20th ANNUAL REPORT
2008-09

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Gayatri

PROJECTS LTD.

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CORPORATE INFORMATION

Board of Directors

Smt. T. Indira	Chairperson
Sri T. V. Sandeep Kumar Reddy	Managing Director
Sri J. Brij Mohan Reddy	Executive Vice Chairman
Sri G. Siva Kumar Reddy	Director
Dr. V. L. Moorthy	Director
Sri Ch. Hari Vittal Rao	Director
Sri SMAA. Jinnah	Director

Company Secretary & Compliance Officer

CS I.V.Lakshmi

Chief Financial Officer

CA P Sreedhar Babu

Statutory Auditors

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

Bankers

Bank of Baroda
Canara Bank
Syndicate Bank
Indian Overseas Bank
Andhra Bank
Corporation Bank
IDBI
Oriental Bank of Commerce
Federal Bank

Registered & Corporate Office

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

Registrars & Transfer Agents

Karvy Computershare Private Limited
"Karvy House", 46
Avenue 4, Street No.1
Banjara Hills, Hyderabad – 500034
Tel: 040 – 23312454
Fax: 040 – 23311968
Email: mailmanager@karvy.com
Website: www.karvycomputershare.com

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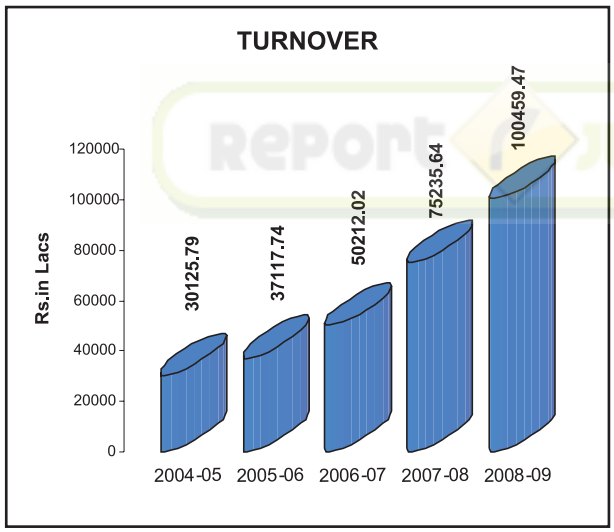
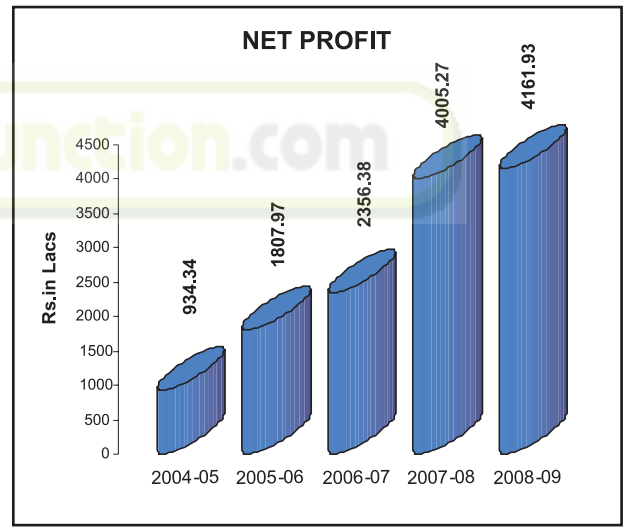
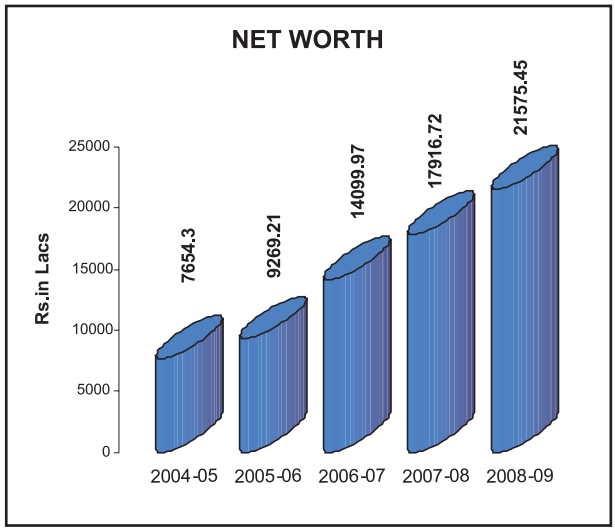
FINANCIAL HIGHLIGHTS

