shri. G. Siva Kumar Reddy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No.6 :

Shri. CH. Hari Vittal Rao, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on November 4, 2005. Shri. CH. Hari Vittal Rao is a Chairman of the Audit Committee and Share Holder's/ Investor Grievance Committee (which was renamed as Stakeholders Relationship Committee as per the provisions of the Companies Act, 2013) of the Board of Directors of the Company.

Shri. CH. Hari Vittal Rao, is a CAIIB from Indian Institute of Bankers, and holds a Bachelors Degree in Arts from Andhra University. Ch. Hari Vittal Rao has over 49 years of experience as a banker and was employed with Bank of Baroda and Naandi Foundation in the past.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 is proposed to be appointed as an Independent Director for five consecutive years for a term upto 28th September, 2019. A notice has been received from a member proposing Shri. CH. Hari Vittal Rao as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri. CH. Hari Vittal Rao fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri. CH. Hari Vittal Rao as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri. CH. Hari Vittal Rao as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri. CH. Hari Vittal Rao as an Independent Director, for the approval by the shareholders of the Company by way of special resolution.

Except Shri. CH. Hari Vittal Rao, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No.7:

Mr. T. V. Sandeep Kumar Reddy, aged about 47 years is associated with the company since its incorporation in the year 1989. Mr. T.V. Sandeep Kumar Reddy has done Masters 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. He is looking after the day to day affairs of our company and is designated as Managing Director of our Company.

The remuneration committee and The Board of Directors at their meeting held on 14.08.2014, has approved the re-appointment, Mr. T. V. Sandeep Kumar Reddy as Managing Director of the Company for a period of 5 years with effect from October 1, 2014 subject to consent of the Members at the ensuing Annual General Meeting of the Members of the Company, on the terms and conditions and remuneration detailed in the resolution as proposed.

Except Mr. T. V. Sandeep Kumar Reddy, Mrs. T. Indira Subbarami Reddy and Mr. J. Brij Mohan Reddy (as relatives and Directors) and Mrs. T. Sarita Reddy as a relative. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

The Board recommends the above resolution for approval of the members by way of special resolution.

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

Place: Hyderabad
Date: 14th August, 2014

CS I.V. LAKSHMI
Company Secretary & Compliance Officer

DIRECTORS' REPORT

To
The Members

We have great pleasure in presenting the 25th Annual Report together with the Audited Statements of Accounts for the Financial Year ended March 31, 2014.

FINANCIAL RESULTS

The financial performance of your Company on both a stand-alone and a consolidated basis for the year ended March 31, 2014 is summarized below:

₹ in Lakhs

PARTICULARS	Standalone		Consolidated	
	2013-14	2012-13	2013-14	2012-13
Gross Income	1,81,501.85	2,02,467.84	1,59,996.27	1,97,988.28
Profit before interest, depreciation and tax	27,217.96	26,852.70	33,680.49	41,369.90
Less : Interest and financial charges	15,972.69	13,522.98	26,862.37	27,045.47
Profit before depreciation	11,245.27	13,329.72	6,818.12	14,324.43
Less : Depreciation	2,997.75	3,128.64	11,108.91	11,173.16
Profit before tax	8,247.52	10,201.08	(4,290.79)	3,151.27
Provision for tax	3,486.79	3,892.17	(3,464.64)	(3,843.15)
Profit after tax	4,760.73	6,308.91	(7,755.43)	(691.88)
Less : Minority Interest	—	—	1,258.78	1,646.49
Profit after Prior Period Adjustments	4,760.73	6,308.91	(6,496.65)	954.61
Profit brought forward	23,176.58	18,921.59	12,097.85	13,187.08
Other Adjustments	—	—	(0.85)	9.72
Profit available for appropriation	27,937.31	25,230.50	5,600.36	14,151.77
Appropriations:				
Dividend & Dividend Tax	707.28	1,053.92	707.28	1,053.92
Transfer to Debenture Redemption Reserve	—	—	—	—
Transfer to General Reserve	500.00	1,000.00	500.00	1,000.00
Balance carried forward	26,730.03	23,176.58	4,393.08	12,097.85
Paid-up capital	3,022.70	3,022.70	3,022.70	3,022.70
Reserves and Surplus	63,573.62	59,520.17	60,716.21	63,757.01

OPERATIONS REVIEW

Your Company has a comfortable order book of ₹ 7273.45 Crores as on 31st March 2014 but translation of the order book into revenues remains a challenge due to delays in obtaining statutory clearances, land acquisition, indecision making by authorities and delay in settlement of disputes and claims. The finance cost of the company is gone-up due to stretched working capital cycles and additional loans borrowed. The input cost of raw materials has gone-up due to delays in the projects execution. The above factors have pulled down the profit margins of the company. Despite the unfavorable economic conditions, the company has achieved a turnover of ₹ 1812.53 Crores in FY 2014, which is lower by 10% as compared to previous year. The PAT margins are reduced to 2.62% in FY 2014 from 3.12% in FY 2013 mainly due to higher interest cost and material cost.

Your Directors are pleased to inform that during the year under report, the Company has secured orders of ₹ 443.71 crores including the following major contracts.

- ◆ Construction of Railway Formation for Tata Steel Ltd., Kalinganagar - ₹ 275.86 Crores
- ◆ Modernization of Yeluru Irrigation and Drainage System - ₹ 103.79 Crores
- ◆ Construction of Kudri Barrage Project – ₹ 43.28 Crores

The Company has promoted 8 Road Projects out of which 6 road projects are completed and annuity/tolls are being collected and 2 are under execution. The Company has promoted 2 coal based thermal power projects of 1320 MW each, out of which one project is likely to achieve COD in the current financial year and the other one in coming financial year.

FUTURE OUTLOOK

Construction is one of the core sectors of India's economy and the revival of this sector is crucial for over all development of the economy. The newly formed stable government at the center will boost the economy with a greater emphasis on the progress of the reform of infrastructure and investment. The new central government has set the target of developing 1000 km of expressways, developing 8,737 km of roads, including 3,846 km of national highways, in the North East , four-laning 20, 000 km of national highways and widening 20,000 km of national highways to two lanes. In the policy front the Central Government has permitted 100% FDI under the automatic route for all road development projects. In short term the execution challenges are expected to persist and the revenue growth rates continue to remain muted. In long run the construction sector will have positive outlook. Your company having execution capabilities, trained manpower, healthy order book and other resources is in more advantageous position than peers.

Thermal Powertech Corporation India Ltd (TPCL), is the first coal based thermal power project of 1320 MW promoted by the company which is expected to start commercial operation during FY 2015 and the second power project of 1320 MW is under implementation. The company promoted BOT road projects are started giving revenue and the revenue are likely to improve in future with the accelerated growth of economy. On the whole the profits and cash flows of the company is expected to improve in near future.

DIVIDEND

Directors are pleased to recommend a dividend of ₹ 2.00 per equity share (20%) of the face value of ₹ 10/- for the period ended 31st March, 2014.

The dividend, subject to approval at the AGM on 29th day of September, 2014, will be paid to the shareholders, whose names appear on the Register of Members on 23rd September, 2014.

RESERVES

It is proposed to transfer ₹500.00 Lakhs to the General Reserves of the Company from the current year profits.

TRANSFER OF UNPAID/ UNCLAIMED REFUND AMOUNT OF IPO TO IEPF

Pursuant to provisions of Section 205(A)(5) of the Companies Act 1956, the amount of refund of IPO, which remain unpaid/ unclaimed for the period of seven years has been transferred by the Company to the Investor Education Provident Fund(IEPF), established by the Central Government, pursuant to Section 205(C) of the said Act.

SUBSIDIARY COMPANIES

Your Company has seven subsidiary companies (including step down subsidiaries) as on 31st March, 2014 as per the Companies Act, 1956.

The company's step down subsidiary, M/s. Thermal Powertech Corporation India Limited's status has been changed to non- subsidiary (Associate) due to change in subsidiary definition as per the Companies Act, 2013 which is effective from 01.04.2014.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company prepared in accordance with applicable Accounting Standards forms a part of this Annual Report.

DIRECTORS

Shri. G. Siva Kumar Reddy and Dr. V.L. Moorthy, Directors retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

PUBLIC DEPOSITS

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

CORPORATE GOVERNANCE REPORT

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

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

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

LISTING AT STOCK EXCHANGES

The Equity shares of the Company are listed in "BSE" (BOMBAY STOCK EXCHANGE LIMITED) and "NSE" (NATIONAL STOCK EXCHANGE INDIA LIMITED) and Non Convertible Debentures issued on Private placement are continued to be listed on The Bombay Stock Exchange Ltd.

DIRECTORS RESPONSIBILITY STATEMENT

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

- i) In the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanations relating to material departures ;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the profit of the Company for the financial year ended on that date.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) The Directors have prepared the annual accounts of the Company on a 'going concern' basis.

AUDITORS

The Auditors M/s. MOS & Associates, Chartered Accountants will retire at the conclusion of the ensuing Annual General Meeting. They have signified their willingness to accept re-appointment and have further confirmed their eligibility under Section 141 of the Companies Act, 2013.

STATUTORY INFORMATION

Particulars of Employees

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

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

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

AUDITORS' REPORT

Management Observation on Auditors Observations:

Joint Venture Losses:

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

The IJM-Gayatri Joint Venture losses are not considered in the books of your company in view of the various claims made on the employer for their contractual failures by the joint ventures and the losses which are primarily attributed to such failures are likely to be decided in favor of the joint venture. The 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 legal forum.

Present Status of Claims:

- a) The amount of claims awarded in favor of the joint venture is ₹64.82 crores (including interest of ₹34.46 Crores) out of which ₹18.78 crores payment received.
- b) The amount of claims which are under adjudication are ₹274.19 crores.

The management is confident to recovering substantial amount of claims. The management is of the opinion that the excess expenditure is expected to flow back through future cash flows on settlement of the claims by the employer. In the unlikely situation of not awarding the entire amount of claims, GPL has to provide an amount of ₹46.30 crores towards its share of 40% in the IJM-Gayatri Joint Venture.

VIGIL MECHANISM:

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a vigil mechanism for directors and employees to report genuine concerns has been established.

CORPORATE SOCIAL RESPONSIBILITY:

In pursuant to the provisions of section 135 and schedule VII of the Companies Act, 2013, CSR Committee of the Board of Directors was formed to recommend (a) the policy on Corporate Social Responsibility (CSR) and (b) implementation of the CSR Projects or Programs to be undertaken by the Company as per CSR Policy for consideration and approval by the Board of Directors.

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Place: Hyderabad
Date: 29th May 2014.

T. INDIRA SUBBARAMI REDDY
Chairperson

T. V. SANDEEP KUMAR REDDY
Managing Director

Annexure – A to DIRECTORS’ REPORT

I. GAYATRI PROJECTS LIMITED – Subsidiaries

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

Name of the Subsidiary	Direct Subsidiaries		
	Sai Maatarini Tollways Limited	Gayatri Infra Ventures Ltd (GIVL)	Gayatri Energy Ventures Pvt. Ltd. (GEVL)
Financial Year of the Subsidiary will be ending on	31 st March, 2014	31 st March, 2014	31 st March, 2014
Date of which they became subsidiary Company	8 th September, 2011	22 nd January, 2008	10 th February, 2009
No. of Shares held at the end of the Financial Year of the Subsidiary Companies	1,00,00,843 equity shares of ₹10/- each	12,50,000 equity shares of ₹10/- each	65,24,030 equity shares of ₹10/- each
Extent of Interest of Holding Company at the end of the Financial Year of the subsidiary Company	100.00%	70.59%	100%
The net Aggregate amount of Subsidiary Companies Profit/Loss so far as it concerns the members of Holding Company (₹ in Lakhs)			
- Dealt with the holding company’s accounts	NA	NA	NA
- Not dealt with the holding company’s accounts	(40.41)	(2717.88)	(18348.19)

II. Step-down Subsidiaries

Name of the Subsidiary	Subsidiaries of GIVL		Subsidiaries of GEVL	
	Gayatri Jhansi Roadways Limited	Gayatri Lalitpur Roadways Limited	Bhandara Thermal Power Corporation Limited	Thermal Powertech Corporation India Ltd.
Financial Year of the Subsidiary will be ending on	31 st March, 2014	31 st March, 2014	31 st March, 2014	31 st March, 2014
Date of which they became subsidiary Company	6 th September 2008	6 th September 2008	25 th March, 2011	26 th April, 2008
No. of Shares held at the end of the Financial Year of the Subsidiary Companies	2,16,19,994 equity shares of ₹10/- each	1,62,18,000 equity shares of ₹10/- each	49,83,334 equity shares of ₹10/- each	23,66,00,000 equity shares of ₹10/- each
Extent of Interest of Holding Company at the end of the Financial Year of the subsidiary Company	51%	51%	100%	51%
The net Aggregate amount of Subsidiary Companies Profit/Loss so far as it concerns the members of Holding Company (₹ in Lakhs)				
- Dealt with the holding company’s accounts	NA	NA	NA	NA
- Not dealt with the holding company’s accounts	(25.94)	(10.86)	(1.35)	(105.71)

For and on behalf of the Board

Place: Hyderabad
Date: 29th May 2014.

T. INDIRA SUBBARAMI REDDY
Chairperson

T. V. SANDEEP KUMAR REDDY
Managing Director

Annexure – B to DIRECTORS' REPORT

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

₹ in Lakhs

Particulars	Gayatri Infra Ventures Ltd	Gayatri Lalitpur Roadways Ltd	Gayatri Jhansi Roadways Ltd	Gayatri Energy Ventures Pvt. Ltd.	Thermal Powertech Corporation India Ltd	Bhandara Thermal Power Corporation Ltd	Sai Maatarini Tollways Limited
Capital	177.08	3379.80	4240.00	652.40	95411.61	498.33	1000.08
Share Application Money	—	—	—	—	—	—	—
Reserves	15585.28	(1649.31)	(1900.99)	51632.10	27926.51	(21.43)	16969.14
Total Assets	33668.62	28847.00	37765.73	72576.87	804599.46	8803.27	54974.69
Total Liabilities	18083.54	27116.51	35426.72	20944.77	681261.34	8326.37	37005.47
Details of Investments (Except Investment in subsidiaries)	69.69	—	—	27578.24	—	—	—
Turnover	—	4790.28	5990.36	—	—	—	—
Profit before taxation	(2235.85)	(21.29)	(50.07)	(8241.13)	(207.27)	(1.35)	(40.40)
Provision for Taxation	—	—	—	—	—	—	—
Profit after taxation	(2235.85)	(21.29)	(50.07)	(8241.13)	(207.27)	(1.35)	(40.40)
Proposed Dividend	—	—	—	—	—	—	—

For and on behalf of the Board

Place: Hyderabad
Date: 29th May 2014.

T. INDIRA SUBBARAMI REDDY
Chairperson

T. V. SANDEEP KUMAR REDDY
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

The last three years were not the best for the infrastructure development in India. The slow down of the economy has impacted all sectors including construction sector. Post poll scenario, a new stable government in place, there is a sense of hope among industry for revival. The major problems that are affecting the infra sector are environmental clearances, land acquisition, indecision making by authorities and delay in settlement of disputes and claims. In such a challenging environment, most of the infrastructure companies are facing severe financial strain due to over leverage and many companies opted for the Corporate Debt Restructuring (CDR).

In FY14 targets set by Gol for most infrastructure sub-sectors were not achieved; in the roads sector NHAI was able to award just 15% of its targeted 7,500 km amid dwindling interest from private sector participants. The successful bidders are facing difficulties in achieving financial closure due to receding interest of the banks on road projects. The declining trend in aggregate new project announcements both in private and public sectors is continued during FY14 as well. The Construction majors are currently experiencing liquidity constraints due to stretched working capital cycles on account of delays, higher cost of inputs and higher interest cost. High debts for executing order books with high interest rates have led to further deterioration financials of the companies.

The slowing down of investment in infra has brought down overall investment in the construction sector. The land acquisition bill, introduced at the start of 2014, intended to quicken the process of acquiring land for developers and make more equitable the outcome for landowners. In reality, the bill has improved little, and by adding an additional layer of bureaucracy and negotiation, it has increased the transaction costs of acquiring land and delayed the development of affordable housing.

While the long term requirement for rapid infrastructure development in India remains a vital necessity, the sector faces several challenges. Apart from various structural problems that plague execution including a slow, almost paralysed government decision-making process, and practical issues with land acquisition as well as the challenges of dealing with social and environmental constraints that arise while developing infrastructure projects, the sector is fundamentally affected by a severe liquidity crunch and a financial squeeze. The FY13 targets set for most infrastructure sub-sectors were not achieved; in the roads sector NHAI was able to award just 15% of its targeted 7,500 km amid dwindling interest from private sector participants.

Outlook

Nevertheless, construction companies could witness business opportunities in the railways, ports, urban infrastructure and airports sectors. Given the importance of the project and the stated focus on its implementation, the Dedicated Freight Corridor (DFC) project is expected to provide significant opportunities to construction companies. The new government target will be pushing reforms at faster phase and putting India back on a course of faster growth. The economic reforms around infrastructure should encourage businesses to invest. The move of the Central Government to allocate ₹ 378.8 bn in NHAI for roads development and ₹ 30 bn for State Roads development will accelerate the growth of infra sector. The proposal of Government in developing the industrial corridors, smart cities, development of airports in Tier I and II cities, development of railway freight corridor/bullet train etc will open great opportunities in the construction sector.

Your Company has an outstanding order book of ₹ 7300 crores as on 31st March 2014 thereby providing revenue visibilities over next few years. The new Government at central is likely enhancing the investment in infra development. Further due to formation new State of Andhra Pradesh, we are expecting huge spending in development of new state capital in that way the business opportunities are likely to improve. The order book is likely to further improve in FY 2014-15 on account of new tenders in which company is actively participating.

FINANCIAL PERFORMANCE - STAND ALONE

₹ in Lakhs

DESCRIPTION	2013-14	2012-13
Turnover	1,81,253.22	2,02,220.21
Profit Before Tax	8,247.52	10,201.08
Profit After Tax	4,760.73	6,308.91
Equity Capital	3,022.70	3,022.70
Reserves & Surplus	63,573.62	59,520.17
Net Worth	66,596.32	62,542.87
Gross Block	45,431.76	45,068.58
Net Block	22,936.36	24,738.09
Book Value (₹) Per Share	210.32	206.91
Dividend	20%	30%

Key Financial Ratios

Particulars	2013-14	2012-13
PBDIT / Net Income	15.00	13.26
PBT / Net Income	4.54	5.04
PAT/Net Income	2.62	3.12
RONW	7.15	10.09
EPC	15.75	24.53
Direct Cost to Sales (%)	85.12	86.84
Finance Cost to Sales (%)	8.81	6.69
Total Expenses to Sales (%)	95.59	95.08

Share Capital: During the year under review there are no changes in the capital structure of the company.

Reserves & Surplus: The Reserves & Surplus of the Company has increased to ₹ 63573.62 Lacs from ₹ 59520.17 Lacs in the previous year. The increase is due to the plug back of profits made during the year.

Net worth: The overall net worth of the company has increased to ₹ 66596.32 Lacs from ₹ 62542.87 Lacs due to profits made during the year.

Turnover: During the year under review the company turnover has been declined to ₹ 1,81,253.22 lacs from ₹ 2,02,220.21 Lacs in the previous year. The decline is mainly due to economic and political condition in the country. Fiscal year 2013-14 has been the second terrible year for the economy. According to the latest real GDP growth for 2013-14 will be 4.9% as against the 8% few years back. The real investment in fixed capital formation is drastically came down due to encomic slow down resulting slower growth in the construction sector. The situation is likely to be improved in future in view of the stable government the people has elected and positive steps that are expected to be taken by new government. As compared to ₹ 1,44,055.18 crores in the previous year, registering a growth of 25%. The Company order book is reasonably good at Rs 7000 crores and further likely to be improved due to opening of various works. The management is confident to regain the lost momentum and sustain the previous year growth level.

Direct Cost: The direct cost consisting of all expenses excluding finance charges and depreciation. Despite the increase in the material cost and other expenses, your company has maintained same level of cost in absolute terms. The Company

has introduced certain cost saving techniques at the sites due to which the construction cost is under control during the year.

Financial Charges: In percentage terms, the financial charges have increased to 8.81% of sales as compared to 6.69% in the previous year. The increase is due to additional borrowings the company availed to part fund the ongoing capital commitments in road and power sectors. Another reason for increase in interest expenses is due to hardening of bank interest rates by the banks.

EBITDA and PAT: In an extremely adverse economic, financial, regulatory and political environment, the Company has successfully executed projects without any significant delays. As compared to other peers which are declared losses, the company is able to declare the profits with lesser margins in comparison to the previous years. The EBITDA margins have marginally increased to 15% as compared to 13.26% in the previous year. However the PAT margin have gone down to 2.62% as against 3.12% in the previous year due to higher interest cost.

Dividend: The Board of Directors has recommended a Dividend of ₹ 2/- per Equity share for the year 2013-14 subject to approval of Shareholders at the ensuing Annual General Meeting.

Internal Control Systems

The Company has an adequate system of internal control implemented by the management towards achieving efficiency in operations, optimum utilization of resources and effective monitoring thereof and compliance with all applicable resources. The Company ensures adherence to all internal control policies and procedures. A qualified and independent audit committee of the Board, comprising all independent directors of the Company, reviews the adequacy of internal controls. An Independent Chartered Accountant firm is conducting internal audit of the Head Office and work sites and reporting to Audit Committee.

Human Resources

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

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the infrastructure sector, significant changes in political and economic environment in India, exchange rate fluctuations, tax laws, litigation, labour relations and interest costs

CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE AS PER THE LISTING AGREEMENT

To the Members of Gayatri Projects Limited

We have examined the compliance of conditions of corporate governance by Gayatri Projects Ltd for the year ended 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management of the Company. My examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the management, we certify that the Company has complied with conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Name of Practicing
Company Secretary : **Y. KOTESWARA RAO**
C.P. No. : 7427

Place :Hyderabad
Date : 29th May 2014

CORPORATE GOVERNANCE REPORT:

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

A. MANDATORY REQUIREMENTS

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

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

II. BOARD OF DIRECTORS

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

COMPOSITION

The Board represents an optimum mix of professionalism, knowledge and experience. As on 31st March, 2014, we had a total strength 6 Directors in the Board, comprising of: 2 Executive Directors and 4 Non-executive Directors (3 of them are Independent Directors). The Company immensely benefits from the professional expertise of the independent Directors. The Board has an adequate combination of Executive, Non-Executive and Independent Directors.

