



GAYATRI

GHL

28th August, 2024

GHL/SE/2024-25

The General Manager Department of Corporate Services BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai-400 001	The Manager Listing Department The National Stock Exchange of India Limited Bandra Kurla Complex Bandra East, Mumbai-400 051
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Dear Sir/Madam,

Sub: Submission of Notice of the 18th Annual General Meeting and Annual Report for the FY 2023-24 under Regulation 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is to inform that the 18th Annual General Meeting of the members of the Company will be held on Thursday, 26th September, 2024 at 3:30 P.M through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without the physical presence of the Members at a common venue in compliance with the provisions of the Companies Act, 2013 and rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (Listing Regulations), read with General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 2/2022, 10/2022 and 09/2023 dated 08th April, 2020, 13th April, 2020, 5th May, 2020, 13th January, 2021, 05th May, 2022, 28th December, 2022 and 25th September, 2023 respectively, (collectively referred to as 'MCA Circulars') and Circulars dated 12th May, 2020, 15th January, 2021, 13th May, 2022, 5th January, 2023 and 07th October, 2023 (collectively referred to as 'SEBI Circulars'), to transact the businesses as set out in the Notice convening the 18th e-AGM.

Pursuant to Regulation 34(1) and Regulation 30(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the Financial Year 2023-24 along with the Notice of 18th Annual General Meeting for the Financial Year 2023-24 (Please refer Page No. 4 to 15) which are sent to the Members by e-mail. The Annual Report for the financial year 2023-24 is also available on the website of the Company i.e. <https://www.gayatrihighways.com/annual-report.html>.

Further, in terms of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rules, 2014 (as amended), and Regulation 44 of SEBI Listing Regulations, the Company will provide to its members the facility to cast their vote(s) on all resolutions set forth in the Notice by electronic means ("e-voting") or voting through electronic means during the AGM, on the businesses specified in the Notice convening the 18th AGM of the Company.

This is for your information and record.

Thanking you,
Yours faithfully,
For Gayatri Highways Limited

P. Raj Kumar
Company Secretary



GAYATRI HIGHWAYS LIMITED

Registered & Corporate Office :

5th Floor, A Block, TSR Towers, 6-3-1090, Raj Bhavan Road, Somajiguda,
Hyderabad 500 082. Telangana, India.

CIN : L45100TG2006PLC052146

T +91 40 40024262

E-mail : ghl@gayatrihighways.com
www.gayatrihighways.com



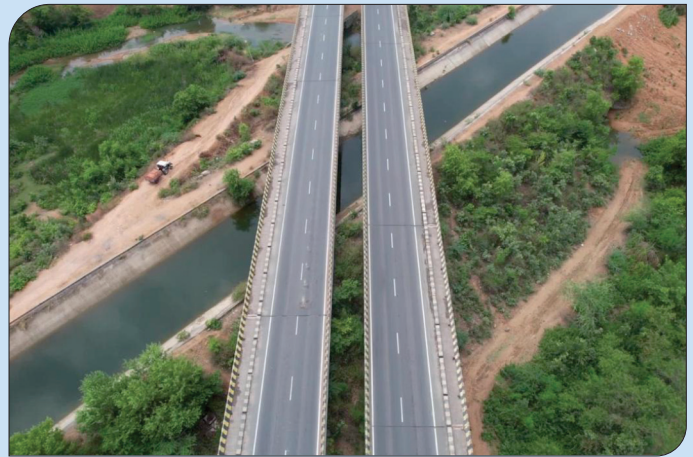
GAYATRI

GAYATRI HIGHWAYS LIMITED

18th
ANNUAL REPORT
2023-24



HKR Roadways Limited



Gayatri Lalitpur Roadways Limited



HKR Roadways Limited

HKR Roadways Limited



4 Lane Completed in Km 21-00

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. M.V. Narasimha Rao	Independent Director
Mr. G. Jagannadha Rao	Independent Director
Mr. Krishnamurthy Chaturvedi	Independent Director
Ms. P. Laxmi	Independent Director
Mr. D. Balarama Krishna	Independent Director
Ms. V. Sindhuja Pothapragada	Independent Director

KEY MANAGERIAL PERSONNEL

Mr. K.G. Naidu	Chief Executive Officer
Mr. P.K. Sahoo	Chief Financial Officer
Mr. P. Raj Kumar	Company Secretary & Compliance Officer

AUDIT COMMITTEE

Mr. M.V. Narasimha Rao	Chairman
Mr. G. Jagannadha Rao	Member
Ms. P. Laxmi	Member

NOMINATION AND REMUNERATION COMMITTEE

Mr. G. Jagannadha Rao	Chairman
Mr. M.V. Narasimha Rao	Member
Ms. P. Laxmi	Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Ms. P. Laxmi	Chairperson
Mr. G. Jagannadha Rao	Member
Mr. M.V. Narasimha Rao	Member

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Mr. M.V. Narasimha Rao	Chairman
Mr. G. Jagannadha Rao	Member
Ms. P. Laxmi	Member

REGISTERED & CORPORATE OFFICE

5th Floor, A Block, 6-3-1090, TSR Towers,
Rajbhavan Road, Somajiguda,
Hyderabad – 500 082, Telangana.
Email: cs@gayatrihighways.com
Website: www.gayatrihighways.com
CIN: L45100TG2006PLC052146
Phone : 040-40024262

STATUTORY AUDITORS

M/s. PRSV & Co. LLP
Chartered Accountants,
#202, Saptagiri Residency,
1-10-98/A, Chikoti Gardens,
Begumpet, Hyderabad.
Telangana – 500016.

INTERNAL AUDITORS

Ms. K.V. Meher Vani
(Represented by Shalang Advisory Services (OPC) Pvt. Ltd.)
Chartered Accountant
1-7-1, Level 1, TSR Complex,
Park Lane, Sardar Patel Road,
Secunderabad– 500003, Telangana.

SECRETARIAL AUDITORS

M/s. V. Shankar & Co.
Company Secretaries,
303, Block-A, Legend Commercial Complex,
3-4-770 & 136, Opposite ICICI Bank,
Above Keshav Medicals, Barkatpura,
Hyderabad-500027, Telangana.

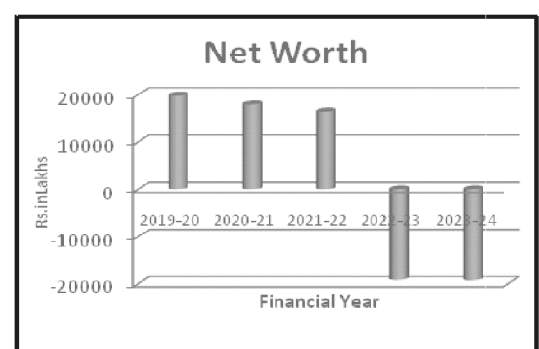
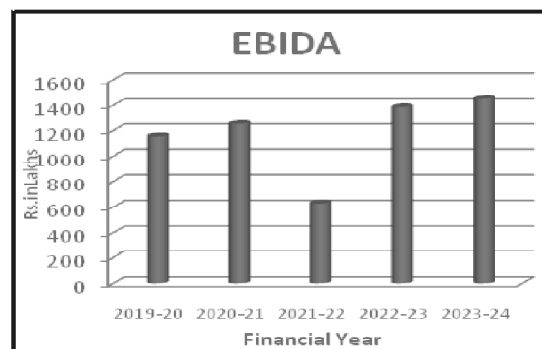
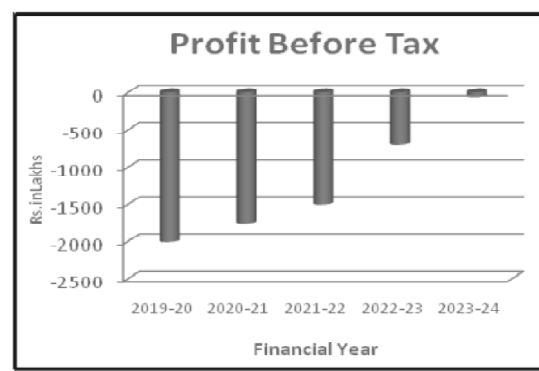
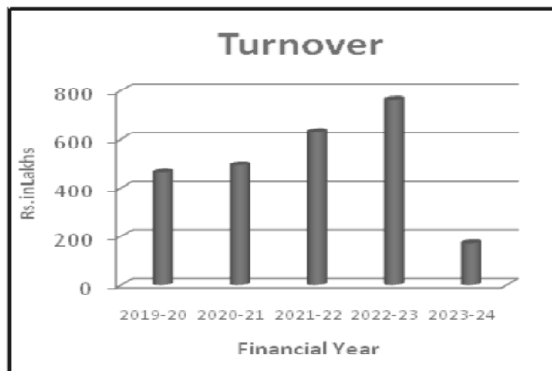
REGISTRAR AND SHARE TRANSFER AGENT

KFin Technologies Limited,
(Formerly known as KFin Technologies Private Limited)
Selenium Building, Tower No. B,
Plot No.31&32, Financial District
Nanakramguda, Serilingampally
Hyderabad, Rangareddy
Telangana - 500 032 India
Toll Free / Tel: 1800 309 4001
Email: einward.ris@kfintech.com; anandan.k@kfintech.com
KFINTeCH Corporate Website: www.kfintech.com
RTA Website: ris.kfintech.com

**Key Financial Indicators**

(Amount in ₹ lakhs)

DESCRIPTION	2023-24	2022-23	2021-22	2020-21	2019-20
Turnover	172.00	762.56	629.92	494.11	463.53
Loss Before Tax	(61.94)	(700.90)	(1,507.03)	(1,767.24)	(2,011.53)
Loss After Tax	(67.25)	(700.90)	(1,507.03)	(1,767.24)	(2,011.53)
EBIDA	1455.42	1385.91	630.77	1,254.91	1,157.48
Equity Capital	4793.04	4793.04	4,793.04	4,793.04	4,793.04
Reserves & Surplus	(24,040.38)	(23,967.92)	(6,169.72)	(4,662.69)	(2,895.44)
Net Worth	(19,247.34)	(19,174.88)	16,510.83	18,017.86	19,785.10
Gross Block	28.10	48.29	32.07	29.28	29.28
Net Block	15.38	22.27	10.16	10.31	13.99
Book Value (₹) Per Share	(8.03)	(8.00)	6.89	7.52	8.26
EPS (₹) Basic	(0.03)	(7.46)	(0.63)	(0.74)	(0.84)
Face Value	₹ 2/-	₹ 2/-	₹ 2/-	₹ 2/-	₹ 2/-



NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Members of Gayatri Highways Limited ("Company") will be held on Thursday, the 26th day of September, 2024 at 3.30 P.M through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without the physical presence of the Members at a common venue (deemed to be conducted at the Registered Office of the Company) to transact the businesses mentioned below:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the company for the financial year ended 31st March, 2024 and the Board's Report and Auditor's Report thereon.