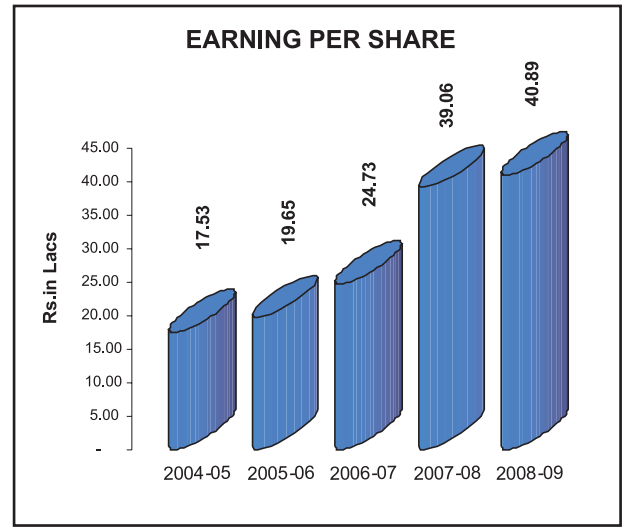
(Rs.in Lacs)

DESCRIPTION	2008-09	2007-08	2006-07	2005-06	2004-05
Turnover	100,459.47	75,235.64	50,212.02	37,117.74	30,125.79
Profit Before Tax	6,343.62	6,118.18	3,582.36	2,759.48	1,325.13
Profit After Tax	4,161.93	4,005.27	2,356.38	1,807.97	934.34
Equity Capital	1,010.48	1,010.48	1,000.00	900.00	500.00
Reserves & Surplus	20,564.97	16,906.24	13,099.97	8,369.21	7,154.30
Net Worth	21,575.45	17,916.72	14,099.97	9,269.21	7,654.30
Gross Block	27,478.52	25,729.36	20,698.48	16,430.72	13,815.66
Net Block	16,066.86	16,287.83	12,858.49	9,830.42	8,167.01
Book Value (Rs.) Per Share	213.52	177.31	141.00	102.99	153.09
EPS (Rs.) Basic	40.89	39.06	24.73	19.65	17.53
Dividend	40%	25%	20%	15%	25%









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NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of Gayatri Projects Limited will be held on 24th day of September, 2009 at 11.30 a.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, to consider the following items of business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2009 and the Balance Sheet as at that date together with the Report of the Board of Directors and Reports of Auditors thereon.

2. To declare Dividend on Equity Shares for the year ended 31st March, 2009.

3. To appoint a Director in place of Ms. T. Indira, who retires by rotation, and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. Ch. Hari Vittal Rao, who retires by rotation, and being eligible, offers himself for re-appointment.

5. **TO APPOINT AUDITORS AND FIX THEIR REMUNERATION**

   To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution

   "RESOLVED THAT M/s C.B. Mouli & Associates, Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company."

SPECIAL BUSINESS:

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6. **BORROWINGS IN EXCESS OF PAID-UP CAPITAL AND FREE RESERVES**

   To consider and if though fit to pass with or without modifications the following Resolution as an Ordinary Resolution :

   "RESOLVED THAT the consent of the Company under the provisions of Section 293(1) (d) and other applicable provisions, if any, of the Companies Act, 1956 be and is hereby accorded to the Board of Directors of the Company for borrowing any sum(s) of money from time to time as it may consider fit, on such terms and conditions as the board may deem fit, not withstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained/ to be obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid up Capital of the Company and its free reserves, so that the total amount of monies so borrowed at any time shall not exceed a sum of Rs. 3500 Crores (Rupees Three Thousand Five Hundred Crores only)."