Table : I Key information pertaining to Directors as on 31st March, 2014

	Mrs. T. Indira Subbarami Reddy	Mr. T. V. Sandeep Kumar Reddy	Mr. J. Brij Mohan Reddy	Mr. G. Siva Kumar Reddy	Dr. V. L. Moorthy	Mr. CH. Hari Vittal Rao
Category	Chairperson Promoter Director	Managing Director	Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director
Date of appointment	08/03/1996	15/09/1989	30/03/1994	30/03/1994	04/11/2005	04/11/2005
Directorship in other Public Companies	5	14	5	2	3	6
Chairmanship in Committees of Board of other Companies	—	1	2	—	2	—
Membership in Committees of Board of other Companies	1	4	2	—	3	1
Directorship in Board of Other Companies*	26	38	7	6	5	6
No. of Board Meetings held / attended	5/3	5/5	5/3	5/4	5/4	5/5
Attendance at the last AGM held on Sept. 27, 2013	No	No	Yes	No	No	Yes
No. of Shares Held as on 31/03/2014	10630932	4579544	450	225	—	—

* Includes private limited companies

BOARD MEETINGS

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

Our Board met 5 times in the Financial Year 2013–14 on 29th Day of April 2013, 28th Day of May 2013, 14th Day of August 2013, 13th of November 2013, 14th of February 2014.

Details of the Directors seeking re-appointment

Shri.G. Siva Kumar Reddy and Dr. V.L.Moorthy, Directors retire by rotation at this Annual General Meeting and are seeking re-appointment.

The Company Secretary prepares the Agenda and Explanatory notes, in consultation with the Chairman and Managing Director for each meeting and circulates the same in advance to the Directors. A tentative annual calendar for the meetings of the Board and Audit Committee to be held in each quarter has been circulated to facilitate and assist the Directors to plan their schedules for the meetings for meaningful, informed and focused decisions. Every Director is free to suggest the inclusion of items on the agenda. The Board meets at least once in every quarter to review the quarterly results and other items on the agenda. The Board is given presentation covering industry environment, project implementation, project financing and operations of the Company. Additional meetings are held, when necessary. The

draft minutes of the proceedings of the Board of Directors are circulated in advance and the comments, if any, received from the Directors are incorporated in the minutes in consultation with the Chairman. Senior executives are invited to provide additional inputs at the Board Meeting for the items being discussed by the Board of Directors, as and when necessary.

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

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

III. AUDIT COMMITTEE

- a) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

The Functions of Audit Committee include:

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

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

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

- c) **Meetings and Attendance:**

Four Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows: 28th of May, 2013, 14th of August, 2013, 13th of November, 2013 and 14th of February, 2014. The maximum gap between any two meetings is not more than 4 months.

Table : 2

Name of the Director	No. of Audit Committee Meetings	
	Held	Attended
Mr. Ch Hari Vittal – Chairman	4	4
Dr. V. L. Moorthy – Member	4	3
Mr. G. Siva Kumar Reddy – Member	4	3

The necessary quorum was present at all the meetings.

IV. REMUNERATION COMMITTEE

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

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

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

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

c) Table: 3 Attendance during the year

Name of the Director	No. of Audit Committee Meetings	
	Held	Attended
Mr. G. Siva Kumar Reddy - Chairman		
Mrs. T. Indira Subbarami Reddy - Member		
Dr. V. L. Moorthy - Member		

* One Remuneration Committee meeting was held on 21st September 2013.

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

For Managing Director:

The total remuneration, subject to shareholders' approval consists of

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

For Non Executive Directors

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

e) Table : 4 Remuneration and sitting fees paid to the Directors during 2013-2014

(₹ in Lakhs)

	Mrs. T. Indira Subbarami Reddy	Mr. T. V. Sandeep Kumar Reddy	Mr. J. Brij Mohan Reddy	Mr. G. Siva Kumar Reddy	Dr. V. L. Moorthy	Mr. CH. Hari Vittal Rao
Category	Chairperson Promoter Director	Managing Director	Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director
Relationship with Directors	Yes	Yes	Yes	None	None	None
Salary	—	450.00	132.00	—	—	—
Allowances	—	—	—	—	—	—
Commission/Incentives	—	20.00	—	—	—	—
Other Annual Compensation	—	—	—	—	—	—
Deferred Benefits	—	—	—	—	—	—
Sitting fees	0.45	—	—	0.825	0.825	1.05

V. SHAREHOLDER'S / INVESTORS GRIEVANCE AND SHARE TRANSFER COMMITTEE

a) **A Shareholders / Investors Grievance and share transfer Committee of Directors reviews the following:**

- ◆ 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
- ◆ All other matters related to shares/debentures

The Constitution of Shareholders/Investors Grievance and share transfer Committee is as follows:

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

Table : 5 Meetings and Attendance:

Name of the Director	No of Meetings			
	2013-2014		2012-2013	
	Held	Attended	Held	Attended
Mr. Ch. Hari Vittal Rao – Chairman	2	2	2	2
Mr. J. Brij Mohan Reddy – Member	2	—	2	—
Mr. G. Siva Kumar Reddy – Member	2	2	2	2

Shareholders/Investors Grievance and share transfer Committee meetings For the years 2010-2014 were held on 24.09.2010, 30.03.2011, 15.10.2011, 29.03.2012, 08.10.2012, 28.03.2013, 14.10.2013 and 31.03.2014.

b) **Name and Address of Compliance Officer**

CS I.V. LAKSHMI

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

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

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	05	05	NIL

VI. GENERAL BODY MEETINGS

a) Annual General Meeting

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

Year	Location	Date and Time	Special Resolution passed
2010-11	SuranaUdyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad – 500 004	30/09/2011 4.00 PM	1. Borrowing in excess of paid up capital and free reserves. 2. Alteration of the Common Seal Clause in the Article of Association. 3. Making Investment through Subscription to the MOA in Securities Beyond the Prescribed Limit.
2011-12	SuranaUdyog Hall, The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad – 500 004	20/09/2012 03.00 PM	1. To invest in overseas joint venture companies 2. Authorization to investment committee to invest in specific projects in overseas joint venture companies/joint venture subsidiaries/ SPVs 3. To acquire equity in Gayatri Trident Africa FZC an overseas joint venture company. 4. Re-appointment of Sri. Brij Mohan Reddy, Executive Vice Chairman.
2012-13	KLN Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad – 500 004	27/09/2013 11.30 AM	Nil

b) Table: 8 - Extra-ordinary General Meetings:

There were no Extra Ordinary General Meetings held during the year.

c) Postal Ballot:

During the year 2013-2014, Pursuant to section 192A of the Companies Act, 1956 the shareholders of the Company approved the following resolutions by means of Postal Ballot. The Postal Ballots were conducted by Mr. Y. Koteswara Rao, Practicing Company Secretary who was appointed by the Board / Committee of the Company at their meeting held on 28th May, 2013 as the Scrutinizer.

Table: 9 - Results of the aforesaid Postal Ballot

Item No. 1: AUTHORISATION TO THE BOARD OF DIRECTORS TO ISSUE/PROVIDE CORPORATE GUARANTEE TO M/S. GAYATRI HI-TECH HOTELS LIMITED U/S. 372A OF THE COMPANIES ACT, 1956.

Resolution required : Special
Mode of voting : Postal ballot /E Voting

Promoter/Public	No. of shares held (1)	No. of votes polled* (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	15211536	15211536	100.00	15211536	—	100.00	—
Public – Institutional holders	11575584	1488837	12.86	—	1488837	—	100.00
Public-Others	3439874	31546	0.92	23863	6384	75.65	20.24
Total	30226994	16731919	55.35	15235399	1495221	91.06	08.94
Result	Resolution passed with requisite majority						

*Only valid postal ballot forms are considered.

Item No. 2: AUTHORISATION TO THE BOARD OF DIRECTORS TO ISSUE/PROVIDE CORPORATE GUARANTEE TO M/S. INDORE DEWAS TOLLWAYS LIMITED U/S. 372A OF THE COMPANIES ACT, 1956.

Resolution required: Special
Mode of voting : Postal ballot /E Voting

Promoter/Public	No. of shares held (1)	No. of votes polled* (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	15211536	15211536	100.00	15211536	—	100.00	—
Public – Institutional holders	11575584	1488837	12.86	1310479	178358	88.02	11.98
Public-Others	3439874	31273	0.91	27424	2550	87.69	08.15
Total	30226994	16731646	55.35	16549439	180908	98.91	01.08
Result	Resolution passed with requisite majority						

*Only valid postal ballot forms are considered.

The Resolutions were approved by the overwhelming majority of the shareholders. The results were also published in Financial Express and Surya and intimated to the Stock Exchanges.

d) Conducted the postal ballot exercise:

The Postal Ballot was conducted by Mr. Y. Koteswara Rao, Practicing Company Secretary, Hyderabad as Scrutinizer to scrutinize the Postal Ballots in a fair and transparent manner. The Scrutinizer submitted his report on the following dates as provided in the table, with the Company and based on the said report, results of Postal Ballot were declared by Managing Director on following dates as tabled below:

Date of the notice of the postal ballot	Last date for receipt of the postal ballot	Date of the Scrutinizers report	Declaration of Results by the company
28 th of May, 2013	29 th of July, 2013	29 th of July, 2013	30 th of July, 2013

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

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

e) Procedure for Postal Ballot

After receiving the approval of the Board of Directors, Notice of the Postal Ballot, text of the Resolution and Explanatory Statement, relevant documents, Postal Ballot Form and self-addressed postage pre-paid envelopes will be sent to the shareholders to enable them to consider and vote for or against the proposal within a period of 30 days from the date of dispatch. The calendar of events containing the activity chart will be filed with the Registrar of Companies within 7 days of the passing of the Resolution by the Board of Directors. After the last date for receipt of ballots, the Scrutinizer, after due verification, submits the results to the Chairman. Thereafter, the Chairman declares the result of the Postal Ballot. The same will be published in the Newspapers and displayed on Website and Notice board.

SUBSIDIARY COMPANIES

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

f) DISCLOSURES

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

During the year 2013-14, no transactions of material nature had been entered into by the Company with the Management or their relatives that may have a potential conflict with interest of the Company. None of the Non-Executive Directors have any pecuniary material relationship or material transactions with the Company for the year ended 31st March, 2014, and have given undertakings to that effect.

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

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

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

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

- NIL -

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

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

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

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

- (v) **Risk Management:**

The company has laid down procedures to inform the Board members about the risk assessment and minimization procedures. The company has framed the risk assessment and minimization procedure which is periodically reviewed by the Board to ensure that executive management controls the risk through means of a properly defined framework.

g) MEANS OF COMMUNICATION

Quarterly Results, Press Releases, presentations and Publications:

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

The results are also displayed on the Company's web site www.gayatri.co.in. Official news releases, presentations made to media are displayed are also displayed on the Company's website.

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

h) GENERAL SHAREHOLDER INFORMATION

- a) Annual General Meeting :**

Financial Year : 2013 – 2014

Date : 29th September 2014

Time : 03.30 PM

Venue : KLN Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad – 500 004.

- b) Financial Calendar (tentative):** Financial Year 1st April, 2014 to 31st March, 2015

Table: 10 Calendar for Reporting

Quarter Ending	Release of Results
June 30, 2014	August 14, 2014
September 30, 2014	November 14, 2014
December 31, 2014	February 14, 2015
March 31, 2015	May 30, 2015*

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

- c) Dates of Book Closure :**

The Books shall be closed from 24th September, 2014 to 29th September, 2014 (both days inclusive).

- d) Dividend Disclosure :**

Announcement Dividend

The Board of Directors has proposed a dividend of 20% i.e. ₹2/- per share for the Financial Year ended 31.03.2014 subject to approval of the shareholders at the Annual General Meeting.

Mode of Dividend payment and date

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

Date of payment: On or after 29th September 2014, but within the statutory time limit of 30 days.

e) Listing on Stock Exchanges:

The shares of the Company are listed on The Bombay Stock Exchange and National Stock Exchange of India Ltd and Non-Convertible Debentures of the company are listed on Bombay Stock Exchange Limited.

The Company confirms that it has paid annual listing fees due to the stock exchanges for the financial year 2014-2015.

f) Stock Code:

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

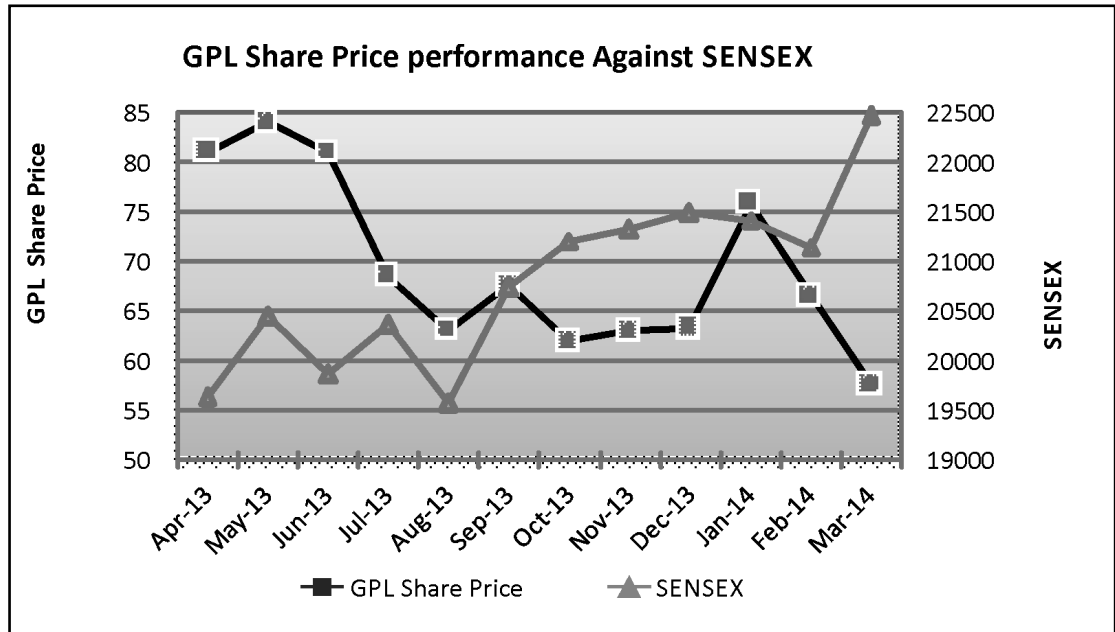
(ii) Depository for Equity Shares : **NSDL and CDSL**

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

g) Table: I I Stock Market Price Data:

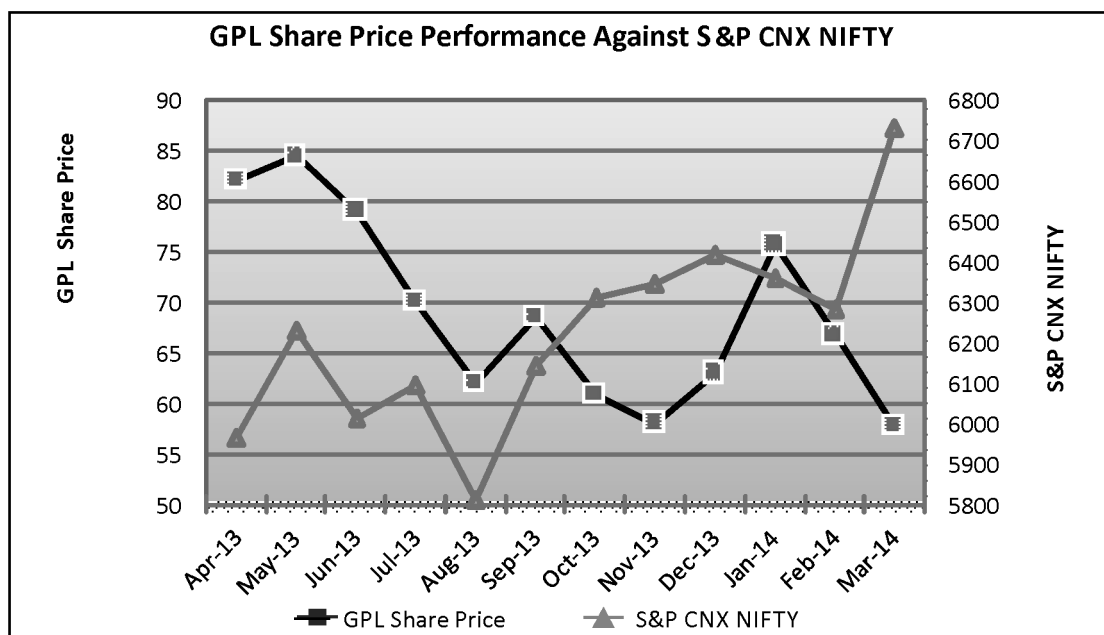
Month	BSE SHARE PRICE		BSE SENSEX	
	High	Low	High	Low
Apr-13	81.00	66.50	19622.68	18144.22
May-13	84.00	72.55	20443.62	19451.26
Jun-13	80.90	65.10	19860.19	18467.16
Jul-13	68.50	56.15	20351.06	19126.82
Aug-13	63.00	47.50	19569.20	17448.71
Sep-13	67.50	51.55	20739.69	18166.17
Oct-13	61.85	52.20	21205.44	19264.72
Nov-13	62.90	51.95	21321.53	20137.67
Dec-13	63.25	53.65	21483.74	20568.70
Jan-14	75.80	55.65	21409.66	20343.78
Feb-14	66.45	51.65	21140.51	19963.12
Mar-14	57.50	49.50	22467.21	20920.98

h) Stock Price Performance in comparison with BSE SENSEX



i) Stock Price Performance in comparison with NSE NIFTY

Month	NSE SHARE PRICE		NSE NIFTY INDEX	
	High	Low	High	Low
Apr-13	82.00	65.50	5962.30	5477.20
May-13	84.40	72.00	6229.45	5910.95
Jun-13	79.00	64.05	6011.00	5566.25
Jul-13	70.08	56.45	6093.35	5675.75
Aug-13	61.95	46.00	5808.50	5118.85
Sep-13	68.50	50.10	6142.50	5318.90
Oct-13	60.80	52.35	6309.05	5700.95
Nov-13	58.00	51.65	6342.95	5972.45
Dec-13	63.00	53.40	6415.25	6129.95
Jan-14	75.70	55.65	6358.30	6027.25
Feb-14	66.75	50.15	6282.70	5933.30
Mar-14	57.75	49.50	6730.05	6212.25



j) Registrar and Transfer Agents : (RTA)

Karvy Computershare Private Limited

Unit: Gayatri Projects Limited

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

Madhapur, Hyderabad – 500 081

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

Email: einward.ris@karvy.com Website: www.karvycomputershare.com

k) Share Transfer System :

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

a. (i) Distribution of shareholding as on 31st March, 2014:

Table 12:

Category (Amount)	No. of cases	% of Cases	Total shares	Amount	% of Amount
1 – 5000	10402	90.34%	1032058	10320580	3.41%
5001 – 10000	530	4.60%	414098	4140980	1.37%
10001 – 20000	279	2.42%	418589	4185890	1.38%
20001 – 30000	102	0.89%	255376	2553760	0.84%
30001 – 40000	47	0.41%	166399	1663990	0.55%
40001 – 50000	33	0.29%	156831	1568310	0.52%
50001 – 100000	57	0.50%	430586	4305860	1.42%
100001 & Above	62	0.56%	27353057	273530570	90.49%
Total	11512	100%	30226994	302269940	100%

(ii) **Table : 13 Categories of shareholders as on 31st March, 2014:**

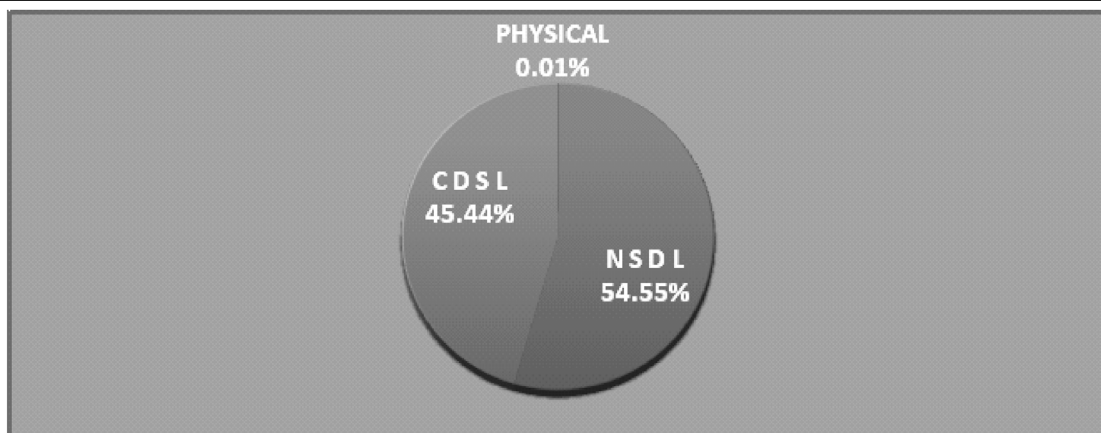
S. No	Category	No. of Cases	Total shares	% to Equity
1	Promoters & Directors	5	15211536	50.32%
2	Foreign Institutional Investors	9	8441796	27.93%
3	Resident Individuals	10540	3306626	10.94%
4	Insurance Companies	1	1243359	4.11%
5	Bodies Corporates	313	889128	2.94%
6	Indian Venture Capital	1	588351	1.95%
7	Non Resident Indians	212	252022	0.83%
8	H U F	316	206575	0.68%
9	Clearing Members	114	87376	0.29%
10	Directors and Relatives	1	225	0.00%
	Total	11512	30226994	100.00%

l) Dematerialization of Shares and Liquidity:

As on 31st March, 2014, 99.99% of the paid up equity capital of the Company has been dematerialized and the trading of Equity shares in the Stock Exchanges is under compulsory dematerialization.

