

GAYATRI HIGHWAYS PRIVATE LIMITED

(Formerly Gayatri Domicile Private Limited)

11TH ANNUAL REPORT

2016-17

BOARD OF DIRECTORS

Ms. T. SARITA REDDY Director
Mr. P. PURNACHANDER RAO Director

REGISTERED & CORPORATE OFFICE

1st Floor, 6-3-1090,
TSR Towers, Rajbhavan Road ,
Somajiguda,
Hyderabad – 500 082, Telangana.
CIN: U45100TG2006PTC052146

AUDITORS

M/s. G.S. Sai Babu & Associates
Chartered Accountants
#11-13-15, Road No. 1, Alakapuri Colony,
S.R.K. Puram, Saroornagar,
Hyderabad-500035, Telangana.

BANKERS

Canara Bank,
Somajiguda,
Hyderabad

BOARD'S REPORT

To
The Members,

Your Directors have immense pleasure in presenting the 11th Annual Report and the Audited Financial Statements for the Financial Year ended 31st March 2017. These Financial Statements are prepared as per NCLT order dated 3rd November, 2017 and it is for representation purpose and understanding of the stakeholders.

The Company has changed as "Gayatri Highways Private Limited" with effect from 7th August, 2017.

1. FINANCIAL SUMMARY:

The financial results of your company for the year ended 31st March 2017 are as follows:

S. No.	Particulars	For the year ended 31.03.2017 (Rs.)	For the year ended 31.03.2016 (Rs.)
1)	INCOME		
	Revenue from operations	-	-
	Other income	-	-
	Finance income	-	-
	TOTAL	-	-
2)	EXPENDITURE		
	Employee Benefits Expense	-	-
	Finance Costs	-	-
	Depreciation & Amortization expense	-	-
	Other Expenses	23,592	32,171
	TOTAL	23,592	32,171
3)	Loss before tax from continuing operations	(23,592)	(32,171)
	- Current Tax	-	-
4)	Loss for the year	(23,592)	(32,171)
	Earning (Loss) per Share – Basic & Diluted	(0.00)	(1.61)

2. THE YEAR IN RETROSPECT

During the year under review, the National Company Law Tribunal (NCLT) vide its order dated 3rd November, 2017 approving the composite Scheme of Arrangement Between Gayatri Highways Private Limited (GHPL) ("the Company") (Formerly Gayatri Domicile Private Limited), Gayatri Projects Limited and Gayatri Infra Ventures Limited and their respective shareholders.

3. FUTURE OUTLOOK

As per the NCLT order dated 3rd November, 2017, with effect from 31st March, 2017 (appointed date) the assets and liabilities of Infrastructure BOT has been transferred from Gayatri Projects Limited to Gayatri Highways Private Limited. Your management will ensure the smooth running of the said BOT projects.

4. EXTRACT OF ANNUAL RETURN

The Extracts of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 and the same is enclosed as **Annexure-I**.

5. BOARD MEETINGS

During the year ended 31st March, 2017, Five Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Attendance of Directors at the meetings:

The details of the attendance of the Directors at the Board meetings held during the year ended 31st March, 2017.

Name of the Director	Number of Board Meetings	
	Held	Attended
T. Sarita Reddy	5	5
P. Purnachander Rao	5	5

6. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual financial statements for the year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies and applied them consistently and judgement and estimates have been made 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, 2017 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

There is no change in the Board of Directors of the Company during the Financial Year ending 31st March 2017.

8. DECLARATION BY INDEPENDENT DIRECTORS

Section 149(7) of the Companies Act, 2013 is not applicable to the Company.

9. RE-APPOINTMENTS

N.A

10. POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Board of Directors lays down the manner of selection of Board of Directors and their remuneration.

11. AUDITORS REPORT

There are no qualifications in the Auditors Report.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of contracts or arrangements with the related parties referred to in Section 188 in the Form AOC – 2 is annexed herewith as **Annexure-II**.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with the related parties referred to in Section 188 is NIL.

14. TRANSFER OF AMOUNT TO RESERVES

The Company does not propose to transfer any amount to the general reserve for the Financial Year ended 31st March, 2017.

15. DIVIDEND

The Board of Directors does not recommend any dividend on the Equity Shares for the financial year ended 31st March, 2017.

16. MATERIAL CHANGES AND COMMITMENTS

The Company has change the name itself as "Gayatri Highways Private Limited" with effect from 7th August, 2017.

Pursuant to above said NCLT order with effect from 1st April, 2016 [i.e., appointed date for transfer of Investments held in Sai Maatarini Tollways Limited (SMTL) by Gayatri Projects Limited (GPL) to Gayatri Highways Private Limited (GHPL)], all the Equity Investments in STML has been transferred from GPL to GHPL.

Further, as per the NCLT order with effect from 31st March, 2017 [i.e. appointed date for Demerger of Infrastructure BOT assets from Gayatri Projects Limited to Gayatri Highways Private Limited] the company will have two subsidiaries namely, "Indore Dewas Tollways Limited (IDTL)" and "Sai Maatarini Tollways Limited (SMTL)" and five jointly controlled entities namely, "Gayatri Jhansi Roadways Limited (GJRL)", "Gayatri Lalitpur Roadways Limited (GLRL)", "Hyderabad Expressways Limited (HEL)", "Cyberabad Expressways Limited (CEL)" and "HKR Roadways Limited (HKRRL)" and one associate "Balaji Highway Holdings Private Limited (BHHPL)".

17. 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 134(3)(m) of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014 is Nil.

18. STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

The Company has implemented a standard operating procedure for all accounting and financial matters to reduce accounting and financial risk to minimal levels and to ensure that the financial statements are free of material misstatements.

19. POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE YEAR

The policy developed and implemented by the Company on Corporate Social Responsibility initiatives taken during the year is Nil as the relevant provisions of the Companies Act, 2013 in this regard are not applicable to the Company.

20. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance and the directors individually.

21. SUBSIDIARY COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATE COMPANIES

During the Financial Year ending on 31st March 2017, your Company had no subsidiaries and associate Companies.

The National Company Law Tribunal (NCLT) vide its order dated 3rd November, 2017 approving the composite Scheme of Arrangement Between the Company, Gayatri Projects Limited, Gayatri Infra Ventures Limited and their respective shareholders consisting of the following:

1. Transfer of investments in SMTL from GPL to GDPL,
2. Amalgamation of the Gayatri Infra Ventures Ltd with Gayatri Projects Limited
3. Transfer of Infrastructure Road BOT Assets Business from Gayatri Projects Limited to Gayatri Domicile Private Limited by way of demerger.

With effect from 31st march, 2017 (appointed date) the assets and liabilities of infrastructure BOT has been transferred from Gayatri Projects Limited to Gayatri highways Private Limited

The names of companies which have become or ceased to be Company's Subsidiaries, joint ventures or associate companies during the year

The following companies are subsidiary/associates/jointly controlled entities:

Subsidiaries:

Indore Dewas Tollways Limited

Sai Maatarini Tollways Limited

Associates:

Balaji Highway Holdings Private Limited

Jointly Controlled Entities:

Gayatri Jhansi Roadways Limited

Gayatri Lalitpur Roadways Limited

Hyderabad Expressways Limited

Cyberabad Expressways Limited

HKR Roadways Limited

22. DEPOSITS

The Company has not accepted any deposits from the public in terms of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

23. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

The National Company Law Tribunal (NCLT) vide its order dated 3rd November, 2017 approving the composite Scheme of Arrangement Between the Company, Gayatri Projects Limited, Gayatri Infra Ventures Limited and their respective shareholders consisting of the following:

1. Transfer of investments in SMTL from GPL to GDPL,
2. Amalgamation of the Gayatri Infra Ventures Ltd with Gayatri Projects Limited
3. Transfer of Infrastructure Road BOT Assets Business from Gayatri Projects Limited to Gayatri Domicile Private Limited by way of demerger.

With effect from 31st march, 2017 (appointed date) the assets and liabilities of infrastructure BOT has been transferred from Gayatri Projects Limited to Gayatri highways Private Limited

24. STATUTORY AUDITORS

M/s G.S. Sai Babu & Associates, Chartered Accountants, Statutory Auditors of the Company.

25. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request.

26. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has ensured that appropriate policies and procedures are adopted for ensuring orderly and efficient conduct of the business, including adherence to Company's policies, the safeguarding of its assets, prevention and detection of fraud and error, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information.

27. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company lays emphasis on competence and commitment of its human capital recognizing its pivotal role for organizational growth.

During the year, the Company maintained a record of peaceful employee relations. Your Directors wish to place on record their appreciation for the commitment shown by the employees throughout the year.

28. ACKNOWLEDGEMENTS

Your Directors express their appreciation to the Company's Bankers, Statutory Auditors, Customers, Consultants and Members for their constant help, co-operation and support.

For and on behalf of the Board



T. SARITA REDDY
DIRECTOR
DIN: 00017122



P. PURNACHANDER RAO
DIRECTOR
DIN: 02230190

Place: Hyderabad

Date: 24-11-2017

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended 31.03.2017
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:	
CIN	U45100TG2006PTC052146
Registration Date	28/12/2006
Name of the Company	GAYATRI HIGHWAYS PRIVATE LIMITED (Formerly Gayatri Domicile Private Limited)
Category / Sub-Category of the Company	Company Limited by Shares/ Indian Non Government Company
Address of the Registered Office and contact details	1 st Floor, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana. E Mail: rajkumar@gjvl.co.in , Tel: 040-23310330
Whether listed company	Unlisted
Name, address and contact details of Registrar and Transfer Agent, if any	-

II. Principal Business Activities of the Company			
All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:			
Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Holding activities	64200	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Gayatri Projects Ltd 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad- 500082, Telangana.	L99999TG1989PLC057289	Holding	100	2(46)
2	Indore Dewas Tollways Limited, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana.	U45200TG2010PLC068238	Subsidiary	66.64	2(87)
3	Sai Maatarini Tollways Limited, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad	U45400TG2011PLC076396	Subsidiary	100	2(87)

4	- 500082, Telangana. Balaji Highway Holdings Private Limited, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana.	U45400TG2010PTC068181	Associate	48.99	2(6)
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IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	-	20,000	20,000	100	-	3	3	0.03	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	19,997	19,997	99.97	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	-	20,000	20,000	100	-	20,000	20,000	100	0
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	-	0	0	0	0	0	0	0	0
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	-	20,000	20,000	100	-	20,000	20,000	100	0
B. Public Shareholding									
(1) Institutions									
-a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-

c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	0	0	0	0	0	0	0	0	0
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1. lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	0	20,000	20,000	100	0	20,000	20,000	100	0

ii) Shareholding of Promoters

S. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. T. V. Sandeep Kumar Reddy (Nominee of GPL)	8,000	40	-	01	0.01	-	39.99
2	Ms. T. Indira Subbarami Reddy (Nominee of GPL)	6,000	30	-	01	0.01	-	29.99
3	Ms. T. Sarita Reddy (Nominee of GPL)	6,000	30	-	01	0.01	-	29.99
4	M/s. Gayatri Projects Limited	-	-	-	19,997	99.97	-	99.97
Total		20,000	100		20,000	100		-

iii) Change in Promoters' Shareholding (Please specify, if there is no change)

S. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	20,000	100	-	-
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	19,997	99.97
	At the end of the year	-	-	20,000	100

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-

	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	6,000	30	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	19,997	99.97
	At the End of the year	-	-	01	0.01

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial				

year	-	1,08,884	-	1,08,884
i) Principal Amount	-		-	
ii) Interest due but not paid	-		-	
iii) Interest accrued but not	-		-	
Total (i+ii+iii)	-	1,08,884	-	1,08,884
Change in Indebtedness during the financial year	-	-	-	-
Addition	-	145,25,10,619	-	145,25,10,619
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	145,26,19,503	-	145,26,19,503
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	145,26,19,503	-	145,26,19,503

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
1.	Gross Salary	-	-	-
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	as % of profit	-	-	-
	others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	-	-	-
	Celling as per the Act	-	-	-

B. Remuneration to other directors:

1. Independent Directors

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		-	-	-
	-Fee for attending Board/Committee Meetings	-	-	-
	-Commission	-	-	-
	- Others, please specify	-	-	-
	Total (B)(1)	-	-	-

2. Other Non Executive Directors

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		-	-	-
	-Fee for attending Board/Committee Meetings	-	-	-
	-Commission	-	-	-
	- Others, please specify	-	-	-
	Total (B)(2)	-	-	-
	Total (B)= (B)(1)+ (B)(2)	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: -N.A.-

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board

Place: **Hyderabad**
Date: **24-11-2019**


T. SARITA REDDY
DIRECTOR
DIN: 00017122


P. PURNACHANDER RAO
DIRECTOR
DIN: 02230190

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

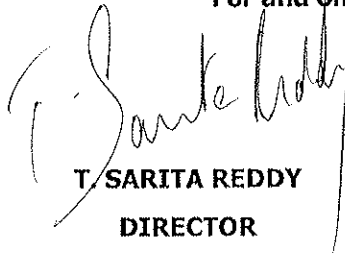
(a) Name(s) of the related party and nature of relationship	NIL
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) date(s) of approval by the Board	
(g) Amount paid as advances, if any:	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship	NIL
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	
(e) Date(s) of approval by the Board, if any:	
(f) Amount paid as advances, if any:	

For and on behalf of the Board



T. SARITA REDDY
DIRECTOR
DIN: 00017122



P. PURNACHANDER RAO
DIRECTOR
DIN: 02230190

Place: **Hyderabad**

Date: **24.11.2019**

INDEPENDENT AUDITOR'S REPORT

To the Members of GAYATRI HIGHWAYS PRIVATE LIMITED (Formerly GAYATRI DOMICILE PRIVATE LIMITED)

Report on the Standalone Financial Statements

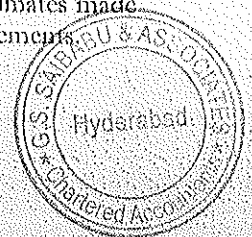
1. We have audited the accompanying standalone financial statements of Gayatri Highways Private Limited (the Company) (Formerly Gayatri Domicile Private Limited), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information. These financial statements are prepared as per NCLT Order dated 3rd November, 2017, and it is for representation purpose and understanding of the stakeholders.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial controls relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statement.



7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

Opinion

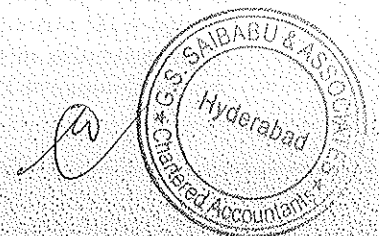
8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2017, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2016 and 31 March 2015 in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports to the shareholders of the Company dated 14 June 2016 and 19 August 2015 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:
- (a) we have sought and except as discussed in paragraph 11(g)(iv) below, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - a) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - b) the standalone financial statements dealt with by this report are in agreement with the books of account;
 - c) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;
 - d) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
 - e) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 30 May 2017 as per Annexure II expressed an unmodified opinion; and




- f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company as detailed in Note 17 to standalone financial statements, has disclosed the impact of pending litigations on its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. the Company, as detailed in Note 23 to the standalone financial statements, has made requisite disclosures in these standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company.
 - v. the Company, during the year has received NCLT order vide dated 3rd November 2017 approving Composite scheme of arrangement between Gayatri Projects Limited, Gayatri Infra Ventures Limited, Gayatri Highways Private Limited and their respective Shareholders, accordingly the financial statements are prepared considering the effect of the said order.

For **G.S.SAI BABU & ASSOCIATES**

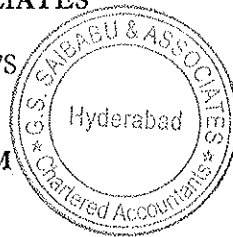
Chartered Accountants

Firm's Registration No.: 014207S


SATYA SAI BABU GURRAM

Proprietor

Membership No: 208341



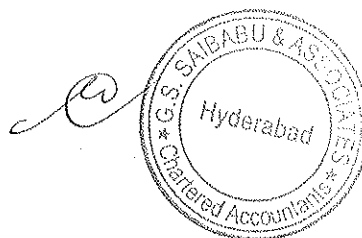
Place: Hyderabad

Date: 24-11-2017

Annexure I to the Independent Auditor's Report of even date to the members of Gayatri Highways Private Limited, on the standalone financial statements for the year ended 31 March 2017

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (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 by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) On the basis of information and explanations provided to us by the management, read with note 23 to the accompanying financial statements, the Company has not entered into any transaction falling within the ambit of Sections 185 and 186 of the Act and hence the provisions of Clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.



- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Due date	Date of payment
Income Tax Act, 1961	Tax deducted at source	5,866,626	Financial Year 15-16	Various dates	Not yet Paid
Income Tax Act, 1961	Tax deducted at source	4,702,259	Financial Year 16-17	Various Dates	Not yet Paid
The Finance Act, 1994	Service Tax	6,049,084	Financial Year 12-13	5 September 2012	Not yet Paid

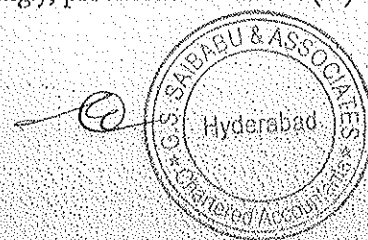
- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Amount paid under protest (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	892,926	455,023	Financial Year 08-09	Commissioner of Income tax (appeals), Hyderabad

- (viii) There are no loans or borrowings payable to banks or government and no dues payable to debenture-holders. The Company has defaulted in repayment of borrowings to the following financial institution:

Name of the financial institution	Amount of default (₹)	Period of default
IL & FS Financial Services Limited	19,502,755	2 months

- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.



- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) On the basis of information and explanations provided to us by the management, read with note 24 to the accompanying financial statements, provisions of Section 451A of the Reserve Bank of India Act, 1934 is not applicable to the Company. Accordingly, the Company has not got itself registered under the aforesaid provisions as at 31 March 2017

For **G.S.SAI BABU & ASSOCIATES**

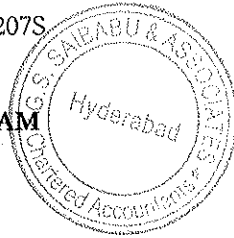
Chartered Accountants

Firm's Registration No.: 014207S


SATYA SAI BABU GURRAM

Proprietor

Membership No: 208341



Place: Hyderabad

Date: 24-11-2017

Annexure II to the Independent Auditor's Report of even date to the members of Gayatri Highways Private Limited, on the standalone financial statements for the year ended 31 March 2017

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

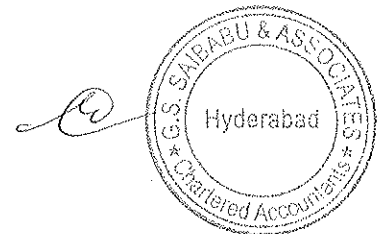
1. In conjunction with our audit of the standalone financial statements of Gayatri Highways Private Limited ("the Company") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.



Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **G.S.SAI BABU & ASSOCIATES**

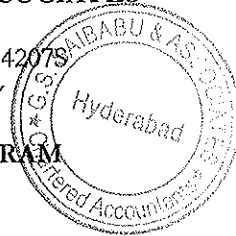
Chartered Accountants

Firm's Registration No.: 0142079


SATYA SAI BABU GURRAM

Proprietor

Membership No: 208341



Place: Hyderabad

Date: 24-11-2017

Gayatri Highways Private Limited
(Formerly Gayatri Domicile Private Limited)
Balance Sheet as at 31 March 2017
(All amounts in ₹ unless otherwise stated)

	Notes	As at	As at	As at
		31 March 2017	31 March 2016	1 April 2015
Assets				
Non-current assets				
Property, plant and equipment	3	-	-	-
Intangible Assets				
- Goodwill		75,55,193		
Financial assets				
- Investments	4(a)	2,85,30,61,398	-	-
- Loans	5	93,04,96,575	-	-
Income tax assets, net	15	33,54,381	-	-
		<u>3,79,44,67,547</u>	<u>-</u>	<u>-</u>
Current assets				
Financial assets				
- Cash and cash equivalents	6	65,88,253	2,849	2,849
- Loans	5	23,64,78,663	-	-
Other Current Assets	7	2,39,280	2,39,280	2,39,280
		<u>24,33,06,196</u>	<u>2,42,129</u>	<u>2,42,129</u>
Total assets		<u>4,03,77,73,743</u>	<u>2,42,129</u>	<u>2,42,129</u>
Equity and liabilities				
Equity				
Equity share capital	8	47,93,03,800	2,00,000	2,00,000
Preference share capital	8	1,67,70,03,000	-	-
Other equity	9	24,34,31,787	(70,126)	(37,955)
Total Equity		<u>2,39,97,38,587</u>	<u>1,29,874</u>	<u>1,62,045</u>
Non-current Liabilities				
Financial liabilities				
- Borrowings	10(a)	1,23,50,00,000	-	-
Current liabilities				
Financial liabilities				
- Short-term borrowings	10(b)	21,76,19,503	1,08,884	76,713
- Trade payables	11	1,11,800	-	-
- Other financial liabilities	12	16,50,00,585	-	-
Other current liabilities	13	2,03,03,268	3,371	3,371
Total liabilities		<u>1,63,80,35,156</u>	<u>1,12,255</u>	<u>80,084</u>
Total equity and liabilities		<u>4,03,77,73,743</u>	<u>2,42,129</u>	<u>2,42,129</u>

The accompanying notes form an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date.

For G.S. Sai Babu & Associates

Chartered Accountants

Firm Regn. No: 0142078

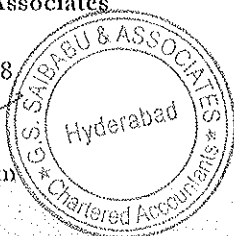
Sayta Sai Babu Gurram

Proprietor

M.No.:208341

Place: Hyderabad

Date: 27-11-2017



For and on behalf of Board of directors of
Gayatri Highways Private Limited

T. Sarita Reddy

Director

DIN: 000017122

P Purnachandra Rao

Director

DIN:02230190

Gayatri Highways Private Limited

(Formerly Gayatri Domicile Private Limited)

Statement of Profit and Loss for the year ended 31 March 2017

(All amounts in ₹ unless otherwise stated)

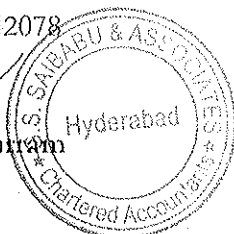
	Notes	For the year ended 31 March 2017	For the year ended 31 March 2016
Other income		-	-
Total income		-	-
Expenses			
Employee benefits expense		-	-
Finance costs		-	-
Depreciation expense	3	-	-
Other expenses	14	23,592	32,171
Total expense		23,592	32,171
Loss before exceptional items and tax		(23,592)	(32,171)
Exceptional item		-	-
Loss before tax		(23,592)	(32,171)
Current tax		-	-
Loss for the year		(23,592)	(32,171)
Other comprehensive income		-	-
Total comprehensive loss for the year		(23,592)	(32,171)
Earnings per equity share (EPES)			
Basic		(0.00)	(1.61)
Diluted		(0.00)	(1.61)

The accompanying notes form an integral part of the financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For G.S. Sai Babu & Associates
Chartered Accountants
Firm Regn. No: 0142078

Sayta Sai Babu Guddam
Proprietor
M.No.:208341
Place: Hyderabad
Date: 24-11-2017



For and on behalf of Board of directors of
Gayatri Highways Private Limited

T. Sarita Reddy
Director
DIN: 000017122

P Purnachandra Rao
Director
DIN:02230190

Gayatri Highways Private Limited

(Formerly Gayatri Domicile Private Limited)

Statement of Changes in Equity for the year ended 31 March 2017

(All amounts in ₹ unless otherwise stated)

(a) Share capital

	Number	Amount
(i) Equity Share Capital		
Equity shares of ₹10 each issued, subscribed and fully paid		
At 1 April 2015	20,000	2,00,000
At 31 March 2016	20,000	2,00,000
At 31 March 2017	4,79,30,380	47,93,03,800
(ii) Preference Share Capital		
Redeemable Preference shares of ₹10 each issued, subscribed and fully paid		
At 1 April 2015	-	-
At 31 March 2016	-	-
At 31 March 2017	16,77,00,300	1,67,70,03,000

Note: The above capital structure is post NCLT order dated 3rd November, 2017, which is effective from 24th November, 2017 and it is disclosed for representation purpose and understanding of the stakeholders.

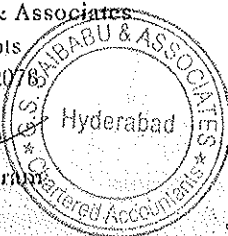
(b) Other equity

	Capital Reserve	Retained earnings	Total equity
Balance as of 1 April 2015	-	(37,955)	(37,955)
Loss for the year	-	(32,171)	(32,171)
Other comprehensive income	-	-	-
Add: Financial guarantee given on behalf of holding company	-	-	-
Balance as of 31 March 2016	-	(70,126)	(70,126)
Balance as of 1 April 2016	-	(70,126)	(70,126)
Loss for the year	-	(23,592)	(23,592)
Add: Capital Reserve generated on demerger of Infrastructure BOT assets from GPL to GHPL	24,35,25,505	-	24,35,25,505
Other comprehensive income	-	-	-
Balance as of 31 March 2017	24,35,25,505	(93,718)	24,34,31,787

This is the Statement of Changes in Equity referred to in our report of even date.

For G.S. Sai Babu & Associates
Chartered Accountants
Firm Regn. No: 0142078

Sayta Sai Babu Gurrani
Proprietor
M.No.:208341
Place: Hyderabad
Date: 24-11-2017



For and on behalf of Board of directors of
Gayatri Highways Private Limited

T. Sarita Reddy P Purnachandra Rao
Director Director
DIN: 000017122 DIN:02230190

Gayatri Highways Private Limited

(Formerly Gayatri Domicile Private Limited)

Statement of Cash flows for the year ended 31 March 2017

(All amounts in ₹ unless otherwise stated)

	For the year ended	
	31 March 2017	31 March 2016
Cash flows from operating activities		
Loss before tax	(23,592)	(32,171)
Adjustments for:		
Depreciation expense	-	-
Interest income and financial guarantee income	-	-
Loss on sale of investments	-	-
Interest expense	-	-
Operating loss before working capital changes	(23,592)	(32,171)
Changes in working capital:		
Increase in trade payables	1,11,800	-
Increase/(decrease) in other current liabilities	18,53,00,482	-
Increase/(decrease) in other current assets	-	-
Decrease in trade receivables	-	-
Decrease in loans and advances	(1,16,69,75,238)	-
Cash generated in operating activities	(98,15,86,548)	(32,171)
Less: Income taxes refund received / (paid)	(33,54,381)	-
Net cash generated from operating activities	A (98,49,40,929)	(32,171)
Cash flows from investing activities		
Interest received	-	-
Investments transferred from GPL	(2,85,30,61,398)	-
Capital Reserve on Demerger of GPL to GHPL	24,35,25,505	-
Goodwill recognised on acquisition of Subsidiary	(75,55,193)	-
Proceeds from sale of investments	-	-
Net cash generated from investing activities	B (2,61,70,91,086)	-
Cash flows from financing activities		
Interest paid	-	-
Proceeds from Equity Share Capital	47,91,03,800	-
Proceeds from Preference Share Capital	1,67,70,03,000	-
Proceeds from short-term borrowings, net	21,75,10,619	32,171
Repayment of long-term borrowings	-	-
Proceeds from long-term borrowings	1,23,50,00,000	-
Net cash used in financing activities	C 3,60,86,17,419	32,171
Net increase/(decrease) in cash and cash equivalents	(A+B+C) 65,85,404	-
Cash and cash equivalents at the beginning of the year	2,849	2,849
Cash and cash equivalents at the end of the year	65,88,253	2,849
Cash and cash equivalents comprises of:		
Cash on hand	13,541	2,849
Balances with banks in current accounts	65,74,712	-
	65,88,253	2,849

This is the Cash Flow Statement referred to in our report of even date.

For G.S. Sai Babu & Associates
Chartered Accountants

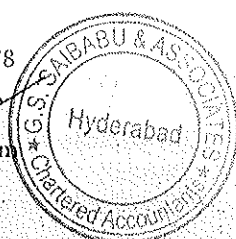
Firm Regn. No: 0142078

Sayta Sai Babu Gurram
Proprietor

M.No.:208341

Place: Hyderabad

Date: 24.11.2017



For and on behalf of Board of directors of
Gayatri Highways Private Limited

T. Sarita Reddy
Director

DIN: 000017122

P Purnachandra Rao
Director

DIN:02230190

Gayatri Highways Private Limited
(Formerly Gayatri Domicile Private Limited)
Summary of Significant Accounting Policies and Other Explanatory Information
(All amounts in ₹ unless otherwise stated)

1. Nature of operations

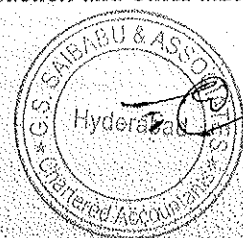
Gayatri Highways Private Limited - GHPL ("the Company") (Formerly Gayatri Domicile Private Limited - GDPL) was incorporated during the year 2006 in accordance with the provisions of Companies Act, 1956. The Company on its own and through its jointly controlled entities is in the business of construction, operations and maintenance of carriageways on toll and annuity basis pursuant to the development agreements with the National and State Governments and makes investments in companies engaged in the construction, operations and maintenance of roads, highways, vehicle bridges and tunnels and toll roads. The registered office of the Company is located in 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad.

2. Summary of significant accounting policies

a) Note on Composite Scheme of Arrangement:

General

- 1.1 Gayatri Projects Limited ("the Transferee Company" or "the Demerged Company" or "GPL") is a public limited company incorporated on 15th September, 1989 under the provisions of the Act under the name and style of "Andhra Coastal Constructions Private Limited". The name was then changed to "Gayatri Projects Private Limited" on 31st March, 1994, and subsequently on conversion into a public limited company the name was changed to its present name of "Gayatri Projects Limited". The registered office of the Demerged Company is situated at TSR Towers, B-1, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad, Telangana - 500082, India. The equity shares of the Demerged Company are listed on BSE Limited and National Stock Exchange of India Limited.
- 1.2 GPL is an infrastructure and construction company with a presence across the segment, and a special focus on road and irrigation projects. GPL has been executing construction orders across the country over last 50 years and owns almost all its equipment, enabling optimal cost control. Its two subsidiaries, Gayatri Infra Ventures Ltd ("GIVL") and Gayatri Energy Ventures Private Ltd ("GEVPL"), are the Asset Development arms for the Company. GIVL the road development arm and associate GPL entities are working on 6 operating and 1 under-construction projects, adding up to gross capital employed in excess of Rs. 5000 cr. GEVPL was set up to undertake power generation projects.
- 1.3 Gayatri Infra Ventures Limited ("the Transferor Company" or "GIVL") is a company incorporated on 22nd January, 2008 under the provisions of the Act having its registered office at 1st Floor, TSR Towers, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad, Kurnool, Telangana - 500082 India. GIVL is a 70.59% subsidiary of GPL, while the balance shareholding of 29.41% is held by AMP Capital Finance Mauritius Limited. There is a definitive agreement in place between GPL and AMP Capital Finance Mauritius Limited for the acquisition of the balance shareholding in GIVL. Pursuant to the share purchase, GIVL would become a wholly-owned subsidiary of GPL.
- 1.4 GIVL is a single holding company of the SPVs of BOT projects. Currently GIVL has portfolio of 6 BOT projects, which comprises of 4 annuity BOT projects and 2 toll BOT project. All the projects have achieved their financial closure.
- 1.5 Gayatri Domicile Private Limited ("the Resulting Company" or "GDPL") is a private limited company incorporated on 28th December, 2006 under the provisions of the Act having its registered office at 1st Floor, TSR Towers, 6-3-1090, Rajbhavan Road, Somajiguda Hyderabad, Telangana - 500082 India. The Resulting Company is a wholly-owned subsidiary of GPL.
- 1.6 The Resulting Co is proposed to be engaged in the business of construction and other allied construction activities.



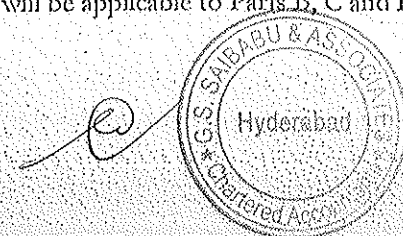
Gayatri Highways Private Limited

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(All amounts in ₹ unless otherwise stated)

- 1.7 Sai Maatarini Tollways Limited ("SMTL") is a company incorporated on 8th September, 2011 under the provisions of the Act having its registered office at 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad, Telangana - 500082 India. SMTL is a wholly-owned subsidiary of GPL.
- 1.8 SMTL is a Special Purpose Company promoted by GPL. GPL was granted the contract from NHAI. The project involves Four-Laning of Panikoili-Rimuli Section of NH-215 from Km.0.00 to Km.163.00 (Design Length 166.173) in the State of Orissa under NHDP Phase - III as BOT (Toll) project on Design, Construction, Finance, Operation and Maintenance under Private Public Partnership on "DBFOT" Basis.
- 1.9 This Composite Scheme of Arrangement provides for:
 - 1.9.1 Transfer of investments in SMTL from GPL to GDPL, and the consequent discharge of consideration by GDPL to GPL
 - 1.9.2 Post transfer of investments, merger of GIVL with GPL
 - 1.9.3 Post merger of GIVL with GPL, transfer of Infrastructure Road BOT Assets Business from the Demerged Company to the Resulting Company and the consequent discharge of consideration by the Resulting Company to the Demerged Company, pursuant to the relevant provisions of the Act.
- 1.10 This Scheme also makes provision for various other matters consequential or related thereto and otherwise integrally connected therewith.
- 1.11 Rationale for the Scheme:
 - 1.11.1 In order to achieve better management and to have clear focus on business operations, the management of Demerged Company has decided to demerge Infrastructure Road BOT Assets Business, thereby transferring Infrastructure Road BOT Assets Business (as defined hereinafter) of GPL to GDPL, in the interests of maximizing overall shareholder value.
 - 1.11.2 Therefore, with a view to effect such plan, the Board of Directors of Demerged Company and the Resulting Company proposes that the Infrastructure Road BOT Assets Business of the Demerged Company be transferred to and vested in the Resulting Company on a going concern basis to be undertaken through this Scheme (as defined hereinafter) under the provisions of Sections 391 to 394 read with relevant provisions of the Companies Act, 1956 and the Companies Act, 2013, for such consideration and in such manner as provided for in this Scheme (as defined hereinafter).
 - 1.11.3 Accordingly, this Scheme under Sections 391 to 394 and applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, has been proposed to provide for transfer of Infrastructure Road BOT Assets Business of the Demerged Company by way of demerger to the Resulting Company.
 - 1.11.4 Upon the sanction of the Scheme by the High Court (as defined hereinafter) and the Composite Scheme becoming effective on the Effective Date (as defined hereinafter), the Infrastructure Road BOT Assets Business of the Demerged Company shall stand transferred to, and be vested in, the Resulting Company on and from the Appointed Date for all intent and purposes.
- 1.12 The Composite Scheme is divided into the following parts:
 - 1.12.1 Part A deals with the introductions and definitions;
 - 1.12.2 Part B deals with transfer of investments in SMTL from GPL to GDPL
 - 1.12.3 Part C deals with amalgamation of GIVL with GPL
 - 1.12.4 Part D deals with Transfer of Infrastructure Road BOT Assets Business from GPL to GDPL by way of demerger, i.e., all investments in Infrastructure Road BOT Assets of any nature including investments in Gayatri Jhansi Roadways Ltd ("GJRL"), Gayatri Lalitpur Roadways Ltd ("GLRL"), Hyderabad Expressways Ltd ("HEL"), Cyberabad Expressways Ltd ("CEL"), Indore Dewas Tollways Ltd ("IDTL"), Balaji Highways Holdings Pvt Ltd ("BHHL"), HKR Roadways Ltd ("JKRRL") and all other interest pertaining or relatable to these investments in Infrastructure Road BOT Assets Business and
 - 1.12.5 Part E deals with the general terms and conditions that will be applicable to Parts B, C and D of the Scheme.



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- 1.13 "Appointed Date" for the purpose of the amalgamation of GIVL with GPL as mentioned in Part C of this Scheme, and Income Tax Act, 1961 means April 1, 2016 or such other date as the Court or National Company Law Tribunal, as the case may be, under Section 391 to 394 of the Act may direct or approve;
- 1.14 "Appointed Date" for the purpose of transfer of Infrastructure Road BOT Assets Business from GPL to GDPL by way of demerger as mentioned in Part D of this Scheme, and Income Tax Act, 1961 means March 31, 2017 or such other date as the Court or National Company Law Tribunal, as the case may be, under Section 391 to 394 of the Act may direct or approve;
- 1.15 "Effective Date" means the date on which the last of the consents, approvals, permissions, resolutions and orders as mentioned in Clause 31 shall be obtained or passed; or date on which the certified copy of the Order of the High Court sanctioning the Scheme is filed with the Registrar of Companies, Hyderabad, Telangana; whichever is later.

Implication

The National Company Law Tribunal (NCLT) vide its order Nos.

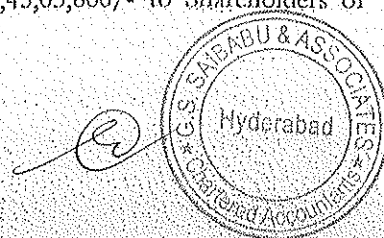
- a) C.P.(CAA) No.29/230/HDB/2017 under section 230 and section 232 of the Companies Act, 2013, dated 3rd November, 2017 – in the matter of Gayatri Projects Limited (GPL),
- b) C.P.(CAA) No.30/230/HDB/2017 under section 230 and section 232 of the Companies Act, 2013, dated 3rd November, 2017 – in the matter of Gayatri Highways Private Limited (GHPL),
- c) C.P.(CAA) No.31/230/HDB/2017 under section 230 and section 232 of the Companies Act, 2013, dated 3rd November, 2017 – in the matter of Gayatri Infra Ventures Limited (GIVL),

approved the composite scheme of arrangement between Gayatri Projects Limited (GPL), Gayatri Infra Ventures Limited (GIVL), Gayatri Highways Private Limited (GHPL) ("the Company") (Formerly Gayatri Domicile Private Limited), and their Respective Shareholders.

Pursuant to above said NCLT order with effect from 1st April, 2016 [i.e., appointed date for transfer of Investments held in Sai Maatarini Tollways Limited (SMTL) by Gayatri Projects Limited (GPL) to Gayatri Highways Private Limited (GHPL)], all the Equity Investments in SMTL has been transferred from Gayatri Projects Limited to Gayatri Highways Private Limited for a consideration of an amount of Rs.180,16,03,000/- (Rupees One Hundred and Eighty Crores Sixteen Lakhs Three Thousand only) by issuing 1,24,60,000 Equity Shares of Rs. 10 each amounting to Rs. 12,46,00,000/- and 16,77,00,300 Redeemable Preference shares of Rs. 10 each amounting to Rs. 167,70,03,000/- to Gayatri Projects Limited by the Company.