   "FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors be and are hereby authorised to do all such acts/deeds/ matters in its absolute discretion as it may deem necessary and to settle any doubt/question or difficulty that may arise in creation of such mortgage/ charges or Hypothecation or disposals in favour of any lender as aforesaid and to finalise, execute any such deeds, agreements or documents as may be required or desirable or deem fit"

7. **RE-APPOINTMENT AND REVISION IN REMUNERATION OF SRI T. V. SANDEEP KUMAR REDDY, MANAGING DIRECTOR**

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

   "RESOLVED THAT pursuant to provisions of sections 198, 269, 309, 310, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the members in General Meeting and 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 be accorded for re-appointment of **Sri T. V. Sandeep Kumar Reddy,** as Managing Director of the Company for a period of Five Years with effect from 01/10/2009 on the following terms and conditions:

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The remuneration payable by way of salary, perquisites and commission is as follows:

Name & Designation	Salary (Rs. P. M.)	Perquisites and Allowances (p.a.)	Commission
Sri T. V. Sandeep Kumar Reddy Managing Director	**Rs. 20,00,000/-** per month (in the pay scale of Rs. 20,00,000/- to Rs. 40,00,000/-) (With an increment not exceeding Rs. 5,00,000 p.a.)	**Rs. 15,00,000/-**	1% of the net profits of the company computed pursuant to Section 349 & 350 of the Companies Act, 1956

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

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

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

The Managing Director will not be entitled for sitting fees.

COMMISSION:

In addition to the salary and perquisites, commission will also be payable up to 1% of the net profits of the Company calculated as per the provisions of section 198 of the Companies Act, 1956.

MINIMUM REMUNERATION:

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

8. RE-APPOINTMENT AND REVISION IN REMUNERATION OF SRI J. BRIJ MOHAN REDDY, EXECUTIVE VICE CHAIRMAN

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), as amended or re-enacted from time to time, read with Schedule XIII to the Act, the Company hereby approves the re-appointment of Sri J. Brij Mohan Reddy as Executive Vice Chairman of the Company for a period of three years commencing from October 1, 2009 to September 30, 2012 with the following terms and conditions".

1) **Period:** For a period of 3 years commencing from 1st October 2009 to 30th September 2012.

2) **Nature of Duties:** Sri J. Brij Mohan Reddy shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company

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and the business of any one or more of its associated companies and/or subsidiaries, including performing duties as assigned by the Board and/or subsidiaries or any other executive body or any committee of such a Company.

3) **Remuneration:** Salary of Rs. 11,00,000/- per month and other perquisites as applicable to the senior management of the Company. The remuneration may be reviewed by the board from time to time.

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

MINIMUM REMUNERATION:

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

By order of the Board

For **GAYATRI PROJECTS LIMITED**

Place : Hyderabad

Date : 26th August, 2009

CS I.V.LAKSHMI

Company Secretary & Compliance Officer

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NOTES:

1. An Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business under Item No. 6 to 8 above, is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, PARTNERSHIP FIRMS, ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTION / AUTHORITY AS APPLICABLE, ISSUED ON BEHALF OF THE NOMINATING ORGANIZATION.

3. The Register of Members and the Share Transfer Books of the Company will be closed from 7th September, 2009 to 24th September, 2009 (both days inclusive).

4. Shareholders are requested to bring their copies of Annual Report to the Annual General Meeting.

5. A member desirous of seeking any information on the accounts or operations of the Company is requested to forward his / her query to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.

6. The final dividend for the year ended 31st March, 2009 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 5th September 2009.

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

   At the ensuing Annual General Meeting, **Ms. T. Indira and Mr. Ch. Hari Vittal Rao, Directors** retire by rotation and being eligible offers themselves for re-appointment. The relevant information as required under Clause 49 of Listing Agreement concerning Corporate Governance Code in respect of appointment / re-appointment of Directors is given below for information of the Members;

   Ms. T. Indira, aged about 58 years is wife of **Dr. T. Subbarami Reddy**. She began her business career by overseeing the construction of commercial complexes and theatres since 1996. She is appointed as the Chairperson of the Company.

   Mr. Ch Hari Vittal Rao is a CAIIB with an experience of 43 years as a banker with Bank of Baroda and also worked as a full time advisor and responsible officer for running of the Nandi Foundation, an autonomous foundation for the development of Andhra Pradesh. After retirement he is working on Non-Performing Assets Recovery Project, Reducing Sick units in Banking Industry and its revival and research on self-help groups. He is also a Director on the Board of APR Constructions Limited.

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ANNEXURE TO NOTICE

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

ITEM NO. 6:

BORROWINGS IN EXCESS OF PAID-UP CAPITAL AND FREE RESERVES

Section 293(1)(d) of the Companies Act, 1956, requires the consent of the Members in the General Meeting for authorizing the Board of Directors to borrow monies (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital and free reserves.