SPECIAL BUSINESS:

2. **Re-appointment of Mr. Krishnamurthy Chaturvedi (DIN:08661228) as an Independent Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ('Act'), the Companies (Appointment and Qualifications of Directors), Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force, Mr. Krishnamurthy Chaturvedi (DIN:08661228), who was appointed as an Independent Director of the Company at the 14th Annual General Meeting for a first term of 5 years from 14th February, 2020 and who holds office up to 13th February, 2025 and who is eligible for being re-appointed as an Independent Director and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company the consent of the members of the Company be and is hereby accorded to re-appoint as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 consecutive years commencing from 14th February, 2025 to 13th February, 2030.

FURTHER RESOLVED THAT any one of the Director or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things to give effect to this resolution."

3. **Approval to continue the appointed tenure and directorship as Non-Executive (Independent Director) by Mr. Krishnamurthy Chaturvedi (DIN:08661228) as per Regulation 17(1A) of the SEBI (LODR) Regulations, 2015.**

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

"RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force, approval of the members of the Company be and is hereby accorded that Mr. Krishnamurthy Chaturvedi (DIN:08661228), who was appointed as an Independent Director (Non-Executive) of the Company at this 18th Annual General Meeting for a second term of 5 years starting from 14th February, 2025 to 13th February, 2030 and who attains the age of 75 years during the aforesaid second term, shall continue the appointed tenure and continue his directorship as an Independent Director (Non-Executive) of the Company till 13th February, 2030.

FURTHER RESOLVED THAT any one of the Director or Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things to give effect to this resolution."

By the Order of the Board,
For **Gayatri Highways Limited**

P. Raj Kumar
Company Secretary
Membership No. A23289

Place: Hyderabad
Date: 30.07.2024

**Notes:**

1. The Register of Members and Share Transfer Books of the Company will be closed from 19th September, 2024 to 26th September, 2024 (both days inclusive).
2. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
3. Members seeking any information with regard to the Accounts are requested to email to the Company at cs@gayatrihighways.com at least seven days before the meeting, so that the Management can keep the information ready at the meeting.
4. Shareholders are requested to furnish their e-mail IDs to enable the Company to forward all the requisite information in electronic mode and support the green initiative. In case of the Shareholders holding shares in demat form the email IDs of the shareholders registered with DP and made available to the Company shall be the registered email IDs unless communication is received to the contrary.
5. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market for transaction of transfer, transmission/transposition and deletion of name of deceased holder. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agents, KFin Technologies Limited. (Formerly known as KFin Technologies Private Limited).
6. Pursuant to the Ministry of Corporate Affairs ("MCA") General Circular No. 09/2023 dated 25th September 2023, and Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7th October 2023, and any other applicable circular issued by MCA and SEBI issued in this regard, the Company is holding its Annual General Meeting through video conferencing / other audio visual means ("VC / OAVM").
7. Pursuant to section 108 of the Companies Act, 2013 read with the rules made thereunder and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, the Company has provided the facility to its members to exercise their votes on the resolution electronically through the e-voting facility provided by KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) ("KFIN"), the Company's Registrar and Transfer Agent. Members who have cast their votes on the resolution by remote e-voting prior to the AGM may participate in the AGM through login credentials provided to them but shall not be entitled to cast their votes again.

The Company shall provide the facility to the members who have not voted through remote e-voting, the facility of electronic voting system during the AGM.

The attendance of shareholders (members' logins) attending the Meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. Member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a Member of the Company. Since the AGM is being held through VC / OAVM, physical attendance of Members is dispensed with, so, the facility for appointment of proxies is not available. Hence proxy forms, attendance slips and route map are not annexed to this Notice.
9. Corporate Members intending to authorise their representatives to attend the meeting pursuant to Section 113 of the Act, are requested to email certified copy of the Board / Committee / Governing Body resolution / authorisation letter, etc., authorising their representatives to attend and vote on their behalf. The documents should be emailed to cs@gayatrihighways.com and a copy marked to evoting@kfintech.com with the subject line Gayatri Highways Limited.
10. The Company has appointed Mr. C.N.Kranthi Kumar, Company Secretary in Practice, Hyderabad, Telangana (Membership No. F9255 and Certificate of Practice No.13889, Peer Reviewed Certificate No.612/2019), as the Scrutinizer to scrutinize remote e-voting process and e-voting at the Meeting in a fair and transparent manner. The Scrutinizer shall immediately after the conclusion of the Meeting, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses who are not in the employment of the Company. The Scrutinizer shall submit a consolidated

Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than forty eight hours after the conclusion of the Meeting to the Chairman of the meeting. The Chairman, or any other person authorised by the Chairman, shall declare the result of the voting forthwith. The resolutions will be deemed to be passed on the date of the Meeting subject to receipt of the requisite number of votes in favour of the resolutions.

11. The results declared along with the Scrutinizer's report will be forwarded to BSE Limited and National Stock Exchange of India Limited; be displayed at the Registered Office of the Company and simultaneously uploaded on the Company's website at <http://www.gayatrihighways.com> and the Company's Registrar and Transfer Agent, KFin, at <https://evoting.kfintech.com>.
12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available for inspection by the Members through electronic mode during the AGM.

The aforesaid documents along with documents referred to in the AGM Notice will also be available electronically for inspection by the Members, without payment of any fees, from the date of circulation of this Notice up to the date of AGM, i.e. 26th September, 2024. Members seeking inspection of the aforementioned documents can send an email to cs@gayatrihighways.com with the subject line – Gayatri Highways Limited.

13. For shares held in electronic form: Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts.
14. For shares held in physical form: SEBI vide its Circular dated 3rd November, 2021 has mandated registration of PAN, KYC details and Nomination, by holders of physical securities. Members holding shares in physical form can submit their PAN, KYC details (i.e. postal address with pin code, email address, mobile number, bank account details) and Nomination details by holders through duly filled and signed Form ISR-1 to the Company / KFin Technologies Limited, at Selenium Buidling, Tower No. B, Plot No. 31&32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy Telangana– 500032 or by email to einward.ris@kfintech.com from their registered email id. It may be noted that any service request or compliant can be processed only after the folio is KYC compliant.
15. Members holding shares in physical mode desirous of making nomination are advised to submit Nomination Form (SH-13) to RTA or to the Company in respect of their shareholding in the Company and those Members holding shares in electronic mode may contact their respective DPs for availing the nomination facility as provided under Section 72 of the Act.

DISPATCH OF ANNUAL REPORT, PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF NOTICE AND ANNUAL REPORT:

16. In accordance with the provisions of the MCA and SEBI circulars, the AGM Notice along with the Annual Report are being sent through email only to Members whose email IDs are registered with KFin; National Securities Depository Limited ("NSDL") and / or Central Depository Services (India) Limited ("CDSL") (collectively referred to as Depositories or NSDL / CDSL).
17. The AGM Notice and the Annual Report are available on the Company's website <https://www.gayatrihighways.com/annual-report.html> the website of KFin <https://evoting.kfintech.com> and also on those of the BSE Limited www.bseindia.com and the National Stock Exchange of India Limited www.nseindia.com.
18. Members who have still not registered their email IDs are requested to do so at the earliest as under:
 - Members holding shares in electronic mode can get their email ID registered by contacting their respective Depository Participant.
 - Members holding shares in physical mode are requested to register their email ID with the Company or KFin. Requests can be sent by email to (einward.ris@kfintech.com) or by logging into <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>
 - Members are requested to support this Green Initiative effort of the Company and get their email ID registered to enable the Company to send documents such as notices, annual reports, other documents in electronic form. Those members who have already registered their email addresses are requested to keep



their email addresses validated with their Depository Participants / Kfin to enable servicing of notice, annual reports, other documents in electronic form.

CUT-OFF DATE

19. The cut-off date for the purpose of ascertaining shareholders entitled for remote e-voting and voting at the Meeting is 18th September, 2024 (hereinafter referred to as the "Cut-off Date"). A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off Date only shall be entitled to avail the facility of remote e- voting as well as voting at the Meeting. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the Cut-off Date. A person who is not a shareholder as on the cut-off date should treat this Notice for information purpose only.

