



GAYATRI PROJECTS LIMITED

Regd. & Corp. Office : 6-3-1090, B-1, T.S.R. Towers, Rajbhavan Road,
Somajiguda, Hyderabad - 500 082. A.P., India.
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POSTAL BALLOT NOTICE

(Pursuant to section 192A of the Companies Act, 1956)

Dear Member(s)

NOTICE is hereby given pursuant to section 192A(2) of the Companies Act, 1956, read with (Passing of the resolution by Postal Ballot) Rules, 2001, that the enclosed resolution is proposed to be passed by Postal Ballot for providing Corporate Guarantee to the M/s. Mohan Project Contractors Private Limited beyond the limits prescribed under Section 372A of the Companies Act, 1956 in favour of Punjab National Bank.

Since the proposed guarantees exceed the limit prescribed under Section 372A of the Companies Act, 1956 (i.e., 60% of the paid up share capital and free reserves or 100% of the free reserves whichever is more) and to enable the company to achieve the above purpose, the Company will be required to obtain approval of the shareholders of the Company by way of Postal Ballot.

The Company is seeking your consent by way of ratification for the Corporate Guarantee given as contained in the Resolutions attached herewith. An explanatory statement pertaining to said resolutions setting out all the reasons therefore are annexed.

Further you are requested to carefully read the instructions printed in the Postal Ballot Form, fill up the Form, give your assent or dissent on the resolution(s) at the end of the Form and sign the same and return the form duly completed in the attached self-addressed, postage prepaid envelope so as to reach the scrutinizer before the close of working hours, on or before, **07.10.2011** at the Company's Registered & Corporate Office at 6-3-1090, B-1, T.S.R.Towers, Rajbhavan Road, Somajiguda, Hyderabad 500082.

The Company has appointed Mr. Y. Koteswara Rao, Practicing Company Secretary, as Scrutinizer to scrutinize the Postal Ballots in a fair and transparent manner. The Scrutinizer will submit his report and the result of postal ballot will be announced in the News paper on **09.10.2011**.

Members may please note that a resolution will be deemed to have been passed as special resolution if the votes cast in favour are at least three times than the votes cast against and in case of ordinary resolution the votes cast in favour should be more than the votes cast against and would be deemed to have been passed at the Extra-ordinary General Meeting referred to above.

AUTHORISATION TO THE BOARD OF DIRECTORS TO ISSUE/PROVIDE CORPORATE GUARANTEE U/ S. 372A OF THE COMPANIES ACT, 1956

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 372A and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the approval/ consent/ratification of such appropriate authorities including that of the Central Government and the Reserve Bank of India, where necessary, the consent of the Company in the form of ratification be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall include any committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to extend Corporate Guarantee to M/s. Mohan Project Contractors Private Limited upto Rs.30.00 Crores (Rupees Thirty Crores only) “.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary for obtaining any approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the company and also to delegate all or any of the above powers to the Committee of Directors or the Managing Director or the Principal officer of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

By Order of the Board of Directors

For GAYATRI PROJECTS LIMITED

Sd/-

I.V. LAKSHMI

Company Secretary & Compliance Officer

Place: Hyderabad

Date: 22.08.2011

NOTES

1. The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto.
2. Section 192A of the Act provides for passing of this Resolution by postal ballot.
3. Board of Directors at its meeting held on **22.08.2011** has appointed Sri Y. Koteswara Rao, Practicing Company Secretary as the Scrutinizer to receive and scrutinize the completed ballot papers from the members. The Postal ballot form and the Self addressed postage prepaid envelope are enclosed for use of the members.
4. You are requested to carefully read the instructions printed in the postal ballot form and return the form duly completed with the Assent (for) or Dissent (against) in the attached postage prepaid envelope so as to reach the scrutinizer on or before **07.10.2011** to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the member. Hence the members are requested to send the duly completed postal ballot forms well before **07.10.2011** providing sufficient time for postal transit.
5. The shareholders are requested to exercise their voting rights by using the attached postal ballot form only. No other form or photocopy of the form is permitted.
6. The scrutinizer will submit the report to the Chairman of the company after completion of scrutiny of the Postal Ballot forms.
7. The results of the Postal ballot will be announced by the Chairman/Vice Chairman/Managing Director/ any other Director duly authorized by the Chairman on or before 08.10.2011 at the Registered Office of the company and will also be published in News papers.
8. The special resolution mentioned above shall be declared as passed with the no. of votes cast in its favor are not less than 3 times the No. of votes, if any cast against the said resolutions.
9. Members are requested to notify any correction / change in their name / address including PIN CODE number immediately to the Company's Registrar / Depository Participant. In the event of non- availability of Members' latest address either in Company's records or in Depository Participant 's records, members are likely to miss notices and other valuable correspondence sent by the Company.
10. Members who hold shares in physical form are requested to notify any change in their particulars like change in address, bank particulars, etc to our Registrars viz., M/s. Karvy Computershare Private Limited, 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081, Andhra Pradesh.
11. Members are requested to kindly mention their Folio Number / Client ID Number (in case of Demat shares) in all their correspondence with the Company's Registrar in order to reply to their queries promptly.

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

As per the provisions of Section 372A of the Companies Act, 1956, the Board of Directors of a Company can make any loan, investment or give guarantee or provide any security beyond the prescribed ceiling of -

- i) Sixty per cent of the aggregate of the paid up capital and free reserves or,
- ii) Hundred percent of its free reserves, whichever is more, if Special Resolution is passed by the shareholders of the Company.

Since the limits mentioned in the resolution are in excess of above prescribed limits, approval of the Shareholders by means of Special Resolution through Postal Ballot is required. This permission is sought pursuant to the provisions of Section 372A read with Section 192A and 292 of the Companies Act, 1956 to give powers to the Board of Directors for making further investments, loans, guarantees and providing securities.

The Guarantee is made/ proposed to be made out of surplus funds internal accruals/ borrowed funds, the objective of which is optimum utilization of funds of the Company and also to achieve long term strategic and business objectives. The Guarantee will be made on terms and conditions most beneficial to the Company/ at prevailing market rates.

M/s. Mohan Project Contractors Private Limited one of the subcontractor of the company to which the company has longstanding relation around 15 years, has obtained credit facilities of Rs.30.00 Crores from Punjab National Bank for working capital requirements, on the terms and conditions that a Corporate Guarantee be executed in favour of Punjab National Bank from Gayatri Projects Limited. Your company is required to provide corporate guarantee, hence this resolution is proposed, authorising the Board of Directors by seeking the approval of the members of the company through postal ballot.

Section 372A of the Companies Act, 1956 allows the company to issue such a corporate guarantee/provide bank guarantee subject to the same being ratified in a general meeting/by way of postal ballot in case of a Listed Company within 12 months after passing of the board resolution authorizing to give such guarantees. Accordingly the guarantees have been placed for ratification of the members.

The Directors are satisfied that it would be in the interest of the Company and its shareholders and accordingly recommend the Resolutions for your approval by exercising your votes through a Postal Ballot.

None of the Directors of the company are concerned or interested in the proposed resolutions in any manner.

The consent of the shareholders to the above Resolution is required to be obtained by means of the Postal Ballot in accordance with the Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution through Postal Ballot) Rules, 2001.

Your Directors recommend the resolution for your approval as a Special Resolution.

By Order of the Board of Directors

For GAYATRI PROJECTS LIMITED

Sd/-

I.V. LAKSHMI

Company Secretary & Compliance Officer

Place: Hyderabad
Date: 22.08.2011