The Company is having substantial value of works on hand and is expecting new works in future; the Company requires substantial funds for execution of works. In view of this, the Board seeks the consent of the members of the proposed resolution in order to comply with the requirements of the Companies Act, 1956.

None of the Directors of the Company is interested in this business.

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

ITEM NO. 7:

To confirm the re-appointment and remuneration of Sri T. V. Sandeep Kumar Reddy as Managing Director of the Company.

Mr. T. V. Sandeep Kumar Reddy, aged about 42 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 Board of Directors at its meeting held on 26.08.2009, as approved by remuneration committee, have re-appointed as Managing Director of the Company for a period of 5 years with effect from October 1, 2009 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.

This may be treated as abstract of the terms of contract between the Company and **Sri. T. V. Sandeep Kumar Reddy** pursuant to Section 302 of the Companies Act, 1956.

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

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

ITEM NO. 8

To confirm the re-appointment and revision in remuneration of Sri J. Brij Mohan Reddy, Executive Vice Chairman of the Company.

Sri J. Brij Mohan Reddy, aged 68 years, is an Engineering Graduate from Berkley University in U.S.A. He has specialized in Harbour Engineering (i.e., construction of break waters, piers, wharf walls, jetties etc.), RCC structures, Steel structures and Highway projects. He joined as Director in the Board of GPL in the year 1994. He is responsible for construction of the entire fisheries harbor at Chennai and major portion of mechanized ORE-handling project for Chennai Port Trust. He is also Director in Board of Western UP Tollway Ltd., Gayatri Jhansi Roadways Ltd., Gayatri Lalitpur Roadways Ltd., M/s.Gayatri Infra Ventures Limited and Chamundeswari Builders Pvt. Ltd. Considering his experience, the Board proposes to increase his remuneration without changing the present designation for a period of 3 years from 1st October 2009 to 30th September 2012 subject to the approval of the members in the ensuing Annual General Meeting.

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

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

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

By order of the Board

For **GAYATRI PROJECTS LIMITED**

Place : Hyderabad

Date : 26th August, 2009

CS I.V.LAKSHMI

Company Secretary & Compliance Officer

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DIRECTORS' REPORT

To

The Members, Your Directors are pleased to present the 20th Annual Report of your company along with the Audited Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

Despite the recessionary trends in Indian economy, your Company has achieved significant growth during the year 2008-09. The turnover of the company has increased to Rs.100459.47 Lacs for the year ended 31st March 2009 as against Rs.75235.64 Lacs for the previous financial year, registering a growth rate of 33.53% over the previous year.

The financial highlights of your Company for the year ended March 31, 2009 are summarised below:

(Rs.in Lacs)

PARTICULARS	**2008-2009**	2007-2008
Gross Income	**101,100.37**	75,780.15
Profit before interest, depreciation and tax	**11,999.32**	11,126.83
Less : Interest and financial charges	**3,685.57**	3,369.67
Profit before depreciation	**8,313.75**	7,757.16
Less : Depreciation	**1,970.13**	1,638.98
Profit before tax	**6,343.62**	6,118.18
Provision for tax	**2,181.69**	2,112.91
Profit after tax	**4,161.93**	4,005.27
Less : Prior Period Adjustments	**30.32**	75.19
Profit after Prior Period Adjustments	**4,131.61**	3,930.08
Profit brought forward	**7,251.73**	4,217.20
Profit available for appropriation	**11,383.34**	8,147.28
Appropriations:		
Dividend @ 40% (previous year @ 25%)	**404.19**	252.62
Dividend tax	**68.69**	42.93
Transfer to General Reserve	**600.00**	600.00
Balance carried forward	**10,310.46**	7251.73
Paid-up capital	**1,010.48**	1,010.48
Reserves and Surplus	**20,564.97**	16906.24

REVIEW OF OPERATIONS:

All projects under taken by the Company are progressing as per schedule except few works where the NHAI is delayed the handover of the site. In all such cases, your company has got extension of time from the employer.

ORDER BOOK POSITION:

The Order Book position as on 31st March 2009 stood at Rs.589807.93 Lacs and sector wise breakup is as under:

Sl. No.	**Particulars**	**Orders on Hand (Rs.in Lacs)**	**%**
1	Irrigation Division	388145.28	65.81
2	Roads Division	124637.08	21.13
3	Road BOT Projects	46771.37	7.93
4	Others	30254.20	5.13
	TOTAL	**589807.93**	**100.00**

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