PROCEDURE FOR REMOTE E-VOTING

20. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFintech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.
21. However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
22. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
23. The remote e-Voting period commences on 22nd September, 2024 (9:00 a.m. IST) and ends on 25th September, 2024 (5:00 p.m. IST). During this period, Members of the Company holding shares either in physical form or in demat form, as on the cut-off date i.e. Wednesday, 18th September, 2024 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by KFin for voting thereafter. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.
24. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
25. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she is already registered with KFintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.
26. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."
27. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:
- Step 1 :** Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.
- Step 2 :** Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.
- Step 3 :** Access to join virtual meetings (e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

DETAILS ON STEP 1 ARE MENTIONED BELOW:
i) Login method for remote e-Voting Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual shareholders holding securities in Demat mode with National Securities Depository Limited ("NSDL")	<p>A. User already registered for IDeAS facility:</p> <ol style="list-style-type: none"> 1. Visit URL : https://eservices.nsdl.com 2. Click on the "Beneficial Owner" icon under 'IDeAS' section. 3. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" 4. Click on Company Name or e-Voting service provider and you will be re-directed to e-voting service provider website for casting your vote during the remote e-Voting period. <p>B. User not registered for IDeAS e-Services:</p> <ol style="list-style-type: none"> 1. To register click on link : https://eservices.nsdl.com 2. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Proceed with completing the required fields. 4. Follow steps given in points 1 <p>C. Alternatively by directly accessing the e-Voting website of NSDL</p> <ol style="list-style-type: none"> 1. Open URL: https://www.evoting.nsdl.com/ 2. Click on the icon "Login" which is available under 'Shareholder/Member' section. 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. 4. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e.KFintech. 5. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in Demat mode with Central Depository Services (India) Limited ("CDSL")	<p>A. Existing user who have opted for Easi / Easiest</p> <ol style="list-style-type: none"> 1. Visit URL: https://web.cdslindia.com/myeasitoken/home/login OR URL: www.cdslindia.com 2. Click on New System Myeasi 3. Login with your registered user id and password. 4. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. 5. Click on e-Voting service provider name to cast your vote. <p>B. User not registered for Easi/Easiest</p> <ol style="list-style-type: none"> 1. Option to register is available at https://web.cdslindia.com/myeasitoken/home/login OR URL: www.cdslindia.com 2. Proceed with completing the required fields. 3. Follow the steps given in point 1 <p>C. Alternatively, by directly accessing the e-Voting website of CDSL</p> <ol style="list-style-type: none"> 1. Visit URL: www.cdslindia.com 2. Provide your demat Account Number and PAN No. 3. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. 4. After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e- Voting is in progress.



Individual Shareholders login through their Demat accounts / Website of Depository Participant	<p>A. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.</p> <p>B. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>C. Click on options available against company name or e-Voting service provider – Kfintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.</p>
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Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual shareholders holding securities in demat mode for any technical issues related to login through NSDL / CDSL:

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022-4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free No. 1800 22 55 33

Details on Step 2 or mentioned below :

II) Login methods for e-voting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

- (A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
 - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.

- vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'GAYATRI HIGHWAYS LIMITED - AGM' and click on "Submit"
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
 - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. Together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id kranthisarkar369@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_Even No."
- (B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

Procedure for Registration of email and Mobile: securities in physical mode

Physical shareholders are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated March 16th, 2023, All holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR 1 form along with the supporting documents.

ISR 1 Form can be obtained by following the link:

<https://ris.kfintech.com/clientservices/isc/default.aspx>

ISR Form(s) and the supporting documents can be provided by any one of the following modes.

- a) Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or
- b) Through hard copies which are self-attested, which can be shared on the address below; or

Name	KFIN Technologies Limited
Address	Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032.
- c) Through electronic mode with e-sign by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx#>

Detailed FAQ can be found on the link: <https://ris.kfintech.com/faq.html>



For more information on updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the DEMAT a/c is being held.

- iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

- i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFinTech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFinTech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- ii. Facility for joining AGM through VC/ OAVM shall open at least 15 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries 7 days prior to meeting mentioning their name, demat account number / folio number, email id at cs@gayatrihighways.com.
- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- viii. Facility of joining the AGM through VC / OAVM shall be available for at least 2000 members on first come first served basis.
- ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

OTHER INSTRUCTIONS

- I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will be opened from 21st September, 2024 (9:00 a.m. IST) up to 23rd September, 2024 (5:00 p.m. IST). Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
- II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will be opened from 21st September, 2024 (9:00 a.m. IST) up to 23rd September, 2024 (5:00 p.m. IST).
- III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of

<https://evoting.kfintech.com> (KFintech Website) or contact Mr. Anandan, at evoting@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.

- IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, 18th September, 2024, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- V. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- i. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.
- VI. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

By the Order of the Board,
For **Gayatri Highways Limited**

P. Raj Kumar
Company Secretary
Membership No. A23289

Place: Hyderabad
Date: 30.07.2024



STATEMENT SETTING OUT THE FOLLOWING MATERIAL FACTS CONCERNING EACH ITEM OF SPECIAL BUSINESS TO BE TRANSACTED AT A GENERAL MEETING (PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013) AND THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED ('SEBI LISTING REGULATIONS')

Item No.2: Re-appointment of Mr. Krishnamurthy Chaturvedi (DIN: 08661228) as an Independent Director of the Company

Mr. Krishnamurthy Chaturvedi (DIN: 08661228) has over 4 decades of experience in State Bank Group in various Capacities as Asst. Manager, Deputy Manager, Manager and Branch Head, dealing with Accounting, Operations, Agriculture Credit, Retail Credit, SME Credit, Corporate Credit, Marketing, Customer Relations and Internal Audit. He was appointed in terms of Section 149 of the Companies Act, 2013 ('the Act') as an Independent Director of the Company at the Annual General Meeting of the Company held on 29 th September 2020, for a tenure of 5 years is going to complete his tenure on 13 th February, 2025.

Based on his skills, capability, experience, knowledge, contribution, and based on external business environment, performance evaluation and recommendation of the Nomination and Remuneration Committee in its meeting held on 26th July, 2024, the Board in line with the Company's Policy on Director's Appointment and Remuneration is of opinion that his continued association with the Company as Independent Director would be beneficial to the Company, and hence it is proposed for his re-appointment as an Independent Director for a second term of 5 years starting from 14 th February, 2025.

He has confirmed that he is not disqualified to act as a Director in terms of Section 164 of the Act and is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority and is in compliance with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and has given consent to act as a Director of the Company not liable to retire by rotation and has given a notice in writing pursuant to Section 160 of the Act.

His brief profile and other information as required under Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS-2) on General Meetings issued by the Institute of Company Secretaries of India (ICSI) is provided as Annexure to this Notice.

Mr. Krishnamurthy Chaturvedi (DIN:08661228) is not related to any director or key managerial personnel and none of the other director(s) and key managerial personnel(s) or their relatives, are in any way concerned or interested, financially or otherwise, in this resolution.

The Board recommends the members to approve Item No.2 of the Notice by passing Special Resolution.

Item No.3: Approval to continue the appointed tenure and directorship as Non-Executive (Independent Director) by Mr. Krishnamurthy Chaturvedi (DIN: 08661228) as per Regulation 17(1A) of the SEBI (LODR) Regulations, 2015

In relation to Item No.2 of the Notice and with the Re-appointment of Mr. Krishnamurthy Chaturvedi (DIN: 08661228) as an Independent Director for a second term of 5 years starting from 14 th February, 2025 to 30 th February, 2030, it is required under Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Reg 17 LODR Regulations") to pass a Special Resolution so that he can continue with his appointed tenure and directorship as Non-Executive (Independent Director) on or before the date of attaining the age of 75 years by him during his second term of re-appointment.

Mr. Krishnamurthy Chaturvedi (DIN: 08661228) has over 4 decades of experience in State Bank Group in various Capacities as Asst. Manager, Deputy Manager, Manager and Branch Head, dealing with Accounting, Operations, Agriculture Credit, Retail Credit, SME Credit, Corporate Credit, Marketing, Customer Relations and Internal Audit.

Based on his skills, capability, experience, knowledge, contribution, and based on external business environment, performance evaluation and recommendation of the Nomination and Remuneration Committee in its meeting held on 26th July, 2024, the Board in line with the Company's Policy on Director's Appointment and Remuneration is of opinion that his continued association with the Company as Independent Director would be beneficial to the Company, and hence it is proposed for his re-appointment as an Independent Director for a second term of 5 years starting from 14 th February, 2025.

Mr. Krishnamurthy Chaturvedi (DIN:08661228) is not related to any director or key managerial personnel and none of the other director(s) and key managerial personnel(s) or their relatives, are in any way concerned or interested, financially or otherwise, in this resolution.

The Board recommends the members to approve Item No.3 of the Notice by passing Special Resolution.

By the Order of the Board,
For **Gayatri Highways Limited**

P. Raj Kumar
Company Secretary
Membership No. A23289

Place: Hyderabad
Date: 30.07.2024

Annexure to the Notice of AGM dated 26th September, 2024

Brief Resumes of Director seeking Re-Appointment at the ensuing Annual General Meeting on 26th September, 2024.

[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India].