Pursuant to above said NCLT Order with effect from 1st April, 2016 [i.e., appointed date for amalgamation of the Gayatri Infra Ventures Limited (GIVL) with the Gayatri Projects Limited (GPL)], all the assets and liabilities of the GIVL are merged with the GPL and GIVL has stand dissolved without going through process of winding up.

Further, as per the above said NCLT order with effect from 31st March, 2017 [i.e. appointed date for Demerger of Infrastructure BOT assets from Gayatri Projects Limited to Gayatri Highways Private Limited], all the assets and liabilities pertaining to Infrastructure BOT's has been transferred from Gayatri Projects Limited to Gayatri Highways Private Limited for a consideration of an amount of Rs. 35,45,03,800/- (Rupees Thirty Five Crores Forty Five Lakhs Three Thousand Eight Hundred only) by issuing 3,54,50,380 Equity Shares of Rs. 10 each amounting to Rs. 35,45,03,800/- to Shareholders of Gayatri Projects Limited by the Company.



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Pursuant to above said NCLT order with effect from 31st March, 2017 the company will have two subsidiaries namely, "Indore Dewas Tollways Limited (IDTL)" and "Sai Maatarini Tollways Limited (SMTL)" and five jointly controlled entities namely, "Gayatri Jhansi Roadways Limited (GJRL)", "Gayatri Lalitpur Roadways Limited (GLRL)", "Hyderabad Expressways Limited (HEL)", "Cyberabad Expressways Limited (CEL)" and "HKR Roadways Limited (HKRRL)" and one associate "Balaji Highway Holdings Private Limited (BHHPL)". Since the subsidiaries, associate and jointly controlled entities are accounted as per the applicable Indian Accounting Standards, the company also has adopted the Indian Accounting Standards.

b) Basis of preparation of standalone financial statements

These financial statements are prepared as per NCLT Order dated 3rd November, 2017, and it is for representation purpose and understanding of the stakeholders.

GHPL's management had previously issued its audited financial statements for the year ended March 31, 2016 on June 14, 2016 that were prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

With effect from April 1, 2016, the Company is required to prepare its financial statements under the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. Accordingly, the Company's management has now prepared these financial statements in compliance with Ind AS. These financial statements for the year ended March 31, 2017 including comparative information are the first the Company has prepared in accordance with Ind AS. In preparing these financial statements under Ind AS, the Company's opening balance sheet was prepared as at April 01, 2015, the date of transition to Ind AS. These financial statements comprise the Balance Sheets as at March 31, 2017 and March 31, 2016, the Opening Balance Sheet as at April 1, 2015 (transition date), the Statements of Profit and Loss, the Statements of Cash Flows and the Statements of Changes in Equity for the year ended March 31, 2017 and for the year ended March 31, 2016, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Unconsolidated Ind AS Financial Statements"). Refer note 26 for information on how the Company has adopted Ind AS. The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

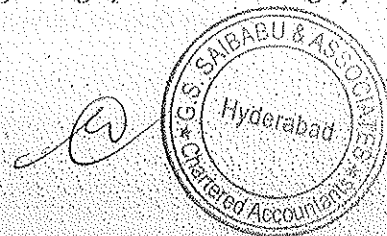
Accounting treatment given for the Composite Scheme approved by the NCLT in GHPL:

1) Transfer of investments in SMTL from GPL to GHPL:

With effect from 01.04.2016 [i.e., appointed date for transfer of investments in SMTL from GPL to GHPL], all the Equity Investments in SMTL has been transferred from GPL to GHPL for a consideration of an amount of Rs.180,16,03,000/- (Rupees One Hundred and Eighty Crores Sixteen Lakhs Three Thousand only) by issuing 1,24,60,000 Equity Shares of Rs. 10 each amounting to Rs. 12,46,00,000/- and 16,77,00,300 Redeemable Preference shares of Rs. 10 each amounting to Rs. 167,70,03,000/- to GPL by the Company. The Equity Investments in SMTL is recorded at fair value considering Net Assets Value of SMTL as on date of transfer, which is Rs. 179,40,47,807/- and the excess consideration paid is recognised as Goodwill in the books of GHPL.

2) Amalgamation of GIVL with GPL:

With effect from 1st April, 2016 [i.e., appointed date for amalgamation of the Gayatri Infra Ventures Limited (GIVL) with the Gayatri Projects Limited (GPL)], all the assets and liabilities of the GIVL are merged with the GPL and GIVL has stand dissolved without going through process of winding up.



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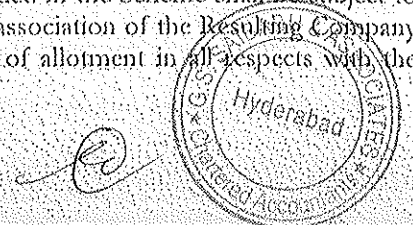
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- 3) Transfer of Infrastructure Road BOT Assets Business from GPL to GHPL by way of demerger: With effect from 31st March, 2017 [i.e. appointed date for Demerger of Infrastructure BOT assets from GPL to GHPL], all the assets and liabilities pertaining to Infrastructure BOTs has been transferred from GPL to GHPL for a consideration of an amount of Rs. 35,45,03,800/- (Rupees Thirty Five Crores Forty Five Lakhs Three Thousand Eight Hundred only) by issuing 3,54,50,380 Equity Shares of Rs. 10 each amounting to Rs. 35,45,03,800/- to Shareholders of Gayatri Projects Limited by the Company. All assets and liabilities transferred from GPL to GHPL are recorded at book values exist in the GPL as on date of transfer and the difference between the Net Assets Value transferred from GPL and the consideration paid to shareholders of GPL is accounted as Capital Reserve in the books of GHPL.

CONSIDERATION

- 1.1 Upon this Scheme coming into effect, the Resulting Company GHPL (erstwhile GDPL) shall, without any further application or deed, issue and allot to every member of the Demerged Company, holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company on the Record Date, in the following ratio (the "Share Exchange Ratio"):
- In respect of every 1 (One) equity shares of Rs.10/- each fully paid up held by such member in the Demerged Company, 1 (One) equity share in the Resulting Company of Rs 10/- each credited as fully paid up.
- 1.2 The equity shares to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of the Resulting Company;
- 1.3 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors of the Resulting Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the Demerged or Resulting of equity shares in the Demerged Company, after the effectiveness of this Scheme. The New Equity Shares to be issued by the Resulting Company pursuant to this Scheme in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Resulting Company.
- 1.4 Where New Equity Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Demerged Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Resulting Company.
- 1.5 New Equity Shares issued in terms of the Scheme shall, in compliance with the applicable regulations, be listed and/ or admitted to trading on the relevant stock exchange(s) in India where the equity shares of Resulting Company are listed and admitted to trading. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of such stock exchanges where the shares / securities of the Resulting Company are listed. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant stock exchanges.
- 1.6 In so far as New Equity Shares are concerned, the same will be distributed in dematerialized form to the equity shareholders of Demerged Company, provided all details relating to the account with the depository participant are available to Resulting Company. All those equity shareholders who hold equity shares of Demerged Company and do not provide their details relating to the account with the depository participant will be distributed New Equity Shares in the physical/certificate form unless otherwise communicated in writing by the shareholders on or before such date as may be determined by the Board of Directors of Resulting Company or committee thereof.
- 1.7 Upon the coming into effect of the Scheme, the New Equity Shares of Resulting Company to be issued and allotted to the members of the Demerged Company as provided in the Scheme shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company and the New Equity Shares shall rank pari passu from the date of allotment in all respects with the



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- existing equity shares of Resulting Company including entitlement in respect of dividends. The issue and allotment of New Equity Shares by the Resulting Company to the members of the Demerged Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out pursuant to the Act.
- 1.8 Approval of the Scheme by the shareholders of Resulting Company shall be deemed to be due compliance with the provisions of Section 62 of the Companies Act, 2013 and other relevant and applicable provisions of the Act for the issue and allotment of shares by Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.
- 1.9 If any shareholder of the Demerged Company becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of equity shares by the Resulting Company in accordance with Clause 24.1 of this Scheme, the Board of Directors of the Resulting Company shall consolidate all such fractional entitlements and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Resulting Company (the "Trustee"), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times, as the Trustee who shall hold the same as a trustee for and on behalf of such shareholders of Demerged Company, and shall dispose of the same and distribute the proceeds thereof to such shareholders in proportion to and in lieu of their respective fractional entitlements.
- 1.10 The Resulting Company shall, if necessary and to the extent required, increase / alter its Authorized Share Capital to facilitate issue of New Equity Shares under this Scheme.

c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

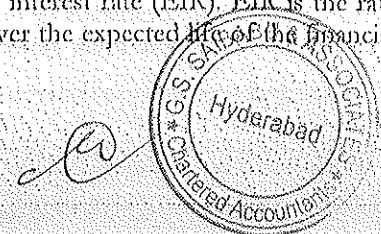
All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its operating cycle.

b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest income: For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial



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instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

c) Earnings/(loss) per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

d) Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

e) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

f) Taxes

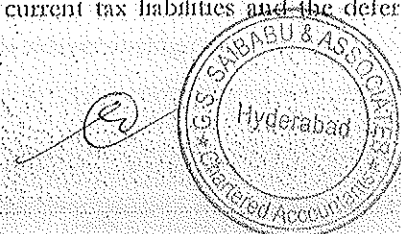
Income tax expense comprises of current and deferred tax. Current income tax assets and liabilities is measured at the amount expected to be recovered from or paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.



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g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A) Financial Asset

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables and loans

Equity investments:

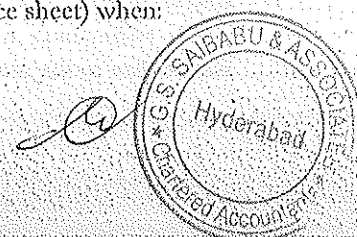
All equity investments in jointly controlled entities are measured at cost less diminution other than temporary. All equity investments in scope of Ind AS 109 are measured at fair value. Equity investments which are held for trading are classified as FVTPL. For all other equity investments, the Company may make an irrevocable election to present in OCI subsequent changes in fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in OCI. There is no recycling of amounts from OCI to P&L, even on sale of investment. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- a. the rights to receive cash flows from the asset have expired, or



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(All amounts in ₹ unless otherwise stated)

- b. the Company has transferred its rights to receive cash flows from the asset, and (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on debt instruments.

B) Financial Liability

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.



Gayatri Highways Private Limited

(Formerly Gayatri Domicile Private Limited)

Summary of Significant Accounting Policies and Other Explanatory Information

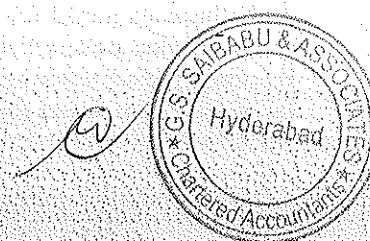
(All amounts in ₹ unless otherwise stated)

3 Property, plant and equipment

	Office equipment	Computer and related equipment	Total
Gross block			
As at 1 April 2015	-	-	-
Additions during the year	-	-	-
As at 1 April 2016	-	-	-
Additions during the year	1,61,999	9,41,539	11,03,538
As at 31 March 2017	1,61,999	9,41,539	11,03,538
Accumulated depreciation			
Up to 1 April 2015	-	-	-
Charge for the year	-	-	-
Up to 31 March 2016	-	-	-
Charge for the year	1,61,999	9,41,539	11,03,538
Up to 31 March 2017	1,61,999	9,41,539	11,03,538
Net block			
As at 31 March 2017	-	-	-
As at 31 March 2016	-	-	-
As at 31 March 2015	-	-	-

4 Investments

	As at		
	31 March 2017	31 March 2016	1 April 2015
a) Non-current investments			
Unquoted			
Investments carried at cost			
Investments in equity instruments of Subsidiaries			
33,340 (2016: 16,680; 2015: 16,680) equity shares of ₹10 each fully paid-up in Indore Dewas Tollways Limited.	3,33,400	-	-
1,717,642 (2016: 510,647; 2015: 510,647) equity shares of ₹10 each fully paid-up in HIKR Roadways Limited.	1,71,76,420	-	-
Investments in equity instruments of jointly controlled entities			
990,000 (2016: 990,000; 2015: 990,000) equity shares of ₹10 each fully paid-up in Hyderabad Expressways Limited.	22,38,47,043	-	-
396,000 (2016: 990,000; 2015: 990,000) equity shares of ₹10 each fully paid-up in Cyberabad Expressways Limited.	5,92,07,575	-	-
Nil (2016: 4,936,850; 2015: 4,936,850) equity shares of ₹10 each fully paid-up in Western UP Tollway Limited.	-	-	-



Gayatri Highways Private Limited

(Formerly Gayatri Domicile Private Limited)

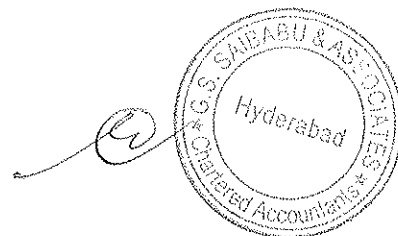
Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

4(a) Non-current investments (Continued...)

21,619,994 (2016: 21,619,994; 2015: 21,619,994) equity shares of ₹10 each fully paid-up in Gayatri Jhansi Roadways Limited.	38,28,94,659	-	-
16,218,000 (2016: 16,218,000; 2015: 16,218,000) equity shares of ₹10 each fully paid-up in Gayatri Lalitpur Roadways Limited.	28,95,64,494	-	-
1,24,60,000 (2016: 1,24,60,000; 2015: 0) equity shares of Rs.10 each fully paid-up in Sai Matarini Tollways Limited	1,79,40,47,807	-	-
Investments in Associates			
49,000 (2016: Nil; 2015: Nil) equity shares of ₹10 each fully paid-up in Balaji Highway Holdings Private Limited.	4,90,000	-	-
Investments in compulsorily convertible debentures of jointly controlled entities			
8,550,000 (2016: 21,375,000; 2015: Nil) debentures of ₹10 each fully paid-up in Cyberabad Expressways Limited.	8,55,00,000	-	-
Total non-current investments	2,85,30,61,398	-	-
Less: Investments held for sale	-	-	-
Net value of non-current investments	2,85,30,61,398	-	-
	2,85,30,61,398	-	-
Aggregate amount of unquoted investments			

Note: The above Investments are recorded as per NCLT order dated 3rd November, 2017, which is effective from 24th November, 2017 and it is disclosed for representation purpose and understanding of the stakeholders.



Gayatri Highways Private Limited
(Formerly Gayatri Domicile Private Limited)
Summary of Significant Accounting Policies and Other Explanatory Information
(All amounts in ₹ unless otherwise stated)

5 Loans

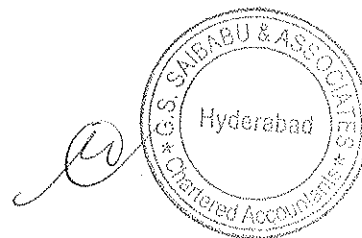
	As at		
	31 March 2017	31 March 2016	1 April 2015
Non-current			
(Unsecured, considered good)			
Loans to related parties			
-Loans to Subsidiary	6,11,52,013	-	-
-Loans to jointly controlled entities	86,93,44,562	-	-
	<u>93,04,96,575</u>	<u>-</u>	<u>-</u>
Current			
(Unsecured, considered good)			
Loans to related parties			
-Loans to jointly controlled entities	23,64,78,663	-	-
	<u>23,64,78,663</u>	<u>-</u>	<u>-</u>

6 Cash and cash equivalents

	As at		
	31 March 2017	31 March 2016	1 April 2015
Balances with banks			
- on current accounts	65,74,712	-	-
Cash on hand	13,541	2,849	2,849
	<u>65,88,253</u>	<u>2,849</u>	<u>2,849</u>

7 Other Current Assets

	As at		
	31 March 2017	31 March 2016	1 April 2015
(a) Miscellaneous Expenditure to the extent not written off	1,91,200	1,91,200	1,91,200
(b) Pre-operative Expenditure	48,080	48,080	48,080
	<u>2,39,280</u>	<u>2,39,280</u>	<u>2,39,280</u>



Gayatri Highways Private Limited
(Formerly Gayatri Domicile Private Limited)
Summary of Significant Accounting Policies and Other Explanatory Information
(All amounts in ₹ unless otherwise stated)

8 Share capital

	As at		31 March 2016		1 April 2015	
	Number	Amount	Number	Amount	Number	Amount
Authorized						
Equity shares of ₹ 10 each	5,00,00,000	50,00,00,000	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Preference shares of ₹ 10 each	18,00,00,000	1,80,00,00,000	-	-	-	-
	23,00,00,000	2,30,00,00,000	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Issued, subscribed and fully paid-up *						
Equity shares of ₹ 10 each	4,79,30,380	47,93,03,800	20,000	2,00,000	20,000	2,00,000
Preference shares of ₹ 10 each	16,77,00,300	1,67,70,03,000	-	-	-	-
	21,56,30,680	2,15,63,06,800	20,000	2,00,000	20,000	2,00,000

*Note: The above capital structure is post NCLT order dated 3rd November, 2017, which is effective from 24th November, 2017 and it is disclosed for representation purpose and understanding of the stakeholders.

(a) Reconciliation of equity shares outstanding at the beginning and end of the reporting period

	As at		31 March 2016		1 April 2015	
	Number	Amount	Number	Amount	Number	Amount
At the beginning of the year	20,000	2,00,000	20,000	2,00,000	20,000	2,00,000
Issued during the year	4,79,10,380	47,91,03,800	-	-	-	-
Balance at the end of the year	4,79,30,380	47,93,03,800	20,000	2,00,000	20,000	2,00,000

Note: The above capital structure is post NCLT order dated 3rd November, 2017, which is effective from 24th November, 2017 and it is disclosed for representation purpose and understanding of the stakeholders.

Reconciliation of preference shares outstanding at the beginning and end of the reporting period

	As at		31 March 2016		1 April 2015	
	Number	Amount	Number	Amount	Number	Amount
At the beginning of the year	-	-	-	-	-	-
Issued during the year	16,77,00,300	1,67,70,03,000	-	-	-	-
Balance at the end of the year	16,77,00,300	1,67,70,03,000	-	-	-	-

Note: The above capital structure is post NCLT order dated 3rd November, 2017, which is effective from 24th November, 2017 and it is disclosed for representation purpose and understanding of the stakeholders.



Gayatri Highways Private Limited
(Formerly Gayatri Domicile Private Limited)
Summary of Significant Accounting Policies and Other Explanatory Information
(All amounts in ₹ unless otherwise stated)

8 Share Capital (Continued...)

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing annual general meeting.

The Company has only one class of redeemable preference shares having a par value of ₹10 per share. Each holder of preference shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing annual general meeting.

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.