Table 14:As on 31st March, 2014 the Equity shares of the Company are dematerialized as follows:

Sl. No	Category	Total No. of Shares	% To Equity
1	Physical	2989	0.01
2	Dematerialized	30224005	99.99
	Total	30226994	100%



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

Company has no outstanding GDRs/ ADRs/ Warrants or any other Convertible instruments and as such there is no impact on the equity share capital of the company.

n) Listing of Debt Securities :

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

Debenture Trustee for Privately placed debentures:

IL & FS Trust Company Limited
 IL & FS Financial Centre Plot No C22 G Block Bandra
 Kurla Complex Bandra East, Mumbai- 400051.

o) Address for Correspondence:

CS I.V. LAKSHMI

Company Secretary & Compliance Officer
6-3-1090, T.S.R. Towers
Raj Bhavan Road, Somajiguda, Hyderabad – 500 082
Tel: +91 40 2331 0330 Fax: +91 40 2339 8435
Email: cs@gayatri.co.in;

p) Unpaid / Unclaimed dividend

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

Shareholders of the Company who have either not received or have not encashed their dividend warrants, for the financial year 2007-08, 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13 are requested to claim the unpaid/unclaimed dividend from the Company before transfer to the above mentioned fund.

Table: 15

Financial Year	Rate of Dividend	Date of Declaration	Unclaimed Amount (₹)	Due for transfer to IEPF on
2006-07	20%	September 28, 2007	52,410.00	September 27, 2014
2007-08	25%	September 29, 2008	28,751.00	October 12, 2015
2008-09	40%	September 24, 2009	46,176.00	October 11, 2016
2009-10 (INTERIM)	25%	September 27, 2010	29,711.00	February 10, 2017
2009-10 (FINAL)	25%		40,998.00	October 6, 2017
2010-11	50%	September 30, 2011	98,645.00	October 12, 2018
2011-12	30%	September 20, 2012	80,832.00	October 2, 2019
2012-13	30%	September 27, 2013	68,622.00	October 16, 2020

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

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

q) IPO Refund Order Account

Under the provisions of the Companies Act, 1956, Dividends / IPO Refund amount that remains unclaimed in the Unpaid Dividend / Refund Account of the Company for a period of seven years from the date of its transfer to the said account, has to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Accordingly, during the year under review the amount of Refund of IPO 2005-06 remain unpaid/ unclaimed for the period of seven years, has been transferred by the Company to the Investor Education Provident Fund (IEPF).

r) Code of Conduct

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

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

1. The Board – Chairperson’s Office

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

2. Remuneration Committee

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

3. Shareholders rights

We display our quarterly and half yearly results on our web site, www.gayatri.co.in and also publish our results in widely circulated newspapers. We did not send half yearly results to each household of the shareholders in the financial year 2013-14.

4. Audit Qualifications

The Auditors have qualified about the non provision of the IJM Gayatri Joint venture in their report and management has clarified that in view of the various claims pending with the departments for their contractual failures the losses are not considered in the JV books. The claims which are primarily attributed to such employer failures are expected to award in favor of the joint venture in near future. The management is of the firm opinion that the excess expenditure is expected to flow back through future cash flows on settlement of the claims by the employer. In the unlikely situation of not awarding the entire amount of claims, GPL has to provide an amount of ₹46.30 crores towards its share of 40% in the IJM-Gayatri Joint Venture.

5. Whistle Blower Policy

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

6. Secretarial Audit

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

CEO / CFO CERTIFICATION

To
The Board of Directors
GAYATRI PROJECTS LIMITED

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

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

T.V. SANDEEP KUMAR REDDY
Managing Director

P. SREEDHAR BABU
Chief Financial Officer

Place: Hyderabad
Date: 29th May 2014.

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

**To
The Members of Gayatri Projects Limited**

As required under Clause 49(l)(D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management and the same has been placed on the Company's website. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct in respect of the financial year ended 31st March, 2014.

For GAYATRI PROJECTS LIMITED

Place: Hyderabad
Date: 29th May 2014.

T.V. SANDEEP KUMAR REDDY
Managing Director

INDEPENDENT AUDITORS' REPORT

To the Members of
Gayatri Projects Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Gayatri Projects Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion:

We invite the attention of members to the following material matters:

(Note Nos. referred hereunder are with reference to respective Notes forming part of the financial statements)

i) With regard to non-provision of Joint Venture losses:

As stated in Note no.30.5, regarding non provision for its share of joint venture losses by the Company amounting to ₹ 46.30 Crores (Previous Year ₹ 46.30 Crores). Had the provision been made for the losses, the reserves and surplus and the short term loans and advances of the Company would have been lower by ₹ 46.30 Crores (Previous Year ₹ 46.30 Crores). This was also a subject matter of qualification in the auditors' report for the year ended 31st March, 2013 which was audited by the previous auditors of the Company.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements *subject to matters specified in qualified opinion paragraph and emphasis of matter paragraph* give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention of the members to Note no. 30.21 regarding pending confirmation of balances in respect of certain items and balances reported in the financial statements. Our opinion is not qualified in respect of this matter.

Other Matter

The financial statements of the Company as at and for the year ended 31st March 2013 have been audited by the Company's previous auditor; whose report dated 28th May 2013 expressed qualified opinion in respect of joint venture losses. The balances as at 31st March 2013 as per the audited financial statements, regrouped and / or reclassified wherever necessary, have been considered as opening balances for the purpose of these financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) 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;
 - c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of the Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - e) on the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For M O S & ASSOCIATES
Chartered Accountants
Firm Registration No: 001975S

Place: Hyderabad
Date: 29th May 2014

S.V.C.Reddy
Partner
Membership No: 224028

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph I under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- i. In respect of its Fixed Assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets have been physically verified during the year by the management and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. In our opinion, the Company has not disposed off substantial part of its fixed assets during the year under report and the going concern status of the Company is not affected.
- ii. In respect of its inventories:
 - a. According to the information and explanations given to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, the material discrepancies noticed on physical verification of inventories as compared to the book records has been properly dealt with.
- iii. In respect of the Loans secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956:
 - a. The Company has granted unsecured loans to four parties covered in the register maintained under section 301 of the Companies Act, 1956. At the year end the balance of loans granted to such parties was ₹13897.17 lakhs and the maximum balance outstanding during the year was ₹13897.17 Lakhs.
 - b. In our opinion and according to information and explanations given to us, the terms and conditions of such loans given by the Company are not prima facie prejudicial to the interest of the company.
 - c. The principal amount is repayable on demand and there is no repayment schedule and therefore there is no overdue amount.
 - d. The Company has not taken any loans secured or unsecured, from companies, firms, other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore the provisions of sub-clauses (f) and (g) of clause 4(iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventories, fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system. *However, the internal controls over accounting of consumption and procurement of materials, wastages, material reconciliation need further strengthening.*
- v. In respect of the contracts or arrangements referred to in section 301 of the Companies Act, 1956:
 - a. In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5 lakhs in respect of each party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- vi. According to the information and explanations given to us, the Company has not accepted any deposits from public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Act and rules framed there under. Hence the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the Company.

- vii. In our opinion, the internal audit system of the Company though broadly commensurate with the size of the Company and nature of its business, *the same needs to be further strengthened for better effectiveness and control.*
- viii. According to the information and explanations given to us, the Company is in the process of updating cost records in respect of its construction activities for which the maintenance of cost records have been prescribed u/s 209(1)(d) of the Companies Act, 1956 pursuant to the Companies (Cost Accounting Rules) Rules, 2011 notified by the Central Government of India.
- ix. In respect of statutory dues:
- a. According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Investor education and protection fund, Sales Tax, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess with the appropriate authorities during the year.
 - b. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2014 pending for a period of more than six months from the date they became payable.
 - c. According to the information and explanation given to us, there are no dues of Sales tax, Income Tax, Wealth Tax, Service Tax, Customs Duty and Cess which have not been deposited as on 31st March, 2014 on account of any dispute, except the following:

Sl. No.	Name of the Statute	Name of the Tax Due	Forum where Dispute is pending	Amount ₹ in Lakhs
1	Mines and Minerals (Development and Regulation) Act, 1957	Department of Mines and Geology	Supreme Court has directed Department of Mines and Geology to re-assess the seignorage	1,043.51
2	Central Sales Tax Act, 1956 and Sales Tax Acts of Various States	Sales Tax/Vat	Appeals pending before various states	3,436.55
3	Central Excise Act, 1944	Service Tax	Appeals pending before various states	1,168.69
4	Income Tax Act, 1961	Income Tax	Appeal pending before CIT(Appeals)	4,955.00

- x. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- xi. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has been regular in repayment of dues to any banks and financial institutions *except in some cases as stated below. The period and amount of continuing default as on the Balance Sheet date is as follows:*

Long Term Loans :

Nature of the Loan	Period of Default	Default amount (₹ in lakhs)	
		Principal	Interest
Term Loans from Banks	Upto 30 days	5,261.25	1,263.34
Term Loans from Banks	31 to 60 days	1,261.25	481.84

Short Term Loans :

Nature of the Loan	Period of Default	Default amount (₹ in lakhs)	
		Principal	Interest
Term Loans and Working Capital from Banks	Upto 30 days	10,000.00	234.09
Term Loans and Working Capital from Banks	31 to 60 days	—	231.50

- xii. In our opinion and according to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence clause (xii) of paragraph 4 of the Order is not applicable.
- xiii. In our opinion, the Company is not a chit fund or a nidhi, mutual benefit fund/society. Therefore clause (xiii) of paragraph 4 of the Order is not applicable to the Company.
- xiv. In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the clause (xiv) of paragraph 4 of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from Banks or Financial Institutions are not prima-facie prejudicial to the interests of the Company.
- xvi. Based on our audit procedures and according to the information and explanations given to us, in our opinion, Term loans availed by the Company was, prima facie, applied for the purpose for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that an amount of ₹22,622.11 lakhs raised on short term basis have been used for long term investment.
- xviii. According to the information and explanation given to us, during the year under audit, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. In our opinion and according to the information and explanations given to us, during the year under audit, the Company has not issued any secured debentures requiring creation of charge to the debenture holders.
- xx. The Company has not raised any money by way of public issue during the year. Hence, clause (xx) of paragraph 4 of the Order is not applicable.
- xxi. In our opinion and according to the information and explanations given to us and on our examination of books and records, no fraud on or by the Company has been noticed or reported during the year.

For M O S & ASSOCIATES
Chartered Accountants
Firm Registration No: 001975S

S.V.C.Reddy
Partner
Membership No: 224028

Place: Hyderabad
Date: 29th May 2014

BALANCE SHEET AS AT 31st MARCH, 2014

₹ in Lakhs

Particulars	Note	As at 31 st March, 2014		As at 31 st March, 2013	
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds					
(a) Share capital	3	3,022.70		3,022.70	
(b) Reserves and surplus	4	63,573.62	66,596.32	59,520.17	62,542.87
2. Non-Current Liabilities					
(a) Long-term borrowings	5	30,075.13		41,908.26	
(b) Deferred Tax Liabilities (net)	6	3,111.91		3,165.87	
(c) Other Long term liabilities	7	61,152.64		51,126.26	
(d) Long-Term provisions	8	736.63	95,076.31	548.06	96,748.45
3. Current liabilities					
(a) Short-term borrowings	9	101,384.83		91,100.00	
(b) Trade payables	10	38,563.97		34,809.46	
(c) Other current liabilities	11	29,546.27		13,821.49	
(d) Short term provisions	12	715.49	170,210.56	1,059.99	140,790.94
Total			331,883.19		300,082.26
II. ASSETS					
1. Non-current assets					
(a) Fixed assets					
(i) Tangible assets	13	22,936.36		24,738.09	
(ii) Capital work-in-progress	13	497.18		1,166.94	
(b) Non-Current Investments	14	94,560.03		76,827.45	
(c) Long term loans and advances	15	250.59	118,244.15	41.26	102,773.74
2. Current assets					
(a) Current Investments	16	189.56		—	
(b) Inventories	17	23,753.01		22,411.79	
(c) Trade receivables	18	82,791.56		77,515.77	
(d) Cash and cash equivalents	19	20,134.79		19,895.09	
(e) Short term loans and advances	20	75,407.68		62,733.17	
(f) Other Current Assets	21	11,362.43	213,639.04	14,752.70	197,308.52
Total			331,883.19		300,082.26
Significant Accounting Policies	2				
Other Notes forming part of the Financial Statements	30				

As per our report attached
For M O S & Associates
Chartered Accountants

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson

T.V.SANDEEP KUMAR REDDY
Managing Director

S.V.C. Reddy
Partner

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary &
Compliance Officer

Place : Hyderabad.
Date : 29th May 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

₹ in Lakhs

Particulars	Note	For the Year Ended 31 st March, 2014	For the Year Ended 31 st March, 2013
I. Revenue			
(a) Revenue from operations	22	181,253.22	202,220.21
(b) Other Income	23	248.63	247.63
Total Revenue		181,501.85	202,467.84
II. Expenses			
(a) Cost of Materials Consumed	24	66,012.48	51,524.16
(b) Work Expenditure	25	83,813.57	116,967.56
(c) Changes in Inventories of Work in Progress	26	(3,576.78)	(3,073.10)
(d) Employee benefits expenses	27	4,096.31	4,189.25
(e) Finance costs	28	15,972.69	13,522.98
(f) Depreciation and amortization expense	13 (a&b)	2,997.75	3,128.64
(g) Other Expenses	29	3,938.31	6,007.27
Total Expenses		173,254.33	192,266.76
III. Profit/ (Loss) before Exceptional & Extraordinary items and Tax (I-II)		8,247.52	10,201.08
IV. Exceptional items		—	—
V. Profit/(Loss) before Extraordinary items and Tax		8,247.52	10,201.08
VI. Extraordinary items		—	—
VII. Profit/(Loss) before Tax		8,247.52	10,201.08
VIII. Tax Expenses			
(a) Current Tax - paid		3,148.80	3,204.51
(b) Current Tax - for earlier years		391.95	—
(c) Deferred Tax		(53.97)	687.66
IX. Profit / (Loss) for the year		4,760.73	6,308.91
X. Earning per Share (of ₹ 10/- each):			
Basic & Diluted		15.75	24.53
Significant Accounting Policies	2		
Other Notes forming part of the Financial Statements	30		

As per our report attached
For M O S & Associates
Chartered Accountants

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson

T.V.SANDEEP KUMAR REDDY
Managing Director

S.V.C. Reddy
Partner

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary &
Compliance Officer

Place : Hyderabad.
Date : 29th May 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

₹ in Lakhs

Particulars	For the Year Ended 31 st March, 2014	For the Year Ended 31 st March, 2013
A Cash Flow from Operating Activities:		
Profit before Tax excluding extraordinary and exceptional items	8,247.52	10,201.08
Adjustments for:		
Depreciation and amortization	2,997.75	3,128.64
Interest and other Income	(248.63)	(247.63)
Loss on sale of Fixed Assets	3.67	5.10
Finance Costs	15,194.88	12,933.57
Foreign Currency Translation and Transactions – ECB	777.81	589.41
Foreign Currency Translation and Transactions - Net	—	2,782.20
Other non-cash items/ Provisions	190.71	71.76
Operating Profit before working Capital Changes	27,163.69	29,464.13
Adjustments for:		
(Increase) / Decrease in Trade Receivables	(5,275.79)	(33,475.47)
(Increase) / Decrease in long term loans and Advances	(209.33)	5,094.07
(Increase) / Decrease in Short term loans and Advances	(12,674.51)	(4,396.88)
(Increase) / Decrease in Other current assets	3,390.27	5,343.37
(Increase) / Decrease in Inventory	(1,341.22)	(7,708.28)
Increase / (Decrease) in other current liabilities	(248.41)	713.60
Increase / (Decrease) in other Long Term liabilities	10,026.38	6,856.48
Increase / (Decrease) in Trade Payables	3,754.51	12,116.69
Cash (used in) / generated from Operating activities	24,585.60	14,007.71
Direct Taxes paid	3,540.75	3,204.51
Net Cash (used in)/ generated from Operating Activities	21,044.85	10,803.20
B Cash Flow from Investing Activities		
Purchase of Fixed Assets including Capital work in progress and advances for Fixed Assets	(1,502.59)	(489.96)
Changes in Capital work in progress	669.76	—
Purchase of Non-Current Investments	(17,732.58)	(14,478.28)
Investments in Mutual Funds	(189.56)	—
Proceeds from sale of Fixed Assets	302.90	12.00
Interest and other income received	248.63	247.63
Net Cash (used in)/ generated from Investing Activities	(18,203.43)	(14,708.61)
C Cash Flow from Financing Activities		
Proceeds from issue of Share Capital including share premium	—	7,521.77
Redemption of Debentures	(1,560.00)	—
Net Proceeds from Long term borrowings	4,645.12	10,391.66
Net Proceeds from Short term borrowings	10,284.83	8,918.18
FCCB Premium	—	(1,734.04)
QIP Issue Expenses paid	—	(122.03)
Finance Cost	(14,139.94)	(11,969.37)
Foreign Currency Translation and Transactions loss paid	(777.81)	(2,782.20)
Dividend & Dividend Tax paid	(1,053.92)	(835.69)
Net Cash (used in)/ generated from Financing Activities	(2,601.72)	9,388.28
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	239.70	5,482.87
Cash and Cash Equivalents at the beginning of the year	19,895.09	14,412.22
Cash and Cash Equivalents at the end of the year	20,134.79	19,895.09

Note:

- 1 Cash & Cash Equivalents consist of Cash on hand and balances with banks includes Margin Money Deposits for Bank Guarantees of ₹ 11,249.87 lakhs (Previous Year ₹ 10,459.39 lakhs).
- 2 The cash flow statement is prepared in accordance with the indirect method as stated in Accounting Standard 3 issued by ICAI on “Cash Flow Statements” and presents cash flows by Operating, Investing and Financing activities
- 3 Figures in brackets represent cash outflows.

As per our report attached
For M O S & Associates
Chartered Accountants

For and on behalf of the Board

S.V.C. Reddy
Partner

T. INDIRA SUBBARAMI REDDY
Chairperson

T.V.SANDEEP KUMAR REDDY
Managing Director

Place : Hyderabad.
 Date : 29th May 2014

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary &
Compliance Officer

1. CORPORATE INFORMATION

Gayatri Projects Limited incorporated 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 of Accounting

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles ["GAAP"] in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 prescribed by the central government. Further, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations viz. SEBI guidelines override the same requiring a different treatment.

2.2 Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule VI to the Companies Act, 1956 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) - 3 "Cash Flow Statements". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule VI to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the Listing Agreement.

2.3 Use of estimates

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of tangible and intangible fixed assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

2.4 Revenue recognition

A. Revenue from Operations

a. Revenue from Construction activity:

- 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 variations 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) Claims including the insurance claims are accounted for on cash basis.

b. Revenue from supply of materials:

Revenue from supply of materials is recognized when substantial risks and rewards of ownership are transferred to the buyer and invoice for the same is raised.

c. Revenue form generation and distribution of Wind Power:

Revenue from wind power operations is recognized when the units are reliably measured and billed and it is reasonable to expect ultimate collection.

d. Revenue receipts on Joint Venture Contracts

- i) 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.
- ii) 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.

e. Other Operational Revenue:

All other revenues are recognized only when collectability of the resulting receivable is reasonably assured.

B. Other Income

- i) Interest income is accounted on accrual basis as per applicable interest rates.
- ii) Dividend income is accounted in the year in which the right to receive the same is established.

2.5 Inventories and work in progress

Raw Materials, construction materials and stores & spares are valued at weighted average cost. Expenditure incurred towards construction work and yet to be certified is carried forward as work in progress. Cost includes direct material, work expenditure, labour cost and appropriate overheads.

2.6 Fixed Assets and Depreciation & Amortization

a) Tangible Fixed Assets

Tangible 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.

b) Capital work in progress

Tangible assets which are purchased but not yet installed and not ready for the intended use on the date of balance sheet are disclosed as "Capital Work-in-Progress".

c) Depreciation and amortization

Depreciation on tangible assets is provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

Leasehold improvements or assets are amortized over the period of lease.

2.7 Foreign Currency Transactions

The reporting currency of the company is Indian Rupee. 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 Current investments and Non-Current investments.

Investments, which are readily realizable and are intended to be held for not more than 1 year from the date of acquisition, are classified as current investments. All other investments are classified as long term 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 31st March, 2014, 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.

2.17 Commitments

Commitments are future liabilities for contractual expenditure.

Commitments are classified and disclosed as follows:

- a. Estimated amount of contracts remaining to be executed on capital account and not provided for
- b. Uncalled liability on shares and other investments partly paid
- c. Funding related commitment to subsidiary, associate and joint venture companies and
- d. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

2.18 Operating cycle for current and non-current classification

Operating cycle for the business activities of the Company covers the duration of the specific project/contract/product line/service including the defect liability period, wherever applicable and extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

2.19 Cash Flow Statement

Cash Flow Statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

- i. transactions of a non-cash nature
- ii. any deferrals or accruals of past or future operating cash receipts or payments and
- iii. items of income or expense associated with investing or financing cash flows

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

2.20 Cash and Cash Equivalents

Cash and cash equivalents include cash, bank balances, fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being not free from more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

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

3. SHARE CAPITAL

₹ in Lakhs

Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
(i) Authorised Share Capital Equity shares of ₹10/- each	40,000,000	4,000.00	40,000,000	4,000.00
(ii) Issued Share Capital Equity shares of ₹10/- each	30,226,994	3,022.70	30,226,994	3,022.70
(iii) Subscribed and fully paid up Share Capital Equity shares of ₹10/- each	30,226,994	3,022.70	30,226,994	3,022.70
Total	30,226,994	3,022.70	30,226,994	3,022.70

3(a) Terms / 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 shareholders.

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 ₹ 2.00 per equity share in their meeting held on 29th May, 2014, subjected to approval of the shareholders in the ensuing Annual General Meeting (For the year ended 31st March, 2013 : ₹ 3.00 per equity share).