S. No	Particulars	Name of the Director
		Mr. Krishnamurthy Chaturvedi
1.	DIN	08661228
2.	Date of birth and Age	5th August, 1952 72 Years
3.	Qualification	B.Com
4.	Experience and expertise in specific functional areas	Mr. Krishnamurthy Chaturvedi has over 4 Decades of experience dealing with accounting, operations, Agriculture credit, retail Credit, SME Credit, Corporate Credit, Marketing, customer relations and internal audit.
5.	Brief Resume	Mr. Krishnamurthy Chaturvedi has over 4 Decades of experience in State Bank Group in various Capacities as Asst. Manager, Deputy Manager, Manager and Branch head, dealing with accounting, operations, Agriculture credit, retail Credit, SME Credit, Corporate Credit, Marketing, customer relations and internal audit.
6.	Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Not related to Directors, Manager and other Key Managerial Personnel of the company.
7.	Nature of appointment (appointment / re-appointment)	Re-appointment
8.	Terms and Conditions of appointment / re-appointment	Terms and conditions of appointment are as per the resolution at Item No. 2 of the Notice convening Annual General Meeting on 26th September, 2024 read with explanatory statement thereto.
9.	Remuneration last drawn by such person, if applicable and remuneration sought to be paid	As a Non-Executive Independent Director, he is entitled to sitting fees for attending meetings of the Board/ Committee as may be approved by the Board of Directors from time to time.

10.	Date of first appointment on the Board	14th February, 2020
11.	Shareholding in the company	NIL
12.	The number of Meetings of the Board attended during the year.	5
13.	Directorship Details of the Board	<ol style="list-style-type: none"> 1. Gayatri Jhansi Roadways Limited 2. Gayatri Lalitpur Roadways Limited 3. Sai Maatarini Tollways Limited 4. Indore Dewas Tollways Limited 5. Balaji Highways Holding Private Limited 6. Hyderabad Expressways Limited. 7. Cyberabad Expressways Limited.
14.	Membership/ Chairmanship of Committees of other Boards	<p>Chairmanship and Membership details:</p> <p>a) Audit Committee:</p> <ol style="list-style-type: none"> 1. Gayatri Jhansi Roadways Limited 2. Gayatri Lalitpur Roadways Limited 3. Hyderabad Expressways Limited. 4. Cyberabad Expressways Limited. <p>b) Nomination and Remuneration Committee of:</p> <ol style="list-style-type: none"> 1. Gayatri Jhansi Roadways Limited 2. Gayatri Lalitpur Roadways Limited <p>Membership details:</p> <p>a) Audit Committee:</p> <ol style="list-style-type: none"> 1. Sai Maatarini Tollways Limited 2. Indore Dewas Tollways Limited <p>b) Nomination and Remuneration Committee of:</p> <ol style="list-style-type: none"> 1. Gayatri Jhansi Roadways Limited 2. Gayatri Lalitpur Roadways Limited 3. Hyderabad Expressways Limited. 4. Cyberabad Expressways Limited. <p>c) CSR Committee of:</p> <ol style="list-style-type: none"> 1. Gayatri Jhansi Roadways Limited 2. Gayatri Lalitpur Roadways Limited
15.	Performance evaluation	On various criteria, inter-alia, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry and global trends etc.
16.	In the case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements.	<p>He has following skills among the skills required:</p> <ul style="list-style-type: none"> • Leadership and Board Experience • Business Strategy • Governance • People and Talent Understanding

BOARD'S REPORT

To
The Members,

Your Board of Directors (the 'Board') has immense pleasure in presenting the 18th Annual Report of Gayatri Highways Limited (the "GHL" or "Company"). The Board's Report is prepared based on the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2024. The Audited Consolidated Financial Statements of the Company shall form part of this report.

1. FINANCIAL SUMMARY:

A) STANDALONE

The Standalone Financial Results of your company for the year ended 31st March 2024 are as follows:

(Amount in ₹ Lakhs)

Sl. No.	Particulars	For the year ended 31.03.2024	For the year ended 31.03.2023
1)	INCOME		
	Revenue from operations	172.00	762.56
	Other income	2,190.72	1,441.01
	TOTAL	2,362.72	2,203.57
2)	EXPENDITURE		
	Operations & Maintenance Expenses	143.26	683.65
	Employee Benefits Expense	8.09	56.85
	Finance Costs	1,509.30	2,082.70
	Depreciation & Amortization expense	8.06	4.11
	Other Expenses	755.95	77.16
	TOTAL	2,424.66	2,904.47
3)	Loss before tax from continuing operations	(61.94)	(700.90)
	- Income Tax	5.34	—
4)	Exceptional loss	(10.00)	(17,172.85)
5)	Loss for the year	(77.25)	(17,873.75)
6)	Other Comprehensive Income	4.79	—
7)	Total Comprehensive Income	(72.46)	(17,873.75)
	Earnings (Loss) per Share – Basic & Diluted	(0.03)	(7.46)

**B) CONSOLIDATED**

The Consolidated Financial Results of your company for the year ended 31st March 2024 are as follows:

(Amount in ₹ Lakhs)

Sl. No.	Particulars	For the year ended 31.03.2024	For the year ended 31.03.2023
1)	INCOME		
	Revenue from operations	172.00	762.56
	Other income	2,034.35	1,366.09
	TOTAL	2,206.35	2,128.65
2)	EXPENDITURE		
	Operations & Maintenance Expenses	143.26	683.65
	Employee Benefits Expenses	8.09	56.85
	Finance Costs	1,509.30	2,082.70
	Depreciation & Amortization expense	8.06	4.11
	Other Expenses	756.87	78.03
	TOTAL	2,425.58	2,905.34
3)	Loss before tax from continuing operations	(219.23)	(776.69)
	- Income Tax	5.34	—
	Exceptional Income	(11,529.80)	17,887.51
	Profit/(Loss) for the year from continuing operations	(11,754.34)	17,110.82
	Loss before tax from discontinued operations	(30,390.97)	(28,907.03)
	- Income Tax	—	—
	Loss for the year from discontinued operations	(30,390.97)	(28,907.03)
	Share of profits/ (losses) in the Jointly controlled entities	(1,967.12)	(2,223.52)
4)	Loss for the year	(44,112.43)	(14,019.73)
	Other comprehensive income- Re-measurement of the defined benefit plans	4.79	1.34
5)	Total comprehensive loss for the year	(44,107.64)	(14,018.39)
	Earnings (Loss) per Share – Basic & Diluted	(18.40)	(5.85)

STATE OF COMPANY'S AFFAIRS:

During the year, the Company achieved revenue of ₹ 2,362.72 Lakhs and incurred net loss of ₹72.46 Lakhs on a Standalone basis and the consolidated revenue was ₹ 2,206.35 Lakhs for continuing operations and total net loss after non-controlling interests was ₹44,107.64 Lakhs. Further the Company is exploring new opportunities.

FUTURE OUTLOOK

Infrastructure is a key enabler in helping India become a US\$ 26 trillion economy. Investments in building and upgrading physical infrastructure, especially in synergy with the ease of doing business initiatives, remain pivotal to increase efficiency and costs. Prime Minister Narendra Modi also recently reiterated that infrastructure is a crucial pillar to ensure good governance across sectors.

With the launch of the "Infrastructure for the Resilient Island States" initiative in November 2021, India will have a significant opportunity to improve the lives of other vulnerable nations around the globe.

Road building accelerated in FY22 by government initiatives like the National Infrastructure Pipeline, National Monetization Pipeline, Bharatmala Pariyojana, modifications to the Hybrid Annuity Model (HAM), and a quick pace of asset monetization.

The PM GatiShakti National Master Plan, which includes implementation, monitoring, and support mechanisms, was approved by the Indian Union Cabinet in October 2021.

For a redesigned, reform-based, and result-linked fresh electricity distribution sector scheme over the next five years, the government declared Rs. 305,984 crores (US\$ 42 billion). The Mega Investment Textiles Parks (MITRA) scheme was introduced to create seven textile parks over three years and world-class infrastructure for the textile industry.

The Union Budget & The Infrastructure Sector:

- The government has allocated Rs. 10 lakh crore (US\$ 130.57 billion) to improve the infrastructure sector, giving it a significant boost.
- The National Highways Authority of India received a budget of Rs. 134,015 crores (\$17.24 billion) from the government (NHAI).
- According to the government, The Ministry of Road Transport and Highways will receive an investment of Rs. 60,000 crores (US\$ 7.72 billion)
- The Ministry of Housing and Urban affairs will receive \$ 9.85 billion from the Government or Rs. 76,549 Crores.
- To build and improve the nation's telecom infrastructure, the government gave the Department of Telecommunications a budget of Rs. 84,587 crores (US\$10.87 billion).

Over the next three years, 100 PM-GatiShakti Cargo Terminals for multimodal logistics facilities will be built. The PM GatiShakti - National Master Plan for multimodal connectivity to economic zones received the majority of attention. The PM Gati Shakti National Master Plan will integrate everything—from highways to trains, from aviation to agriculture, and many ministries and departments.

Roadways: Under PM Gati Shakti, two lakh km of national highways are expected to be finished by 2024–25. In 2022–2023, the government plans to add 25,000 kilometres to the National Highways Network. All over the nation, NH construction is moving along more quickly.

In the road's sector, the Government's policy to increase private sector participation has proved to be a boon for the infrastructure industry as many private players are entering the business through the public-private partnership (PPP) model.

Infrastructure support to nation's manufacturers also remains one of the top agendas as it will significantly transform goods and exports movement making freight delivery effective and economical.

Your Company is exploring new opportunities to identify suitable and viable project or to continue and strengthen its present business with its existing SPVs keeping in view the current business conditions, financial constraints, modern technologies, project deadlines, safety protocols, compliances and market margins.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business in your Company during the year under review.