(c) Shares held by holding company : Nil

(d) Details of shareholders holding more than 5% shares in the Company

	As at					
	31 March 2017		31 March 2016		1 April 2015	
	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding
Equity Shares						
Gayatri Projects Limited	1,24,80,000	26.04%	-	0.00%	-	0.00%
Sri T.V. Sandeep Kumar Reddy	54,03,962	11.27%	8,000	40.00%	8,000	40.00%
Smt T. Indira Subbarani Reddy	1,14,25,900	23.84%	6,000	30.00%	6,000	30.00%
Smt T. Sauri Reddy	160	0.00%	6,000	30.00%	6,000	30.00%
Sri J. Brij Mohan Reddy	450	0.00%	-	0.00%	-	0.00%
Smt G. Sulochanamma	470	0.00%	-	0.00%	-	0.00%
PUBLIC	1,86,19,438	38.85%	-	0.00%	-	0.00%
Preference Shares						
Gayatri Projects Limited	16,77,00,300	100.00%	-	0.00%	-	0.00%

Note: The above capital structure is post NCLT order dated 3rd November, 2017, which is effective from 24th November, 2017 and it is disclosed for representation purpose and understanding of the stakeholders.

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



Gayatri Highways Private Limited
 (Formerly Gayatri Domicile Private Limited)
Summary of Significant Accounting Policies and Other Explanatory Information
 (All amounts in ₹ unless otherwise stated)

9 Other equity

	As at		
	31 March 2017	31 March 2016	1 April 2015
Capital Reserve			
Capital Reserve generated on demerger of Infrastructure BOT assets from GPL to GHPL	24,35,25,505	-	-
Retained earnings			
Balance as per last audited financial statements	(70,126)	(37,955)	-
Add: Loss for the year	(23,592)	(32,171)	-
Add: Financial guarantee given on behalf of holding company	-	-	-
Balance at the end of the year	<u>(93,718)</u>	<u>(70,126)</u>	<u>(37,955)</u>
Total other equity	<u>24,34,31,787</u>	<u>(70,126)</u>	<u>(37,955)</u>

10 Borrowings

	As at		
	31 March 2017	31 March 2016	1 April 2015
(a) Non-current borrowings			
Term loans			
Unsecured			
From related party	-	-	-
From others	1,23,50,00,000	-	-
Less: Current maturities of long-term borrowings (refer note 12)	-	-	-
	<u>1,23,50,00,000</u>	<u>-</u>	<u>-</u>
(b) Short-term borrowing			
Loans repayable on demand			
Unsecured			
From related party	21,74,77,704	-	-
From Others	1,41,799	1,08,884	76,713
	<u>21,76,19,503</u>	<u>1,08,884</u>	<u>76,713</u>

- i) Term loans from others aggregating to ₹ 1,235,000,000 (31 March 2016: Nil; 31 March 2015: Nil) is secured by way of;
- (a) pledge of 1,180,555 Equity shares held by the company, M/s Gayatri Projects Ltd, providing a minimum cover of twice the facility amount;
- (b) corporate guarantee of Gayatri Projects Limited;
- (c) personal guarantee of Mr. T V Sandeep Kumar Reddy; and
- (d) demand promissory note.
- ii) Terms of repayment

	As at		
	31 March 2017	31 March 2016	1 April 2015
Up to 1 year	-	-	-
2 to 5 years	1,23,50,00,000	-	-
Above 5 years	-	-	-
	<u>1,23,50,00,000</u>	<u>-</u>	<u>-</u>

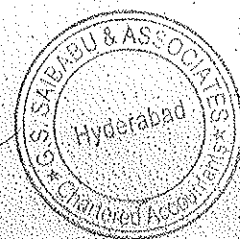
- iii) The above facilities carry an annual interest rate of 15% (31 March 2016: 16% and 31 March 2015: 16%).

iv) Loan covenants

Bank loans contain certain information covenants relating to submission of audited financial statements within specified time period and quarterly updates on operations of the entity. The company has satisfied all debt covenants prescribed in the terms of bank loan.

- v) Short-term borrowing represents interest free loans repayable on demand.

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Gayatri Highways Private Limited

(Formerly Gayatri Domicile Private Limited)

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

- 11 (a) Trade payables are non-interest bearing and are normally settled within 90 days
 (b) The identification of micro, small and medium enterprise suppliers as defined under the provisions of "Micro, small and medium enterprises Act, 2006" is based on Management's knowledge of their status. There are no dues to micro, small and medium enterprises as on 31 March 2017 or 31 March 2016 or 1 April 2015.

12 Other financial liabilities

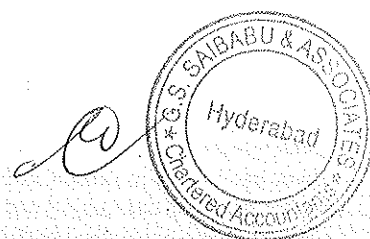
	As at		
	31 March 2017	31 March 2016	1 April 2015
At amortised cost			
Current maturities of long-term borrowings (refer note 10)	-	-	-
Creditors for expenses	1,06,57,404	-	-
Interest accrued but not due on borrowings	4,68,48,504	-	-
Financial guarantee	10,74,94,677	-	-
	16,50,00,585	-	-

13 Other Current liabilities

	As at		
	31 March 2017	31 March 2016	1 April 2015
Statutory liabilities	2,03,00,268	-	-
Short Term Provisions	3,000	3,371	3,371
	2,03,03,268	3,371	3,371

14 Other expenses

	For the year ended	
	31 March 2017	31 March 2016
Rates and taxes	17,915	28,800
Bank Charges	2,677	
Auditor's remuneration (refer note below)	3,000	3,371
	23,592	32,171
Auditor's remuneration		
	For the year ended	
	31 March 2017	31 March 2016
-as auditor	3,000	3,371
	3,000	3,371



Gayatri Highways Private Limited

(Formerly Gayatri Domicile Private Limited)

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

15 Income taxes

The following table provides the details of income tax assets

	As at		
	31 March 2017	31 March 2016	1 April 2015
Advance tax, net of provision	33,54,381	-	-
	33,54,381	-	-

16 Breakup of financial assets and financial liabilities carried at amortized cost

	As at		
	31 March 2017	31 March 2016	1 April 2015
Financial assets			
Trade receivables	-	-	-
Cash and cash equivalents	65,88,253	2,849	2,849
Loans	1,16,69,75,238	-	-
Total	1,17,35,63,491	2,849	2,849
Financial liabilities			
Borrowings	1,45,26,19,503	1,08,884	76,713
Trade payables	1,11,800	-	-
Other financial liabilities	16,50,00,585	-	-
Total	1,61,77,31,888	1,08,884	76,713

17 Significant accounting judgements, estimates and assumptions

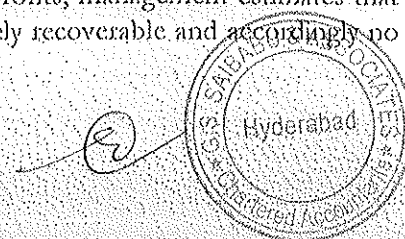
The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Recoverability of investments in jointly controlled entities and fellow subsidiaries

The Investments of the Company includes investments made in equity shares of jointly controlled entities and fellow subsidiaries amounting to ₹ 1,046,287,041 and advances receivable from these entities as on 31 March 2017 amounting to ₹ 1,165,906,073 appearing in loans. On the basis of status of operations, continuous support from lenders and the future ability of these entities to operate in profits, management estimates that the investments in and advances receivable from these entities are completely recoverable and accordingly no adjustment is made to that effect in financial statements.



Gayatri Highways Private Limited

(Formerly Gayatri Domicile Private Limited)

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

18 Fair Values

The management assessed that cash and cash equivalents, trade receivables, loans, trade payables, borrowings, other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments or as they carry market rate of interest.

19 Financial risk management objectives and policies

The Company's principal financial liabilities, comprises of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior management provides assurance to the Company's Board of Directors that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings.

Interest rate risk

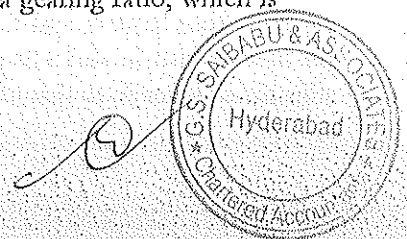
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its financial instruments in the form of loans to jointly controlled entities, fellow subsidiaries and others.

c) Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.



Gayatri Highways Private Limited

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Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

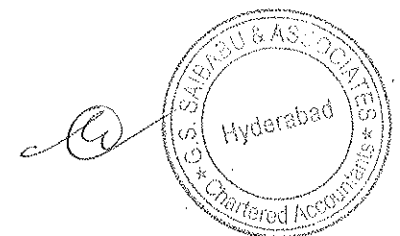
20 Contingent liabilities

	As at		
	31 March 2017	31 March 2016	1 April 2015
Disputed income tax dues	8,92,926	-	-
Pledge of equity shares held in jointly controlled entities for loans taken by them			
Gayatri Jhansi Roadways Limited	1,24,62,97,646	-	-
Gayatri Lalitpur Roadways Limited	92,12,48,174	-	-
HKR Roadways Limited	1,57,79,09,300	-	-
Corporate guarantee given to lenders of Indore Dewas Tollway Limited	6,26,13,00,000	-	-

The Company has extended certain corporate guarantees to the lenders of the group entities in accordance with the contractual terms entered into with them. The management, on the basis of assessment of the nature of business activities carried on, is of the view that the provisions of Section 186 of the Act is not applicable to the Company as it does get classified as a Company carrying on "Infrastructural Projects" as defined in Schedule VI to the Act.

21 Related party disclosures**a) Name of related parties and nature of relationship**

Name of the related party	Nature of relationship
Sai Matarini Tollways Limited	Wholly owned Subsidiaries
Indore Dewas Tollways Limited	
Balaji Highways Holding Private Limited	Associate
Gayatri Jhansi Roadways Limited	Jointly controlled entities
Gayatri Lalitpur Roadways Limited	
Hyderabad Expressways Limited	
Cyberabad Expressways Limited	
HKR Roadways Limited	



Gayatri Highways Private Limited
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Summary of Significant Accounting Policies and Other Explanatory Information
(All amounts in ₹ unless otherwise stated)

22 First-time adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

Exemptions availed:

Set out below are the applicable Ind AS 101 exemptions applied in the transition from previous GAAP to Ind AS:

Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value of all property, plant and equipment as recognised in the financial statements as on the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustment to de-commissioning liabilities.

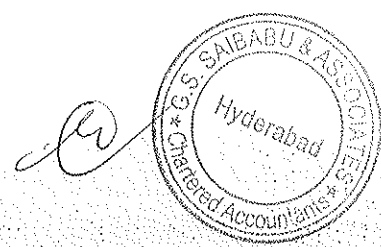
Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying values.

a. Fair valuation of interest free loans given to jointly controlled entities

Under previous GAAP, the loans given to jointly controlled entities are recorded at transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly the Company has fair valued these loans under Ind AS. The difference between the carrying value and the fair value on the date of transaction has been treated as investment made in the jointly controlled entities and finance income on these loans from the date of transaction till the date of transition has been treated as an increase in Retained earnings as on date of transition i.e. 1 April 2015. Further, the finance income for the year ended 31 March 2016 and 31 March 2017 is treated as an income in the Statement of Profit and Loss for respective financial years.

b. Fair valuation of interest free loans given to fellow subsidiaries

Under previous GAAP, the loans given to fellow subsidiaries are recorded at transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly the Company has fair valued these loans under Ind AS. The difference between the carrying value and the fair value on the date of transaction has been treated as dividend paid to Holding Company i.e. Gayatri Projects Limited and finance income on these loans from the date of transaction till the date of transition has been treated as an increase in Retained earnings as on date of transition i.e. 1 April 2015. Further, the finance income for the year ended 31 March 2016 and 31 March 2017 is treated as an income in the Statement of Profit and Loss for respective financial years.



Gayatri Highways Private Limited
 (Formerly Gayatri Domicile Private Limited)
Summary of Significant Accounting Policies and Other Explanatory Information
 (All amounts in ₹ unless otherwise stated)

Note on First-time adoption of Ind AS

c. Fair valuation of financial guarantee given to lenders of jointly controlled entities

Under previous GAAP, the financial guarantees given to lenders of jointly controlled entities were shown as Contingent liabilities in the notes to financial statements and the same were not recorded. Under Ind AS, all financial guarantee contracts are required to be recognised as financial liability at the time of issuance of such guarantee. The financial liability has been recorded at its fair value initially and subsequently recorded at higher of amount recognised in accordance with Ind AS 37 or initially recognised amount less amortisation of fair value. In case of the financial guarantees given to lenders of jointly controlled entities with no compensation, the fair value is recorded as part of cost of investment made in that jointly controlled entity. The fair value is measured at the present value of the guarantee commission income over the effective period of the guarantee. The guarantee commission income from the date of guarantee till the date of transition has been treated as an increase in Retained earnings as on date of transition i.e. 1 April 2015. Further, the financial guarantee income for the year ended 31 March 2016 and 31 March 2017 is treated as an income in the Statement of Profit and Loss for respective financial years.

d. Fair valuation of financial guarantee given to lenders fellow subsidiary

Under previous GAAP, the financial guarantees given to lenders of fellow subsidiaries were shown as Contingent liabilities in the notes to financial statements and the same were not recorded. Under Ind AS, all financial guarantee contracts are required to be recognised as financial liability at the time of issuance of such guarantee. The financial liability has been recorded at its fair value initially and subsequently recorded at higher of amount recognised in accordance with Ind AS 37 or initially recognised amount less amortisation of fair value. In case of the financial guarantees given to lenders of fellow subsidiaries with no compensation, the fair value is recorded as dividend paid to the Holding Company. The fair value is measured at the present value of the guarantee commission income over the effective period of the guarantee. The guarantee commission income from the date of guarantee till the date of transition has been treated as an increase in Retained earnings as on date of transition i.e. 1 April 2015. Further, the financial guarantee income for the year ended 31 March 2016 and 31 March 2017 is treated as an income in the Statement of Profit and Loss for respective financial years.

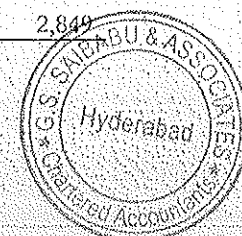
e. Loss on account of sale of investments in jointly controlled entity

Under previous GAAP, the loans given to jointly controlled entity are recorded at transaction value and the current investments are shown at lower of cost and net realisable value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly the Company has fair valued the loan given to its jointly controlled entity - Cyberabad Expressways Limited (CEL) under Ind AS. The difference between the carrying value and the fair value on the date of transaction has been treated as investment made in the jointly controlled entity.

The Company has recorded additional loss on account of imputation of interest on interest free loans given to Cyberabad Expressways Limited.

23 Specified bank notes (SBN)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	-	2,849	2,849
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
Closing cash in hand as on 30 December 2016	-	2,849	2,849



Gayatri Highways Private Limited

(Formerly Gayatri Domicile Private Limited)

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

- 24 The Company's principal objectives are to provide infrastructural facilities either on its own or through incorporating and investing in special purpose vehicles. Consequently, the Company has significant investments in its jointly controlled companies and other entities. On the basis of assessment of the nature of business of the Company, duly supported by an independent opinion from an expert, the management is of the view that the Company is not a Non banking financial institution under the provisions of Section 45-IA of the Reserve Bank of India Act, 1934.
- 25 The Company has been incurring operating losses during the past few years and the current liabilities of the Company exceeds its current assets. This matter is raising substantial doubt on Company's ability to continue as a going concern in foreseeable future. Notwithstanding the above, the accompanying financial statements has been prepared on going concern basis as the holding company has guaranteed support to the Company and management believes that the jointly controlled entities will generate sufficient cash flows to support the Company.

26 Segment reporting

Based on the Company's business model and considering the internal financial reporting to the management, the Company has identified only one reportable segment i.e. "construction, operations and maintenance of roads, highways, vehicle bridges and tunnels and toll roads"

This is the Summary of Significant Accounting Policies and Other Explanatory Information referred to in our report of even date

For **G.S. Sai Babu & Associates**

Chartered Accountants

Firm Regn. No: 0142078

Sayta Sai Babu Guddam

Proprietor

M.No.:208341

Place: Hyderabad

Date: 24-11-2017

For and on behalf of Board of directors of

Gayatri Highways Private Limited

T. Sarita Reddy

Director

DIN: 000017122

P Purnachandra Rao

Director

DIN:02230190

INDEPENDENT AUDITOR'S REPORT

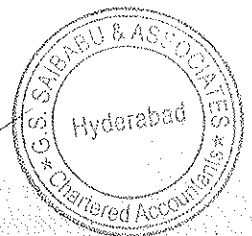
To the Members of GAYATRI HIGHWAYS PRIVATE LIMITED (Formerly GAYATRI DOMICILE PRIVATE LIMITED)

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Gayatri Highways Private Limited ("the Holding Company") (Formerly Gayatri Domicile Private Limited) and its subsidiaries, associate and joint ventures, which comprise the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information. These consolidated financial statements are prepared as per NCLT Order dated 3rd November, 2017, and it is for representation purpose and understanding of the stakeholders.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Holding Company and its subsidiaries, associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The Holding Company's Board of Directors and the respective Board of Directors of the joint ventures are responsible for 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. Further, in terms of the provisions of the Act, the respective Board of Directors of the Holding Company and its joint venture companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.



Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.
6. 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 misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

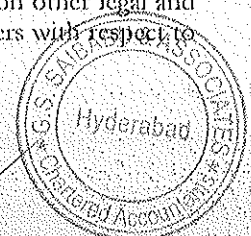
8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the joint ventures, the aforesaid consolidated financial statements 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, of the consolidated state of affairs (consolidated financial position) of the Holding Company and its joint ventures as at 31 March 2017, and their consolidated profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matter

9. We did not audit the financial statements of two subsidiaries, one associate and five joint ventures, in which the Company's share of loss aggregated to ₹569,376,971 for the year ended 31 March 2017, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint ventures, is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

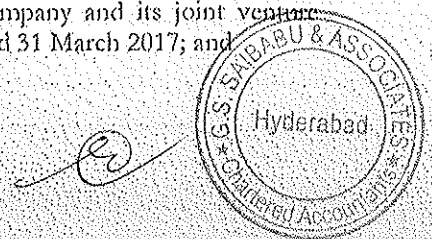
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10. The company had required to prepare separate sets of consolidated financial statements for the year ended 31 March 2016 and 31 March 2015 as this is the first year it is applicable. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the joint ventures, we report, to the extent applicable, that:
- a) We have sought and except as discussed in paragraph 11(g)(iv), obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;
 - e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its joint venture companies covered under the Act, none of the directors of the Holding Company and its joint venture companies covered under the Act, are disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and joint venture companies covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure I'; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the joint ventures:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding company and its joint ventures as detailed in Note 26 to the consolidated financial statements;
 - (ii) The Holding Company and its joint ventures did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its joint venture companies covered under the Act during the year ended 31 March 2017; and



- (iv) These consolidated financial statements have made requisite disclosures in Note 31 as to holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 by the Holding Company covered under the Act. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with the books of account maintained by the Holding Company.
- (v) the Company, during the year has received NCLT order vide dated 3rd November 2017 approving Composite scheme of arrangement between Gayatri Projects Limited, Gayatri Infra Ventures Limited, Gayatri Highways Private Limited and their respective Shareholders, accordingly the consolidated financial statements are prepared considering the effect of the said order.

