



GAYATRI
GAYATRI PROJECTS LIMITED

Regd. & Corp. Office:

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CIN : L99999TG1989PLC057289

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Dear Members,

Re: Postal Ballot Notice pursuant to Section 110 of the Companies Act, 2013 (“Act”) read with the Rule 22 of the Companies (Management and Administration) Rules, 2014 (“Rules”), that the resolution appended below is proposed to be passed by postal ballot.

Pursuant to the provisions of Section 110 of the Companies Act, 2013, read with the Rule 22 of the Companies (Management and Administration) Rules, 2014, notice is hereby given that the Company is seeking the consent of its members by passing the following resolution/s through postal ballot in respect of the special business as detailed below.

The proposed special business, along with the explanatory statement pursuant to Section 102 of the Companies Act, 2013, and a Postal Ballot Form is enclosed for your consideration. The Company has appointed Mr. Y. Koteswara Rao, Practicing Company Secretary, as the Scrutinizer for conducting the Postal Ballot and electronic voting (“e-voting”) process thereto in accordance with the provisions of the Act and Rules made thereunder in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Postal Ballot Form and return the Postal Ballot Form duly completed in the attached self-addressed, prepaid postage envelope, so as to reach the Scrutinizer on or before the close of business hours on 19.03.2016.

For Members opting for E-Voting:

In Compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of Section 110 of the Act read with the Rules, the Company is pleased to provide e-voting facility as an alternate, to all its Members, to enable them to cast their votes electronically, instead of physical Postal Ballot Form. E-voting is optional. Please carefully read and follow instructions printed in the postal ballot form.

The Scrutinizer, after completion of the scrutiny, will submit his report to the Chairman or Managing Director of the Company. The result of the voting by postal ballot will be declared in accordance with the provisions of Section 110 of the Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 on 22.03.2016. The results of said postal ballot along with the Scrutinizer's report will be hosted on the Company's website on 22.03.2016 and will be communicated to the BSE Ltd and National Stock Exchange of India Ltd. where the equity shares of the Company are listed. The results of postal ballot shall also be announced through newspaper advertisement.

SPECIAL RESOLUTION TO BE PASSED THROUGH POSTAL BALLOT

TO INVEST IN 9% NON-CONVERTIBLE CUMULATIVE REDEEMABLE PREFERENCE SHARES ISSUED BY M/S. GAYATRI HI-TECH HOTELS LIMITED IN LIEU OF EPC RECEIVABLES.

To consider and, if thought fit to pass, with or without modification(s) the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 186, 188 and other applicable provisions if any of the Companies Act 2013, read with Rules prescribed thereunder, (including any statutory modification or re-enactment thereof for the time being in force) and Regulation 23 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as “Board”, which term shall be deemed to include any committee constituted by the Board or any person(s) authorized by the Board in this regard) to invest in 9% Non-Convertible Cumulative Redeemable Preference Shares of Rs.10/- each at a premium of Rs.90/- per share, issued by M/s. Gayatri Hi-Tech Hotels Limited (GHHL), a related party as defined under section 2 (76) of the Companies Act, 2013, in lieu of Rs.235.00 Crores EPC amount outstanding from M/s. Gayatri Hi-Tech Hotels Limited”.

“RESOLVED FURTHER THAT the Board or Investment Committee/s or person/s as authorized by the Board be and is hereby authorized to do all such acts, deeds, matters and things and to finalise and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient including modifications thereof in its absolute discretion, to give full effect to the aforesaid resolution, including but not limited to settle any questions or difficulties that may arise in this regard, if any, as it may, in its absolute discretion, deem fit, without requiring the Board to secure any further consent or approval of the members of the Company to the intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution”.

**By Order of the Board of Directors
For Gayatri Projects Limited**

**Sd/-
(CS I.V. Lakshmi)
Company Secretary and Compliance Officer**

Date: 13th February, 2016
Place: Hyderabad

ANNEXURE TO THE NOTICE

Explanatory Statement as required by Section 102 of the Companies Act, 2013 (“Act”) and Explanation about the reasons for the passing of the special resolution as required under Rule 22(1) of the Companies (Management and Administration) Rules, 2014.

It is informed to the members that, Board of Directors of Gayatri Projects Limited (GPL) at its meeting held on 13th February, 2016 has accorded its consent to invest Rs.235.00 Crores in 9% Non-Convertible Cumulative Redeemable Preference Shares (“NCRPS”) of Rs.100/- each with a face value of Rs.10/- (Rupees Ten Only) at a premium of Rs.90/- (Rupees Ninety Only) per share being issued by M/s. Gayatri Hi-Tech Hotels Limited (GHHL). This investment will be settled by converting the receivables outstanding from GHHL in GPL accounts (under Other Non-Current Assets) and will not result in any new cash outlay from GPL. The receivable relates to an EPC contract executed by GPL to build “Park Hyatt – Hyderabad”. The GHHL EPC contract had helped GPL gain significant mileage with clients – showcasing its ability to build high-end commercial buildings in addition to its core road, irrigation and industrial construction prowess.