ANNUAL RETURN

Annual Return in Form MGT-7 is available on the Company's website; the web link for the same is <https://www.gayatrihighways.com/ExtractOfAnnualReturn.html>

BOARD MEETINGS

During the year ended 31st March, 2024, Five Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



The dates on which the Board meetings were held are 18th May, 2023, 29th May, 2023, 10th August, 2023, 9th November, 2023 and 13th February, 2024.

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, 2024 is as follows :

Name of the Director	Number of Board Meetings		
	Held	Attended	Entitled to attend
Mr. M.V. Narasimha Rao	5	5	5
Mr. G. Jagannadha Rao	5	5	5
Ms. P. Laxmi	5	5	5
Mr. Krishnamurthy Chaturvedi	5	5	5
Mr. Desina Balarama Krishna	5	5	5
Ms. V. Sindhuja Pothapragada	5	5	5

AUDIT COMMITTEE

The Audit Committee consists of the following Directors:

Mr. M.V. Narasimha Rao - Chairman
Mr. G. Jagannadha Rao - Member
Ms. P. Laxmi - Member

During the financial year ended 31st March, 2024, Five meetings were held by the Audit Committee on 18th May, 2023, 29th May, 2023, 10th August, 2023, 9th November, 2023 and 13th February, 2024.

There has been no such incidence where the Board has not accepted the recommendation of the Audit Committee during the year under review.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Company has a Nomination, Remuneration and Evaluation Policy in place and is made available on Company's website, and can be accessed at:

https://www.gayatrihighways.com/pdf/CorpGov/Nomination_Remuneration_and_Evaluation_Policy.pdf

The Nomination and Remuneration Committee discusses and decides the appointment of the Board of Directors and Key Managerial Personnel and their remuneration including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Act.

The Committee is headed by Mr. G. Jagannadha Rao as Chairman and Mr. M.V. Narasimha Rao and Ms. P. Laxmi as members of the Committee.

During the financial year ended 31st March, 2024, one meeting was held by the Nomination and Remuneration Committee on 12th February, 2024.

The Nomination, Remuneration & Evaluation Policy is annexed as **Annexure-I**.

LISTING FEES

Your Company has paid the requisite Annual Listing fees to National Stock Exchange of India Limited (**Symbol: GAYAHWS**) and **BSE Limited (Scrip Code: 541546)** where its securities are listed.

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 accounts for the year ended 31st March, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures if any;
- b. that such accounting policies were selected and applied them consistently and judgment 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 for the financial year ended 31st March, 2024 and of the profit and loss 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 accounts 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; and
- f. that directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such system were adequate and operating effectively.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to the Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Business Responsibility and Sustainability Report is **NOT APPLICABLE**

DIRECTORS AND KEY MANAGERIAL PERSONNEL

There were no changes in the Directors and Key Managerial Personnel during the year under review.

RETIREMENT OF DIRECTORS BY ROTATION

Directors are not required to retire by rotation.

DISQUALIFICATIONS OF DIRECTORS, IF ANY

None of the Directors on the Board of the Company are disqualified pursuant to the provisions of Section 164 or Schedule V Part II of the Companies Act, 2013.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have submitted their declaration of independence as required under section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the Listing Regulations and have confirmed that they fulfill the independence criteria as specified under section 149(6) of the Act and Regulation 16 of the Listing Regulations.

REGISTRATION OF INDEPENDENT DIRECTORS IN INDEPENDENT DIRECTORS DATABANK

All the Independent Directors of the Company have been registered and are members of Independent Directors Databank maintained by Indian Institute of Corporate Affairs (IICA).

ONLINE PROFICIENCY SELF-ASSESSMENT TEST

All Independent Directors of the Company have passed the Online Proficiency Self-Assessment Test conducted by Indian Institute of Corporate Affairs (IICA).



CONFIRMATION FROM THE BOARD ON FULFILLMENT OF THE INDEPENDENCE CRITERIA OF INDEPENDENT DIRECTORS

All the Independent Directors of the Company have given their respective declaration / disclosures under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations and have confirmed that they fulfill the independence criteria as specified under section 149(6) of the Act and Regulation 16 of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Further, the Board after taking these declarations. Disclosures on record and acknowledging the veracity of the same concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

AUDITOR'S REPORT

EXPLANATORY NOTES TO THE QUALIFICATIONS IN THE AUDITORS' REPORT:

Auditors Qualification (Standalone)

1. **As explained in note 11 to the financial statements, the company has written back Zero Interest Subordinate Loan (ZISL) payable to Gayatri Projects Limited of Rs. 17,887.51 Lakhs during the financial year 2022-23 which has been subject to confirmation from Gayatri Projects Limited. In the absence of balance confirmation, we are unable to comment upon the aforesaid write back and the carrying value of the payable as at 31 March 2024 or any adjustments required to and the consequent impact if any, on the financial statements had the confirmation been received from the Gayatri Projects Limited.**

Explanation:

As per the terms of the MOU dated 20.03.2019 between the parties, the ZISL is no more payable to Gayatri Projects Limited and hence the company written back the ZISL.

2. **As explained in note 13 (v) and (vi) to the financial statements, the company has defaulted in repayment of outstanding term loan of Rs. 3,822. 65 Lakhs and outstanding accumulated interest of Rs. 1,193.21 Lakhs (Interest was recognized in the financial statements till 31 March 2023) payable to IL&FS Financial Services Limited . The Company has been calculating and recognizing interest only on the defaulted principle of Rs. 3,822. 65 Lakhs as per the existing loan agreement since the Company has not received balance confirmation from the said lender. In the absence of balance confirmation, we are unable to comment on the carrying value of term loan principle and outstanding interest as at 31 March 2024 or any adjustment required to and the consequent impact if any on the financial statements had the confirmations been received from the lender.**

Explanation:

The Company has requested for confirmation of balances and is yet to be received.

3. **As explained in note 13(vi) to the financial statements the company did not provide interest on the outstanding term loan of Rs. 3,822. 65 Lakhs due to IL&FS Financial Services Limited for the period 01 April 2023 to 31 March 2024. The Company's records indicate that, had management has provided interest for the period 01 April 2023 to 31 March 2024, the expenses and the corresponding liability would have been increased by Rs. 573. 40 Lacs and total equity would have been reduced by Rs. 573.40 Lakhs.**

Explanation:

The Lender has already claimed the amounts from the Guarantor M/s. Gayatri Projects Limited. Further the lender has already submitted the claim to NCLT under IBC, 2016 against the Guarantor namely M/s. Gayatri Projects Limited and NCLT has admitted and appointed IRP. As the matter is under dispute, the Company did not provide interest for the said period.

Auditors Qualification (Consolidated)

1. As explained in note 18(v) and 18(vi) to the consolidated financial statements the company has defaulted in repayment of outstanding term loan of Rs. 3,822.65 Lakhs and outstanding accumulated interest of Rs. 1,193.21 Lakhs (Interest was recognized in the financial statements till 31 March 2023) payable to IL&FS Financial Services Limited. The Company has been calculating and recognizing interest only on the defaulted principle of Rs. 3,822.65 Lakhs as per the existing loan agreements since the Company has not received balance confirmation from the said lender. In the absence of balance confirmation, we are unable to comment on the carrying value of term loan principle and outstanding interest as at 31 March 2024 or any adjustment required to and the consequent impact if any on the financial statements had the confirmations been received from the lender.

Explanation:

The Company has requested for confirmation of balances and is yet to be received.

2. As explained in note 18(vi) to the consolidated financial statements the company did not provide interest on the outstanding term loan of Rs. 3,822.65 Lakhs due to IL&FS Financial Services Limited for the period 01 April 2023 to 31 March 2024. The Company's records indicate that, had management has provided interest for the period 01 April 2023 to 31 March 2024, the expenses and the corresponding liability would have been increased by Rs. 573.40 Lacs and total equity would have been reduced by Rs. 573.40 Lakhs.

Explanation:

The Lender has already claimed the amounts from the Guarantor M/s. Gayatri Projects Limited. Further the lender has already submitted the claim to NCLT under IBC, 2016 against the Guarantor namely M/s. Gayatri Projects Limited and NCLT has admitted and appointed IRP. As the matter is under dispute, the Company did not provide interest for the said period.

3. As explained in note 16 to the consolidated financial statements, the company has written back Zero Interest Subordinate Loan (ZISL) payable to Gayatri Projects Limited of Rs. 17,887.51 Lakhs during the financial year 2022-23 which has been subject to confirmation from Gayatri Projects Limited. In the absence of balance confirmation, we are unable to comment upon the aforesaid write back and the carrying value of the payable as at 31 March 2024 or any adjustments required to and the consequent impact if any, on the financial statements had the confirmation been received from the Gayatri Projects Limited.

Explanation:

As per the terms of the MOU dated 20.03.2019 between the parties, the ZISL is no more payable to Gayatri Projects Limited and hence the company written back the ZISL.

4. As detailed in Note No 48B to the consolidated financial statements, we were informed that the parent did not receive the audited financial statements of Indore Dewas Tollways Limited (IDTL), which is a material subsidiary of the Holding Company for the year ended 31 March 2024 for the reasons stated there under. We were informed that the hon'ble NCLT bench at Hyderabad had admitted IDTL into Corporate Insolvency Resolution Process (CIRP) under Section 7 of the Insolvency and Bankruptcy Code (IBC), 2016 (as amended) and appointed Interim Resolution Professional (IRP). In this regard, we were informed that the parent has compiled the financials results of IDTL for the year ended 31 March 2024 that were included in the statement by adopting the following procedure.