For **G.S.SAI BABU & ASSOCIATES**

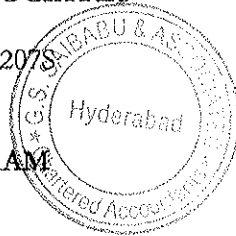
Chartered Accountants

Firm's Registration No.: 0142078


SATYA SAI BABU GURRAM

Proprietor

Membership No: 208341



Place: Hyderabad

Date: 24-11-2017

Annexure I to the Independent Auditor's Report of even date to the members of Gayatri Highways Private Limited on the consolidated financial statements for the year ended 31 March 2017

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

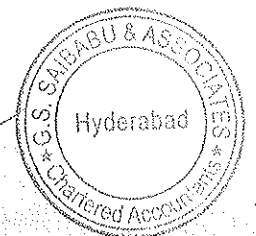
1. In conjunction with our audit of the consolidated financial statements of Gayatri Highways Private Limited ('the Holding Company'), and its joint ventures as at and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company and joint venture companies, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiaries, associate and joint venture companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its joint venture companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, and its joint venture companies as aforesaid.



Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on IFCoFR of the joint venture companies, the Holding Company and its joint venture companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Holding Company and its joint venture companies, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. We did not audit the IFCoFR in so far as it relates to four joint venture companies, which are Companies covered under the Act, in which the Company's share of profit aggregated to ₹17,069,903 for the year ended 31 March 2017, as considered in the consolidated financial statements. The IFCoFR in so far as it relates to such joint venture companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company and its joint venture companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such joint venture companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For G.S.SAI BABU & ASSOCIATES

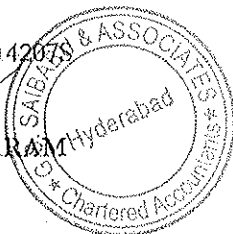
Chartered Accountants

Firm's Registration No.: 0142073

SATYA SAI BABU GURRAM

Proprietor

Membership No: 208341



Place: Hyderabad

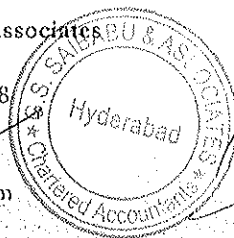
Date: 24-11-2017

Gayatri Highways Private Limited
(Formerly Gayatri Domicile Private Limited)
Consolidated Balance Sheet as at 31 March 2017
(All amounts in ₹ unless otherwise stated)

	Notes	As at		
		31 March 2017	31 March 2016	1 April 2015
Assets				
Non-current assets				
Property, plant and equipment	6	32,17,751	-	-
Intangible Assets				
- Goodwill	20	50,99,20,882	-	-
- under SCA	7	8,09,55,04,478	-	-
- Intangible assets under development	7	17,31,45,76,707	-	-
Financial assets				
- Investments	8	48,96,68,688	-	-
- Loans	9	86,93,44,562	-	-
Other Non-Current Assets	10	15,18,45,522	-	-
Income tax assets, net	21	11,15,62,847	-	-
		<u>27,54,56,41,438</u>	-	-
Current assets				
Financial assets				
- Cash and cash equivalents	11	42,72,49,543	2,849	2,849
- Loans	9	23,64,78,663	-	-
Other Current Assets	12	6,60,68,522	2,39,280	2,39,280
		<u>72,97,96,728</u>	<u>2,42,129</u>	<u>2,42,129</u>
Total assets		<u>28,27,54,38,166</u>	<u>2,42,129</u>	<u>2,42,129</u>
Equity and liabilities				
Equity				
Equity share capital	13	47,93,03,800	2,00,000	2,00,000
Preference share capital	13	1,67,70,03,000	-	-
Other equity	14	(32,59,45,184)	(70,126)	(37,955)
Total Equity		<u>1,83,03,61,616</u>	<u>1,29,874</u>	<u>1,62,045</u>
Non-current Liabilities				
Financial liabilities				
- Borrowings	15(a)	21,96,84,44,158	-	-
Other Non-Current Liabilities	16	3,22,37,95,616	-	-
Current liabilities				
Financial liabilities				
-Short-tem borrowings	15(b)	21,76,19,503	1,08,884	76,713
-Trade payables	16	1,56,26,616	-	-
-Other financial liabilities	17	27,49,33,521	-	-
Other current liabilities	18	74,46,57,137	3,371	3,371
Total liabilities		<u>26,44,50,76,550</u>	<u>1,12,255</u>	<u>80,084</u>
Total equity and liabilities		<u>28,27,54,38,166</u>	<u>2,42,129</u>	<u>2,42,129</u>

The accompanying notes form an integral part of the financial statements.
This is the Balance Sheet referred to in our report
of even date.

For G.S. Sai Babu & Associates
Chartered Accountants
Firm Regn. No: 0142078



Sayta Sai Babu Gurram
Proprietor
M.No.:208341
Place: Hyderabad
Date: 24-11-2017

For and on behalf of Board of directors of
Gayatri Highways Private Limited

T. Sarita Reddy P. Prnachandra Rao
Director Director
DIN: 000017122 DIN:02230190

Gayatri Highways Private Limited

(Formerly Gayatri Domicile Private Limited)

Consolidated Statement of Profit and Loss for the year ended 31 March 2017

(All amounts in ₹ unless otherwise stated)

	Notes	For the year ended	
		31 March 2017	31 March 2016
Other income		-	-
Construction income		6,76,23,48,523	-
Total income		6,76,23,48,523	-
Expenses			
Construction Expenses		6,76,23,48,523	-
Employee benefits expense		-	-
Finance costs		-	-
Depreciation expense	6(a)	-	-
Other expenses	19	3,89,060	32,171
Total expense		6,76,27,37,583	32,171
Loss before exceptional items and tax		(3,89,060)	(32,171)
Exceptional item		-	-
Loss before tax		(3,89,060)	(32,171)
Current tax		-	-
Loss for the year		(3,89,060)	(32,171)
Other comprehensive income		-	-
Share of profits/ (losses) in the Jointly controlled entities		(56,90,11,503)	-
Total comprehensive loss for the year		(56,94,00,563)	(32,171)
Earnings per equity share (EPES)			
Basic		(11.88)	(1.61)
Diluted		(2.64)	(1.61)

The accompanying notes form an integral part of the financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For G.S. Sai Babu & Associates

Chartered Accountants

Firm Regn. No: 0142078

Sayta Sai Babu Gurram

Proprietor

M.No.:208341

Place: Hyderabad

Date: 26-11-2017

For and on behalf of Board of directors of

Gayatri Highways Private Limited

T. Sarita Reddy

Director

DIN: 000017122

P Purnachandra Rao

Director

DIN:02230190

Gayatri Highways Private Limited

(Formerly Gayatri Domicile Private Limited)

Consolidated Statement of Changes in Equity for the year ended 31 March 2017

(All amounts in ₹ unless otherwise stated)

(a) Share capital

	Number	Amount
(i) Equity Share capital		
Equity shares of ₹10 each issued, subscribed and fully paid		
At 1 April 2015	20,000	2,00,000
At 31 March 2016	20,000	2,00,000
At 31 March 2017	<u>4,79,30,380</u>	<u>47,93,03,800</u>
(ii) Preference Share capital		
Redeemable Preference shares of ₹10 each issued, subscribed and fully paid		
At 1 April 2015	-	-
At 31 March 2016	-	-
At 31 March 2017	<u>16,77,00,300</u>	<u>1,67,70,03,000</u>

Note: The above capital structure is post NCLT order dated 3rd November, 2017, which is effective from 24th November, 2017 and it is disclosed for representation purpose and understanding of the stakeholders.

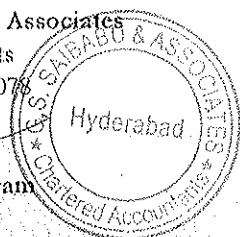
(b) Other equity

	Capital Reserve	Retained earnings	Total equity
Balance as of 1 April 2015	-	(37,955)	(37,955)
Loss for the year	-	(32,171)	(32,171)
Other comprehensive income	-	-	-
Add: Financial guarantee given on behalf of holding company	-	-	-
Balance as of 31 March 2016	-	<u>(70,126)</u>	<u>(70,126)</u>
Balance as of 1 April 2016	-	(70,126)	(70,126)
Loss for the year	-	(56,94,00,563)	(56,94,00,563)
Add: Capital Reserve generated on demerger of Infrastructure BOT assets from GPL to GHPL	24,35,25,505	-	24,35,25,505
Other comprehensive income	-	-	-
Balance as of 31 March 2017	<u>24,35,25,505</u>	<u>(56,94,70,689)</u>	<u>(32,59,45,184)</u>

This is the Statement of Changes in Equity referred to in our report of even date.

For G.S. Sai Babu & Associates
Chartered Accountants
Firm Regn. No: 0142076

Sayta Sai Babu Gurram
Proprietor
M.No.:208341
Place: Hyderabad
Date: 24-11-2017



For and on behalf of Board of directors of
Gayatri Highways Private Limited

T. Sarita Reddy
Director
DIN: 000017122

P Purnachandra Rao
Director
DIN:02230190

Gayatri Highways Private Limited

(Formerly Gayatri Domicile Private Limited)

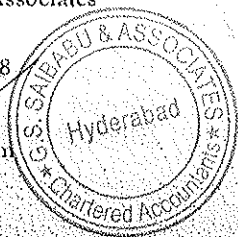
Consolidated Statement of Cash flows for the year ended 31 March 2017

(All amounts in ₹ unless otherwise stated)

	For the year ended	
	31 March 2017	31 March 2016
Cash flows from operating activities		
Loss before tax	(3,89,060)	(32,171)
Adjustments for:		
Depreciation expense	-	-
Interest income and financial guarantee income	-	-
Loss on sale of investments	-	-
Loss on Consolidation	(56,90,11,503)	-
Interest expense	-	-
Operating loss before working capital changes	(56,94,00,563)	(32,171)
Changes in working capital:		
Increase in trade payables	1,56,26,616	-
Increase/(decrease) in other non-current liabilities	3,22,37,95,616	-
Increase/(decrease) in other current liabilities	1,01,95,87,287	-
Increase/(decrease) in other non-current assets	(15,18,45,522)	-
Increase/(decrease) in other current assets	(6,58,29,242)	-
Decrease in trade receivables	-	-
Decrease in loans and advances	(1,10,58,23,225)	-
Cash generated in operating activities	2,36,61,10,966	(32,171)
Less: Income taxes refund received / (paid)	(11,15,62,847)	-
Net cash generated from operating activities	A 2,25,45,48,119	(32,171)
Cash flows from investing activities		
Interest received	-	-
Investments transferred from GPL	(48,96,68,688)	-
Fixed Assets recognised on Consolidation	(25,41,32,98,937)	-
Goodwill recognised on Consolidation	(50,23,65,689)	-
Goodwill recognised on acquisition of Subsidiary	(75,55,193)	-
Capital Reserve on Demerger of GPL to GHPL	24,35,25,505	-
Proceeds from sale of investments	-	-
Net cash generated from investing activities	B (26,16,93,63,002)	-
Cash flows from financing activities		
Interest paid	-	-
Proceeds from Equity Share Capital	47,91,03,800	-
Proceeds from Preference Share Capital	1,67,70,03,000	-
Proceeds from short-term borrowings, net	21,75,10,619	32,171
Repayment of long-term borrowings	-	-
Proceeds from long-term borrowings	21,96,84,44,158	-
Net cash used in financing activities	C 24,34,20,61,577	32,171
Net increase/(decrease) in cash and cash equivalents	(A+B+C) 42,72,46,694	-
Cash and cash equivalents at the beginning of the year	2,849	2,849
Cash and cash equivalents at the end of the year	42,72,49,543	2,849
Cash and cash equivalents comprises of:		
Cash on hand	12,67,509	2,849
Balances with banks in current accounts	2,24,97,431	-
Balances with banks in FDs	40,34,84,603	-
	42,72,49,543	2,849

This is the Cash Flow Statement referred to in our report of even date.

For G.S. Sai Babu & Associates
Chartered Accountants
Firm Regn. No. 0142078



Sayta Sai Babu Gurram
Proprietor
M.No. 208341
Place: Hyderabad
Date: 27/11/2017

For and on behalf of Board of directors of
Gayatri Highways Private Limited

T. Sarita Reddy
Director
DIN: 000017122

P. Purnachandra Rao
Director
DIN: 02230190

Gayatri Highways Private Limited

(Formerly Gayatri Domicile Private Limited)

Summary of Significant Accounting Policies and Other Explanatory Information for Consolidation

(All amounts in ₹ unless otherwise stated)

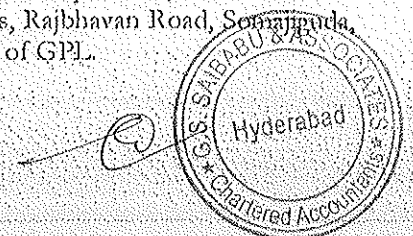
1. Corporate information

Gayatri Highways Private Limited - GHPL ("the Company") (Formerly Gayatri Domicile Private Limited - GDPL) was incorporated during the year 2006 in accordance with the provisions of Companies Act, 1956. The Company on its own and through its jointly controlled entities is in the business of construction, operations and maintenance of carriageways on toll and annuity basis pursuant to the development agreements with the National and State Governments and makes investments in companies engaged in the construction, operations and maintenance of roads, highways, vehicle bridges and tunnels and toll roads. The registered office of the Company is located in 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad.

2. Note on Composite Scheme of Arrangement:

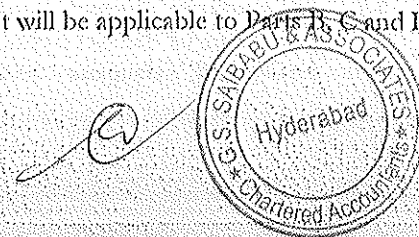
General

- 1.1 Gayatri Projects Limited ("the Transferee Company" or "the Demerged Company" or "GPL") is a public limited company incorporated on 15th September, 1989 under the provisions of the Act under the name and style of "Andhra Coastal Constructions Private Limited". The name was then changed to "Gayatri Projects Private Limited" on 31st March, 1994, and subsequently on conversion into a public limited company the name was changed to its present name of "Gayatri Projects Limited". The registered office of the Demerged Company is situated at TSR Towers, B-1, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad, Telangana - 500082, India. The equity shares of the Demerged Company are listed on BSE Limited and National Stock Exchange of India Limited.
- 1.2 GPL is an infrastructure and construction company with a presence across the segment, and a special focus on road and irrigation projects. GPL has been executing construction orders across the country over last 50 years and owns almost all its equipment, enabling optimal cost control. Its two subsidiaries, Gayatri Infra Ventures Ltd ("GIVL") and Gayatri Energy Ventures Private Ltd ("GEVPL"), are the Asset Development arms for the Company. GIVL the road development arm and associate GPL entities are working on 6 operating and 1 under-construction projects, adding up to gross capital employed in excess of Rs. 5000 cr. GEVPL was set up to undertake power generation projects.
- 1.3 Gayatri Infra Ventures Limited ("the Transferor Company" or "GIVL") is a company incorporated on 22nd January, 2008 under the provisions of the Act having its registered office at 1st Floor, TSR Towers, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad, Kurnool, Telangana - 500082 India. GIVL is a 70.59% subsidiary of GPL, while the balance shareholding of 29.41% is held by AMP Capital Finance Mauritius Limited. There is a definitive agreement in place between GPL and AMP Capital Finance Mauritius Limited for the acquisition of the balance shareholding in GIVL. Pursuant to the share purchase, GIVL would become a wholly-owned subsidiary of GPL.
- 1.4 GIVL is a single holding company of the SPVs of BOT projects. Currently GIVL has portfolio of 6 BOT projects, which comprises of 4 annuity BOT projects and 2 toll BOT project. All the projects have achieved their financial closure.
- 1.5 Gayatri Domicile Private Limited ("the Resulting Company" or "GDPL") is a private limited company incorporated on 28th December, 2006 under the provisions of the Act having its registered office at 1st Floor, TSR Towers, 6-3-1090, Rajbhavan Road, Somajiguda Hyderabad, Telangana - 500082 India. The Resulting Company is a wholly-owned subsidiary of GPL.
- 1.6 The Resulting Co is proposed to be engaged in the business of construction and other allied construction activities.
- 1.7 Sai Maatarini Tollways Limited ("SMTL") is a company incorporated on 8th September, 2011 under the provisions of the Act having its registered office at 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad, Telangana - 500082 India. SMTL is a wholly-owned subsidiary of GPL.



Gayatri Highways Private Limited
(Formerly Gayatri Domicile Private Limited)
Summary of Significant Accounting Policies and Other Explanatory Information for Consolidation
(All amounts in ₹ unless otherwise stated)

- 1.8 SMTL is a Special Purpose Company promoted by GPL. GPL was granted the contract from NHAI. The project involves Four-Laning of Panikoili-Rimuli Section of NH-215 from Km.0.00 to Km.163.00 (Design Length 166.173) in the State of Orissa under NHDP Phase – III as BOT (Toll) project on Design, Construction, Finance, Operation and Maintenance under Private Public Partnership on “DBFOT” Basis.
- 1.9 This Composite Scheme of Arrangement provides for:
- 1.9.1 Transfer of investments in SMTL from GPL to GDPL, and the consequent discharge of consideration by GDPL to GPL
 - 1.9.2 Post transfer of investments, merger of GIVL with GPL
 - 1.9.3 Post merger of GIVL with GPL, transfer of Infrastructure Road BOT Assets Business from the Demerged Company to the Resulting Company and the consequent discharge of consideration by the Resulting Company to the Demerged Company, pursuant to the relevant provisions of the Act.
- 1.10 This Scheme also makes provision for various other matters consequential or related thereto and otherwise integrally connected therewith.
- 1.11 Rationale for the Scheme:
- 1.11.1 In order to achieve better management and to have clear focus on business operations, the management of Demerged Company has decided to demerge Infrastructure Road BOT Assets Business, thereby transferring Infrastructure Road BOT Assets Business (as defined hereinafter) of GPL to GDPL, in the interests of maximizing overall shareholder value.
 - 1.11.2 Therefore, with a view to effect such plan, the Board of Directors of Demerged Company and the Resulting Company proposes that the Infrastructure Road BOT Assets Business of the Demerged Company be transferred to and vested in the Resulting Company on a going concern basis to be undertaken through this Scheme (as defined hereinafter) under the provisions of Sections 391 to 394 read with relevant provisions of the Companies Act, 1956 and the Companies Act, 2013, for such consideration and in such manner as provided for in this Scheme (as defined hereinafter).
 - 1.11.3 Accordingly, this Scheme under Sections 391 to 394 and applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, has been proposed to provide for transfer of Infrastructure Road BOT Assets Business of the Demerged Company by way of demerger to the Resulting Company.
 - 1.11.4 Upon the sanction of the Scheme by the High Court (as defined hereinafter) and the Composite Scheme becoming effective on the Effective Date (as defined hereinafter), the Infrastructure Road BOT Assets Business of the Demerged Company shall stand transferred to, and be vested in, the Resulting Company on and from the Appointed Date for all intent and purposes.
- 1.12 The Composite Scheme is divided into the following parts:
- 1.12.1 Part A deals with the introductions and definitions;
 - 1.12.2 Part B deals with transfer of investments in SMTL from GPL to GDPL
 - 1.12.3 Part C deals with amalgamation of GIVL with GPL
 - 1.12.4 Part D deals with Transfer of Infrastructure Road BOT Assets Business from GPL to GDPL by way of demerger, i.e., all investments in Infrastructure Road BOT Assets of any nature including investments in Gayatri Jhansi Roadways Ltd (“GJRL”), Gayatri Lalitpur Roadways Ltd (“GLRL”), Hyderabad Expressways Ltd (“HEL”), Cyberabad Expressways Ltd (“CEL”), Indore Dewas Tollways Ltd (“IDTL”), Balaji Highways Holdings Pvt Ltd (“BHHL”), HKR Roadways Ltd (“HKRRL”) and all other interest pertaining or relatable to these investments in Infrastructure Road BOT Assets Business and
 - 1.12.5 Part E deals with the general terms and conditions that will be applicable to Parts B, C and D of the Scheme.