The board has accorded its consent for aforesaid conversion, subject to the approval of members. Brief terms of the Non-convertible Cumulative Redeemable Preference Shares are given below:

S.No.	Particulars	Terms
1.	Priority w.r.t. to Dividend or repayment of Capital	NCRPS shall be entitled to receive dividend (if any declared by the Company) or repayment of capital in priority to any payment of dividend or repayment of capital to the holders of any other class of shares.
2.	Payment of Dividend	The Preferential Dividend shall be cumulative and dividend will be paid if there are sufficient profits for the distribution. The investor shall have right to receive the unpaid preferential dividend in the future financial years.
3.	Conversion into Equity Shares.	NCRPS are non-convertible.
4.	Voting Rights	The Investor(s) shall, by virtue of and in respect of its holding of NCRPS, have the right to receive notice of, attend, speak and vote at a general meeting of the Issuer Company if a resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the Investor(s), or for the winding-up of the Company, or for sanctioning the sale of a undertaking of the Company or for repayment or reduction of share capital. It is clarified that the Investor(s) will not be entitled to vote on any matter which does not abrogate, vary or modify any of the rights or privileges of the Investor(s).
5.	Redemption with a premium of Rs.90/- per share	A premium of Rs.90/- shall be paid by the issuer, at the time of redemption along with a cumulative dividend of 9% per share, if the same is not paid during the previous years due to lack of profits. NCRPS shall be redeemed upon completion of a period of 10 years from the date on which they are issued. The tenure of the NCRPS may exceed 10 years from the date of issue, but shall in no circumstances exceed 20 years from the date of issue. However, any variation (extension or reduction) in the tenure of the NCRPS will be subject to the mutual agreement of both Parties.
6.	Variation of Rights	At any time the rights can be varied with the consent of three fourth of the holders of same class.

All prescribed disclosures/particulars of the contracts/arrangements/transactions as required to be given under the provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 are given here in below for kind perusal of the members:

The Name of the related party	Gayatri Hi-Tech Hotels Limited.
Name of the director or key managerial personnel who are related and nature of the relationship	Mr. T. V. Sandeep Kumar Reddy, Mrs. T. Indira Subbarami Reddy and Mr. J. Brij Mohan Reddy directors are interested in the resolution as promoters and directors of M/s. Gayatri Hi-Tech Hotels Limited (GHHL).
The nature, Material terms, monetary value and particulars of the contract or arrangement	It is proposed to subscribe to the issue of 9% Non-Convertible Cumulative Redeemable Preference Shares ("NCRPS") of Rs.10/- each (Rupees Ten Only) at a premium of Rs.90/- by GHHL by way of conversion of EPC receivables of Rs.235.00 Crores from GHHL. This is an arrangement to recover the dues from GHHL.
Other information: The manner of determining the pricing and other commercial terms, both included as part of the contract and not considered as part of the contract	The acquisition price of Rs.100/-per share is determined as per the valuation report (by DCF method) obtained from M/s. VAS & Co., Practicing Chartered Accountants. The valuation is done as per the requirements of the Companies Act, 2013 and not as per the pre-agreed terms.

The valuation certificate obtained from M/s. VAS & Co., Practicing Chartered Accountants, with regard to acquisition price of Rs.100/-per share, is available for inspection of members, at the Registered Office of the Company during the working hours till the cut off date for voting.

As per the provisions of sub-section (1) of Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company needs to obtain approval of the Audit Committee, Board of Directors and Shareholders for all material related party transactions.

Since the proposed conversion of Rs.235.00 Crores of EPC Receivables from GHHL into 9% Non-Convertible Cumulative Redeemable Preference Shares ("NCRPS") of Rs.100/- each issued by GHHL, will attract the provisions of the SEBI(LODR) Regulations 2015 with respect to material related party transactions, the approval of the unrelated shareholders by way of Special Resolution is required.

And as per the provisions of section 186(3) of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders / members by way of special resolution, in case the amount of investment, loan, guarantee or security proposed to be made is exceeding the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account, whichever is higher.

Since the proposed investment exceeds the limit prescribed under Section 186 of the Companies Act, 2013 and to enable the company to achieve the above purpose, the Company is required to obtain approval of the shareholders of the Company by way of Special Resolution through Postal Ballot.

Accordingly, the Board of Directors of the Company proposes to obtain approval of shareholders by way of special resolution as contained in the notice of postal ballot for an amount not exceeding Rs.235.00 Crores (Rupees Two Hundred and Thirty Five Crores Only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

The Directors therefore, recommend the Special Resolution for approval of the unrelated shareholders.

The Shareholding interest of directors in M/s. Gayatri Hi-Tech Hotels Limited as per the provisions of Section 102 of the Companies Act, 2013:

Name	Percentage of holding (%)
T.V. Sandeep Kumar Reddy (DIN : 00005573)	22.31
T. Indira Subbarami Reddy (DIN : 00009906)	26.12

**By Order of the Board of Directors
For Gayatri Projects Limited**

Date: 13th February, 2016
Place: Hyderabad

**Sd/-
(CS I.V. Lakshmi)
Company Secretary and Compliance Officer**