For the period 01st April 2023 to 30th October 2023, based on books of accounts and for the period 31st October 2023 to 31st March 2024, as nil transactions

In the absence of the consolidation of subsidiary for the full year, we are unable to determine the effects on the consolidated financial statements of the failure to consolidate the subsidiary for the full year.

**Explanation:**

The hon'ble NCLT bench at Hyderabad had admitted IDTL into Corporate Insolvency Resolution Process (CIRP) under Section 7 of the Insolvency and Bankruptcy Code (IBC), 2016 (as amended) and appointed Interim Resolution Professional (IRP) with effect from 31st October, 2023. We have pursued the IRP of IDTL to provide the annual accounts for the financial year 2023-24, but we have not received any information or response from him. Hence we have prepared the consolidated accounts based on the available information from 1st April 2023 to 30th October 2023.

5. **We draw your attention to the following qualification to the audit opinion of the financial statements of Sai Maatarini Tollways Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its Report dated 16 May 2024 reproduced by us as under. (Refer note 48 to the consolidated financial statements)**
- a. **Note 48A(1) regarding settlement agreement entered between the company and NHAI on 30th March 2023. As per the settlement agreement the company and NHAI had agreed for a termination payment of Rs.96,803 lakhs against all disputes/claims. The settlement amount of Rs.96,803 Lakhs includes termination payment, interest, claims receivable by the company net of recoveries by NHAI. The company had received Rs 79,650 lakhs and balance settlement amount to be received is Rs 17,153 lakhs. However pending settlement with the lenders, the company continues to recognise Net receivable from NHAI of Rs.98,578 Lakhs (Net of Rs 79,650 lakhs receipt). Henceforth the expenses (Write off of Receivable) of the company are understated by Rs. 81,425 lakhs and assets overstated by Rs. 81,425 lakhs.**

Explanation:

Since the NHAI has not fully paid the amount as per the settlement agreement dated 30th March, 2023 and still the balance settlement amount to be received is Rs 17,153 lakhs, hence SMTL has not written off the receivable.

- b. **Note 48A(2)(c) to the financial statements regarding non receipt of the confirmations of balances from banks and financial institutions in respect of borrowings of Rs. 2,11,996.16 Lakhs for the reasons detailed in the said note. The company had recognized interest expense and other finance charges during the period amounting to Rs 27,467.33 Lakhs as per existing loan agreements. We are unable to comment on impact, if any, on loss for the year and the Reserves had the confirmations been received from the lenders.**

Explanation:

Since the accounts of SMTL has become NPA and the lenders have not provided the account statements for the period ended 31st March, 2024. The lead banker namely IDBI Bank has already filed an application with NCLT under IBC, 2016 and the matter may be admitted and IRP may be appointed at any time.

- c. **Note 48A(3) regarding non-recognition of liability towards goods and services Tax (including interest and penalty) amounting to Rs 12,392 Lakhs in respect of termination payment received from National Highways Authority of India and other reasons stated in the said note. Pending the ultimate outcome of this matter, which is presently unascertainable, no adjustments have been made in the financial statements.**

Explanation:

Since the matter is still pending with Commissioner of Appeals and also NHAI has withheld an amount of around Rs 17,153 lakhs towards the GST liability, SMTL has not recognised the GST liability in its books of accounts. Further the Company is of the opinion that the GST is not applicable on termination payments paid/payable by NHAI.

- d. **Note 48A(4) wherein during the financial year 2022-23, the company has written off a receivable of Rs.1,011.02 Lakhs from Gayatri Projects Limited and written back trade payable of Rs.2,915.68 Lakhs and claims payable of Rs 22,745 lakhs to Gayatri Projects Limited. However, we have not received any confirmation from Gayatri Projects Limited for the write off/writeback.**

Explanation:

NHAI has terminated the project due to non-completion of the project and non-performance of O&M activities by the Gayatri Projects Limited (the contractor). As per the settlement agreement with NHAI dated 30.03.2023, NHAI has not made any payments with respect to above amounts. Hence SMTL has written off and written back the respective receivables and payables.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The full particulars of the loans given, investment made or guarantee given or security provided under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into any contract or arrangements with the Related Parties during the financial year. Therefore, reporting of such particulars in Form AOC-2 is not applicable to your Company. There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholders' approval under the Listing Regulations.

FAMILIARISATION PROGRAMMES

Your Company conducts familiarization programme for the Independent Directors to enable them to familiarize with the Company, its management and its operations so as to gain a clear understanding of their roles, rights and responsibilities for the purpose of contributing significantly towards the growth of the Company. They are given full opportunity to interact with senior management personnel and are provided with all the documents Gayatri Highways Limited 18th Annual Report 2023-24 required and/or sought by them to have a good understanding of the Company, its business model and various operations and the industry of which it is a part.

The Familiarisation Programme was imparted to the Independent Directors during the meeting of the Board of Directors.

The Familiarisation Programme for Independent Directors is uploaded on the website of your Company, and is accessible at <https://www.gayatrihighways.com/DirectorsFamiliarisationProgramme.html>

CODE OF CONDUCT

Your Company has in place, a Code of Conduct for the Board of Directors and Senior Management Personnel, which reflects the legal and ethical values to which your Company is strongly committed. The Directors and Senior Management Personnel of your company have Complies with the Code as mentioned here in above.

The Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them, for the financial year ended 31st March, 2024. The said Code is available on the website of the your Company at: <http://www.gayatrihighways.com/pdf/CorpGov/GHL-Code%20of%20Conduct.pdf>

TRANSFER OF AMOUNT TO RESERVES

Since the Company has not made any profits for the Financial Year ended 31st March, 2024, the Company does not propose to transfer any amount to reserves.

DIVIDEND

The Board of Directors does not recommend any dividend on the Equity Shares or Preference Shares for the financial year ended 31st March, 2024.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO****A. CONSERVATION OF ENERGY: Not Applicable**

- i) the steps taken or impact on conservation of energy; NA
- ii) the steps taken by the company for utilising alternate sources of energy; NA
- iii) the capital investment on energy conservation equipments; NA

B. TECHNOLOGY ABSORPTION: Not Applicable

- i) the efforts made towards technology absorption; NA
- ii) the benefits derived like product improvement, cost reduction, product development or import substitution; NA
- iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- NA
 - (a) the details of technology imported; NA
 - (b) the year of import; NA
 - (c) whether the technology been fully absorbed; NA
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; NA and
 - e) the expenditure incurred on Research and Development; Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO: Not Applicable

Total Foreign Exchange Earned: Nil

Total Foreign Exchange Outgo: Nil

STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

The Company has implemented a Risk Management Policy and the regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company as it does not fall under the category of top [1000] listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year.

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.

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

The Company has Corporate Social Responsibility Policy in place and is made available on Company's website, and can be accessed through the weblink:

<https://www.gayatrihighways.com/pdf/CorpGov/GHL%20-%20Corporate%20Social%20Responsibility%20Policy.pdf>

The Corporate Social Responsibility committee was constituted as follows:

- Mr. M.V. Narasimha Rao – Chairman
- Mr. G. Jagannadha Rao – Member
- Ms. P. Laxmi – Member

The Committee meetings are held as and when required by the Company.

Since there are no profits in the Company during the immediately preceding financial year, the company was not required to spend the amount towards Corporate Social Responsibility. The Corporate Social responsibility policy of the Company is annexed herewith as **Annexure-II**.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in Corporate Governance Report.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Indian Accounting Standards Ind AS – 110, Ind AS – 28 and Ind AS 31 issued by the Institute of Chartered Accountants of India and specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, your Board is attaching the Consolidated Financial Statements for the financial year ended 31st March 2024, which forms part of the Annual Report and accounts.

As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited accounts of its subsidiaries on its website <https://www.gayatrihighways.com/annual-reportsubsidiary.html> and a copy of separate audited financial statements of its subsidiaries will be provided to shareholders upon their request.

SUBSIDIARY COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATE COMPANIES

During the Financial Year ended 31st March 2024, your Company has five subsidiaries and three Jointly Controlled Entities and is as follows:

Subsidiaries:

Gayatri Jhansi Roadways Limited
 Gayatri Lalitpur Roadways Limited
 Sai Maatarini Tollways Limited
 Indore Dewas Tollways Limited
 Balaji Highways Holding Private Limited

Jointly Controlled Entities:

Hyderabad Expressways Limited
 Cyberabad Expressways Limited
 HKR Roadways Limited

A statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures in Form AOC - 1 is enclosed herewith as **Annexure-III**

We would like to inform you that our wholly owned subsidiary 'Sai Maatarini Tollways Limited' (SMTL) has issued a notice dated 9th March 2019 of "Intention to Terminate the Concession Agreement on account of, inter-alia, irreparable loss of toll revenue due to reasons not attributable to the Concessionaire-Force Majeure (Political Event)" to NHAI to terminate the concession agreement and also issued "Termination Notice for the Force Majeure (Political Event) on 27th March 2019.

NHAI had issued a Notice dated 10.04.2019 of "Intention for Termination under clause 37 of the concession agreement dated 28.09.2011" stating default of the concessionaire. In response to this notice, SMTL replied in detail to NHAI that the default is not on part of the Concessionaire. Later the Lenders had exercised their Right to Substitution of concessionaire vide their letter dated 24.04.2019. Based on that NHAI withhold the termination for 9 months.

There after NHAI terminated the Concession Agreement vide their letter dated 28.01.2020 and the project assets have been handed over to the NHAI at 08.00 AM on 30.01.2020.