Gayatri Highways Private Limited

(Formerly Gayatri Domicile Private Limited)

Summary of Significant Accounting Policies and Other Explanatory Information for Consolidation

(All amounts in ₹ unless otherwise stated)

- 1.13 "Appointed Date" for the purpose of the amalgamation of GIVL with GPL as mentioned in Part C of this Scheme, and Income Tax Act, 1961 means April 1, 2016 or such other date as the Court or National Company Law Tribunal, as the case may be, under Section 391 to 394 of the Act may direct or approve;
- 1.14 "Appointed Date" for the purpose of transfer of Infrastructure Road BOT Assets Business from GPL to GDPL by way of demerger as mentioned in Part D of this Scheme, and Income Tax Act, 1961 means March 31, 2017 or such other date as the Court or National Company Law Tribunal, as the case may be, under Section 391 to 394 of the Act may direct or approve;
- 1.15 "Effective Date" means the date on which the last of the consents, approvals, permissions, resolutions and orders as mentioned in Clause 31 shall be obtained or passed; or date on which the certified copy of the Order of the High Court sanctioning the Scheme is filed with the Registrar of Companies, Hyderabad, Telangana; whichever is later.

Implication

The National Company Law Tribunal (NCLT) vide its order Nos.

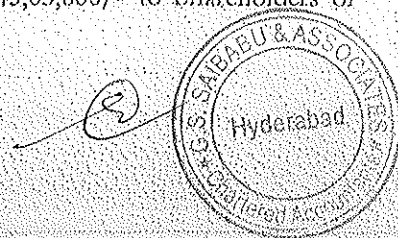
- a) C.P.(CAA) No.29/230/HDB/2017 under section 230 and section 232 of the Companies Act, 2013, dated 3rd November, 2017 – in the matter of Gayatri Projects Limited (GPL),
- b) C.P.(CAA) No.30/230/HDB/2017 under section 230 and section 232 of the Companies Act, 2013, dated 3rd November, 2017 – in the matter of Gayatri Highways Private Limited (GHPL),
- c) C.P.(CAA) No.31/230/HDB/2017 under section 230 and section 232 of the Companies Act, 2013, dated 3rd November, 2017 – in the matter of Gayatri Infra Ventures Limited (GIVL),

approved the composite scheme of arrangement between Gayatri Projects Limited (GPL), Gayatri Infra Ventures Limited (GIVL), Gayatri Highways Private Limited (GHPL) ("the Company") (Formerly Gayatri Domicile Private Limited), and their Respective Shareholders.

Pursuant to above said NCLT order with effect from 1st April, 2016 [i.e., appointed date for transfer of Investments held in Sai Maatarini Tollways Limited (SMTL) by Gayatri Projects Limited (GPL) to Gayatri Highways Private Limited (GHPL)], all the Equity Investments in SMTL has been transferred from Gayatri Projects Limited to Gayatri Highways Private Limited for a consideration of an amount of Rs.180,16,03,000/- (Rupees One Hundred and Eighty Crores Sixteen Lakhs Three Thousand only) by issuing 1,24,60,000 Equity Shares of Rs. 10 each amounting to Rs. 12,46,00,000/- and 16,77,00,300 Redeemable Preference shares of Rs. 10 each amounting to Rs. 167,70,03,000/- to Gayatri Projects Limited by the Company.

Pursuant to above said NCLT Order with effect from 1st April, 2016 [i.e., appointed date for amalgamation of the Gayatri Infra Ventures Limited (GIVL) with the Gayatri Projects Limited (GPL)], all the assets and liabilities of the GIVL are merged with the GPL and GIVL has stand dissolved without going through process of winding up.

Further, as per the above said NCLT order with effect from 31st March, 2017 [i.e. appointed date for Demerger of Infrastructure BOT assets from Gayatri Projects Limited to Gayatri Highways Private Limited], all the assets and liabilities pertaining to Infrastructure BOTs has been transferred from Gayatri Projects Limited to Gayatri Highways Private Limited for a consideration of an amount of Rs. 35,45,03,800/- (Rupees Thirty Five Crores Forty Five Lakhs Three Thousand Eight Hundred only) by issuing 3,54,50,380 Equity Shares of Rs. 10 each amounting to Rs. 35,45,03,800/- to Shareholders of Gayatri Projects Limited by the Company.



Gayatri Highways Private Limited
(Formerly Gayatri Domicile Private Limited)
Summary of Significant Accounting Policies and Other Explanatory Information for Consolidation
(All amounts in ₹ unless otherwise stated)

Pursuant to above said NCLT order with effect from 31st March, 2017 the company will have two subsidiaries namely, "Indore Dewas Tollways Limited (IDTL)" and "Sai Maatarini Tollways Limited (SMTL)" and five jointly controlled entities namely, "Gayatri Jhansi Roadways Limited (GJRL)", "Gayatri Lalitpur Roadways Limited (GLRL)", "Hyderabad Expressways Limited (HEL)", "Cyberabad Expressways Limited (CEL)" and "HKR Roadways Limited (HKRRL)" and one associate "Balaji Highway Holdings Private Limited (BHHPL)". Since the subsidiaries, associate and jointly controlled entities are accounted as per the applicable Indian Accounting Standards, the company also has adopted the Indian Accounting Standards.

3. Investment in associate and Joint Ventures

Investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the share of net assets of the associate or joint venture since the acquisition date.

The statement of profit and loss reflects the share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Company's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

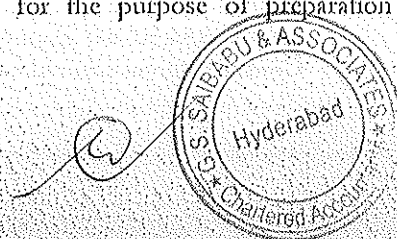
After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss

4. List of Entities consolidated

The following entities, incorporated in India, have been considered for the purpose of preparation of consolidated financial statement:

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Gayatri Highways Private Limited
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Summary of Significant Accounting Policies and Other Explanatory Information for Consolidation
 (All amounts in ₹ unless otherwise stated)

Name of Subsidiaries	Interest in Subsidiary as on		
	31-Mar-17	31-Mar-16	01-Apr-15
Sai Maatarini Tollways Limited	100%	0%	0%
Indore Dewas Tollways Limited	100%	0%	0%

Name of Associates	Interest in Subsidiary as on		
	31-Mar-17	31-Mar-16	01-Apr-15
Balaji Highway Holdings Private Limited	49%	0%	0%

Name of joint controlled entities	Interest in joint control as on		
	31-Mar-17	31-Mar-16	01-Apr-15
Gayatri Jhansi Roadways Limited	51%	0%	0%
Gayatri Lalitpur Roadways Limited	51%	0%	0%
Cyberabad Expressways Limited	20%	0%	0%
Hyderabad Expressways Limited	50%	0%	0%
HKR Roadways Limited	50%	0%	0%

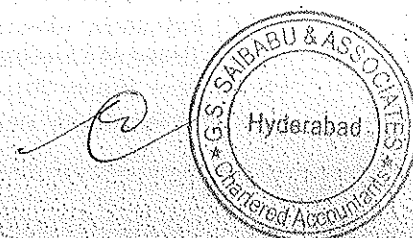
5. Summary of significant accounting policies

a) Basis of preparation of standalone financial statements

These financial statements are prepared as per NCLT Order dated 3rd November, 2017, and it is for representation purpose and understanding of the stakeholders.

The Company's management had previously issued its audited financial statements for the year ended March 31, 2016 on May 23, 2016 that were prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP').

With effect from April 1, 2016, the Company is required to prepare its financial statements under the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. Accordingly, the Company's management has now prepared these financial statements in compliance with Ind AS. These financial statements for the year ended March 31, 2017 including comparative information are the first the Company has prepared in accordance with Ind AS. In preparing these financial statements under Ind AS, the Company's opening balance sheet was prepared as at April 01, 2015, the date of transition to Ind AS. These financial statements comprise the Balance Sheets as at March 31, 2017 and March 31, 2016, the Opening Balance Sheet as at April 1, 2015 (transition date), the Statements of Profit and Loss, the Statements of Cash Flows and the Statements of Changes in Equity for the year ended March 31, 2017 and for the year ended March 31, 2016, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Unconsolidated Ind AS Financial Statements"). Refer note 29 for information on how the Company has adopted Ind AS. The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).



Gayatri Highways Private Limited

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Summary of Significant Accounting Policies and Other Explanatory Information for Consolidation

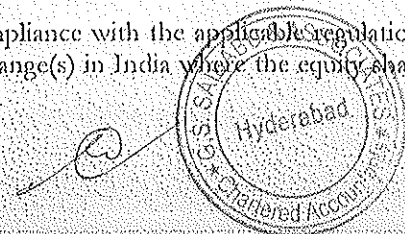
(All amounts in ₹ unless otherwise stated)

Accounting treatment given for the Composite Scheme approved by the NCLT in GHPL:

- 1) **Transfer of investments in SMIL from GPL to GHPL:**
With effect from 01.04.2016 [i.e., appointed date for transfer of investments in SMIL from GPL to GHPL], all the Equity Investments in SMIL has been transferred from GPL to GHPL for a consideration of an amount of Rs.180,16,03,000/- (Rupees One Hundred and Eighty Crores Sixteen Lakhs Three Thousand only) by issuing 1,24,60,000 Equity Shares of Rs. 10 each amounting to Rs. 12,46,00,000/- and 16,77,00,300 Redeemable Preference shares of Rs. 10 each amounting to Rs. 167,70,03,000/- to GPL by the Company. The Equity Investments in SMIL is recorded at fair value considering Net Assets Value of SMIL as on date of transfer, which is Rs. 179,40,47,807/- and the excess consideration paid is recognised as Goodwill in the books of GHPL.
- 2) **Amalgamation of GIVL with GPL:**
With effect from 1st April, 2016 [i.e., appointed date for amalgamation of the Gayatri Infra Ventures Limited (GIVL) with the Gayatri Projects Limited (GPL)], all the assets and liabilities of the GIVL are merged with the GPL and GIVL has stand dissolved without going through process of winding up.
- 3) **Transfer of Infrastructure Road BOT Assets Business from GPL to GHPL by way of demerger:**
With effect from 31st March, 2017 [i.e. appointed date for Demerger of Infrastructure BOT assets from GPL to GHPL], all the assets and liabilities pertaining to Infrastructure BOTs has been transferred from GPL to GHPL for a consideration of an amount of Rs. 35,45,03,800/- (Rupees Thirty Five Crores Forty Five Lakhs Three Thousand Eight Hundred only) by issuing 3,54,50,380 Equity Shares of Rs. 10 each amounting to Rs. 35,45,03,800/- to Shareholders of Gayatri Projects Limited by the Company. All assets and liabilities transferred from GPL to GHPL are recorded at book values exist in the GPL as on date of transfer and the difference between the Net Assets Value transferred from GPL and the consideration paid to shareholders of GPL is accounted as Capital Reserve in the books of GHPL.

CONSIDERATION

- 1.1 Upon this Scheme coming into effect, the Resulting Company GHPL (erstwhile GDPL) shall, without any further application or deed, issue and allot to every member of the Demerged Company, holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company on the Record Date, in the following ratio (the "Share Exchange Ratio"):
 - In respect of every 1 (One) equity shares of Rs.10/- each fully paid up held by such member in the Demerged Company, 1 (One) equity share in the Resulting Company of Rs 10/- each credited as fully paid up.
- 1.2 The equity shares to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of the Resulting Company;
- 1.3 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors of the Resulting Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the Demerged or Resulting of equity shares in the Demerged Company, after the effectiveness of this Scheme. The New Equity Shares to be issued by the Resulting Company pursuant to this Scheme in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Resulting Company.
- 1.4 Where New Equity Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Demerged Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Resulting Company.
- 1.5 New Equity Shares issued in terms of the Scheme shall, in compliance with the applicable regulations, be listed and/ or admitted to trading on the relevant stock exchange(s) in India where the equity shares



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of Resulting Company are listed and admitted to trading. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of such stock exchanges where the shares / securities of the Resulting Company are listed. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant stock exchanges.

- 1.6 In so far as New Equity Shares are concerned, the same will be distributed in dematerialized form to the equity shareholders of Demerged Company, provided all details relating to the account with the depository participant are available to Resulting Company. All those equity shareholders who hold equity shares of Demerged Company and do not provide their details relating to the account with the depository participant will be distributed New Equity Shares in the physical/certificate form unless otherwise communicated in writing by the shareholders on or before such date as may be determined by the Board of Directors of Resulting Company or committee thereof.
- 1.7 Upon the coming into effect of the Scheme, the New Equity Shares of Resulting Company to be issued and allotted to the members of the Demerged Company as provided in the Scheme shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company and the New Equity Shares shall rank pari passu from the date of allotment in all respects with the existing equity shares of Resulting Company including entitlement in respect of dividends. The issue and allotment of New Equity Shares by the Resulting Company to the members of the Demerged Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out pursuant to the Act.
- 1.8 Approval of the Scheme by the shareholders of Resulting Company shall be deemed to be due compliance with the provisions of Section 62 of the Companies Act, 2013 and other relevant and applicable provisions of the Act for the issue and allotment of shares by Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.
- 1.9 If any shareholder of the Demerged Company becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of equity shares by the Resulting Company in accordance with Clause 24.1 of this Scheme, the Board of Directors of the Resulting Company shall consolidate all such fractional entitlements and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Resulting Company (the "Trustee"), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times, as the Trustee who shall hold the same as a trustee for and on behalf of such shareholders of Demerged Company, and shall dispose of the same and distribute the proceeds thereof to such shareholders in proportion to and in lieu of their respective fractional entitlements.
- 1.10 The Resulting Company shall, if necessary and to the extent required, increase / alter its Authorized Share Capital to facilitate issue of New Equity Shares under this Scheme.

b) Current versus non-current classification

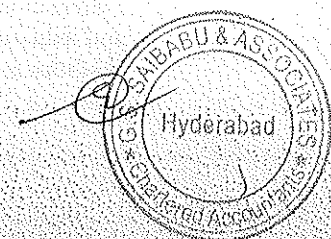
The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold in normal operating cycle;
 - Held primarily for the purpose of trading;
 - Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting period; or



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(All amounts in ₹ unless otherwise stated)

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its operating cycle.

c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest income: For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

d) Earnings/(loss) per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

e) Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

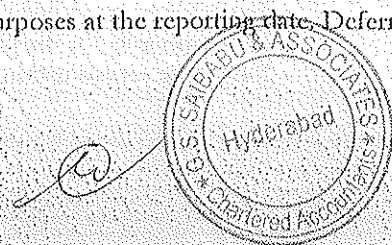
f) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

g) Taxes

Income tax expense comprises of current and deferred tax. Current income tax assets and liabilities is measured at the amount expected to be recovered from or paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.



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Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

h) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A) Financial Asset

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

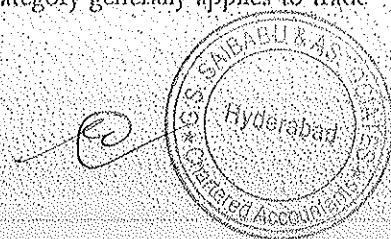
- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables and loans



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Equity investments:

All equity investments in jointly controlled entities are measured at cost less diminution other than temporary. All equity investments in scope of Ind AS 109 are measured at fair value. Equity investments which are held for trading are classified as FVTPL. For all other equity investments, the Company may make an irrevocable election to present in OCI subsequent changes in fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in OCI. There is no recycling of amounts from OCI to P&L, even on sale of investment. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- a. the rights to receive cash flows from the asset have expired, or
- b. the Company has transferred its rights to receive cash flows from the asset, and (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on debt instruments.

B) Financial Liability

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and financial guarantee contracts.

Subsequent measurement

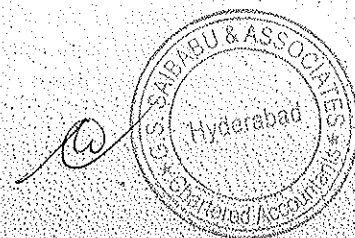
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.



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(All amounts in ₹ unless otherwise stated)

Financial guarantee contracts

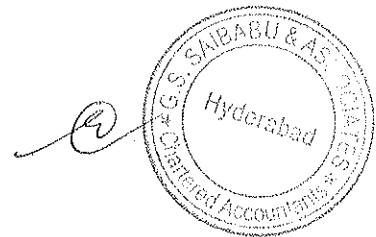
Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.



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(All amounts in ₹ unless otherwise stated)

6 Property, plant and equipment

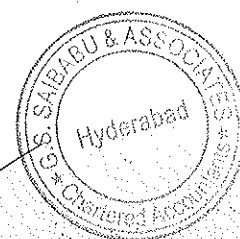
	Total
(a) Tangible Assets	
Gross block	
As at 1 April 2015	-
Additions during the year	-
As at 1 April 2016	-
Additions on Demerger of GPL	11,03,538
Additions on Consolidation	42,55,736
As at 31 March 2017	53,59,274
Accumulated depreciation	
Up to 1 April 2015	10,56,855
Charge for the year	-
Up to 31 March 2016	-
Charge for the year	-
Up to 31 March 2017	21,41,523
Net block	
As at 31 March 2017	32,17,751
As at 31 March 2016	-
As at 31 March 2015	-

7 Intangible assets

	As at		
	31 March 2017	31 March 2016	31 March 2015
(i) Carriageway (IDTL)	8,09,55,04,478	-	-
(ii) Intangible assets under development			
- Sai Matarini Tollways Limited	17,09,25,78,215	-	-
- Indore Diwas Tollways Limited	22,19,98,493	-	-
	25,41,00,81,186	-	-

8 Investments

	As at		
	31 March 2017	31 March 2016	31 March 2015
Non-current investments			
Unquoted			
Investments carried at cost			
Investments in equity instruments of Subsidiaries			
1,24,60,000 (2016: 1,24,60,000; 2015: 0) equity shares of Rs.10 each fully paid-up in Sai Matarini Tollways Limited	1,79,40,47,807	-	-
Less: Adjustment of Consolidation	(1,79,40,47,807)	-	-
	-	-	-
33,340 (2016: 16,680; 2015: 16,680) equity shares of ₹10 each fully paid-up in Indore Dewas Tollways Limited.	3,33,400	-	-
Less: Adjustment of Consolidation	(3,33,400)	-	-
	-	-	-

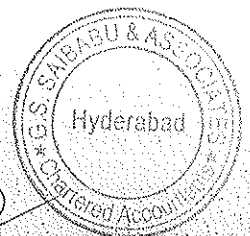


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 (All amounts in ₹ unless otherwise stated)

8 Investments (Continued..)

	As at		
	31 March 2017	31 March 2016	31 March 2015
Investments in equity instruments of jointly controlled entities			
990,000 (2016: 990,000; 2015: 990,000) equity shares of ₹10 each fully paid-up in Hyderabad Expressways Limited.	22,38,47,043	-	-
Less: Accumulated Losses	(9,29,38,028)	-	-
	<u>13,09,09,015</u>	<u>-</u>	<u>-</u>
396,000 (2016: 990,000; 2015: 990,000) equity shares of ₹10 each fully paid-up in Cyberabad Expressways Limited.	5,92,07,575	-	-
Less: Accumulated Losses	(5,92,07,575)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
21,619,994 (2016: 21,619,994; 2015: 21,619,994) equity shares of ₹10 each fully paid-up in Gayatri Jhansi Roadways Limited.	38,28,94,659	-	-
Less: Accumulated Losses	(22,33,89,718)	-	-
	<u>15,95,04,941</u>	<u>-</u>	<u>-</u>
16,218,000 (2016: 16,218,000; 2015: 16,218,000) equity shares of ₹10 each fully paid-up in Gayatri Lalitpur Roadways Limited.	28,95,64,494	-	-
Less: Accumulated Losses	(9,03,09,762)	-	-
	<u>19,92,54,732</u>	<u>-</u>	<u>-</u>
1,717,642 (2016: 510,647; 2015: 510,647) equity shares of ₹10 each fully paid-up in HKR Roadways Limited.	1,71,76,420	-	-
Less: Accumulated Losses	(1,71,76,420)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Investments in equity instruments of associates			
49,000 (2016: Nil; 2015: Nil) equity shares of ₹10 each fully paid-up in Balaji Highway Holdings Private Limited.	4,90,000	-	-
Less: Accumulated Losses	(4,90,000)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Investments in compulsorily convertible debentures of jointly controlled entities			
8,550,000 (2016: 21,375,000; 2015: Nil) debentures of ₹10 each fully paid-up in Cyberabad Expressways Limited.	8,55,00,000	-	-
Less: Accumulated Loss absorbed	(8,55,00,000)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total non-current investments	48,96,68,688	-	-
Less: Investments held for sale	<u>-</u>	<u>-</u>	<u>-</u>
Net value of non-current investments	48,96,68,688	-	-
Aggregate amount of unquoted investments	48,96,68,688	-	-

Note: The above Investments are recorded as per NCLT order dated 3rd November, 2017, which is effective from 24th November, 2017 and it is disclosed for representation purpose and understanding of the stakeholders.