3(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
Equity shares of ₹10/- each with voting rights				
At the beginning of the period	30,226,994	3,022.70	23,968,242	2,396.82
Add: Shares issued under the qualified institutional placement	—	—	6,258,752	625.88
Outstanding at the end of the period	30,226,994	3,022.70	30,226,994	3,022.70

3(c) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: Nil

3(d) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares of ₹10/- each with voting rights				
Indira Subbarami Reddy Tikkavarapu	10,630,932	35.17	10,630,932	35.17
Sandeep Kumar Reddy Tikkavarapu	4,579,544	15.15	4,579,544	15.15
Afrin Dia	2,820,000	9.33	2,820,000	9.33
India Max Investment Fund Limited	2,357,000	7.80	2,357,000	7.80

4. RESERVES & SURPLUS

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Capital Reserve		
Opening balance	143.40	143.40
Add : Additions to Reserve during the year	—	—
Closing balance	<u>143.40</u>	<u>143.40</u>
(b) General Reserve		
Opening balance	9,500.00	8,500.00
Add: Amount transferred from Statement of Profit and Loss	500.00	1,000.00
Less: Utilised during the year	—	—
Closing balance	<u>10,000.00</u>	<u>9,500.00</u>
(c) Securities premium reserve		
Opening balance	25,400.19	20,360.37
Add: Premium received on Shares issue under the Qualified Institutional Placement	—	6,895.89
Less: Issue Expnses	—	(122.03)
Less: Premium paid on FCCB Redemption	—	(1,734.04)
Closing balance	<u>25,400.19</u>	<u>25,400.19</u>
(d) Debenture Redemption reserve		
Opening balance	1,300.00	1,300.00
Add: Amount transferred from Statement of Profit and Loss	—	—
Closing balance	<u>1,300.00</u>	<u>1,300.00</u>
(e) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	23,176.58	18,921.59
Add : Surplus / (Deficit) for the year	4,760.73	6,308.91
Amount available for Appropriation	<u>27,937.31</u>	<u>25,230.50</u>
Less: Appropriations		
Dividend and Dividend Tax	707.28	1,053.92
Transferred to General Reserve	500.00	1,000.00
Closing balance	<u>26,730.03</u>	<u>23,176.58</u>
Total (a+b+c+d+e)	<u><u>63,573.62</u></u>	<u><u>59,520.17</u></u>

5 LONG-TERM BORROWINGS

₹ in Lakhs

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	Non-Current	Current	Non-Current	Current
Secured				
(i) Non-Convertible Debentures (Refer note 5.1) 208 (31st March, 2013: 364) 11.50% Redeemable, Non-Convertible Debentures (NCDs) of ₹ 10,00,000/- each	2,080.00	1,560.00	3,640.00	1,560.00
ii) Term Loans from Banks				
a. Equipment Loans (Refer note 5.2)	769.57	1,906.26	2,206.92	1,633.92
b. Other Term Loans (Refer note 5.3)	11,312.49	16,455.78	20,000.00	2,500.00
c. External Commercial Borrowings (Refer note 5.4)	13,224.09	552.46	13,021.15	259.88
iii) Term Loans from others				
a. Equipment Loans (Refer note 5.2)	2,685.92	2,300.27	2,963.26	1,843.41
b. Vehicle Loans (Refer note 5.5)	3.06	73.86	76.93	133.17
Total	30,075.13	22,848.63	41,908.26	7,930.38

5.1 11.50% Redeemable, Non-Convertible Debentures (secured):

Details & Terms of Repayment

The Company has issued 520 11.50% Secured Redeemable Non-Convertible Debentures (NCDs) of ₹ 10,00,000/- each on private placement in the form of Separately Transferable Redeemable Principal Parts (STRPPs) for cash at par aggregating ₹ 5200 Lakhs in the year 2010-11. The debentures are redeemable in the 3rd, 4th and 5th years in the ratio of 30:30:40. The company has redeemed 1st trench of ₹1560.00 lakhs during the year.

Nature of Security

The Debentures are secured by the paripassu first charge on the fixed assets of a group company.

5.2 Equipment Loans

The Equipment loans are secured by hypothecation of specific equipments acquired out of the said loans and the rate of interest on these loans varies between 11% to 15%.

5.3 Term loans

The secured term loans are secured by hypothecation of construction equipments not specifically charged to other banks and these loans are guaranteed by directors. The rate of interest on these loans varies between 11% to 16%

Period and amount of principal and interest default as on balance sheet date:

Nature of the Loan	Period of Default	Default amount (₹ In lakhs)	
		Principal	Interest
Term Loans from Banks	Upto 30 days	5,261.25	1,263.34
Term Loans from Banks	31 to 60 days	1,261.25	481.84

5.4 External Commercial Borrowing:

Details of External Commercial Borrowings

The Company availed Foreign Currency Loan of USD \$ 24.42 million from an Indian Scheduled Bank to meet a part of funds requirement towards redemption of outstanding FCCBs. The ECB loan is repayable in 24 quarterly installments commencing from October 2013 with rate of interest at 3 months USD LIBOR+500bps.

Nature of Security

- (i) Equitable mortgage of immovable property of 600 acres in the name of step down subsidiary company.
- (ii) Pledge of unencumbered equity shares of promoters in Gayatri Projects Ltd.
- (iii) Personal guarantee of the two promoter directors.

5.5 Vehicle Loans:

The Vehicle loans availed are secured by hypothecation of specific vehicles purchased out of the said loans.

5.6 Maturity Profile of long term borrowings is set out below:

₹ in Lakhs

Particulars	2015-16	2016-17	2017-18	After 2018-19
Debentures – Non Convertible	2,080.00	—	—	—
Equipment loans from Banks	713.54	56.03	—	—
Term Loans from Banks	10,312.50	1,000.00	—	—
ECB Loan	1,116.47	1,680.46	3,084.67	7,342.48
Equipment loans from Others	1,963.01	722.91	—	—
Vehicle loans from Others	3.06	—	—	—

5.7 Current Maturities of long term borrowings have been disclosed under the head “Other Current Liabilities” (Refer Note - 11).

6. Deferred Tax Liabilities (Net)

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Deferred Tax (Asset) on timing Differences due to: Provision for Gratuity and Leave Encashment	(64.82)	(23.29)
(b) Deferred Tax Liability on timing differences due to: Depreciation	3,176.73	3,189.16
Total	3,111.91	3,165.87

7. Other Long-Term Liabilities

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Advances from Contractees	53,615.68	43,955.38
(b) Margin Money Deposits received	7,536.96	7,170.88
Total	61,152.64	51,126.26

8. Long-Term Provisions

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
Employee Benefits	736.63	548.06
Total	736.63	548.06

9. Short Term Borrowings

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Secured Term loans:		
(i) Banks	15,000.00	15,000.00
(b) Unsecured Term loans:		
(i) Banks	10,000.00	10,000.00
(c) Secured Working Capital Facilities / Overdraft Facility	76,384.83	66,100.00
Total	101,384.83	91,100.00

Nature of Security and Terms of Repayment

Term Loans (Secured)

The Secured Term Loans availed from banks are secured by way of:

- i) Mortgage of non agricultural land belonging to a group company.
- ii) Pledge of equity shares of the Company held by the directors.

- iii) 1st Pari passu hypothecation charge on the fixed assets of the Company.
- iv) Personal guarantee of managing director of the Company.
- v) Corporate Guarantee by a group company.

Working Capital Loans (Secured)

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

- Hypothecation against first charge on stocks, book debts and other current assets of the Company both present and future ranking *paripassu* with consortium banks.
- Hypothecation against first charge on all unencumbered fixed assets of the Company both present and future ranking *paripassu* with consortium banks.
- Equitable mortgage of properties belonging to promoters, directors, group companies.
- Personal guarantee of promoter directors, group companies/firms and relatives.

Period and amount of principal and interest default as on balance sheet date:

Nature of the Loan	Period of Default	Default amount (₹ In lakhs)	
		Principal	Interest
Term Loans and Working Capital from Banks	Upto 30 days	10,000.00	234.09
Term Loans and Working Capital from Banks	30 to 60 days	—	231.50

10. Trade Payables:

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Micro, Small and Medium Enterprises (refer Note No.30.13)	—	—
(b) Others	38,563.97	34,809.46
Total	38,563.97	34,809.46

11. Other current liabilities

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Current maturities of Long Term Borrowings		
- Non Convertible Debentures	1,560.00	1,560.00
156 (31st March, 2013: 156) 11.50% Redeemable Non-Convertible Debentures (NCDs) of ₹ 10,00,000/- each		
- Term Loans	21,288.63	6,370.38
(b) Interest accrued but not due on Borrowings - NCD's	67.66	96.66
(c) Interest accrued and due on Borrowings	2,558.30	1,474.37
(d) Unpaid Dividends	5.05	3.79
(e) Remuneration payable to Directors	148.74	68.99
(f) Statutory Payables	1,595.46	2,264.69
(g) Other Payables	2,322.43	1,982.61
Total	29,546.27	13,821.49

12. Short-Term Provisions

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Employee Benefits	8.21	6.07
(b) Provision for Dividend	604.54	906.81
(c) Provision for Dividend Distribution Tax	102.74	147.11
Total	715.49	1,059.99

13. FIXED ASSETS

₹ in Lakhs

Particulars	Original Cost				Depreciation and Amortization				Net Book Value	
	As at 1 st April 2013	Additions/ Adjustment during the period	Deletions/ Retirement during the period	As at 31 st March, 2014	Up to 1 st April, 2013	For the year	Deductions/ Adjustment during the period	Up to 31 st March 2014	As at 31 st March 2014	As at 31 st March 2013
i) Tangible Assets										
Land	35.12	—	—	35.12	—	—	—	—	35.12	35.12
Plant and Equipment	22,287.79	984.68	506.85	22,765.62	7,428.94	1,064.51	198.49	8,294.96	14,470.66	14,858.85
Earth Moving Machinery	13,770.35	436.13	601.70	13,604.78	10,886.92	1,342.04	620.01	11,608.95	1,995.83	2,883.43
Wind Power Equipment	5,936.86	—	—	5,936.86	567.32	313.47	—	880.79	5,056.07	5,369.54
Furniture and Fixtures	404.18	0.25	—	404.43	201.76	25.59	—	227.35	177.08	202.42
Vehicles	2,634.28	81.53	30.86	2,684.95	1,245.55	252.14	14.34	1,483.35	1,201.60	1,388.73
TOTAL	45,068.58	1,502.59	1,139.41	45,431.76	20,330.49	2,997.75	832.84	22,495.40	22,936.36	24,738.09
Previous Year	44,617.76	489.96	39.14	45,068.58	17,223.89	3,128.64	22.04	20,330.49	24,738.09	

ii) Intangible Assets - Nil (Previous Year: Nil)

iii) Capital Work in Progress: Capital work in progress represents machinery purchased for ₹ 497.18 Lakhs (previous year ₹ 1166.94 Lakhs) which is yet to be installed and put to use.

14. Non-current investments

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
Non-Trade investments (valued at cost unless stated otherwise) Unquoted Equity Shares		
A. Investment in Subsidiary Companies		
(i) 12,50,000 (Previous Year 12,50,000) Equity Shares of ₹ 10/- each, fully paid in Gayatri Infra Ventures Ltd., (Refer note 14.1)	12,532.38	12,532.38
(ii) 65,24,030 (Previous year 65,24,030) Equity Shares of ₹ 10/- each, fully paid in Gayatri Energy Ventures Pvt. Ltd., (Refer note 14.2)	63,983.28	63,983.29
(iii) 25,500 (Previous Year 25,500) Equity Shares of ₹ 10/- each, fully paid in Bhandara Thermal Power Corporation Ltd.,	2.55	2.55
(iv) 1,00,00.843 (Previous year 50,000) Equity Shares of ₹ 10/- each, fully paid in Sai Maatarani Tollways Ltd. (Refer note 14.3)	18,016.03	5.00
B. Investment in Associate Companies		
49,000 (Previous Year 49,000) Equity Shares of ₹ 10/- each, fully paid in Balaji Highways Holdings Pvt. Ltd.,	4.90	4.90
16,660 (Previous Year 16,660) Equity Shares of ₹ 10/- each, fully paid in Indore Dewas Tollways Ltd., (Refer note 14.4)	1.67	1.67
37,000 (Previous Year 37,000) Equity Shares of ₹ 10/- each, fully paid in HKR Roadways Ltd. (Refer note 14.5)	3.70	3.70
C. Other Investments		
Quoted - at Cost		
11,63,607 (Previous Year 11,63,607) Equity Shares of ₹ 10/- each in Gayatri Sugars Ltd.,	293.10	293.10
1,728 (Previous Year 1,728) Equity Shares of ₹ 10/- each in Syndicate Bank Ltd.,	0.86	0.86
Less: Provision for diminution in value of Investment (Refer note 14.6)	(278.44)	—
Total	94,560.03	76,827.45
Details of Quoted and Unquoted Investments:		
Aggregate Amount of Quoted Investment	15.52	293.96
Aggregate Market value of Quoted Investment	16.33	25.52
Aggregate Amount of Unquoted Investment	94,544.50	76,533.49

14.1 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

14.2 (a) Of these, 16,96,248 Equity shares of Gayatri Energy Ventures Pvt. Ltd. have been pledged to IFCI for the loan availed by the same company.

(b) Of these, 50,000 Equity shares of Gayatri Energy Ventures Pvt. Ltd. have been pledged to PTC for the loan availed by Thermal Powertech Corporation India Limited (a subsidiary company of Gayatri Energy Ventures Private Limited).

14.3 Of these, 20,66,000 Equity shares of Sai Maatarani Tollways Limited have been pledged to IDBI Trusteeship Services Limited for the loan availed by Sai Maatarani Tollways Limited.

14.4 Of these, 16,660 Equity shares of Indore DewasTollways Limited have been pledged to SBI Capital Security Trustee Company Limited for the Loan availed by Indore DewasTollways Limited.

14.5 Of these, 36,995 Equity shares of HKR Roadways Limited have been pledged to ITCL for the loan availed by HKR Roadways Limited.

14.6 The company has made provision for the diminution in the market value of quoted investments in the books as envisaged in the Companies (Accounting Standard) Rules, prescribed by the Central Government

15. Long-term loans and advances

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
To Others - Unsecured, Considered Good		
- Security Deposit with Govt. Depts and Others	45.71	41.26
To Related Parties - Unsecured, Considered Good		
- Share Application Money to Subsidiaries	204.88	
Total	250.59	41.26

16. Current Investments

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
Mutual Funds	189.56	—
Total	189.56	—

17. Inventories

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Construction materials, Stores and Spares	10,133.85	12,369.41
(b) Work in Progress	13,619.16	10,042.38
Total	23,753.01	22,411.79

18. Trade Receivables

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	58,717.53	68,875.94
Unsecured, considered doubtful	—	—
Less: Provision for doubtful debts	—	—
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good *	24,074.03	8,639.83
Unsecured, considered doubtful	—	—
Less: Provision for doubtful debts	—	—
Total	82,791.56	77,515.77

* Trade Receivables include a sum of ₹ 218.51 Crores receivable towards pending contract receipts from a company in which key managerial personnel are interested and due above 180 days. The management is of the opinion that the said receivable is fully recoverable in due course and no provision is required for the same.

19. Cash and cash equivalents

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Cash on hand	28.49	31.70
(b) Balances with banks		
In current accounts	4,289.38	7,046.32
In deposit accounts (due with in 12 months)		
i. Margin money for Bank Guarantees / LCs	12,249.87	10,459.39
ii. Other Deposits	3,567.05	2,357.68
Total	20,134.79	19,895.09

20. Short-term loans and advances

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
To Related Parties - Unsecured, Considered Good		
- Loans and Advances to Subsidiaries	344.12	500.00
- Loans and Advances to Joint Ventures	3,902.52	3,902.52
- Loans and Advances to Associates	2,948.30	—
- Share Application Money to Subsidiaries	6,717.40	340.35
- Share Application Money to Associates	4,651.36	4,651.36
To Others - Unsecured, Considered Good		
- Advances to Suppliers	1,457.96	1,159.84
- Advances to Sub-Contractors (Refer Note No.30.19)	50,542.68	45,153.62
- Staff Advances	175.02	180.01
- Advances with Govt. Departments	3,910.06	3,954.21
- Other Advances	758.26	2,891.26
Total	75,407.68	62,733.17

21. Other current assets

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Deposits with Contractees	11,275.48	14,558.91
(b) Others	86.95	193.79
Total	11,362.43	14,752.70

22. Revenue from Operations

₹ in Lakhs

Particulars	For the Year Ended 31 st March, 2014	For the Year Ended 31 st March, 2013
(a) Construction Revenue	153,259.46	177,755.29
(b) Materials Supply Revenue	27,217.99	23,375.27
(c) Revenue from Electricity Generation	618.54	925.38
(d) Share of profit from Joint Ventures	157.23	164.27
Total	181,253.22	202,220.21

23. OTHER INCOME

₹ in Lakhs

Particulars	For the Year Ended 31 st March, 2014	For the Year Ended 31 st March, 2013
(a) Interest income from Fixed Deposits	234.19	162.76
(b) Other Miscellaneous Income	14.44	84.87
Total	248.63	247.63

24. COST OF MATERIALS CONSUMED

₹ in Lakhs

Particulars	For the Year Ended 31 st March, 2014	For the Year Ended 31 st March, 2013
(a) Steel	6,478.75	5,807.72
(b) Cement	4,029.50	3,174.09
(c) Bitumen	12,455.20	6,333.82
(d) Metal	5,750.41	5,523.06
(e) Sand & Gravel	809.52	1,092.26
(f) Electrical Materials	9,005.05	6,667.30
(g) Railway Line Materials	4,688.77	6,416.32
(h) Coal Handling System Materials	12,630.65	7,547.68
(i) RCC & GI Pipes	570.61	1,365.56
(j) Building Materials	991.24	854.68
(k) HSD Oils & Lubricants	7,585.13	5,875.25
(l) Stores and Consumables	731.43	635.64
(m) Other Materials	286.22	230.78
Total	66,012.48	51,524.16

25. WORK EXPENDITURE

₹ in Lakhs

Particulars	For the Year Ended 31 st March, 2014	For the Year Ended 31 st March, 2013
(a) Departmental Recoveries	4,947.96	4,482.99
(b) Work executed by sub contractors	19,622.77	45,036.95
(c) Earth Work	11,279.99	16,042.76
(d) Concrete Work	20,529.95	19,827.82
(e) Transport Charges	1,968.44	1,773.30
(f) Hire Charges	1,515.03	1,074.88
(g) Road work	7,641.09	10,495.24
(h) Repairs and Maintenance	1,452.81	1,516.94
(i) Taxes and Duties	6,126.87	6,195.61
(j) Royalties, Seigniorage and Cess	735.26	646.66
(k) Insurance	306.92	355.64
(l) Other Work Expenditure	7,686.48	9,518.77
Total	83,813.57	116,967.56

26. CHANGE IN INVENTORIES OF WORK-IN-PROGRESS

₹ in Lakhs

Particulars	For the Year Ended 31 st March, 2014	For the Year Ended 31 st March, 2013
Opening Work in Progress	10,042.38	6,969.28
Closing Work in Progress	13,619.16	10,042.38
Changes in Inventory	(3,576.78)	(3,073.10)

27. Employee benefits expense

₹ in Lakhs

Particulars	For the Year Ended 31 st March, 2014	For the Year Ended 31 st March, 2013
(a) Salaries & Wages	3,085.55	3,148.72
(b) Director's Remuneration	602.75	582.00
(c) Staff Welfare Expenses	335.44	390.50
(d) Contribution to Statutory Funds	72.57	68.03
Total	4,096.31	4,189.25

28. Finance costs

₹ in Lakhs

Particulars	For the Year Ended 31 st March, 2014	For the Year Ended 31 st March, 2013
(a) Interest on Term Loans	5,757.97	7,043.71
(b) Interest on Non Convertible Debentures	538.53	598.00
(c) Interest on Working Capital Facilities	6,540.58	3,306.96
(d) Interest on ECB Loan *	1,461.64	451.04
(e) Exchange loss on ECB Loan	777.80	589.41
(f) Bank Guarantee & Other Financial Charges	896.17	1,533.86
Total	15,972.69	13,522.98

* includes premium paid on foreign currency forward contract.

29. Other expenses

₹ in Lakhs

Particulars	For the Year Ended 31 st March, 2014	For the Year Ended 31 st March, 2013
(a) Advertisement expenses	161.94	62.90
(b) Audit fee	47.19	47.73
(c) Corporate Social Responsibility Expenditure	618.28	—
(d) Donations	462.19	649.08
(e) Foreign Exchange translation Loss *	—	2,782.20
(f) Insurance charges	29.24	35.71
(g) Consultancy, Legal & professional charges	681.75	654.34
(h) General Expenses	138.80	155.27
(i) Power & fuel	221.68	201.57
(j) Miscellaneous expenses	124.48	310.93
(k) Printing & stationery	65.66	73.10
(l) Rent	413.79	376.52
(m) Provision for diminution in the value of Investments	278.44	—
(n) Taxes & licenses	45.09	78.43
(o) Tender Expenses	47.63	57.76
(p) Telephone	97.18	98.10
(q) Traveling, Conveyance & Stay expenses	501.30	418.53
(r) Loss on sale of assets / Impairment of assets	3.67	5.10
Total	3,938.31	6,007.27

* The exchange loss translation loss of FCCB bonds.

30. Other Notes forming part of the financial statements

30.1 Leases

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

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

Lease Obligations Payable ₹ in Lakhs

Due	Minimum Lease Payments
Less than one year	82.80
Between one and five years	75.90
More than five years	—

Lease Obligations Recognized ₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
Lease Rentals recognized during the year	82.80	82.80

30.2 Contingent Liabilities and Commitments

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

a. Contingent Liabilities ₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
a) Claims against the company not acknowledged as debt	5,565.55	—
b) Guarantees given by the Banks towards performance & Contractual Commitments		
i) issued on behalf of the Company	51,639.03	48,578.60
ii) Issued on behalf of Subsidiaries / Group Companies	30,630.36	24,034.76
c) Corporate Guarantees given to group companies	7,48,110.00	5,77,060.00
d) Disputed Liability of Income Tax, Sales Tax, Service Tax and Seigniorage charges	10,603.75	8,752.06

b. Commitments ₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
Commitments towards investment in subsidiaries, Joint Ventures and Associates	18,016.03	360,27.06

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

₹ in Lakhs

Name of the Company	Relationship	Balances as at		Maximum outstanding	
		31.03.2014	31.03.2013	2013-14	2012-13
IJM Gayatri Joint Venture	Joint Venture	3,902.52	3,902.52	3,902.52	3,902.52
Wetern UP Tollways Ltd	Associate	2948.29	2157.92	2948.29	2157.92
Sai Maatarini Tollways Ltd	Subsidiary	204.88	20.00	204.88	20.00
Indore Dewas Tollways Ltd	Associate	2395.00	500.00	2395.00	500.00
HKR Roadways Ltd	Associate	4651.36	4651.36	4651.36	4651.36

30.4 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.