SMTL, based on Authority's default, has raised a claim of Rs. 2,834.47 Cr (which includes Equity of Rs.835.19 Cr and Total Debt Due of Rs.1,999.28 Crs) strictly adopting the relevant clauses of the Concession Agreement.



SMTL has filed a petition as per Section 9 of the Arbitration & Conciliation Act, 1996 in the High Court of Delhi, New Delhi against NHAI on 21st December, 2019 requesting NHAI to deposit 90% of the Debt Due i.e., Rs. 1,765.08 Crore (Rs. 1,961.2 X 90%) as per the provisions of the Concession Agreement.

This Petition was filed to protect the interest of the lenders and to remit an amount of Rs. 1,765.08 Crores to the Consortium of Lenders.

The proceedings of CCIE started in the month of June, the first meeting was held on 01.07.2020, in which the CCIE has opined that the Concession Agreement had been terminated on account of mutual differences between the parties with none of them being at default of their respective obligations under the Concession Agreement. As such, the CCIE had advised that the parties should amicably resolve the disputes to avoid protracted litigation. The company vide their letter dated 13.03.2021 requested NHAI for arranging a Second meeting before CCIE.

SMTL engaged Deloitte as an exclusive financial advisor, based on the Deloitte report, SMTL wrote a letter to NHAI GM(T) dated 17.11.2020 requesting to release the Termination payment. As per the discussions with NHAI Officials it is found that NHAI is going to pay a mere amount towards Termination Payment.

The NHAI has released Rs.35,861 Lakhs as an advance for Termination Payment payable to the company and after deducting TDS of Rs. 537 Lakhs & GST TDS of Rs. 717 Lakhs on Rs. 35,861 Lakhs an amount of Rs. 34,606 Lakhs is credited to the Companies Escrow account on 31.03.2021. Further, NHAI has released Rs. 11,006 lac on 5th April 2021 as an advance for Termination Payment and after deducting TDS of Rs. 165 lac and GST TDS of Rs. 220 lac, an amount of Rs. 10,621 lac was credited to the Companies Escrow Account.

IDBI Bank Limited (Lead Lender) on behalf of all the consortium lenders filed a case against M/s Sai Maatarini Tollways Limited and its directors and M/s Gayatri Projects Limited & M/s IDBI Trusteeship Services Limited under sub-section (4) of Section 19 of the Debt Recovery Tribunal Act, read with Sub Rule (2A) of Rule 5 of the Debt Recovery Tribunal (Procedure) Rules, 1993, whereas the case is listed before Hon'ble Debts Recovery Tribunal-1 on 23.09.2020.

Whereas, Hon'ble Tribunal issued summons on the said Application under Section 19 (4) of the Act, (Order Application) for recovery of debts of Rs. 2051,21,51,325.42 Ps on 05.10.2020, where under SMTL directed to file Written Statement. SMTL received all the documents on 17.03.2021 and they have to file the counter petition.

Settlement Agreement with NHAI on 30.03.2023

During the consortium meeting held on 21.03.2023 lenders reiterated their stand that the balance termination payment of Rs.337.20 crore from NHAI would be full and final settlement from NHAI, and advised SMTL to complete the formalities for release of termination payment from NHAI before end March 2023 and also to execute necessary documents.

Accordingly, In connection with the termination of the project, the SMTL has entered in to a Settlement agreement with NHAI on 30.03.2023 towards the full and final settlement of all dues and Claims and both the parties (NHAI and the Company) shall not have any rights and obligations towards each other as per the settlement agreement. As per the settlement agreement, the termination payment of Rs 968.03 cores was agreed by the parties, of which an amount of Rs 468.67 crores was received by the Company and the balance of the termination payment amounting to Rs 499.36 crores were to be received.

Subsequently, the Deputy Commissioner of CT & GST, Keonjhar circle has issued a letter to the Project director, NHAI dated 31.03.2023 with regard to the realization of the government dues (GST) pending against the Company for the period April 2020 to April 2021, wherein it was mentioned to recover the government dues on priority basis as per the provisions of the law, if any amount is becoming due to him from your office. Accordingly NHAI has not disbursed the balance termination payment amount as on 31.03.2023.

The NHAI has released the appeal Fee of Rs.5.62cr to SMTL on 14.08.2023 on request of the Lead Bank. The Company had paid the appeal fee and filed the appeal to the appellate authority, GST department, Cuttack. The Appeal application was accepted and issued the form APL-02. The Company has submitted the APL-02 to the GST Department and requested to remove the stay and allow NHAI and IDBI Bank to release the balance Termination Payment. The NHAI has released the remaining termination payment of Rs.331.14 crs to the Company on 09.10.2023 to the Escrow Bank (IDBI Bank). The Lead banker (IDBI Bank) has released the amount of Rs.328.00 crs out of Rs.331.14 crs to the Senior Lenders.

Details of Application made against Sai Maatarini Tollways Limited (SMTL) under The Insolvency and Bankruptcy Code, 2016.

Financial creditor i.e IDBI Bank Limited, Chapel Road Branch, Hyderabad, has filed an application against our Material Subsidiary M/s. Sai Maatarini Tollways Limited (SMTL) before the Hon'ble National Company Law Tribunal, Hyderabad Bench under section 7 of The Insolvency and Bankruptcy Code, 2016, read with the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for a default amount of INR 457,56,33,859/- (Rupees Four Fifty Seven Crores Fifty Six Lakhs Thirty Three Thousand Eight Hundred Fifty Nine Only).

Indore Dewas Tollways Limited (IDTL)

The Hon'ble NCLT Bench at Hyderabad had admitted IDTL into CIRP vide its order dated 31.10.2023, in response to the application made by Union Bank of India, SAM Branch, Hyderabad under the provision of Section 7 of IBC, 2016 against the default of Rs.194,24,55,662.20/- outstanding loan to the bank and appointed Mr. Madhu Sudhanarao Mallipaddi an Insolvency Professional with IBBI Regn No. IBBI/IPA-001/IP-P-02633/2022-2023/14081 as Interim Resolution Professional (herein after called IRP).

The IRP has made public announcement in Form-A (Under Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016) for the attention of the creditors of Indore Dewas Tollways Limited in Financial Express, English, Hyderabad Edition, Nava Telangana, Telugu, Hyderabad Edition, Times of India, English, Indore Edition and Swadesh, Hindi, Indore Edition on 04.11.2023 to submit their claims on or before 14.11.2023.

The IRP has received claims of Rs.648,15,30,921.43/- from Union Bank of India, State Bank of India, Punjab National Bank and India Infrastructure Finance Company Limited (IIFCL).

The IRP has constituted the COC with Union Bank of India, State Bank of India, Punjab National Bank and India Infrastructure Finance Company Limited (IIFCL) as its members and COC has appointed him as Resolution Professional with effect from 04.12.2023.

Status of Financial Statements of IDTL and its consolidation:

With regard to the Status of financial Statements, IRP has represented that there is no business activity after his appointment i.e., 31.10.2023. Hence the consolidated financial statements were being prepared based on accounts updated upto 30.10.2023 and assumed no significant transactions during 31.10.2023 to 31.12.2023 as represented by IRP and also there is no information provided by IRP for the period 01.01.2023 to 31.03.2024.

No Company ceased to be the Company's subsidiary, joint venture or associate company.

PERFORMANCE AND CONTRIBUTION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As per Rule 8 of Company's (Accounts) Rules, 2014 a Report on the financial performance of subsidiaries, associates and joint venture companies along with their contribution to the overall performance of the Company during the Financial Year ended 31st March, 2024 is enclosed as **Annexure-IV**.

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.

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 during the financial year.

STATUTORY AUDITORS

M/s.PRSV & Co. LLP, Chartered Accountants, bearing ICAI Regd. No. S200016, were appointed as statutory auditors of the Company to hold office from the conclusion of 16th Annual General Meeting till the conclusion of the 21st Annual General Meeting.

PARTICULARS OF EMPLOYEES

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Hence, the disclosure pertaining to remuneration and



other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company.

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. The Company has Internal Financial Controls with reference to the Financial Statements commensurate with the size of the operations of the Company and adequate and operating efficiently.

SHARE CAPITAL

The Paid-up Share Capital of the Company as on 31st March, 2024 is Rs. 2,156,306,800 divided into 239,651,900 Equity Shares of Rs.2/- each fully paid up and 167,700,300 9% Non-convertible Cumulative Redeemable Preference shares (NCRPS) of Rs. 10/- each.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis forms an integral part of this Report and provides details of the overall industry structure, developments, performance and state of affairs of the Company's various businesses viz., infrastructure BOT, Annuity projects and their adequacy, Risk Management Systems and other material developments during the financial year. The Management Discussion and Analysis Report for the financial year under review, as stipulated under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, is enclosed as **Annexure-V**.

CEO AND CFO CERTIFICATION

The annual certification given by the Chief Executive Officer and Chief Financial Officer of the Company is published in this Annual Report.

SECRETARIAL AUDITORS REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have appointed M/s V. Shankar & Co., Practicing Company Secretaries as Secretarial Auditors to conduct Secretarial Audit of the Company for the Financial Year ended 31st March, 2024. The Secretarial Auditors Report issued in Form MR-3 is annexed to this Board's Report as **Annexure-VI**.

The Secretarial Auditors Report does not contain any qualifications, reservation or adverse remarks or disclaimer.