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(All amounts in ₹ unless otherwise stated)

9 Loans

	As at		
	31 March 2017	31 March 2016	1 April 2015
Non-current			
(Unsecured, considered good)			
Loans to related parties			
-Loans to jointly controlled entities	86,93,44,562	-	-
	<u>86,93,44,562</u>	<u>-</u>	<u>-</u>
Current			
(Unsecured, considered good)			
Loans to related parties			
-Loans to jointly controlled entities	23,64,78,663	-	-
	<u>23,64,78,663</u>	<u>-</u>	<u>-</u>

10 Other Non-Current Assets

	As at		
	31 March 2017	31 March 2016	1 April 2015
Capital Advance			
Long term loan and advances-related party	14,84,21,611	-	-
Retention money-NHAI	27,50,914	-	-
Security Deposits	4,50,997	-	-
Rent Advance	22,000	-	-
Advance for Toll Collection Management	2,00,000	-	-
	<u>15,18,45,522</u>	<u>-</u>	<u>-</u>

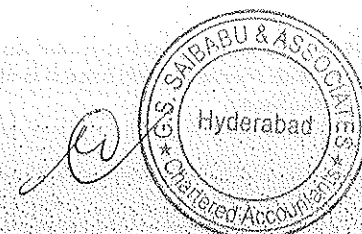
11 Cash and cash equivalents

	As at		
	31 March 2017	31 March 2016	1 April 2015
Balances with banks			
- on current accounts	2,24,97,431	-	-
- Fixed Deposit with Banks	40,34,84,603	-	-
Cash on hand	12,67,509	2,849	2,849
	<u>42,72,49,543</u>	<u>2,849</u>	<u>2,849</u>

12 Other Current Assets

	As at		
	31 March 2017	31 March 2016	1 April 2015
Mobilization advance - COS & Utility shifting paid to GPL	1,89,20,451	-	-
Advances towards New Toll Plaza contract works	1,30,100	-	-
Gayatri Projects -Others	79,20,000	-	-
Prepaid expenses	75,61,080	-	-
Interest accrued but not received on Fixed deposits from Union bank of India	3,09,43,893	-	-
Interest Accrued on FD	2,32,718	-	-
Other advances	1,21,000	-	-
Miscellaneous Expenditure to the extent not written off	1,91,200	1,91,200	1,91,200
Pre-operative Expenditure	48,080	48,080	48,080
	<u>6,60,68,522</u>	<u>2,39,280</u>	<u>2,39,280</u>

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Gavatri Highways Private Limited
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Summary of Significant Accounting Policies and Other Explanatory Information for Consolidation
(All amounts in ₹ unless otherwise stated)

13 Share capital

	As at					
	31 March 2017		31 March 2016		1 April 2015	
	Number	Amount	Number	Amount	Number	Amount
Authorized						
Equity shares of ₹ 10 each	5,00,00,000	50,00,00,000	10,00,00,000	1,00,00,000	10,00,000	1,00,00,000
Preference shares of ₹ 10 each	18,00,00,000	1,80,00,00,000	-	-	-	-
	23,00,00,000	2,30,00,00,000	10,00,00,000	1,00,00,000	10,00,000	1,00,00,000

Issued, subscribed and fully paid-up*

Equity shares of ₹ 10 each	4,79,30,380	47,93,03,800	20,000	2,00,000	20,000	2,00,000
Preference shares of ₹ 10 each	16,77,00,300	1,67,70,03,000	-	-	-	-
	21,56,30,680	2,15,63,06,800	20,000	2,00,000	20,000	2,00,000

*Note: The above capital structure is post NCLT order dated 3rd November, 2017, which is effective from 24th November, 2017 and it is disclosed for representation purpose and understanding of the stakeholders.

(a) Reconciliation of equity shares outstanding at the beginning and end of the reporting period

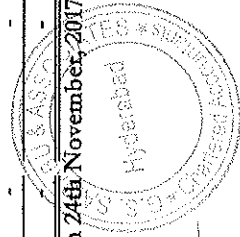
	As at					
	31 March 2017		31 March 2016		1 April 2015	
	Number	Amount	Number	Amount	Number	Amount
At the beginning of the year	20,000	2,00,000	20,000	2,00,000	20,000	2,00,000
Issued during the year	4,79,10,380	47,91,03,800	-	-	-	-
Balance at the end of the year	4,79,30,380	47,93,03,800	20,000	2,00,000	20,000	2,00,000

Note: The above capital structure is post NCLT order dated 3rd November, 2017, which is effective from 24th November, 2017 and it is disclosed for representation purpose and understanding of the stakeholders.

Reconciliation of preference shares outstanding at the beginning and end of the reporting period

	As at					
	31 March 2017		31 March 2016		1 April 2015	
	Number	Amount	Number	Amount	Number	Amount
At the beginning of the year	-	-	-	-	-	-
Issued during the year	16,77,00,300	1,67,70,03,000	-	-	-	-
Balance at the end of the year	16,77,00,300	1,67,70,03,000	-	-	-	-

Note: The above capital structure is post NCLT order dated 3rd November, 2017, which is effective from 24th November, 2017 and it is disclosed for representation purpose and understanding of the stakeholders.



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Gayatri Highways Private Limited
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Summary of Significant Accounting Policies and Other Explanatory Information for Consolidation
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15. Share Capital (Continued...)

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing annual general meeting.

The Company has only one class of redeemable preference shares having a par value of ₹ 10 per share. Each holder of preference shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing annual general meeting.

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.

(c) Shares held by holding company : Nil

		As at	
		31 March 2017	1 April 2015
	Amount	Number	Amount
Gayatri Projects Limited	-	-	-

(d) Details of shareholders holding more than 5% shares in the Company

		As at	
		31 March 2017	1 April 2015
	% of holding	Number of shares	% of holding
Equity Shares			
Gayatri Projects Limited	26.04%	1,24,79,997	-
Sri T.V. Sandeep Kumar Reddy	11.27%	8,000	8,000
Smt T. Indira Subbarani Reddy	23.84%	6,000	6,000
Smt T. Santa Reddy	0.00%	161	6,000
Sri J. Brij Mohan Reddy	0.00%	450	-
Smt G. Sulochanamma	0.00%	470	-
PUBLIC	38.85%	1,86,19,438	-
Preference Shares			
Gayatri Projects Limited	100.00%	16,77,00,300	-

Note: The above capital structure is post NCLT order dated 3rd November, 2017, which is effective from 24th November, 2017 and it is disclosed for representation purpose and understanding of the stakeholders.

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



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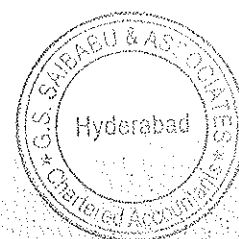
(All amounts in ₹ unless otherwise stated)

14 Other equity

	As at		
	31 March 2017	31 March 2016	1 April 2015
Capital Reserve			
Capital Reserve generated on demerger of Infrastructure BOT assets from GPL to GHPL	24,35,25,505	-	-
Retained earnings			
Balance as per last audited financial statements	(70,126)	(37,955)	(18,714)
Add: Loss for the year	(56,94,00,563)	(32,171)	(19,241)
Balance at the end of the year	(56,94,70,689)	(70,126)	(37,955)
Total other equity	(32,59,45,184)	(70,126)	(37,955)

15 Borrowings

	As at		
	31 March 2017	31 March 2016	1 April 2015
(a) Non-current borrowings			
Term loans			
Secured			
From Banks	13,53,45,37,092	-	-
From Financial Institutions	3,74,63,00,000	-	-
Sub Debt from IIFCL	1,13,26,30,976	-	-
Funded Interest on Term Loans			
- from Banks - FITL	1,02,81,16,360	-	-
- from Financial Institutions - FITL	29,60,99,893	-	-
Less: Current maturities of long-term borrowings	(75,00,000)	-	-
Less : Unamortised Finance Cost	16,60,193	-	-
	19,73,18,44,514	-	-
Current Borrowings			
Term Loans - Secured			
From Banks & Financial Institutions	75,00,000	-	-
Unsecured			
From related party	1,00,15,99,644	-	-
From others	1,23,50,00,000	-	-
	2,23,65,99,644	-	-
(b) Short-term borrowing			
Loans repayable on demand			
Unsecured			
From related party	21,74,77,704	-	-
From Others	1,41,799	1,08,884	76,713
	21,76,19,503	1,08,884	76,713



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Summary of Significant Accounting Policies and Other Explanatory Information for Consolidation

(All amounts in ₹ unless otherwise stated)

15 Borrowings (Continued...)**Terms & Conditions for Loans in GIVL:**

(i) Term loans from others aggregating to ₹1,235,000,000 (31 March 2016: Nil; 31 March 2015: Nil) is secured by way of;

(a) pledge of 1,180,555 Equity shares held by the holding company, M/s Gayatri Projects Ltd, providing a minimum cover of twice the facility amount;

(b) corporate guarantee of Gayatri Projects Limited;

(c) personal guarantee of Mr. T V Sandeep Kumar Reddy; and

(d) demand promissory note.

ii) Terms of repayment

	As at		
	31 March 2017	31 March 2016	1 April 2015
Up to 1 year	-	-	1,35,00,00,000
2 to 5 years	1,23,50,00,000	-	-
Above 5 years	-	-	-
	<u>1,23,50,00,000</u>	<u>-</u>	<u>1,35,00,00,000</u>

iii) The above facilities carry an annual interest rate of 15% (31 March 2016: 16% and 31 March 2015: 16%).

vi) Loan covenants

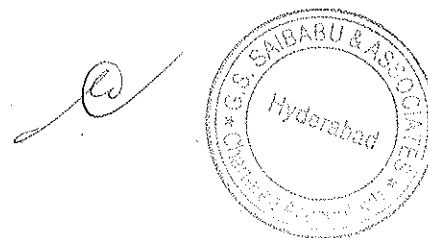
Bank loans contain certain information covenants relating to submission of audited financial statements within specified time period and quarterly updates on operations of the entity. The company has satisfied all debt covenants prescribed in the terms of bank loan.

vi) Short-term borrowing represents interest free loans repayable on demand.

Terms & Conditions for Loans in SMTL:**Nature of Security for Secured Loans:****A. Term Loans from banks and financial**

institutions are secured by:

- First mortgage and charge on all the borrower's immovable properties, present and future, if any, save and except the Project Assets.
- 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.
- a first charge on all the Borrower's bank accounts including but not limited to the Escrow Account/its Sub-Accounts that may be opened in accordance with the Common Loan Agreement, the Supplementary Escrow Agreement, or any of the other Project Documents where all revenues, disbursements, receivables shall be deposited and on all funds from time to time deposited therein and on all permitted investments or other securities representing all amounts credited to the Escrow Account.



Gayatri Highways Private Limited

(Formerly Gayatri Domicile Private Limited)

Summary of Significant Accounting Policies and Other Explanatory Information for Consolidation

(All amounts in ₹ unless otherwise stated)

15 Borrowings (Continued...)

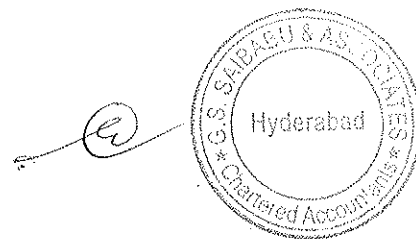
- d) a first charge on all intangibles of the Borrower including but not limited to goodwill, rights, undertakings, uncalled capital and intellectual property rights, both present and future, save and except the Project Assets (provided that all amounts received on account of any of these shall be deposited 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.

B. Subordinate Debt from India

Infrastructure Finance Co. Ltd. is

secured by:

- a) Mortgage and second charge on all the borrower's immovable properties, present and future, if any, save and except the Project Assets.
- b) A second 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 second charge on all the borrower's bank accounts including but not limited to the Escrow Account/its sub-accounts that may be opened in accordance with any of the Project Agreement.
- d) A second 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 (l) and Clause 31 of the Concession Agreement.



Gayatri Highways Private Limited

(Formerly Gayatri Domicile Private Limited)

Summary of Significant Accounting Policies and Other Explanatory Information for Consolidation

(All amounts in ₹ unless otherwise stated)

15 Borrowings (Continued...)

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) An irrevocable and unconditional corporate guarantee from the Sponsor.

Terms of repayment of Secured Loans

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

B. The Company shall repay the Subordinate Loan to the Subordinate Lender in 18 quarterly installments commencing after the Moratorium Period, as specified in the Amortization Schedule to the Subordinate Loan Agreement. The first repayment installment shall be due on January 1, 2023. The last repayment installment shall be paid on April 1, 2028. However, the Sponsor, in addition to the Sponsor's Contribution without any recourse to the lenders and/or the secured property to the satisfaction of the lenders infuse an amount equivalent to the debt service obligations of the borrower under the subordinate facility, in advance on year-on-year basis, as per the repayment schedule stipulated by the subordinate lender.

Rate of Interest on Secured Loans

A. Applicable Interest Rate on Term Loans 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.

B. Applicable Interest Rate on Subordinate Loan shall be floating at Spread, i.e. 2% p.a. above the Interest rate applicable to IDBI Bank Ltd. as per the Common Loan Agreement.

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.



Gayatri Highways Private Limited

(Formerly Gayatri Domicile Private Limited)

Summary of Significant Accounting Policies and Other Explanatory Information for Consolidation

(All amounts in ₹ unless otherwise stated)

15 Borrowings (Continued...)

Terms & Conditions for Loans in IDTL:

Note: National Highways Authority of India has approved the proposal for the deferment of premium payable as per the sanction letter dated 11th June, 2014. Based on the approval received from National Highways Authority of India, the company has applied to the consortium of lenders for restructuring of the term loan. The Consortium of Lenders have approved the restructuring package with the cutoff date being 1st July, 2014 with a Moratorium of 33 months for Interest and principal Obligations. The current maturities with respect to the Term loan I principal repayment and Funded Interest Term loan principal repayment & TL II Principal Repayment are amounting to ₹ 9.44 crs for the FY 2017-18. The Lenders have reset the Rate of Interest in the current year to 10.10% pa

Terms of Repayment

Secured Loans:

(a) As per the terms of the sanction, the Term Loan II of ₹40,00,00,000 is repayable within 20 equal instalments immediately from the next month of the disbursement. During the current financial year an amount of ₹ 31,12,00,000 has been disbursed on account of Term Loan II and an amount of ₹ 5,55,70,000 principal has been repaid. The current maturities for Term Loan II are amounting to ₹18,67,20,000. We have submitted the draft Restructuring documents on 5th May, 2015 to National Highways Authority of India for review, and also submitted the executed documents on 26th July, 2015 for approval to National Highways Authority of India.

(b) As per the terms of the Restructuring package, an amount of ₹10,00,00,000; ₹9,50,00,000 & ₹ 19,70,00,000 has to be kept as Debt Service Reserve Account with the Lead bank for the FY: 2014-15; 2015-16 & 2016-17 respectively.

(c) The additional term loan of ₹ 40,00,00,000 has been sanctioned by the lenders for the completion of the balance EPC works which were delayed due to the below mentioned reasons:

(i) Delay on the part of National Highways Authority of India in handing over of the Right Of Way. There was also a delay on the part of National Highways Authority of India in publishing the Gazette notification for Toll collection.

(ii) Delay on the part of National Highways Authority of India in shifting of Utilities i.e., electrical poles, drinking water pipe lines etc, which created a hindrance for the completion of the project works.

(iii) Delay on the part of National Highways Authority of India in declaring the Appointed date (1st Sep, 2011) after signing of the Concession Agreement (17th May, 2010). (delay of 7 months from the date of financial closure i.e 8th Feb, 2011).

(iv) The Right of Way issue & the shifting of the drinking water pipe line at Rau junction was pending at the time of issue of Provisional Completion certificate i.e on 29th May, 2015 and is not resolved till date.

Due to all the above reasons, the Schedule Project Completion Date was delayed.

(d) Due to all the above factors, the Interest during construction has increased as against the budgeted amount stipulated in the Project cost and the funds budgeted for EPC cost were utilized for the purpose of servicing interest to the lenders. In lieu of the above the lenders have agreed to fund the additional term loan for the completion of the balance EPC works.

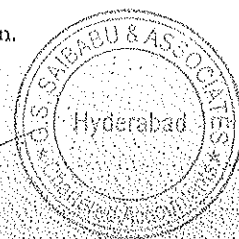
e) Terms of the Restructuring Package:

1) The Restructuring package is approved with a cut off date of July 01, 2014.

2) Reduction in interest rates on all Term Loan facilities (Term Loan -I ₹ 450,00,00,000, Funded Interest Term Loan ₹136,18,58,057 & Term Loan -II ₹ 40,00,00,000) to 11% fixed p.a. upto FY: 2016-17, which is to be linked to the Base Rate of the Lead Lender.

3) The interest on Term Loan for 11 quarters from cut-off date (July 1, 2014) to March 31, 2017 is to be funded through Funded Interest Term Loan (₹136,18,58,057).

4) Moratorium of 2 years 9 months for the repayment of Term Loan - I & Funded Interest Term Loan.



Gayatri Highways Private Limited

(Formerly Gayatri Domicile Private Limited)

Summary of Significant Accounting Policies and Other Explanatory Information for Consolidation

(All amounts in ₹ unless otherwise stated)

15 Borrowings (Continued...)

f) Security for Term Loans:

Term Loans from lenders are secured by

(i) All monies including Toll collected on the Project Highway to the credit of the Escrow Account as per the provisions of the Concession Agreement.

(ii) All the Borrower's Properties and Assets excluding the Project Assets as defined in the Concession Agreement

(iii) All Tangible Assets of the Company not limited to Goodwill, undertaking and uncalled capital of the company.

(iv) Pledge of shares aggregating to 66.64% of the paid-up equity capital of the Borrower, Provided that any enforcement of the pledge over shares shall be subject to prior approval of NHAI as provided in the Concession Agreement.