30.5 Joint Venture Loss not considered

IJM-Gayatri Joint Venture

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 during the period 1998-2006 in Package I, II & III and AP 13 of NHAI, APSH 7 and APSH 8 in the State of Andhra Pradesh.

An excess expenditure of ₹ 134.45 crores is incurred for completion of the IJM Gayatri JV by our company and the same is debited to the JV account. The JV has not accounted the same due to pending claims with the employers and with an intention to account the same as and when the claims are actually realised.

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 legal forum. So far the joint venture has got favorable awards amounting to ₹ 61.99 crores including interest on claims and the remaining claims are under adjudication. Out of the favorable awards, the JV has received orders for release of payments for ₹ 29.01 crores and as against this the JV has received ₹ 18.70 crores which is passed to the Company. Further in respect of APSH-7 and 8, the honorable High Court of Andhra Pradesh has order to release 50% of the claim amount (about ₹ 3.00 crores) and the release of payment is under process. The management is reasonably confident of recovering substantial amount from these claims. In the unlikely situation of the claims not being received to the extent of expenditure incurred, IJM-Gayatri Joint Venture has to account the net expenditure of ₹ 115.75 crores (Previous Year ₹ 115.75 crores) in its books and the Company has to provide an amount of ₹ 46.30 crores (Previous Year ₹ 46.30 crores) towards its 40% share of loss in the joint venture.

During the year under review, SEBI has referred the above note to the “Financial Reporting and Review Board (FRRB)” for further examination and company has submitted the relevant information/explanation to the competent authorities. The matter is under examination with the FRRB.

30.6 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 statement of Profit & Loss and Balance Sheet as required in accordance with Accounting Standard – 15 (Revised) issued by the Institute of Chartered Accountants of India are as under:-

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

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Present Value of Obligation as at the beginning of the year	398.57	358.32	155.56	124.05
Interest Cost	31.89	28.66	12.44	9.93
Current Service Cost	25.69	19.55	14.09	9.39
Benefits Paid	(37.20)	(4.60)	(35.68)	(2.42)
Actuarial loss / (gain) on Obligations	123.06	(3.36)	56.42	14.61
Present Value of Obligation at year end	542.01	398.57	202.83	155.56

(b) Amount Recognized in Balance Sheet: ₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Estimated Present Value of obligations as at the end of the year	542.01	398.57	202.83	155.56
Fair value of Plan Assets as at the end of the year	—	—	—	—
Net Liability recognized in Balance Sheet	542.01	398.57	202.83	155.56

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

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Current Service Cost	25.69	19.55	14.09	9.39
Interest Cost	31.89	28.66	12.44	9.93
Expected return on Plan Asset	—	—	—	—
Net Actuarial (Gain)/Loss recognized during the period	123.06	(3.36)	56.43	14.61
Total expenses recognized in Statement of Profit & Loss	180.64	44.85	82.96	33.93

(d) Principal Actuarial Assumption: ₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Discount Rate	8.00%	8.00%	8.00%	8.00%
Salary Escalation Rate	4.00%	4.00%	4.00%	4.00%
Retirement Age	60	60	60	60
Mortality	LIC	LIC	LIC	LIC
	(1994-96)	(1994-96)	(1994-96)	(1994-96)
Attrition Rate	1%	1%	1%	1%

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

30.7 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 Infra Ventures Ltd Sai MataraniTollways Limited	Gayatri Lalitpur Roadways Ltd Gayatri-Jhansi Roadways Ltd Thermal Powertech Corporation India Ltd Bhandra Thermal Power Corporation Ltd
Associate Companies	Key Management Personnel (KMP)
Hyderabad Expressways Limited Cyberabad Expressways Limited Western UP Tollway Limited HKR Roadways Limited Balaji Highways Holding Limited (Considered as Subsidiary as per AS-21 for consolidation) Indore DewasTollways Limited (Considered as Subsidiary as per AS-21 for consolidation)	Mr. T.V.Sandeep Kumar Reddy Mr. J.Brij Mohan Reddy Mrs.Indira T Subbarami Reddy
Entities in which KMP are interested	Joint Ventures
Deep Corporation Pvt. Ltd Indira Constructions Pvt. Ltd Gayatri Tissue & Papers Ltd Gayatri Sugars Ltd Gayatri Hi-Tech Hotels Ltd Gayatri Property Ventures Pvt. Ltd. Gayatri Hotels & Theaters Pvt. Ltd GSR Ventures Pvt. Ltd. T.V.Sandeep Kumar Reddy & Others Gayatri Bio-Organics Limited TSR Foundation Dr.T.Subbarami Reddy (HUF) Balaji Charitable Trust TSR LalitakalaParishad Chamundeswari Builders Pvt. Ltd.	Gayatri- RNS Joint Venture IJM Gayatri Joint Venture Gayatri Ranjit Joint Venture Gayatri - GDC Joint Venture Gayatri – BCBPPL Joint Venture Jaiprakash Gayatri Joint Venture Gayatri ECI Joint Venture Maytas-Gayatri Joint Venture Gayatri – Ratna Joint Venture MEIL-GAYATRI-ZVS-ITT Consortium Simplex Gayatri Consortium Gayatri-JMC Joint Venture Viswanath - Gayatri Joint Venture GPL-RKTCPL Joint Venture

Transactions with the related parties:

₹ in Lakhs

SI	Particulars	2013-14				
		Subsidiary & Step-down Subsidiaries	Associate Companies	Entities in which KMP are interested	Joint ventures	KMP
1	Equity contribution	18,011.03 (14,478.28)	— —	— —	— —	— —
2	Contract Receipts	75,739.67 (37,171.14)	12,169.65 (39,366.40)	— (3,951.26)	18,934.49 (39,038.79)	— —
3	Contract payments	— —	— —	526.13 (605.53)	— —	— —
4	Office Rent & Maintenance	— —	— —	106.16 (103.50)	— —	— —
5	Other Payments	90.00 (90.00)	90.00 (198.71)	99.69 (65.38)	— (17.83)	— —
6	Donations	— —	— —	423.66 (639.27)	— —	— —
7	Remuneration Paid	—	—	—	—	602.75 (582.00)
8	Contract Advances/ Other Adv.	14,944.23 (4,990.23)	2,881.60 (1,196.65)	— —	1,309.07 (2,119.34)	— —
9	Corporate Guarantees	17,4735.00 —	— (1,800.00)	— (17,000.00)	— —	— —
10	Closing balances – Debit	29,459.59 (17,736.87)	9,262.56 (14,470.71)	24,948.91 (26,812.66)	24,659.00 (24,897.35)	— —
11	Closing balances – Credit	13,560.63 (9,470.44)	— (776.23)	259.30 (183.79)	8,507.20 (10,258.54)	148.71 (68.99)

Figures in brackets relate to previous year.

Disclosure of transactions which are more than 10% of the total transactions of the same type with related parties during the year.

₹ in Lakhs

Name of the Entity	Nature of Transaction	Amount
HKR Roadways Limited	Contract Receipts	27,726.86
Thermal Powertech Corpn. India Ltd.	Contract Receipts	10,810.18
Sai MaataraniTollways Ltd.	Contract Receipts	35,231.90
Indore DewasTollways Limited	Contract Receipts	11,840.95
Gayatri - ECI Joint Venture	Contract Receipts	6,796.98
Gayatri - BCBPPL Joint Venture	Contract Receipts	3,462.23
Gayatri - RNS Joint Venture	Contract Receipts	3,902.00
Sai MaataraniTollways Ltd.	Equity Contribution	18,011.03
Sai MaataraniTollways Ltd.	Financial Guarantees	1,74,735.00
Thermal Powertech Corpn. India Ltd.	Contract Advances/ Other Adv.	3,877.71
Sai MaataraniTollways Ltd.	Contract Advances/ Other Adv.	3,430.01

30.8 Un-hedged Foreign Currency Exposures as at 31st March, 2014

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

Amount in Lakhs

Particulars	Hedged/Un hedged	2013-14		2012-13	
		Foreign Currency USD	₹ Equivalent	Foreign Currency USD	₹ Equivalent
Amount payable in Foreign Currency:					
External Commercial Borrowings (ECB)	Un-hedged	Nil	Nil	122.09	6,640.51
	Hedged	239.38	13776.56	122.09	6,640.51

30.9 Segment Reporting

The Company's operations predominantly consist of construction / project activities. 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.

30.10 Earnings Per Share (EPS)

Basic and Diluted Earnings per share calculated in accordance with Accounting Standard (AS) 20 "Earning per share".

₹ in Lakhs

Particulars	2013-14	2012-13
Profit After Tax for calculation of Basic EPS (₹ in Lakhs)	4,760.73	6308.91
Profit After Tax for calculation of Diluted EPS (₹ in Lakhs)	4,760.74	6308.91
Weighted average No. of equity shares as denominator for calculating Basic EPS. (No. in Lakhs)	302.27	257.17
Weighted average No. of equity shares as denominator for calculating Diluted EPS. (No. in Lakhs)	302.27	257.17
Basic EPS (₹)	15.75	24.53
Diluted EPS (₹)	15.75	24.53

30.11 Disclosure in respect of Joint Ventures pursuant to Accounting Standard – 27 “Financial Reporting of Interest in Joint Ventures”

a) List of Joint Ventures/Jointly controlled entities

S. No	Name of the Joint Venture Jointly controlled entities	Description of Interest	% of Holding	Country of residence
1	IJM Gayatri Joint Venture	Jointly controlled entity (construction of Road works)	40(40)	India
2	Jaiprakash Gayatri Joint Venture	Jointly controlled entity (construction of Canals, Dams etc., works)	49(49)	India
3	Gayatri Ranjit Joint Venture	Jointly controlled entity (construction of Road works)	40(40)	India
4	Gayatri ECI Joint Venture	Jointly controlled entity (construction of Road works)	50(50)	India
5	Gayatri – Ratna Joint Venture	Jointly controlled entity (construction of Road and Irrigation works)	80(80)	India
6	Gayatri – GDC Joint Venture	Jointly controlled entity (construction of Road works)	70(70)	India
7	Gayatri – BCBPPL Joint Venture	Jointly controlled entity (construction of Canals, Dams etc., works)	60(60)	India
8	Gayatri-RNS Joint Venture	Jointly controlled entity (construction of Road works)	60(60)	India
9	Gayatri- JMC Joint Venture	Jointly controlled entity (construction of Road works)	75(75)	India
10	MEIL-Gayatri-ZVS-ITT Consortium	Jointly controlled entity (construction of Canals, Dams etc., works)	48.44(48.44)	India
11	Viswanath - Gayatri Joint Venture	Jointly controlled entity (Transmission and Distribution works)	50(50)	India
12	Maytas-Gayatri Joint Venture	Jointly controlled entity (construction of Road works)	37(37)	India
13	GPL-RKTCPL Joint Venture	Jointly controlled entity (construction of Road works)	51(—)	India

Figures in brackets relate to previous year

b) Financial Interest in Joint Ventures / Jointly Controlled Entities:

₹ in Lakhs

Sl. No.	Name of the Joint Ventures/ Jointly controlled entities	Company's Share						
		As at March 31, 2014		For the Year Ended 31st March, 2014				
		Assets	Liabilities	Income	Expenses	Tax	Net Profit	Net Loss
1	IJM Gayatri Joint Venture	8,263.77 (2,617.13)	8,219.20 (2,535.82)	9.69 (1,870.58)	235.61 (1,963.48)	(189.18) (-125.37)	— (32.47)	36.74 (—)
2	Jaiprakash Gayatri Joint Venture	1,414.24 (1,497.61)	1,401.57 (1,484.94)	1,893.23 (13,795.60)	1,893.23 (13,795.60)	— (—)	— (—)	— (—)
3	Gayatri ECI Joint Venture	6,187.36 (6,134.32)	4,787.07 (5,048.48)	11,248.79 (11,191.09)	10,934.34 (10,864.43)	— (—)	314.45 (326.66)	— (—)
4	Gayatri – Ratna Joint Venture	6,816.67 (6,657.51)	6,809.95 (6,650.79)	337.37 (—)	337.37 (—)	— (—)	— (—)	— (—)
5	Gayatri – GDC Joint Venture	547.05 (799.12)	547.05 (799.12)	— (—)	— (—)	— (—)	— (—)	— (—)
6	Gayatri – BCBPPL Joint Venture	1,251.66 (1,076.20)	1,238.85 (1,063.32)	3,462.23 (4,251.60)	3,462.23 (4,239.09)	— (2.12)	— (10.39)	— (—)
7	Gayatri- RNS Joint Venture	1,865.13 (2,618.98)	1,865.13 (2,618.98)	3,902.00 (3,486.25)	3,902.00 (3,486.25)	— (—)	— (—)	— (—)
8	Gayatri- JMC Joint Venture	429.97 (954.72)	429.97 (954.72)	1,629.07 (5,484.89)	1,629.07 (5,484.89)	— (—)	— (—)	— (—)
9	MEIL-Gayatri-ZVS-ITT Consortium	838.84 (830.64)	838.84 (830.64)	5,101.62 (2,333.35)	5,101.62 (2,333.35)	— (—)	— (—)	— (—)
10	Viswanath-Gayatri Joint Venture	2,524.35 (3,040.15)	2,524.35 (3,040.15)	418.91 (3,003.96)	418.91 (3,003.96)	— (—)	— (—)	— (—)
11	Gayatri-Ranjit Joint Venture	257.33 (79.51)	257.33 (79.51)	— (—)	— (—)	— (—)	— (—)	— (—)
12	Maytas-Gayatri Joint Venture	16,350.36 (73,884.20)	16,350.18 (73,883.67)	— (452.85)	0.68 (452.04)	— (—)	— (0.81)	0.68 (—)
13	GPL-RKTCPL Joint Venture	442.35 (—)	442.35 (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Total:		47,189.08 (100,190.09)	45,711.84 (98,990.14)	28,002.91 (45,870.17)	27,915.06 (45,623.09)	(189.18) (-123.25)	314.45 (370.33)	37.42 (—)
Share of net assets in jointly controlled entities		737.31 (594.95)						

Figures in brackets relate to previous year.

30.12 Managerial Remuneration:

Managerial Remuneration paid during the year:

₹ in Lakhs

Particulars	2013-14	2012-13
Salaries	582.00	522.00
Perquisites	0.75	—
Commission	20.00	60.00
Total	602.75	582.00

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

₹ in Lakhs

Particulars	2013-14	2012-13
Profit Before Taxation	8,247.52	10,201.08
Add : Managerial Remuneration	602.75	582.00
Provision for Doubtful Debts / Advances	—	
Loss on Sale of Fixed Assets / Written off Assets	3.67	5.10
Sub-total :	8,923.94	10,788.18
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	8,923.94	10,788.18
Maximum Commission / Remuneration payable under Section 309 of the Companies Act, 1956@10%	892.39	1,078.82
Actual Remuneration taken (Incl. Perks)	602.75	582.00

30.13 Dues to Micro and Small Enterprises:

On the basis of information available with the Company, there are no dues outstanding for more than 45 days to Small Scale Industrial Undertaking (SSI). The Company has not received any intimation from “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the yearend together with interest paid/payable as required under the said Act have not been given.

30.14 There are no amounts due and outstanding to be credited to Investors Education & Protection Fund as on 31-03-2014.

30.15 Auditors’ Remuneration (excluding service tax and reimbursement of expenses):

₹ in Lakhs

S.No.	Particulars	2013-14	2012-13
a	Statutory Audit	18.00	18.00
b	Limited Review	12.00	12.00
c	Tax Audit	5.00	5.00
d	Certification Fee	7.00	7.00
e	Certification Fee for QIP/Rights issue of Shares	—	3.50
	Total	42.00	45.50

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

₹ in Lakhs

Account Head	Opening Balance	Provisions made During the year	Paid/Utilized during the year	Closing Balance
Gratuity	398.57	180.64	37.20	542.01
Leave Encashment	155.56	82.95	35.68	202.83
Taxation	—	3148.80	3148.80	—
Proposed Dividend & Dividend Tax	1,053.92	707.28	906.80	854.40

30.17 Disclosure pursuant to Accounting Standard – 7 “Construction Contracts”

₹ in Lakhs

S.No.	Particulars	2013-14	2012-13
1	Contract revenue recognized for the year ended	1,80,634.67	2,01,294.84
2	Contract cost incurred and recognized profits, less losses	1,63,637.72	1,86,801.50
3	Amount of advances received till date, net of recoveries	53,615.88	43,955.38
4	Gross amount due from customers for contract works	82,758.87	84,389.93

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.

30.18 Additional Information.

i) CIF value of Imports

₹ in Lakhs

S. No.	Particulars	2013-14	2012-13
1	Purchase of Capital Goods	Nil	Nil

ii) Expenditure / (Income) in Foreign Currency:

₹ in Lakhs

S. No.	Particulars	2013-14	2012-13
1	Travelling Expenses	16.51	22.84
2	FCCB Expenses	—	7.27
3	Interest on ECB Loan	1,461.64	451.04
4	Consultancy Fee	—	7.76

iii) Details of major raw materials consumption

₹ in Lakhs

Particulars	2013-14		2012-13	
	Value	%	Value	%
Steel	6,478.75	17.46	5,807.72	20.78
Cement	4,029.50	10.86	3,174.09	11.36
Bitumen	12,455.20	33.56	6,333.82	22.66
Metal	5,750.41	15.50	5,523.06	19.76
HSD Oil & Lubricants	7,585.13	20.44	5,875.25	21.02
Sand & Gravel	809.52	2.18	1,092.26	3.91
Imported	—	—	139.65	0.50
Total :	37108.51	100.00	27,945.85	100.00

- 30.19 Advances to sub-contractors include amounts paid as work advances to certain sub-contractors wherein the corresponding contract works are yet to commence. In the opinion of the management, the said contract works have not commenced due to certain extraneous factors beyond the control of such sub-contractor and without any default/failure of performance from their end. The management is confident to commence the works in near future and recover the advances from the sub-contractors.
- 30.20 In the opinion of the management and to the best of their knowledge and belief, the value under the head of current assets are approximately of the value stated, if realized in ordinary course of business, unless stated otherwise. The provision for all known liabilities is adequate and not in excess of amount considered reasonably necessary.
- 30.21 The balances under Other long term liabilities, Trade Payables, Trade Receivables, Other current liabilities, Short term loans and advances and Other current assets are subject to reconciliation and confirmation.
- 30.22 All amounts are rounded off to nearest thousand.
- 30.23 Previous year figures have been regrouped wherever considered necessary.

For M O S & Associates
Chartered Accountants

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson

T.V.SANDEEP KUMAR REDDY
Managing Director

S.V.C. Reddy
Partner

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary &
Compliance Officer

Place : Hyderabad.
Date : 29th May 2014

Independent Auditors' Report

To the Board of Directors of
Gayatri Projects Limited.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Gayatri Projects Limited** ('the Company, its subsidiaries and its jointly controlled entities constitute 'the Group'), which comprise the Consolidated Balance Sheet as at 31st March 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The management of the Company is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view, in order to design the audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

We invite the attention of members to the following material matters:

(Note Nos. referred hereunder is with reference to respective Notes forming part of the financial statements)

With regard to non-accounting of Joint Venture losses:

As stated in Note no.30.5, regarding non provision for its share of joint venture losses by the Company amounting to ₹ 46.30 Crores (Previous Year ₹ 46.30 Crores). Had the provision been made for the losses, the reserves and surplus and the short term loans and advances of the Company would have been lower by ₹ 46.30 Crores (Previous Year ₹ 46.30 Crores). This was also a subject matter of qualification in the auditors' report for the year ended 31st March, 2013 which was audited by the previous auditors of the Company.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and read with our comments in the Emphasis of Matters paragraph below, and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries, jointly controlled entities and associates referred to below in the Other Matter paragraph, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph and emphasis of matter paragraph*, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- (ii) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date and
- (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

We draw attention to Note no. 30.14 forming part of the financial statements regarding pending confirmation of balances in respect of certain items and balances reported in the financial statements and Note no. 30.10 regarding qualifications and certain observations made on the entity's ability to continue as a going concern by the Independent Auditors of a subsidiary company. Our opinion is not qualified in respect of these matters.

Other Matters

We did not audit the financial statements / consolidated financial statements of certain subsidiaries whose financial statements / consolidated financial statements reflect total assets (net) of ₹ 11,05,472.74 Lakhs as at 31st March 2014, total revenues (net) of ₹ 23,042.14 lakhs and net cash inflows amounting to ₹ 29107.78lakhs for the year ended on that date. These financial statements / consolidated financial statements have been audited by other auditors whose audit reports have been furnished to us by the management and our opinion is based solely on the reports of the other auditors.

We did not audit the financial statements / consolidated financial statements of certain associates in which the share of loss of the Group is ₹1.33 lakhs. These financial statements / consolidated financial statements have been audited by other auditors whose audit reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

We did not audit the financial statements of certain joint ventures whose financial statements to the extent of company's share reflected in the consolidated financial statements with a total assets of ₹ 6966.70 lakhs as at 31st March 2014, total revenues of ₹ 11,868.35 lakhs and net cash inflows amounting to ₹ 215.58 lakhs for the year ended on that date. These financial statements / consolidated financial statements have been audited by other auditors whose have been furnished to us and our opinion is based solely on the reports of the other auditors.

We have relied on the unaudited financial statements of certain joint ventures whose financial statements to the extent of company's share reflected in the consolidated financial statements with a total assets of ₹ 30847.84 lakhs as at 31st March 2014, total revenues of ₹ 3.88 lakhs and net cash outflows amounting to ₹ 186.68 lakhs for the year ended on that date.

Our opinion is not qualified in respect of these matters.

The financial statements of the Company as at and for the year ended 31st March 2013 have been audited by the Company's previous auditor, whose report dated 28th May 2013 expressed qualified opinion in respect of joint venture losses. The balances as at 31st March 2013 as per the audited financial statements, regrouped and / or reclassified wherever necessary, have been considered as opening balances for the purpose of these financial statements.

For M O S & ASSOCIATES
Chartered accountants
Firm Registration No.: 001975S

S.V.C.REDDY
Partner
Membership No.: 224028

Place: Hyderabad
Date: 29th May 2014

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2014

₹ in Lakhs

Particulars	Note	As at 31 st March, 2014	As at 31 st March, 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share capital	2	3,022.70	3,022.70
(b) Reserves and surplus	3	60,716.21	63,757.01
2 Minority Interest		41,849.22	39,106.54
3 Non-current liabilities			
(a) Long-term borrowings	4	563,317.06	543,743.28
(b) Deferred Tax Liabilities (net)	5	2,857.37	2,984.02
(c) Other Long term liabilities	6	109,295.67	124,573.22
(d) Long-Term provisions	7	2,744.92	5,355.33
4 Current liabilities			
(a) Short-term borrowings	8	102,166.08	94,277.65
(b) Trade payables	9	92,171.09	59,584.92
(c) Other current liabilities	10	336,930.87	78,203.29
(d) Short term provisions	11	5,609.95	1,229.90
		536,877.99	233,295.76
Total		1,320,681.14	1,015,837.86
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12a	52,959.04	51,196.40
(ii) Intangible assets	12b	117,048.79	119,966.86
(iii) Capital work-in-progress	12c	690,644.23	461,937.36
(iv) Intangible Assets under Development	12d	102,666.81	35,017.13
(b) Non-Current Investments	13	25,597.31	35,758.32
(c) Long term loans and advances	14	21,497.86	34,716.55
(d) Other non-current Assets	15	17,738.06	10,961.48
		1,028,152.10	749,554.10
2 Current assets			
(a) Current Investments	16	352.58	45.27
(b) Inventories	17	23,753.01	43,649.95
(c) Trade receivables	18	73,783.46	67,926.09
(d) Cash and cash equivalents	19	68,665.60	39,441.89
(e) Short term loans and advances	20	96,234.31	95,209.57
(f) Other Current Assets	21	29,740.08	20,010.99
		292,529.04	266,283.76
Total		1,320,681.14	1,015,837.86

Significant Accounting Policies 1
Other Notes forming part of the Financial Statements 30

As per our report attached
For M O S & Associates
Chartered Accountants

For and on behalf of the Board

S.V.C. Reddy
Partner

T. INDIRA SUBBARAMI REDDY
Chairperson

T.V.SANDEEP KUMAR REDDY
Managing Director

Place : Hyderabad.
Date : 29th May 2014

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary &
Compliance Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

₹ in Lakhs

Particulars	Note	For the Year Ended 31 st March, 2014	For the Year Ended 31 st March, 2013
I. Revenue			
(a) Revenue from operations	22	159,401.75	197,133.52
(b) Other Income	23	594.52	854.76
Total Revenue		<u>159,996.27</u>	<u>197,988.28</u>
II. Expenses			
(a) Const of Materials Consumed	24	46,987.62	36,428.78
(b) Work Expenditure	25	69,306.47	122,849.71
(c) Changes in Inventories of Work in Progress	26	(3,576.78)	(12,082.79)
(d) Employee benefits expenses	27	3,333.81	3,578.63
(e) Finance costs	28	26,862.37	27,045.47
(f) Depreciation and amortization expense	12(a&b)	11,108.91	11,173.16
(g) Other Expenses	29	10,264.66	5,844.05
Total Expenses		<u>164,287.06</u>	<u>194,837.01</u>
III. Profit/ (Loss) before Exceptional & Extraordinary items and Tax (I-II)		(4,290.79)	3,151.27
IV. Exceptional items		—	—
V. Profit/(Loss) before Extraordinary items and Tax		(4,290.79)	3,151.27
VI. Extraordinary items		—	—
VII. Profit/(Loss) before Tax		(4,290.79)	3,151.27
VIII. Tax Expenses			
(a) Current Tax - paid		3,202.32	3,205.78
(b) Current Tax - for earlier years		391.95	—
(c) Deferred Tax		(129.63)	637.37
IX. Profit / (Loss) for the year before Minority Interest		(7,755.43)	(691.88)
X. Less: Minority Interest		(1,258.78)	(1,646.49)
XI. Profit / (Loss) for the year after Minority Interest		<u>(6,496.65)</u>	<u>954.61</u>
XII. Earning per Share (of ₹10/- each):			
Basic & Diluted		(21.49)	3.71
Significant Accounting Policies	I		
Other Notes forming part of the Financial Statements	30		

As per our report attached
For M O S & Associates
Chartered Accountants

For and on behalf of the Board

S.V.C. Reddy
Partner

T. INDIRA SUBBARAMI REDDY
Chairperson

T.V.SANDEEP KUMAR REDDY
Managing Director

Place : Hyderabad.
Date : 29th May 2014

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary &
Compliance Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

₹ in Lakhs

Particulars	For the Year Ended 31 st March, 2014	For the Year Ended 31 st March, 2013
A Cash Flow from Operating Activities:		
Profit before Tax excluding extraordinary and exceptional items	(4,290.79)	3,151.27
Adjustments for:		
Depreciation and amortization	11,522.81	11,173.16
Interest and other Income	(256.70)	(201.75)
Loss on sale of Fixed Assets	3.67	3.84
Loss on sale of Investments	6,834.08	—
Finance Costs	26,084.56	27,045.47
Foreign Currency Translation and Transactions – ECB	777.81	589.41
Foreign Currency Translation and Transactions - Net	—	2,782.20
Other non-cash items/ Provisions	2,116.28	1,989.38
Operating Profit before working Capital Changes	42,791.72	46,532.98
Adjustments for:		
(Increase) / Decrease in Trade Receivables	(5,857.37)	(8,083.86)
(Increase) / Decrease in long term loans and Advances & other non-current assets	6,442.11	16,199.61
(Increase) / Decrease in Short term loans and Advances	(1,024.74)	(11,003.84)
(Increase) / Decrease in Other current assets	(9,729.09)	(17,082.66)
(Increase) / Decrease in Inventory	19,896.94	(28,946.44)
Increase / (Decrease) in other current liabilities	(6,194.45)	44,630.04
Increase / (Decrease) in other Long Term liabilities	(15,277.55)	71,929.61
Increase / (Decrease) in Trade Payables	32,586.17	13,591.47
Cash (used in) / generated from Operating activities	63,633.75	1,27,766.91
Direct Taxes paid	3,594.27	3,205.78
Net Cash (used in)/ generated from Operating Activities	60,039.48	1,24,561.13
Cash Flow from Investing Activities		
Purchase of Fixed Assets including Capital work in progress and Intangible assets under Development	(3,07,031.75)	(3,07,569.76)
Adjustment for change in status of erstwhile Associate into Subsidiary	2.14	5.04
Net Sale / (Purchase) of Non-Current Investments	3,326.93	63.34
Investments in Mutual Funds	(307.31)	341.78
Proceeds from sale of Fixed Assets	304.15	37.68
Interest and other income received	256.70	201.75
Net Cash (used in)/ generated from Investing Activities	(3,03,449.14)	(3,06,920.17)
Cash Flow from Financing Activities		
Proceeds from issue of Share Capital including share premium	4,163.97	10,761.09
Redemption of Debentures	(1,560.00)	(1,560.00)
Net Proceeds from Long term borrowings	2,83,421.45	1,48,210.09
Net Proceeds from Short term borrowings	7,888.43	9,786.08
FCCB Premium	—	(1,734.04)
QIP Issue Expenses paid	—	(122.03)
Proceeds from Minority Interest (net)	4,001.46	2,110.81
Finance Cost	(24,228.02)	(22,204.72)
Foreign Currency Translation and Transactions-net	—	(2,782.20)
Dividend & Dividend Tax paid	(1,053.92)	(835.69)
Net Cash (used in)/ generated from Financing Activities	2,72,633.37	1,41,629.39
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	29,223.71	(40,729.65)
Cash and Cash Equivalents at the beginning of the year	39,441.89	80,171.54
Cash and Cash Equivalents at the end of the year	68,665.60	39,441.89

Note:

- Cash and Cash Equivalents consist of Cash on hand and balances with Banks that includes Margin Money Deposits for Bank Guarantees of ₹ 11,249.87 Lakhs (Previous Year ₹ 10,459.39 Lakhs)
- The Cash flow statement is prepared in accordance with the indirect method stated in Accounting Standard 3 issued by ICAI on Cash flow statements and presents Cash flows by Operating, Investing and Financing activities.
- Figures in brackets represent cash outflows.
- See accompanying Notes forming part of the Financial Statements.

As per our report attached
For M O S & Associates
Chartered Accountants

S.V.C. Reddy
Partner

Place : Hyderabad.
Date : 29th May 2014

T. INDIRA SUBBARAMI REDDY
Chairperson

P. SREEDHAR BABU
Chief Financial Officer

For and on behalf of the Board

T.V.SANDEEP KUMAR REDDY
Managing Director

I.V. LAKSHMI
Company Secretary &
Compliance Officer

I SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Accounting

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles ["GAAP"] in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 prescribed by the central government. Further, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations viz. SEBI guidelines override the same requiring a different treatment.

1.2 Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule VI to the Companies Act, 1956 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) 3 "Cash Flow Statements". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule VI to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards and the Listing Agreement.

1.3 Use of estimates

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of tangible and intangible fixed assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

1.4 Revenue recognition

A. Revenue from Operations

a. Revenue from Construction activity:

- 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 variations 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) Claims including the insurance claims are accounted for on cash basis.

b. Revenue from supply of materials:

Revenue from supply of materials is recognized when substantial risks and rewards of ownership are transferred to the buyer and invoice for the same is raised.

c. Revenue form generation and distribution of Wind Power:

Revenue from wind power operations is recognized when the units are reliably measured and billed and it is reasonable to expect ultimate collection.

d. Income from development of highways i.e Toll Revenue & Annuity Income:

In case of companies involved in construction and maintenance of roads, toll revenue from operations is recognized on accrual basis which coincides with the collection of toll. In annuity based projects, revenue

recognition is based on annuity accrued on time basis in accordance with the provisions of the concessionaire agreements entered into with NHAI or with respective state governments or authorities. Claims raised on NHAI or with respective state governments or authorities under concessionaire agreements are accounted for in the year of acceptance.

e. Revenue receipts on Joint Venture Contracts

- i) 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.
- ii) 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.

f. Other Operational Revenue:

All other revenues are recognized only when collectability of the resulting receivable is reasonably assured.

B. Other Income

- i) Interest income is accounted on accrual basis as per applicable interest rates.
- ii) Dividend income is accounted in the year in which the right to receive the same is established.

1.5 Principles of Consolidation

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

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

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

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

1.6 Inventories and work in progress

Raw Materials, construction materials and stores & spares are valued at weighted average cost.

Expenditure incurred towards construction work and yet to be certified is carried forward as work in progress. Cost includes direct material, work expenditure, labour cost and appropriate overheads.

1.7 Fixed Assets and Depreciation & Amortization

a) Tangible Fixed assets

Tangible 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.

b) Capital work in progress

Tangible assets which are purchased but not yet installed and not ready for the intended use on the date of balance sheet are disclosed as "Capital Work-in-Progress".

c) Depreciation and amortization

Depreciation on tangible assets is provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

Leasehold improvements or assets are amortized over the period of lease.

d) 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:

- i. Computer software: Over a period of Three years.
- ii. 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"

- iii. 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.

1.8 Foreign Currency Transactions

The reporting currency of the company is Indian Rupee. 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.

1.9 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 Current investments and Non-Current investments.

Investments, which are readily realizable and are intended to be held for not more than 1 year from the date of acquisition, are classified as current investments. All other investments are classified as long term 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.

1.10 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.

1.11 Deferred Revenue Expenditure

Projects and Other amenities expenditure incurred up to 31st March, 2014, 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.

1.12 Grants

Grants or subsidies from the government or any regulatory authority are recognized when there is reasonable assurance that the grant/subsidy will be received and all conditions attached to the grant / subsidy will be complied with.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant or subsidy relates to an asset, the grant or subsidy amount (net of direct amount incurred to earn aforesaid grant or subsidy) is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

1.13 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.

1.14 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.

1.15 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.

1.16 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.

1.17 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.

1.18 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.

1.19 Commitments

Commitments are future liabilities for contractual expenditure.

Commitments are classified and disclosed as follows:

- a. Estimated amount of contracts remaining to be executed on capital account and not provided for
- b. Uncalled liability on shares and other investments partly paid
- c. Funding related commitment to subsidiary, associate and joint venture companies and
- d. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

1.20 Operating cycle for current and non-current classification

Operating cycle for the business activities of the Company covers the duration of the specific project/contract/product line/service including the defect liability period, wherever applicable and extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

1.21 Cash Flow Statement

Cash Flow Statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

- i. transactions of a non-cash nature
- ii. any deferrals or accruals of past or future operating cash receipts or payments and
- iii. items of income or expense associated with investing or financing cash flows

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

1.22 Cash and bank balances

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being not free from more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

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

2. SHARE CAPITAL

Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
(i) Authorised Share Capital Equity shares of ₹10/- each	40,000,000	4,000.00	40,000,000	4,000.00
(ii) Issued Share Capital Equity shares of ₹10/- each	30,226,994	3,022.70	30,226,994	3,022.70
(iii) Subscribed and fully paid up Share Capital Equity shares of ₹10/- each	30,226,994	3,022.70	30,226,994	3,022.70
Total	30,226,994	3,022.70	30,226,994	3,022.70

2(a) Terms / 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 shareholders.

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 ₹ 2.00 per equity share in their meeting held on 29th May, 2014, subjected to approval of the shareholders in the ensuing Annual General Meeting (For the year ended 31st March, 2013 : ₹ 3.00 per equity share).

2(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
Equity shares of ₹10/- each with voting rights At the beginning of the period	30,226,994	3,022.70	23,968,242	2,396.82
Add: Shares issued under the qualified institutional placement	—	—	6,258,752	625.88
Outstanding at the end of the period	30,226,994	3,022.70	30,226,994	3,022.70

2(c) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: Nil

2(d) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares of ₹10/- each with voting rights				
Indira Subbarami Reddy Tikkavarapu	10,630,932	35.17	10,630,932	35.17
Sandeep Kumar Reddy Tikkavarapu	4,579,544	15.15	4,579,544	15.15
Afrin Dia	2,820,000	9.33	2,820,000	9.33
India Max Investment Fund Limited	2,357,000	7.80	2,357,000	7.80

3. RESERVES & SURPLUS

₹ in Lakhs

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
a. Capital Reserve		
Opening balance	143.40	143.40
Add : Additions to Reserve during the year	—	—
Closing balance	143.40	143.40
b. General Reserve		
Opening balance	9,500.00	8,500.00
Add: Amount transferred from Statement of Profit and Loss	500.00	1,000.00
Less: Utilised during the year	—	—
Closing balance	10,000.00	9,500.00
c. Capital Grant	1,950.13	1,950.13
d. Securities premium reserve		
Opening balance	38,765.63	30,486.49
Add: Premium received on Shares issue under the Qualified Institutional Placement/ Issue of Shares	4,163.97	10,135.21
Less: Issue Expnses	—	(122.03)
Less: Premium paid on FCCB Redemption	—	(1,734.04)
Closing balance	42,929.60	38,765.63
e. Debenture Redemption reserve		
Opening balance	1,300.00	1,300.00
Add: Amount transferred from Statement of Profit and Loss	—	—
Closing balance	1,300.00	1,300.00
f. Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	12,097.85	13,187.45
Add : Surplus / (Deficit) for the year	(6,496.65)	954.60
(+)Add / (-) Less : Other Adjustments	(0.84)	9.72
Amount available for Appropriation	5,600.36	14,151.77
Less: Appropriations		
Dividend and Dividend Tax	707.28	1,053.92
Transferred to General Reserve	500.00	1,000.00
Closing balance	4,393.08	12,097.85
Total (a+b+c+d+e+f)	60,716.21	63,757.01

4 LONG-TERM BORROWINGS

₹ in Lakhs

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	Non-Current	Current	Non-Current	Current
(i) Non-Convertible Debentures				
208 (31st March, 2013: 364) 11.50% Redeemable, Non-Convertible Debentures (NCDs) of ₹ 10,00,000/- each (Refer note 4.1)	2,080.00	1,560.00	3,640.00	1,560.00
11,25,00,000 (31 March 2013: 15,00,00,000) 10.50% Compulsorily Convertible Debentures (CCD) of ₹10/- each (Refer note 4.2)	11,250.00	3,750.00	15,000.00	—
ii) Term Loans from Banks				
a. Equipment Loans (Refer note 4.3)	769.57	1,906.26	2,206.92	1,633.92
b. Other Term Loans (Refer note 4.4)	11,312.49	16,455.78	—	2,500.00
c. Project Loans (Refer note 4.5, 4.6, 4.7 & 4.8)	214,992.05	20,713.77	154,595.17	6,399.42
d. External Commercial Borrowings (Refer note 4.9)	13,224.10	552.46	13,021.15	259.88
iii) Term Loans from others				
a. Equipment Loans (Refer note 4.3)	2,685.92	2,300.27	2,963.26	1,843.41
b. Project Loans (Refer note 4.5, 4.6, 4.7 & 4.8)	297,960.40	230,082.88	199,982.04	—
c. Vehicle Loans (Refer note 4.10)	3.06	73.86	76.93	133.17
Un-Secured Borrowings				
i) Term Loans from related parties	5,691.74	—	5,691.74	—
ii) Term Loans from others	3,347.73	—	781.11	—
iii) Buyers Credit	—	—	145,784.96	—
Total	563,317.06	277,395.28	543,743.28	14,329.80

4.1 11.50% Redeemable, Non-Convertible Debentures (secured):

Details & Terms of Repayment

The Company has issued 520 11.50% Secured Redeemable Non-Convertible Debentures (NCDs) of ₹ 10,00,000/- each on private placement in the form of Separately Transferable Redeemable Principal Parts (STRPPs) for cash at par aggregating ₹ 5200 Lakhs in the year 2010-11. The debentures are redeemable in the 3rd, 4th and 5th years in the ratio of 30:30:40. The company has redeemed 1st trench of ₹ 1560.00 lakhs during the year.

Nature of Security

The Debentures are secured by the paripassu first charge on the fixed assets of a group company.

4.2 10.50% Compulsorily Convertible Debentures (CCD) (secured):

Terms of Repayment

Quarterly Interest payment @ 10.50% p.a and Debentures 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.

Nature of Security

- 7,47,49,590 Equity Shares of NCC Power Projects Ltd held by the NCC Infrastructure Holdings limited are pledged in favour of IFCI Limited as collateral security for the debentures issued by the Company
- 26% of Total equity shares of the Company held by Gayatri Projects Ltd i.e. 16,96,248 as on 31-03-2014 are pledged in favour of IFCI Limited as collateral security for the debentures issued by the Company
- The debentures are guaranteed by the personal guarantee of T. V. Sandeep Kumar Reddy and T. Indira Reddy, Directors of the company.
- Gayatri Projects Ltd the holding company of the Company has given buy back guarantee to IFCI Ltd.

Period and amount of interest Default on Debentures as on Balance Sheet Date:

Default Period	Default Amount	Interest Paid date
15-11-2013 to 14-02-2014	41,996,534	Not Paid

Due date for payment is last day of the default period

4.3 Equipment Loans

The Equipment loans are secured by hypothecation of specific equipments acquired out of the said loans and the rate of interest on these loans varies between 11% to 15%.

4.4 Term loans pertaining to Company

The secured term loans are secured by hypothecation of construction equipments not specifically charged to other banks and these loans are guaranteed by directors. The rate of interest on these loans varies between 11% to 16%

Nature of the Loan	Period of Default	Default amount (₹ In lakhs)	
		Principal	Interest
Term Loans from Banks	Upto 30 days	5,261.25	1,263.34
Term Loans from Banks	31 t o 60 days	1,261.25	481.84

4.5 Project Loans pertaining to step down subsidiary company i.e TPCIL amounting to ₹ 3,55,900 lakhs Loans from banks and financial institutions are secured by way of pari passu first charge of:

1. Registered mortgage of freehold land of 160 sq. mtrs. in Sudhagad Taluka, Raigad, Maharsastra and equitable mortgage of 728.15 acres of owned land and 680.55 acres of land under lease situated at Pynampuram and Nelatur villages, Muthukur Mandal, Nellore District in the state of Andhra Pradesh.
2. Pledge of 350,130,000 equity shares of ₹ 10 each, fully paid up of TPCIL (Subsidiary Company)
3. First charge over all the present and future assets (both tangible and intangible) of TPCIL (step down subsidiary company)
4. Corporate Guarantee of Gayatri Projects Limited.

Terms of Repayment :

Term loans are repayable in 48 equal quarterly installments commencing from the first repayment date falling six months after the scheduled commercial operations date Unit - II (i.e., 30 September 2014) or actual commercial operations date of the project, which ever is earlier. The term loans carries an interest rate of 11.50% to 14% .

4.6 Project Loans pertaining to subsidiary company i.e GIVL and its subsidiaries companies amounting to ₹ 89,742.11 lakhs

(a) Details of loans

- (i) Unsecured term loans aggregating to ₹ 1,350,000,000 (31 March 2013: ₹ 1,350,000,000) obtained by Gayatri Infra Ventures Limited is sort by way of:(a) pledge of 1,200,000 Equity shares held by the holding company, M/s Gayatri Projects Ltd, (b) corporate guarantee of Gayatri Projects Limited.The facility carry interest at the rate as at 31 March 2014 of 16.00% (31 March 2013: 15.50%)
- (ii) Secured terms loans aggregating to ₹ 2,108,107,542 (31 March 2013: ₹ 2,204,497,542) obtained by Gayatri Jhansi Roadways Limited is secured by way of:(a) First mortgage and charge of all the borrower's immovable properties, present and future.(b) First charge by way of hypothecation of:
 - all the movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future.
 - operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future.
 - all intangibles, including but not limited to goodwill, uncalled capital, present and future.
 - Assignment or creation of security interest in i) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in the project documents, duly acknowledged and consented to by the relevant counter-parties to such project documents. ii) all the rights, title, interest, benefits, claims and demands whatsoever of the borrower in the clearances. iii) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantees, performance bond provided by any party to the Project Documents and iv) all Insurance Contracts/Insurance proceeds.
 - Escrow Account, Debt Service Reserve, other reserves and any other bank accounts of the borrower wherever maintained.
 - Pledge of all the shares (equity and preference) held by the sponsors representing 51% of the paid up share capital.