(v) A first charge by way of assignment or creation on Security Interest on:

a) All rights, title, interest, benefits, claims and demands of Indore Dewas Tollways Limited under project documents subject to the provisions of the Concession Agreement.

b) Assignment of rights in favour of the lenders in accordance with the substitution agreement in respect of financing by the senior lenders under the financing documents for the project.

c) Lenders to be named as loss payees in the insurance policies.

g) Terms of Repayment of Term Loan from Lenders

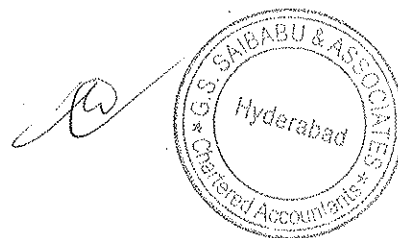
a) The tenor of the repayment of the Term Loan - I for ₹450,00,00,000 shall be for a period of 12 years (twelve) years excluding 2.9 years of moratorium with 48 structured unequal quarterly Instalments ranging from ₹ 5,00,000 to ₹ 78,66,00,000 per annum as per the approved restructuring package.

b) The tenor of the repayment of Funded Interest Term Loan for ₹136,18,58,057 shall be for a period of 8 years years excluding 2.9 years of moratorium with 28 structured unequal quarterly instalments ranging from ₹1,00,00,000 to ₹38,80,00,000 per annum as per the approved restructuring package.

c) The tenor of the repayment of Additional Term Loan - II for ₹ 40,00,00,000 shall be for 20 monthly Instalments starting from the month of disbursement subject to the completion of the disbursements as per the approved restructuring package.

h) Repayment of Zero percent loan (Unsecured loans from promoters) :

Subordinate debt will be repaid only after the payment of debt Obligations towards the Lenders



Gayatri Highways Private Limited
 (Formerly Gayatri Domicile Private Limited)
Summary of Significant Accounting Policies and Other Explanatory Information for Consolidation
 (All amounts in ₹ unless otherwise stated)

16 Other Non-current liabilities

	As at		
	31 March 2017	31 March 2016	1 April 2015
Additional Concession Fees Payable to NHAI	3,19,16,25,868		
Interest on Additional Concession Fees	3,04,45,850		
Provision for Gratuity	17,23,898		
	<u>3,22,37,95,616</u>	<u>-</u>	<u>-</u>

17 Trade Payables

	As at		
	31 March 2017	31 March 2016	1 April 2015
Salaries Payable	4,80,900		
Audit fees payable	2,42,050	-	-
NHAI-IC Fee payable	75,94,686		
PMC Fee payable	16,49,318	-	-
Others Payable	56,59,662	-	-
	<u>1,56,26,616</u>	<u>-</u>	<u>-</u>

(a) Trade payables are non-interest bearing and are normally settled within 90 days

(b) The identification of micro, small and medium enterprise suppliers as defined under the provisions of "Micro, small and medium enterprises Act, 2006" is based on Management's knowledge of their status. There are no dues to micro, small and medium enterprises as on 31 March 2017 or 31 March 2016 or 1 April 2015.

18 Other financial liabilities

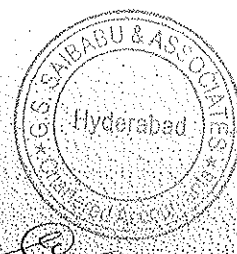
	As at		
	31 March 2017	31 March 2016	1 April 2015
Current maturities of long-term borrowings (refer note 10)	10,19,06,285	-	-
Payable to related parties	4,00,000		
Creditors for expenses	1,06,57,404	-	-
Interest accrued and due on borrowings	76,26,651	-	-
Interest accrued but not due on borrowings	4,68,48,504	-	-
Financial guarantee	10,74,94,677	-	-
	<u>27,49,33,521</u>	<u>-</u>	<u>-</u>

18 Other Current liabilities

	As at		
	31 March 2017	31 March 2016	1 April 2015
Statutory liabilities	16,30,66,194	-	-
Creditors for capital expenditure	45,42,05,619	-	-
Creditors for Expenses	12,35,393	-	-
Other Site Expenses	1,27,06,561	-	-
Retention Money Payable	6,85,57,691	-	-
GPL - Operation & Maintenance Contractor A/c	1,72,77,400	-	-
Mobilization Advance for COS & Utility shifting from	1,95,60,440	-	-
Payable to GPL on account of COS & Utility Shifting	71,47,653	-	-
Short Term Provisions	9,00,186	3,371	3,371
	<u>74,46,57,137</u>	<u>3,371</u>	<u>3,371</u>

19 Other expenses

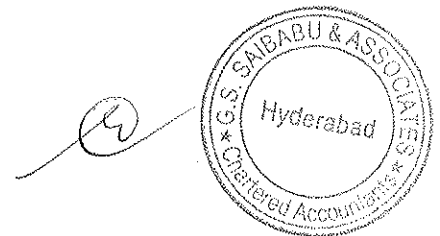
	For the year ended	
	31 March 2017	31 March 2016
Rates and taxes	17,915	28,800
Bank Charges	2,677	-
Conveyance	7,260	-
Legal & Professional Expenses	85,525	-
Office Maintenance	12,363	-
Printing & Stationery	5,320	-
Auditor's remuneration (refer note below)	2,58,000	3,371
	<u>3,89,060</u>	<u>32,171</u>
Auditor's remuneration		
	For the year ended	
	31 March 2017	31 March 2016
as auditor	2,58,000	3,371
	<u>2,58,000</u>	<u>3,371</u>



Gayatri Highways Private Limited
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Summary of Significant Accounting Policies and Other Explanatory Information for Consolidation
 (All amounts in ₹ unless otherwise stated)

20 Goodwill

	For the year ended
	31 March 2017
(i) Goodwill on Acquisition of Subsidiaries	
Cost of Investment in SMTL	
(a) Equity Share Capital of GHPL issued to GPL	12,46,00,000
(b) Preference Share Capital of GHPL issued to GPL	1,67,70,03,000
Total (A)	1,80,16,03,000
Value of Investment in SMTL	
(a) Equity Share capital of SMTL	10,00,08,430
(b) Securities Premium	1,70,15,94,153
(c) Profit & Loss A/c	(75,54,776)
Total (B)	1,79,40,47,807
Goodwill on Acquisition of Subsidiaries (A-B) (I)	75,55,193
(ii) Goodwill on Consolidation of Subsidiaries	
Cost of Investment in IDTL	
(a) Equity Share Capital of GHPL in IDTL	3,33,400
Total (A)	3,33,400
Value of Investment in IDTL	
(a) Equity Share capital of IDTL	5,00,000
(b) Profit & Loss A/c	(1,14,38,80,276)
(c) Other Equity	70,25,00,000
(d) Less: Loan from GIVL to IDTL	(6,11,52,013)
Total (B)	(50,20,32,289)
Goodwill on Consolidation of Subsidiaries (A-B) (II)	50,23,65,689
Consolidated Goodwill (I+II)	50,99,20,882



Gayatri Highways Private Limited

(Formerly Gayatri Domicile Private Limited)

Summary of Significant Accounting Policies and Other Explanatory Information for Consolidation

(All amounts in ₹ unless otherwise stated)

21 Income taxes

The following table provides the details of income tax assets

	As at		
	31 March 2017	31 March 2016	1 April 2015
TDS Receivable	11,15,62,847	-	-
	<u>11,15,62,847</u>	<u>-</u>	<u>-</u>

22 Breakup of financial assets and financial liabilities carried at amortized cost

	As at		
	31 March 2017	31 March 2016	1 April 2015
Financial assets			
Trade receivables	-	-	-
Cash and cash equivalents	42,72,49,543	2,849	2,849
Loans	1,10,58,23,225	-	-
Total	<u>1,53,30,72,768</u>	<u>2,849</u>	<u>2,849</u>
Financial liabilities			
Borrowings	22,18,60,63,661	1,08,884	76,713
Trade payables	1,56,26,616	-	-
Other financial liabilities	27,49,33,521	-	-
Total	<u>22,47,66,23,798</u>	<u>1,08,884</u>	<u>76,713</u>

23 Significant accounting judgements, estimates and assumptions

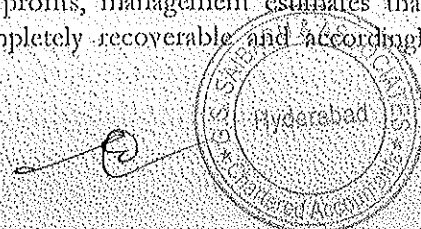
The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Recoverability of investments in jointly controlled entities and fellow subsidiaries

The Investments of the Company includes investments made in equity shares of jointly controlled entities and fellow subsidiaries amounting to ₹ 1,046,287,041 and advances receivable from these entities as on 31 March 2017 amounting to ₹ 1,165,906,073 appearing in loans. On the basis of status of operations, continuous support from lenders and the future ability of these entities to operate in profits, management estimates that the investments in and advances receivable from these entities are completely recoverable and accordingly no adjustment is made to that effect in financial statements.



Gayatri Highways Private Limited

(Formerly Gayatri Domicile Private Limited)

Summary of Significant Accounting Policies and Other Explanatory Information for Consolid

(All amounts in ₹ unless otherwise stated)

24 Fair Values

The management assessed that cash and cash equivalents, trade receivables, loans, trade payables, borrowings, other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments or as they carry market rate of interest.

25 Financial risk management objectives and policies

The Company's principal financial liabilities, comprises of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior management provides assurance to the Company's Board of Directors that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings.

Interest rate risk

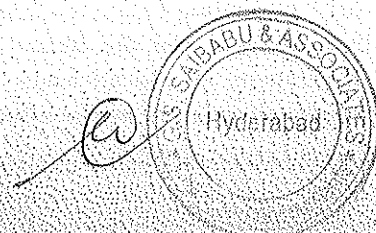
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its financial instruments in the form of loans to jointly controlled entities, fellow subsidiaries and others.

c) Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.



Gayatri Highways Private Limited

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Summary of Significant Accounting Policies and Other Explanatory Information for Consolidation

(All amounts in ₹ unless otherwise stated)

26 Contingent liabilities

	As at		
	31 March 2017	31 March 2016	1 April 2015
Disputed income tax dues	8,92,926	-	-
Pledge of equity shares held in jointly controlled entities for loans taken by them			
Gayatri Jhansi Roadways Limited	1,24,62,97,646	-	-
Gayatri Lalitpur Roadways Limited	92,12,48,174	-	-
HKR Roadways Limited	1,57,79,09,300	-	-
Corporate guarantee given to lenders of			
Indore Dewas Tollway Limited	6,26,13,00,000	-	-
IC fees payable to NHAI in IDTL	2,23,96,833	-	-

The Company has extended certain corporate guarantees to the lenders of the group entities in accordance with the contractual terms entered into with them. The management, on the basis of assessment of the nature of business activities carried on, is of the view that the provisions of Section 186 of the Act is not applicable to the Company as it does get classified as a Company carrying on "Infrastructural Projects" as defined in Schedule VI to the Act.

27 Related party disclosures

Name of related parties and nature of relationship

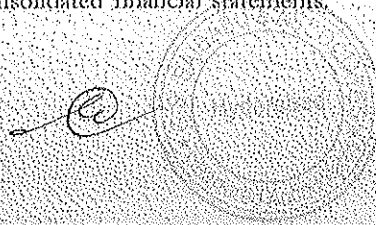
Name of the related party	Nature of relationship
Sai Matarini Tollways Limited	Wholly owned Subsidiaries
Indore Dewas Tollways Limited	
Balaji Highways Holding Private Limited	Associate
Gayatri Jhansi Roadways Limited	
Gayatri Lalitpur Roadways Limited	
Hyderabad Expressways Limited	Jointly controlled entities
Cyberabad Expressways Limited	
HKR Roadways Limited	

28 Interest in Subsidiaries, Associates and Jointly controlled entities

The Company's interest in jointly controlled entities is as below:

Name of entity	Interest in jointly controlled entity as on		
	31 March 2017	31 March 2016	1 April 2015
Subsidiaries			
Sai Matarini Tollways Limited	100%	0%	0%
Indore Dewas Tollways Limited	100%	0%	0%
Associates			
Balaji Highways Holding Private Limited	49%	0%	0%
Jointly Controlled Entities			
Gayatri Jhansi Roadways Limited	51%	0%	0%
Gayatri Lalitpur Roadways Limited	51%	0%	0%
Cyberabad Expressways Limited	20%	0%	0%
Hyderabad Expressways Limited	50%	0%	0%
HKR Roadways Limited	50%	0%	0%

The Company's interest in Gayatri Jhansi Roadways Limited, Gayatri Lalitpur Roadways Limited, Cyberabad Expressways Limited, Hyderabad Expressways Limited, HKR Roadways Limited and Balaji Highways Holding Private Limited is accounted for using the equity method in the consolidated financial statements.



Gayatri Highways Private Limited

(Formerly Gayatri Domicile Private Limited)

Summary of Significant Accounting Policies and Other Explanatory Information for Consolidation

(All amounts in ₹ unless otherwise stated)

29 First-time adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

Exemptions availed:

Set out below are the applicable Ind AS 101 exemptions applied in the transition from previous GAAP to Ind AS:

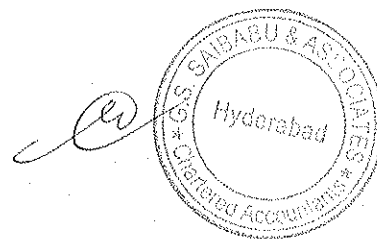
Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value of all property, plant and equipment as recognised in the financial statements as on the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustment to de-commissioning liabilities.

Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying values.

a. Fair valuation of interest free loans given to jointly controlled entities

Under previous GAAP, the loans given to jointly controlled entities are recorded at transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly the Company has fair valued these loans under Ind AS. The difference between the carrying value and the fair value on the date of transaction has been treated as investment made in the jointly controlled entities and finance income on these loans from the date of transaction till the date of transition has been treated as an increase in Retained earnings as on date of transition i.e. 1 April 2015. Further, the finance income for the year ended 31 March 2016 and 31 March 2017 is treated as an income in the Statement of Profit and Loss for respective financial years.



Gayatri Highways Private Limited

(Formerly Gayatri Domicile Private Limited)

Summary of Significant Accounting Policies and Other Explanatory Information for Consolidation

(All amounts in ₹ unless otherwise stated)

29 Notes to First time adoption of Ind AS (continued)

b. Fair valuation of interest free loans given to fellow subsidiaries

Under previous GAAP, the loans given to fellow subsidiaries are recorded at transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly the Company has fair valued these loans under Ind AS. The difference between the carrying value and the fair value on the date of transaction has been treated as dividend paid to Holding Company i.e. Gayatri Projects Limited and finance income on these loans from the date of transaction till the date of transition has been treated as an increase in Retained earnings as on date of transition i.e. 1 April 2015. Further, the finance income for the year ended 31 March 2016 and 31 March 2017 is treated as an income in the Statement of Profit and Loss for respective financial years.

c. Fair valuation of financial guarantee given to lenders of jointly controlled entities

Under previous GAAP, the financial guarantees given to lenders of jointly controlled entities were shown as Contingent liabilities in the notes to financial statements and the same were not recorded. Under Ind AS, all financial guarantee contracts are required to be recognised as financial liability at the time of issuance of such guarantee. The financial liability has been recorded at its fair value initially and subsequently recorded at higher of amount recognised in accordance with Ind AS 37 or initially recognised amount less amortisation. of fair value. In case of the financial guarantees given to lenders of jointly controlled entities with no compensation, the fair value is recorded as part of cost of investment made in that jointly controlled entity. The fair value is measured at the present value of the guarantee commission income over the effective period of the guarantee. The guarantee commission income from the date of guarantee till the date of transition has been treated as an increase in Retained earnings as on date of transition i.e. 1 April 2015. Further, the financial guarantee income for the year ended 31 March 2016 and 31 March 2017 is treated as an income in the Statement of Profit and Loss for respective financial years.

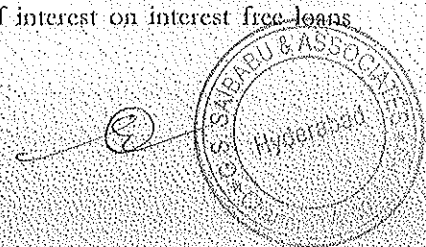
d. Fair valuation of financial guarantee given to lenders fellow subsidiary

Under previous GAAP, the financial guarantees given to lenders of fellow subsidiaries were shown as Contingent liabilities in the notes to financial statements and the same were not recorded. Under Ind AS, all financial guarantee contracts are required to be recognised as financial liability at the time of issuance of such guarantee. The financial liability has been recorded at its fair value initially and subsequently recorded at higher of amount recognised in accordance with Ind AS 37 or initially recognised amount less amortisation. of fair value. In case of the financial guarantees given to lenders of fellow subsidiaries with no compensation, the fair value is recorded as dividend paid to the Holding Company. The fair value is measured at the present value of the guarantee commission income over the effective period of the guarantee. The guarantee commission income from the date of guarantee till the date of transition has been treated as an increase in Retained earnings as on date of transition i.e. 1 April 2015. Further, the financial guarantee income for the year ended 31 March 2016 and 31 March 2017 is treated as an income in the Statement of Profit and Loss for respective financial years.

e. Loss on account of sale of investments in jointly controlled entity

Under previous GAAP, the loans given to jointly controlled entity are recorded at transaction value and the current investments are shown at lower of cost and net realisable value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly the Company has fair valued the loan given to its jointly controlled entity - Cyberabad Expressways Limited (CEL) under Ind AS. The difference between the carrying value and the fair value on the date of transaction has been treated as investment made in the jointly controlled entity.

The Company has recorded additional loss on account of imputation of interest on interest free loans given to Cyberabad Expressways Limited.



Gayatri Highways Private Limited

(Formerly Gayatri Domicile Private Limited)

Summary of Significant Accounting Policies and Other Explanatory Information for Consolidation

(All amounts in ₹ unless otherwise stated)

30 Specified bank notes (SBN)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	-	2,849	2,849
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
Closing cash in hand as on 30 December 2016	-	2,849	2,849

31 The Company's principal objectives are to provide infrastructural facilities either on its own or through incorporating and investing in special purpose vehicles. Consequently, the Company has significant investments in its jointly controlled companies and other entities. On the basis of assessment of the nature of business of the Company, duly supported by an independent opinion from an expert, the management is of the view that the Company is not a Non banking financial institution under the provisions of Section 45-IA of the Reserve Bank of India Act, 1934.

32 The Company has been incurring operating losses during the past few years and the current liabilities of the Company exceeds its current assets. This matter is raising substantial doubt on Company's ability to continue as a going concern in foreseeable future. Notwithstanding the above, the accompanying financial statements has been prepared on going concern basis as the holding company has guaranteed support to the Company and management believes that the jointly controlled entities will generate sufficient cash flows to support the Company.

33 Segment reporting

Based on the Company's business model and considering the internal financial reporting to the management, the Company has identified only one reportable segment i.e. "construction, operations and maintenance of roads, highways, vehicle bridges and tunnels and toll roads"

This is the Summary of
Significant Accounting Policies
and Other Explanatory
Information for Consolidation

For G.S. Sai Babu & Associates
Chartered Accountants
Firm Regn. No: 0142078

Sayta Sai Babu Gurram
Proprietor
M.No.:208341
Place: Hyderabad
Date: 27-11-2019

For and on behalf of Board of directors of
Gayatri Highways Private Limited

T. Sarita Reddy
Director
DIN: 000017122

P Purnachandra Rao
Director
DIN:02230190