The facilities carry an interest rate of 11.20% (31 March 2013: 11.75%)

- (iii) Secured terms loans aggregating to ₹ 1,734,505,627 (31 March 2013: ₹ 1,813,096,627) obtained by Gayatri

Lalitpur Roadways Limited is secured by way of:(a) First mortgage and charge of all the borrower's immovable properties, present and future.(b) First charge by way of hypothecation of:

- all the movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future.
- operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future.
- all intangibles, including but not limited to goodwill, uncalled capital, present and future.
- Assignment or creation of security interest in i) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in the project documents, duly acknowledged and consented to by the relevant counter-parties to such project documents. ii) all the rights, title, interest, benefits, claims and demands whatsoever of the borrower in the clearances. iii) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantees, performance bond provided by any party to the Project Documents and iv) all Insurance Contracts/Insurance proceeds.
- Escrow Account, Debt Service Reserve, other reserves and any other bank accounts of the borrower wherever maintained.
- Pledge of all the shares (equity and preference) held by the sponsors representing 51% of the paid up share capital.

The facilities carry an interest rate of 11.25% (31 March 2013: 11.75%)

- (iv) Secured terms loans aggregating to ₹ 722,642,800 (31 March 2013: ₹ 754,075,800) obtained by Gayatri Jhansi Roadways Limited is secured by way of:(a) Second mortgage and charge of all the borrower's immovable properties, present and future.(b) Second charge by way of hypothecation of:

- all the movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future.
- Operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future.
- All intangibles, including but not limited to goodwill, uncalled capital, present and future.
- Assignment or creation of security interest in i) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in the project documents, duly acknowledged and consented to by the relevant counter-parties to such project documents. ii) all the rights, title, interest, benefits, claims and demands whatsoever of the borrower in the clearances. iii) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantees, performance bond provided by any party to the Project Documents and iv) all Insurance Contracts/Insurance proceeds.
- Escrow Account, Debt Service Reserve, other reserves and any other bank accounts of the borrower wherever maintained.
- Pledge of all the shares (equity and preference) held by the sponsors representing 51% of the paid up share capital

The facilities carry an interest rate ranging from 10.95% to 12.80% (31 March 2013: 11.75% to 13.30%)

- (v) Secured terms loans aggregating to ₹452,894,160 (31 March 2013: ₹ 472,298,030) obtained by Gayatri Lalitpur Roadways Limited, is secured by way of:(a) Second mortgage and charge of all the borrower's immovable properties, present and future.(b) Second charge by way of hypothecation of:

- all the movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future.
- Operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future.
- All intangibles, including but not limited to goodwill, uncalled capital, present and future.
- Assignment or creation of security interest in i) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in the project documents, duly acknowledged and consented to by the relevant counter-parties to such project documents. ii) all the rights, title, interest, benefits, claims and demands whatsoever of the borrower in the clearances. iii) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantees, performance bond provided by any party to the Project Documents and iv) all Insurance Contracts/Insurance proceeds.
- Escrow Account, Debt Service Reserve, other reserves and any other bank accounts of the borrower wherever maintained.

- Pledge of all the shares (equity and preference) held by the sponsors representing 51% of the paid up share capital

The facilities carry an interest rate ranging from 10.95% to 12.80% (31 March 2013: 11.75% to 13.30%)

- (iv) Unsecured term loans to the tune of ₹ 323,350,250 (31 March 2013: ₹ 569,174,603) borrowed by Gayatri Jhansi Roadways Limited and Gayatri Lalitpur Roadways Limited from its shareholder's represents zero interest subordinate shareholder's contribution repayable after the repayment of secured loans from banks and financial institutions.
- (v) Secured term loans aggregating to ₹ 1,502,926,961 (31 March 2013: ₹ 1,646,396,210) obtained by Cyberabad Expressways Limited is secured by way of first pari passu charge in favour of the lenders/security agent to the project by way of hypothecation of:
 - a) All monies including annuity receivable from HGCL to the credit of the escrow Account.
 - b) All rights, title, interest, benefits, claims and demands of the company under project agreements subject to the provisions of the concession agreement.
 - c) Assignment of rights, title and interest to or in favor of the lenders pursuant to and in accordance with the substitution agreement as per the provisions of the financing documents of the project.

The facilities carry an interest rate of 11.50% (31 March 2013: 11.50%)

- (vi) Secured term loans aggregating to ₹ 1,104,362,660 (31 March 2013: ₹ 1,221,949,666) obtained by Hyderabad Expressways Limited is secured by way of first pari passu charge in favour of the lenders/security agent to the project by way of hypothecation of:
 - a) All monies including annuity receivable from HGCL to the credit of the escrow Account.
 - b) All rights, title, interest, benefits, claims and demands of the company under project agreements subject to the provisions of the concession agreement.
 - c) Assignment of rights, title and interest to or in favor of the lenders pursuant to and in accordance with the substitution agreement as per the provisions of the financing documents of the project.
- The facilities carry an interest rate of 11.50% (31 March 2013: 11.50%)

- (vii) Secured term loans aggregating to ₹ 2,070,148,900 (31 March 2013: ₹ 2,153,819,067) obtained by Western UP Tollways Limited are secured by way of:
 - (a) first mortgage and charge in a form satisfactory to all company's immovable properties, present and future expect project assets.
 - (b) first charge by way of hypothecation of all the company's movables, including movable plant and machinery, present and future except the project assets, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets.
 - (c) A first charge on operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising present or future.
 - (d) subject to provisions of provisions on concession agreement, first charge on the escrow account, debt service reserve, MMR and other reserves.
 - (e) A first pledge of 100% of paid up capital till three years of commencement of commercial operations and thereafter minimum 51% of total paidup capital of the company held by the promoters during the tenure of the loan.

The facilities carry an interest rate ranging from 11.50% to 14.00% (31 March 2013: 9.95% to 14.00%)

- (viii) Unsecured term loans to the tune of ₹ 245,824,353 (31 March 2013: Nil) is obtained by Western UP Tollways Limited from related parties carrying interest at the rate of 12% (31 March 2013: Nil)

(c) Terms of repayment for unsecured loans from banks and others

₹ in Lakhs

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Up to 1 year	19,507.95	5,193.60
2 to 5 years	35,568.14	45,355.27
Above 5 years	55,379.80	65,612.46
	1,10,455.89	1,16,161.33

(d) Details of overdue installments of principal and interest on unsecured loans from banks and others

₹ in Lakhs

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Principal		
0-30 days	706.25	806.96
Interest		
0-30 days	444.25	968.62
30-90 days	751.66	1,101.27
90-180 days	12.97	124.64
above 180 days	16.10	—
	1,224.98	2,194.53

4.7 Project Loans pertaining to subsidiary company i.e IDTL amounting to ₹ 41,993.55 lakhs

Security for Term Loans:

Term Loans from lenders are secured by

- a) a first mortgage and charge on all immovable properties and assets, both present and future, save and except the project assets;
- b) a first charge on all tangible movable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, all other movable assets and current assets, both present and future, save and except the project assets;
- c) a charge on accounts including, but not limited to the Escrow Account where all revenues, Disbursements, Receivables shall be deposited and in all funds from time to time deposited therein and in all Authorised Investments or other securities representing all amounts credited to the Escrow Account; provided that
 - (i) the charge as aforesaid shall be limited to the extent permissible under the waterfall of the priorities as per Article 31 of the Concession Agreement and Article 4 of the Escrow Agreement;
 - (ii) in the event the Borrower opens any other bank account(s) in breach of the Escrow Agreement, such bank account(s) shall also be treated as Escrow Account(s) of the Borrower; and
 - (iii) all the Receivables and revenues shall be collected by the Borrower and deposited in the Escrow Account and shall be utilized in the manner provided in the Escrow Agreement.
Provided further that the Lenders shall also have the right to collect all the Receivables and revenues to ensure that the same are deposited in the Escrow Account.
- d) a charge on all intangibles including but not limited to goodwill, rights, and undertakings, present and future provided any realisation there of shall be credited to the Escrow Account and the charge as aforesaid shall be limited to the extent permissible under the waterfall of the priorities as per Article 31 of the Concession Agreement and Article 4 of the Escrow Agreement.
- e) a charge on the uncalled capital of the Borrower; provided that charge at (e) above, shall be limited for ensuring that the Borrower calls the balance uncalled capital and makes the shares fully paid up.
- f) an assignment by way of security:
 - i) of the right, title and interest of the Borrower in, to and under the Project Documents including the Concession Agreement, duly acknowledged and consented to by NHAI and by the relevant counter-parties to such Project Documents to the extent not expressly provided in the Concession Agreement or each such Project Document, all as amended, varied or supplemented from time to time;
 - ii) of the right, title and interest of the Borrower in, to and under all the Government Approvals and Insurance Contracts; and
 - iii) of the right, title and interest of the Borrower in, to and under any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents.
- g) pledge of equity shares held by the Sponsors aggregating 51% (fifty one percent) of paid up and voting equity share capital of the Borrower until the Final Settlement Date, subject to the satisfaction of the Lenders. However, the enforcement of the pledge would be in accordance with the terms of the Concession Agreement and any dilution in the equity of the consortium in the Borrower due to enforcement of pledge of shares shall be subject to minimum equity obligations of the consortium in the Borrower and shall be subject to prior approval of NHAI and in the manner as provided in the Articles 5.3 and 7.1(k) of the Concession Agreement.

Terms of Repayment of Term Loan from Lenders

- a. The tenor of the facility shall be for a period of 14 years (fourteen) years door to door including 2.5 (two point five) years of construction, 1 (One) year of moratorium and 10.5 years of repayment period with 46 quarterly Unequal Instalments as per clause 2.11 of the Common Loan Agreement dated 6th August 2012.
- b. The Borrower can avail the voluntary pre payment option by complying with the requirements of clause 2.13 of the Common Loan Agreement dated 11th November 2010.
- c. Since the Appointed date of the company is declared by NHAI as 1st September 2011, the Provisional Scheduled Completion date is 28th Feb 2014. As per the provisions of the Common Rupee Loan Agreement the Term loan Availability period stands extended upto August 2014. However the company has requested all the Lenders to extend the Availability period upto Jan 2015.

4.8 Project Loans pertaining to subsidiary company i.e SMTL amounting to ₹ 23,774.00 lakhs

I Nature of Security for Secured Loans:

Term Loans from banks and others are secured by:

- a) First mortgage and charge on all the borrower's immovable properties, present and future, if any, save and except the Project Assets.
- b) a first charge by way of hypothecation on all the Borrower's tangible moveable assets, including but not limited to all current/ non-current assets, moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, all other movable assets, both present and future, save and except the Project Assets.
- c) a first charge by way of hypothecation on all the Borrower's tangible moveable assets, including but not limited to all current/ non-current assets, moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, all other movable assets, both present and future, save and except the Project Assets.
- d) a first charge on all intangibles of the Borrower including but not limited to goodwill, rights, undertakings, uncalled capital and intellectual property rights, both present and future, save and except the Project Assets (provided that all amounts received on account of any of these shall be deposited in the Escrow Account and that the charges on the same shall be subject to the extent permissible as per the priority specified in the Clause 31 of the Concession Agreement and Clause 4 of the Escrow Agreement). Further, a charge on uncalled capital, as set in above, shall be subject however to the provisions of Clauses 5.3 and 7.1 (k) and Clause 31 of the Concession Agreement.
- e) an assignment by way of security
 - (i) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under the Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents to the extent not expressly provided in each such Project Document, all as amended, varied or supplemented from time to time;
 - (ii) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under all the Approvals and Insurance Contracts; and
 - (iii) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under any letter of credit, guarantees including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents.
- f) pledge of equity shares (in dematerialised form) held by the Sponsor constituting 51% (fifty one percent) of the total paid up and voting equity share capital of the Borrower until the Final Settlement Date.
- g) an irrevocable and unconditional guarantee from the Sponsor for meeting the shortfall between Secured Obligations then outstanding and the amounts receivable by the Lenders in accordance with Clause 4.2 of the Escrow Agreement in case of Termination of Concession Agreement for any reason.

II. Terms of repayment of Secured Loans

The Company shall repay the Loans to the Lenders in 48 (forty eight) unequal quarterly instalments commencing after the Moratorium Period, as specified in the Amortization Schedule to the Common Loan Agreement dated June 26, 2013. The first repayment instalment shall be due on January 1, 2016. The last repayment instalment shall be paid on October 1, 2027.

III. Rate of Interest on Secured Loans

Applicable Interest Rate shall be floating at - (a) Spread @ 2% p.a. above the Base Rate of the Lead Bank viz. IDBI Bank Ltd.; or (b) Spread @ 2% p.a. above the IIFCL benchmark rate, whichever is higher.

IV. Terms relating to Interest and Repayment of Unsecured Loans:

The amount advanced by holding Company is in the nature of promoters' contribution which carries Nil rate of Interest. The loan is sub-ordinate to the Term Loan to be availed from the lenders and the same will be paid after repayment of Term Loans in full.

4.9 External Commercial Borrowing:

Details of External Commercial Borrowings

The Company availed Foreign Currency Loan of USD \$ 24.42 million from an Indian Scheduled Bank to meet a part of funds requirement towards redemption of outstanding FCCBs. The ECB loan is repayable in 24 quarterly installments commencing from October 2013 with rate of interest at 3 months USD LIBOR+500bps.

Nature of Security

- (i) Equitable mortgage of immovable property of 600 acres in the name of step down subsidiary company.
- (ii) Pledge of unencumbered equity shares of promoters in Gayatri Projects Ltd.
- (iii) Personal guarantee of the two promoter directors.

4.10 Vehicle Loans:

The Vehicle loans availed are secured by hypothecation of specific vehicles purchased out of the said loans.

4.11 Maturity Profile of Term Loans is set out below:

₹ in Lakhs

Particulars	2015-16	2016-17	2017-18	After 2018-19
Debentures – Non Convertible	2,080.00	—	—	—
Equipment loans from Banks	713.54	56.03	—	—
Term Loans from Banks	10,312.50	1,000.00	—	—
ECB Loan	1,116.47	1,680.46	3,084.67	7,342.48
Equipment loans from Others	1,963.01	722.91	—	—
Vehicle loans from Others	3.06	—	—	—

4.12 Current Maturities of long term borrowings have been disclosed under the head "Other Current Liabilities" (Refer Note - 10).

5. Deferred Tax Liabilities (Net)

₹ in Lakhs

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
(a) Deferred Tax (Asset) on timing Differences due to: Provision for Gratuity and Leave Encashment	(64.82)	(23.29)
Carry Forward losses	(254.54)	(181.85)
(b) Deferred Tax Liability on timing differences due to: Depreciation	3,176.73	3,189.16
Total	2,857.37	2,984.02

6. Other Long-Term Liabilities

₹ in Lakhs

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
(a) Advances from Contractees	57,442.36	51,757.92
(b) Margin Money Deposits received	740.78	696.62
(c) Capital Creditors	1,421.84	49,522.31
(d) Interest accrued but not due	265.49	—
(e) 5% Cumulative Participatory Redeemable convertible Preference Shares (CPRCPS) of Step-down Subsidiary Company	49,019.61	21,448.47
(f) Retention Money Payable	405.59	1,147.90
Total	109,295.67	124,573.22

7. Long-Term Provisions

₹ in Lakhs

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
(a) Employee Benefits	786.86	604.02
(b) Provision for Periodic Maintenance	1,958.06	4,751.31
Total	2,744.92	5,355.33

8. Short Term Borrowings

₹ in Lakhs

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
(a) Secured Term loans:		
(i) Banks	15,000.00	15,000.00
(b) Secured Working Capital Facilities / Overdraft Facility	76,384.83	66,100.00
(c) Unsecured Term loans:		
(i) Banks	10,781.22	10,000.00
(ii) Related parties	—	3,177.65
(iii) Others	0.03	—
Total	102,166.08	94,277.65

Nature of Security and Terms of Repayment

Term Loans (Secured)

The Secured Term Loans availed from banks are secured by way of:

- i) Mortgage of non agricultural land belonging to a group company.
- ii) Pledge of equity shares of the Company held by the directors.
- iii) 1st Pari passu hypothecation charge on the fixed assets of the Company.
- iv) Personal guarantee of managing director of the Company.
- v) Corporate Guarantee of a group company.

Working Capital Loans (Secured)

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

- Hypothecation against first charge on stocks, book debts and other current assets of the Company both present and future ranking *paripassu* with consortium banks.
- Hypothecation against first charge on all unencumbered fixed assets of the Company both present and future ranking *paripassu* with consortium banks.
- Equitable mortgage of properties belonging to promoters, directors, group companies.
- Personal guarantee of promoter directors, group companies/firms and relatives.

Period and amount of principal and interest default as on balance sheet date:

Nature of the Loan	Period of Default	Default amount (₹ In lakhs)	
		Principal	Interest
Term Loans and Working Capital from Banks	Upto 30 days	10,000.00	234.09
Term Loans and Working Capital from Banks	30 to 60 days	—	231.50

9. Trade Payables:

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Micro, Small and Medium Enterprises	—	—
(b) Others	92,171.09	59,584.92
Total	92,171.09	59,584.92

10. Other current liabilities

₹ in Lakhs

Particulars	As at 31st March 2014	As at 31st March 2013
(a) Current maturities of Long Term Borrowings		
- Non Convertible Debentures		
156 (31st March, 2013: 156) 11.50% Redeemable Non-Convertible Debentures (NCDs) of ₹ 10,00,000/- each	1,560.00	1,560.00
3,75,00,000 10.50% Compulsorily Convertible Debentures (CCD) of ₹10/- each	3,750.00	—
- Term Loans	272,085.28	12,769.80
(b) Interest accrued but not due on Borrowings	6,242.81	2,203.64
(c) Interest accrued and due on Borrowings	4,377.46	6,560.09
(d) Unpaid Dividends	5.05	3.79
(e) Remuneration payable to Directors	148.74	68.99
(f) Application Money received for allotment	335.69	335.69
(g) Capital Creditors	40,273.69	43,746.14
(h) Statutory Payables	3,248.87	4,221.96
(i) Other Payables	4,903.28	6,733.19
Total	336,930.87	78,203.29

11. Short-Term Provisions

₹ in Lakhs

Particulars	As at 31st March 2014	As at 31st March 2013
(a) Employee Benefits	12.60	8.81
(b) Provision for Periodic Maintenance	4,888.63	—
(c) Provision for Dividend & Dividend Distribution Tax	707.28	1,053.92
(d) Provision for Expenses	1.44	167.17
Total	5,609.95	1,229.90

12. FIXED ASSETS

₹ in Lakhs

Particulars	Original Cost			Depreciation And Amortization				Net Book Value	
	As at 1st April 2013	Additions/ Adjustment during the year	Deductions/ Retirement/ Adjustment during the year	As at 31 March 2014	Up to 1st April 2013	For the year	Deductions/ Adjustment during the year	As at 31st March 2014	As at 31st March 2013
a) TANGIBLE ASSETS									
Land	21,746.90	224.67	—	21,971.57	—	—	—	21,971.57	21,746.90
Roads & Buildings	2,782.66	2,706.42	—	5,489.08	46.54	91.61	—	5,350.93	2,736.12
Plant and Equipment	24,329.56	1,824.56	508.05	25,646.07	7,757.12	1,305.46	199.15	16,782.64	16,572.44
Vehicles	2,832.44	111.84	30.86	2,913.42	1,287.05	272.51	14.34	1,368.20	1,545.39
Wind Power Equipment	5,936.86	—	—	5,936.86	567.32	313.47	—	5,056.07	5,369.54
Earth Moving Machinery	13,770.35	436.13	601.70	13,604.78	10,886.92	1,342.04	620.01	1,995.83	2,883.43
Furniture and Fixtures	559.09	131.34	2.22	688.21	216.51	39.41	1.51	433.80	342.58
Sub-total :	71,957.86	5,434.96	1,142.83	76,249.99	20,761.46	3,364.50	835.01	52,959.04	51,196.40
b) INTANGIBLE ASSETS									
Goodwill on consolidation	5,444.14	2,061.05	5,443.64	2,061.55	—	—	—	2,061.55	5,444.14
Goodwill on Amalgamation	0.97	—	—	0.97	—	—	—	0.97	0.97
Carriage Way	131,531.00	8,528.06	—	140,059.06	17,270.36	8,098.84	—	114,689.86	114,260.64
Computer Software	306.31	94.77	—	401.08	45.20	59.47	—	296.41	261.11
Sub-total :	137,282.42	10,683.88	5,443.64	142,522.66	17,315.56	8,158.31	—	117,048.79	119,966.86
Total	209,240.28	16,118.84	6,586.47	218,772.65	38,077.02	11,522.81	835.01	170,007.83	171,163.26

Less : Transferred to Preoperative Expenditure/Capital Work in Progress (413.90)

Net Depreciation charged to Statement of Profit and Loss 11,108.91

12.c Capital work in progress

₹ in Lakhs

Particulars	As at 31st March 2014	As at 31st March 2013
Opening Balance	461,937.36	103,886.24
Add : Expenditure incurred during the year	239,334.15	360,204.56
Less : Transfer to Asset / Capitalised during the year	(10,627.28)	(2,153.44)
Closing Balance	690,644.23	461,937.36

12.d Intangible assets under development

₹ in Lakhs

Particulars	As at 31st March 2014	As at 31st March 2013
Opening Balance	35,017.13	116,076.24
Add : Expenditure incurred during the year	67,649.68	16,867.57
Less : Capitalised during the year	—	(26,581.89)
Less : Adjustment for change in status of erstwhile Subsidiary into Associate	—	(71,344.79)
Closing Balance	102,666.81	35,017.13

13. Non-current investments

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
Non-Trade investments (valued at cost unless stated otherwise)		
A. Investment in Associate Companies		
49,000 (Previous Year 49,000) Equity Shares of ₹10/- each, fully paid in Balaji Highways Holdings Pvt. Ltd.,	4.90	0.81
22,47,27,125 (Previous Year:Nil) Equity share of ₹10/- each fully paid - NCC Infrastructure Holdings Ltd	22,514.29	—
30,000 (Previous Year:30,000) equity share of ₹10/- each fully paid up - Sembcorp Gayatri O&M Co. Pvt Ltd	2.34	2.44
Nil (Previous Year:28,32,66,074) Equity share of ₹10/- each fully paid - NCC Power Projects Ltd	—	32,457.31
52,647 (Previous Year 52,647) Equity Shares of ₹10/- each, fully paid in HKR Roadways Ltd. (Refer note 13.1)	5.26	3.80
B. Other Investments		
Quoted - at Cost		
24,79,338 (Previous Year:24,79,338) Equity shares of ₹10/- each fully paid up - Jimbhuish Power Generation Pvt Ltd	3,000.00	3,000.00
11,63,607 (Previous Year 11,63,607) Equity Shares of ₹10/- each in Gayatri Sugars Ltd.	293.10	293.10
1,728 (Previous Year 1,728) Equity Shares of ₹10/- each in Syndicate Bank Ltd.,	0.86	0.86
Investments in Mutual Funds	55.00	—
Less: Provision for diminution in value of Investment (Refer note 13.2)	(278.44)	—
Total	25,597.31	35,758.32
Details of Quoted and Unquoted Investments:		
Aggregate Amount of Quoted Investment	15.53	293.96
Aggregate Market value of Quoted Investment	16.33	25.52
Aggregate Amount of Unquoted Investment	22,526.79	32,464.36

13.1 Of these, 36,995 Equity shares of HKR Roadways Limited have been pledged to ITCL for the loan availed by HKR Roadways Limited.

13.2 The company has made provision for the diminution in the market value of quoted investments in the books as envisaged in the Companies (Accounting Standard) Rules, prescribed by the Central Government

14. Long-term loans and advances

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
To Related Parties - Unsecured, Considered Good		
Subordinate Shareholders' Contribution to Associate Companies	6,840.87	6,840.87
Other Advances	58.53	2,385.70
To Others - Unsecured, Considered Good		
- Capital Advances	8,340.01	16,051.08
- Security Deposit with Govt. Depts and Others	116.27	112.80
- Prepaid Expenses	—	1,973.22
- Deposits with Customs departments	6,142.18	7,352.88
Total	21,497.86	34,716.55

15. Other Non-Current Assets

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Margin Deposit against Bank Guarantees / Letter of Credits.	16,078.06	9,103.32
(b) Unamortised process fees	1,660.00	1,792.00
(c) Others	—	66.16
Total	17,738.06	10,961.48

16. Current Investments

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
Mutual Funds	352.58	45.27
Total	352.58	45.27

17. Inventories

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Construction materials, Stores and Spares	10,133.85	12,369.41
(b) Work in Progress	13,619.16	31,280.54
Total	23,753.01	43,649.95

18. Trade Receivables

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	49,273.65	65,248.92
Unsecured, considered doubtful	—	—
Less: Provision for doubtful debts	—	—
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good*	24,509.81	2,677.17
Unsecured, considered doubtful	—	—
Less: Provision for doubtful debts	—	—
Total	73,783.46	67,926.09

* Trade Receivables include a sum of ₹ 218.51 Crores receivable towards pending contract receipts from a company in which key managerial personnel are interested and due above 180 days. The management is of the opinion that the said receivable is fully recoverable in due course and no provision is required for the same.

19. Cash and cash equivalents

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Cash on hand	57.61	84.00
(b) Balances with banks		
In current accounts	32,415.86	25,529.80
In deposit accounts (due within 12 months)		
i. Margin money for Bank Guarantees / LCs	7,442.26	2,461.69
ii. Other Deposits	28,749.87	11,366.40
Total	68,665.60	39,441.89

20. Short-term loans and advances

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
To Related Parties - Unsecured, Considered Good		
- Advances to Holding Company	6,838.50	4,101.65
- Loans and Advances to Joint Ventures	3,902.52	3,902.52
- Loans and Advances to Associates	2,948.30	—
- Share Application Money to Associates	4,651.36	2,472.35
- Mobilisation Advance to a company where KMP are having substantial interest	1,984.15	1,732.14
- Loans and Advances to Associates	62.57	62.57
- Other advances (JV Share)	1,542.79	1,929.41
To Others - Unsecured, Considered Good		
- Advances to Suppliers	1,114.08	1,159.84
- Advances to Sub-Contractors (Refer Note No.30.12)	64,091.38	60,934.29
- Staff Advances	183.33	184.29
- Advances with Govt. Departments	7,727.75	8,639.77
- Other Advances	1,187.58	10,090.74
Total	96,234.31	95,209.57

21. Other current assets

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Deposits with Contractees	11,275.48	14,558.91
(b) Interest accrued but not due	1,902.27	20.27
(c) Advance for purchase of Equity Shares	12,444.86	1,000.00
(d) Annuity Income accrued but not due	2,095.45	1,977.27
(e) Prepaid Expenses	1,583.16	1,984.61
(f) Others	438.86	469.93
Total	29,740.08	20,010.99

22. Revenue from Operations

₹ in Lakhs

Particulars	For the year ended 31 st March 2014	For the year ended 31 st March 2013
(a) Construction Revenue	109,327.28	151,754.69
(b) Materials Supply Revenue	27,217.99	23,375.27
(c) Revenue from Electricity Generation	618.54	925.38
(d) Share of profit from Joint Ventures	157.23	164.27
(e) Annuity Income	17,778.94	17,732.82
(f) Toll Revenue	4,301.77	3,181.09
Total	159,401.75	197,133.52

23. Other income

₹ in Lakhs

Particulars	For the year ended 31 st March 2014	For the year ended 31 st March 2013
(a) Interest income from Fixed Deposits	256.70	201.75
(b) Other Miscellaneous Income	337.82	653.01
Total	594.52	854.76

24. Consumption of Materials and Cost of Purchases & Services

₹ in Lakhs

Particulars	For the year ended 31 st March 2014	For the year ended 31 st March 2013
(a) Steel	4,330.13	4,360.00
(b) Cement	2,934.51	2,382.86
(c) Bitumen	8,324.54	4,754.95
(d) Metal	3,843.33	4,146.29
(e) Sand & Gravel	541.05	819.98
(f) Electrical Materials	9,132.43	436.00
(g) Railway Line Materials	4,688.77	5,881.83
(h) Coal Handling System Materials	6,305.65	6,918.95
(i) RCC & GI Pipes	415.56	1,025.16
(j) Building Materials	721.89	641.63
(k) HSD Oils & Lubricants	5,069.59	4,410.68
(l) Stores and Consumables	488.85	477.19
(m) Other Materials	191.32	173.26
Total	46,987.62	36,428.78

25. Work Expenditure

₹ in Lakhs

Particulars	For the year ended 31 st March 2014	For the year ended 31 st March 2013
(a) Departmental Recoveries	3,603.38	3,365.49
(b) Work executed by sub contractors	28,655.97	66,622.23
(c) Earth Work	8,078.57	10,684.25
(d) Concrete Work	5,662.97	14,885.20
(e) Transport Charges	1,315.63	1,331.25
(f) Hire Charges	1,103.33	806.93
(g) Road work	5,565.13	8,342.65
(h) Repairs and Maintenance	971.00	1,138.80
(i) Taxes and Duties	4,217.54	4,809.40
(j) Royalties, Seigniorage and Cess	491.42	485.93
(k) Insurance	205.13	266.99
(l) Operation & Maintenance Expenses	3,415.29	2,666.50
(m) Other Work Expenditure	6,021.11	7,444.09
Total	69,306.47	122,849.71

26. Change in Inventories of Work-in-Progress

₹ in Lakhs

Particulars	For the year ended 31 st March 2014	For the year ended 31 st March 2013
Opening Work in Progress	31,280.54	19,197.75
Less : Adjustment in Joint Ventures	(21,238.16)	—
Closing Work in Progress	13,619.16	31,280.54
Changes in Inventory	(3,576.78)	(12,082.79)

27. Employee benefits expense

₹ in Lakhs

Particulars	For the year ended 31 st March 2014	For the year ended 31 st March 2013
(a) Salaries & Wages	2,437.51	2,637.38
(b) Director's Remuneration (Refer Note No.25.6)	602.75	582.00
(c) Staff Welfare Expenses	236.70	58.22
(d) Contribution to Statutory Funds	56.85	301.03
Total	3,333.81	3,578.63

28. Finance costs

₹ in Lakhs

Particulars	For the year ended 31 st March 2014	For the year ended 31 st March 2013
(a) Interest on Term Loans	15,366.61	20,914.15
(b) Interest on Debentures	2,203.97	598.00
(c) Interest on Working Capital Facilities	6,540.58	3,306.96
(d) Interest on ECB Loan	1,461.64	451.04
(e) Exchange loss on ECB Loan	777.81	—
(f) Bank Guarantee & Other Financial Charges	511.76	1,775.32
Total	26,862.37	27,045.47

29. Other expenses

₹ in Lakhs

Particulars	For the year ended 31 st March 2014	For the year ended 31 st March 2013
(a) Advertisement expenses	108.24	47.22
(b) Audit fee	66.24	62.80
(c) Corporate Social Responsibility Expenditure	618.28	—
(d) Donations	462.19	649.08
(e) Forex Exchange translation Loss *	—	2,782.20
(f) Insurance charges	47.81	64.08
(g) Consultancy, Legal & professional charges	573.11	625.56
(h) General Expenses	92.87	116.71
(i) Power & fuel	150.66	151.33
(j) Miscellaneous expenses / Other administration expenses	408.60	410.54
(k) Printing & stationery	45.72	56.74
(l) Rent	321.00	323.40
(m) Loss on sale of Investments	6,834.08	—
(n) Taxes & licenses	49.34	72.79
(o) Tender Expenses	31.84	43.36
(p) Telephone	69.13	74.01
(q) Traveling, Conveyance & Stay expenses	381.88	360.39
(r) Loss on sale of assets / Impairment of assets	3.67	3.84
Total	10,264.66	5,844.05

* The exchange loss translation loss of FCCB bonds.

30. Other Notes forming part of the Consolidated Financial Statements:

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

30.2 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.

30.3 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	Associate	74	India
4	Sai Maatarini Tollways Limited	Subsidiary	99.51	India
5	Balaji Highways Holding Limited	Associate	49	India
6	Indore Dewas Tollways Limited (Considered as subsidiary as per AS-21 for consolidation)	Associate	33.33 (66.66 along with subsidiary)	India
7	IJM Gayatri Joint Venture	Joint Venture	40	India
8	Jaiprakash Gayatri Joint Venture	Joint Venture	49	India
9	Gayatri ECI Joint Venture	Joint Venture	50	India
10	Gayatri Ratna Joint Venture	Joint Venture	80	India
11	Gayatri – Ranjit Joint Venture	Joint Venture	60	India
12	Gayatri – GDC Joint Venture	Joint Venture	70	India
13	Gayatri – BCBPPL Joint Venture	Joint Venture	60	India
14	Gayatri – RNS Joint Venture	Joint Venture	60	India
15	Gayatri - JMC Joint Venture	Joint Venture	75	India
16	MEIL-Gayatri-ZVS-ITT Consortium	Joint Venture	48.44	India
17	Viswanath-Gayatri Joint Venture	Joint Venture	50	India
18	Maytas-Gayatri Joint Venture	Joint Venture	37	India
19	GPL-RKTCPL Joint Venture	Joint Venture	51	India

30.4. Contingent Liabilities and Commitments

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

a. Contingent Liabilities

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
a) Guarantees given by the Banks towards performance & Contractual Commitments		
i) issued on behalf of the Company	51,639.03	48,578.60
ii) Issued on behalf of Subsidiaries / Group Companies	30,630.36	24,034.76
b) Corporate Guarantees given to group companies	7,48,110.00	5,77,060.00
c) Other money for which the company is contingently liable		
d) Disputed Liability of Income Tax, Sales Tax, Service Tax and Seigniorage charges	15,521.11	11,728.44

b. Commitments

₹ in Lakhs

Particulars	As at 31 st March 2014	As at 31 st March 2013
Contracts remaining to be executed on capital accounts (net of advances)	1,061.64	1,835.74

30.5 Joint Venture Losses not considered**IJM-Gayatri Joint Venture**

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 during the period 1998-2006 in Package I, II & III and AP 13 of NHAI, APSH 7 and APSH 8 in the State of Andhra Pradesh.

An excess expenditure of ₹ 134.45 crores is incurred for completion of the IJM Gayatri JV by our company and the same is debited to the JV account. The JV has not accounted the same due to pending claims with the employers and with an intention to account the same as and when the claims are actually realised.

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 legal forum. So far the joint venture has got favorable awards amounting to ₹ 61.99 crores including interest on claims and the remaining claims are under adjudication. Out of the favorable awards, the JV has received orders for release of payments for ₹ 29.01 crores and as against this the JV has received ₹ 18.70 crores which is passed to the Company. Further in respect of APSH-7 and 8, the honorable High Court of Andhra Pradesh has order to release 50% of the claim amount (about ₹ 3.00 crores) and the release of payment is under process. The management is reasonably confident of recovering substantial amount from these claims. In the unlikely situation of the claims not being received to the extent of expenditure incurred, IJM-Gayatri Joint Venture has to account the net expenditure of ₹ 115.75 crores (Previous Year ₹ 115.75 crores) in its books and the Company has to provide an amount of ₹ 46.30 crores (Previous Year ₹ 46.30 crores) towards its 40% share of loss in the joint venture.

During the year under review, SEBI has referred the above note to the “Financial Reporting and Review Board (FRRB)” for further examination and company has submitted the relevant information/explanation to the competent authorities. The matter is under examination with the FRRB.

30.6. EARNING PER SHARE (EPS)

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

₹ in Lakhs

Particulars	2013-14	2012-13
Profit After Tax for calculation of Basic EPS (₹ in Lakhs)	(6,496.65)	954.61
Profit After Tax for calculation of Diluted EPS (₹ in Lakhs)	(6,496.65)	954.61
Weighted average No. of equity shares as denominator for calculating Basic EPS. (No. in Lakhs)	302.27	257.17
Weighted average No. of equity shares as denominator for calculating Diluted EPS. (No. in Lakhs)	302.27	257.17
Basic EPS (₹)	(21.49)	3.71
Diluted EPS (₹)	(21.49)	3.71

30.7 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 Indira Constructions Pvt. Ltd Gayatri Tissue & Papers Ltd Gayatri Sugars Ltd Gayatri Hi-Tech Hotels Ltd Gayatri Property Ventures Pvt. Ltd. Gayatri Hotels & Theaters Pvt. Ltd GSR Ventures Pvt. Ltd. Amaravathi Thermal Power Pvt.Ltd. Gayatri Bio-Organics Limited TSR Foundation Dr.T.Subbarami Reddy (HUF) Balaji Charitable TrustTSR LalitakalaParishad T.V. Sandeep Kumar Reddy & Others Chamundeswari Builders Pvt. Ltd.	Mr. T.V.Sandeep Kumar Reddy Mr. J.Brij Mohan Reddy Mrs. T.Indira Reddy
	Joint Ventures
	Simplex Gayatri Consortium *

* not considered for consolidation

(ii) Transactions with the related parties:

₹ in Lakhs

Sl. No.	Description	2013-14		2012-13	
		Entities in which KMP are interested	KMP	Entities in which KMP are interested	KMP
1	Contract Receipts	—	—	3951.26	—
2	Contract payments	526.13	—	605.53	—
3	Office Rent & Maintenance	106.16	—	103.50	—
4	Other Payments	7.20	—	65.38	—
5	Donations	423.66	—	639.27	—
6	Remuneration Paid	—	602.75	—	582.00
7	Contract Advances/ Other Adv.	—	—	—	—
8	Corporate Guarantees	—	—	17,000.00	—
9	Closing balances – Debit	24,948.91	—	26,812.66	—
10	Closing balances – Credit	259.30	148.71	183.79	68.99

30.8 Hedged Foreign Currency Exposures

The yearend foreign exposures that have been hedged by a derivate instrument or otherwise are given below:

Amount in Lakhs

Particulars	Currency	2013-14		2012-13	
		Foreign Currency Equivalent	Rupee Equivalent	Foreign Currency Equivalent	Rupee Equivalent
Amount payable in Foreign Currency:					
Hedged :					
External Commercial Borrowings (ECB)	USD	239.38	13776.56	122.09	6640.51
Un-hedged					
External Commercial Borrowings (ECB)	USD	Nil	Nil	122.09	6640.51
Buyers credit	USD	2680.39	145784.95	295.96	15140.26
Capital creditors	USD	1150.09	67791.56	40.58	2076.05
Capital creditors	SGD	0.19	8.36	—	—
Estimated amount of contracts remaining to be executed on capital account and not provided for)	USD	1237.88	67327.39	4697.91	240328.82

30.9 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.

30.10 Observations and Qualifications made by the Independent Auditors of the Subsidiary Companies:

- A. The Independent auditors of Gayatri Infra Ventures Limited, the subsidiary of the Company, have qualified their consolidated audit report on the financial statements as at 31st March, 2014 of step down subsidiaries of the company namely Gayatri Jhansi Roadways Limited and Gayatri Lalitpur Roadways Limited in respect of following matters:
- a. Loans and advances of Gayatri Jhansi Roadways Limited and Gayatri Lalitpur Roadways Limited include receivables of ₹ 27,29,60,257 and ₹ 28,35,94,725, respectively, given to Gayatri Projects Limited and is doubtful of recovery. The Hon'ble High Court of Andhra Pradesh has appointed an arbitrator in respect of this matter and the related proceedings are under progress.
 - b. For non-compliance with the provisions of Accounting Standard – 29, wherein Gayatri Jhansi Roadways Limited and Gayatri Lalitpur Roadways Limited have not disclosed contingent liabilities to the extent of ₹ 102,27,18,645 and ₹ 99,66,73,320, respectively, on account of escalation claims raised by Gayatri Projects Limited, the EPC contractor and not acknowledged as debts by the Company.
- B. The Independent auditors of Gayatri Infra Ventures Limited observed that as at 31st March 2014, the subsidiary company has outstanding dues towards financial institutions and other creditors to the tune of ₹ 1,790,625,051 which falls due for repayment within the immediately succeeding twelve months period, thereby leading to an uncertainty on the ability of the Company to repay these dues. The Company's ability to continue as a going concern is predominantly dependent on the profitable operations of all the subsidiaries, joint ventures and other investees, which have already commenced operations and the

continued support from the holding Company, Gayatri Projects Limited. The management is also actively considering dilution of its stake in joint venture entities and hence based on the foregoing developments and overall assessment of other factors, the accompanying financial statements have been prepared on a going concern basis.

30.11. Managerial Remuneration:

Managerial Remuneration paid during the year:

₹ in Lakhs

Particulars	2013-14	2012-13
Salaries	582.00	522.00
Perquisites	0.75	—
Commission	20.00	60.00
Total	602.75	582.00

30.12 Advances to sub-contractors include amounts paid as work advances to certain sub-contractors wherein the corresponding contract works are yet to commence. In the opinion of the management, the said contract works have not commenced due to certain extraneous factors beyond the control of such sub-contractor and without any default/failure of performance from their end. The management is confident to commence the works in near future and recover the advances from the sub-contractors.

30.13 In the opinion of the management and to the best of their knowledge and belief, the value under the head of current assets are approximately of the value stated, if realized in ordinary course of business, unless stated otherwise. The provision for all known liabilities is adequate and not in excess of amount considered reasonably necessary.

30.14 The balances under Other Long Term Liabilities, Trade Payables, Trade Receivables, Other Current Liabilities, Other Non-Current Assets, Short term loans and advances and Other Current Assets are subject to reconciliation and confirmation.

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

30.16 All amounts are rounded off to nearest thousand.

30.17 Previous year figures have been regrouped wherever considered necessary.

**As per our report attached
For M O S & Associates
Chartered Accountants**

For and on behalf of the Board

**S.V.C. Reddy
Partner**

**T. INDIRA SUBBARAMI REDDY
Chairperson**

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

Place : Hyderabad.
Date : 29th May 2014

**P. SREEDHAR BABU
Chief Financial Officer**

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

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L99999TG1989PLC057289

Name of the company: Gayatri Projects Limited

Registered office: B-1, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500 082.

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

Name of the member (s): Registered address:		Email Id: Folio No./ Client Id No.: DP Id No.:	
I. Name: Address: E-Mail Id: Signature: or failing him	I. Name: Address: E-Mail Id: Signature: or failing him	I. Name: Address: E-Mail Id: Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual general meeting of the company, to be held on the 29th day of September At 3.30 p.m. at KLN Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad - 500 004 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution	For	Against
1. Adoption of Financial Statements for the Year ended 31 st March, 2014		
2. To declare Dividend on Equity Shares for the Year ended 31 st March, 2014.		
3. To Appoint Auditors and fix their Remuneration.		
4. Appointment of Dr. V.L. Moorthy as Independent Director.		
5. Appointment of Mr. G. Siva Kumar Reddy as Independent Director.		
6. Appointment of Mr. CH. Hari Vittal Rao as Independent Director.		
7. Re-appointment of Sri T. V. Sandeep Kumar Reddy as Managing Director		

Signed this..... day of..... 20....

Signature of shareholder:

Signature of Proxy holder(s):

Affix ₹ 1/- revenue stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

GAYATRI PROJECTS LIMITED

CIN: L99999TGI989PLC057289

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

ATTENDANCE SLIP

I hereby record my presence at the 25th ANNUAL GENERAL MEETING at KLN Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad-500 004 on Monday the 29th day of September, 2014 at 3.30 p.m.

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

.....
Signature

Folio Number/DP ID No. :

Client ID :

No.of Shares Held :

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

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

.....
Signature

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

Gayatri Projects Limited, B1, 6-3-1090, TSR Towers
Raj Bhavan Road, Somajiguda, Hyderabad 500 082
CIN: L99999TG1989PLC057289

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