SECRETARIAL AUDIT OF MATERIAL UNLISTED INDIAN SUBSIDIARIES

The Secretarial Audit of Material Unlisted Subsidiaries of your Company i.e., Gayatri Jhansi Roadways Limited (GJRL), Gayatri Lalitpur Roadways Limited (GLRL) and Sai Maatarini Tollways Limited (SMTL) for the Financial Year ended 31st March, 2024 was carried out pursuant to Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Secretarial Audit Report of all the above mentioned Material Unlisted Indian Subsidiaries issued by Mr. C.N. Kranthi Kumar, Company Secretary in Practice does not contain any qualifications, reservations or adverse remarks or disclaimers.

The Hon'ble NCLT Bench at Hyderabad had admitted one of the Material Unlisted Subsidiary of your Company i.e., Indore Dewas Tollways Limited (IDTL) into Corporate Insolvency Resolution Process vide its order dated 31.10.2023, in response to the application made by Union Bank of India, SAM Branch, Hyderabad under the provisions of Section 7 of the Insolvency and Bankruptcy Code, 2016 and had appointed an Interim Resolution Professional.

The Company has not received the Secretarial Audit Report for the financial year ended 31st March, 2024 with respect to IDTL from the Resolution Professional accordingly above said Secretarial Audit Report is not attached to this Board Report.

The Secretarial Auditors Report of GJRL, GLRL and SMTL in Form MR-3 are annexed to this Board's Report as **Annexure-VII(A), (B) and (C)** respectively.

ANNUAL SECRETARIAL COMPLIANCE REPORT

The Company has undertaken a check by the Practicing Company Secretary on annual basis on compliance of all applicable Securities and Exchange Board of India Regulations and circulars/ guidelines issued there under

for the Financial Year ended 31st March, 2024 as per SEBI Circular No. CIR/CFD/CMD1/27/2019, Dated February 08, 2019 as amended from time to time. The Annual Secretarial Compliance Report issued by Mr. C.N.Kranthi Kumar, Company Secretary in Practice has been submitted to the Stock Exchanges within 60 days of the end of the Financial Year 31st March, 2024 and same is annexed to this Board's Report as **Annexure-VII (D)**.

EXPLANATIONS OR COMMENTS BY THE BOARD ON AUDITOR'S REPORT AND SECRETARIAL AUDIT REPORT

There are qualifications made by the Auditors in their Independent Auditor's Report for Standalone and Consolidated Financial Statements. The Statement on Impact of Audit Qualifications as stipulated in regulation 33(3)(d) for the financial year ended 31 st March, 2024 is attached to the Financial Statements.

The Explanation to the Qualification made by the Statutory Auditors are included in this Board's Report.

There are no qualifications, reservations or adverse remarks or disclaimers made by the Secretarial Auditors in their Secretarial Audit Report. Therefore, no explanations or comments from the Board are required.

DETAILS OF FRAUDS

During the year, there were no instances of frauds reported by auditors under Section 143(12) of the Companies Act, 2013.

INTERNAL AUDITORS

The Board of Directors of the Company has appointed Ms. K.V. Meher Vani, Chartered Accountant (M.No.214471) (Rep. by Shalang Advisory Services (OPC) Private Limited) as an Internal Auditor to conduct Internal Audit of the Company.

MAINTENANCE OF COST RECORDS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SECTION 148 OF THE COMPANIES ACT, 2013

The provisions relating to maintenance of Cost Records as specified by the Central Government under Section 148 of the Companies Act, 2013 is not applicable to the Company.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year under review there were no applications made or any proceedings pending against the company under the Insolvency and Bankruptcy Code, 2016.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

As Company has not done any one time Settlement during the year under review hence no disclosure is required.

CORPORATE GOVERNANCE REPORT

The Company will continue to uphold the true spirit of Corporate Governance and implement the best governance practices. A separate report on Corporate Governance pursuant to the provisions of Corporate Governance Code stipulated under SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 is enclosed as **Annexure-VIII** as a part of the Annual Report along with the certificate from the Company Secretary in Practice regarding compliance of conditions of corporate governance.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy establishing a formal vigil mechanism for the Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and provides direct access to the Chairperson of the Audit Committee in exceptional cases. It is affirmed that no personnel of the Company had been denied access to the Audit Committee. The policy of vigil mechanism is available on the Company's website.

The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. All employees of the Company are covered under the Whistle Blower Policy.

**DETAILS OF SHAREHOLDERS' COMPLAINTS:**

Shareholders / Investors Complaints	No. of Complaints
Complaints as on April 01, 2023	0
Complaints received during 2023-2024	0
Complaints not solved to the satisfaction of shareholders	NA
Complaints pending as on 31st March, 2024	0

During the year, there were no complaints were received from shareholders.

PREVENTION OF INSIDER TRADING

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('the PIT Regulations') on prevention of insider trading, your Company has in place a Code of Conduct for regulating, monitoring and reporting of trading by Designated Persons. The said Code lays down guidelines, which advise Designated Persons on the procedures to be followed and disclosures to be made in dealing with the shares of the Company and cautions them on consequences of non-compliances.

Your Company also has a Code of practices and procedures of fair disclosures of unpublished price sensitive information including a policy for determination of legitimate purposes along with the Institutional Mechanism for prevention of insider trading and Policy and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information. Further, your Company has put in place adequate and effective system of internal controls and standard processes have been set to ensure compliance with the requirements given in these regulations to prevent insider trading.

MEETING OF INDEPENDENT DIRECTORS

In accordance with the provisions of schedule IV (Code for Independent Directors) of the Companies Act, 2013 and SEBI (LODR) Regulation, 2015, a meeting of the Independent Directors of the Company was held in the financial year on 12th February, 2024, without the attendance of Non-Independence Directors and members of the management.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The provisions of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 are not applicable to the Company and the constitution of Internal Complaints Committee is also not applicable to the Company.

ENVIRONMENT, HEALTH AND SAFETY

The Company considers it is essential to protect the Earth and limited natural resources as well as the health and well-being of every person.

The Company strives to achieve safety, health and environmental excellence in all aspects of its business activities. Acting responsibly with a focus on safety, health and the environment is a part of the Company.

INDIAN ACCOUNTING STANDARDS (IND AS)

The Company has adopted Indian Accounting Standards (Ind AS) and is preparing and presenting its financial statements in Ind AS starting from the Financial Year 2016-17 pursuant to Ministry of Corporate Affairs notification of the Companies (Indian Accounting Standards) Rules, 2015.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

The Company has complied with the applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

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.

CYBER SECURITY

Company has established requisite technologies, processes and practices designed to protect networks, computers, programs and data from external attack, damage or unauthorized access. The Company is conducting training programs for its employees at regular intervals to educate the employees on safe usage of the Company's networks, digital devices and data to prevent any data breaches involving unauthorized access or damage to the Company's data. The Board of Directors are reviewing the cyber security risks and mitigation measures from time to time.

GIVEN BELOW ARE THE VARIOUS STEPS TAKEN BY THE COMPANY FOR PREVENTION OF INSIDER TRADING:

- i) The Company has adopted the Policy on Code of Practices and Procedures for Fair Disclosures;
- ii) The Company has adopted Whistle Blower Policy;
- iii) The Company is closing the Trading Window during the period of declaration of Financial Results;
- iv) Identification of employees who have access to Unpublished Price Sensitive Information (UPSI) as designated persons;
- v) Structured Digital Data Base software is maintained by the Company internally for recording the communication of the UPSI.

RECONCILIATION OF SHARE CAPITAL AUDIT

As required by the SEBI Listing Regulations, quarterly audit of the Company's share capital is being carried out by an independent Practicing Company Secretary with a view to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the issued and listed capital. The Practicing Company Secretary's Certificate in regard to the same is submitted to BSE and the NSE and is also placed before the Board of Directors.

ACKNOWLEDGEMENTS

We express our sincere appreciation and thank our valued Shareholders, Customers, Bankers, Business Partners/ Associates, Financial Institutions, Insurance Companies, Central and State Government Departments for their continued support and encouragement to the Company.

We are pleased to record our appreciation of the sincere and dedicated services of the employees and workmen at all levels.

For and on behalf of the Board

Place: Hyderabad
Date: 30.07.2024

M.V.NARASIMHA RAO
DIRECTOR
DIN: 06761474

KRISHNAMURTHY CHATURVEDI
DIRECTOR
DIN:08661228

NOMINATION, REMUNERATION & EVALUATION POLICY GAYATRI HIGHWAYS LIMITED

I. PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company already constituted Remuneration Committee comprising of three Independent non-executive Directors as required under Listing Regulations.

II. OBJECTIVE

The Key Objectives of the Committee would be:

- a) To lay down criteria, determine terms and conditions and guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of Board, its committees and individual directors of the Board and provide necessary report to the Board for further evaluation.
- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- d) To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- e) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- f) to ensure that the remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short term performance objects appropriate to the working of the Company and its goals.

III. DEFINITIONS

- "Board" means Board of Directors of the Company.
- "Company" means "Gayatri Highways Limited."
- "Employees' Stock Option" means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a predetermined price.
- "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.
- "Key Managerial Personnel" (KMP) means:
 - o Chief Executive Officer or the Managing Director or the Manager,
 - o Company Secretary,
 - o Whole-time Director,
 - o Chief Financial Officer,
 - o Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - o Such other officer as may be prescribed.
- "Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- “Policy or This Policy” means, “Nomination, Remuneration & Evaluation Policy.”
- “Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- “Senior management” shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

IV. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

V. GUIDING PRINCIPLES

The Policy ensures that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

VI. ROLE OF THE COMMITTEE

The role of the Committee inter alia will be the following:

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
 - For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to Diversity; and
 - Consider the time commitments of the candidates.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down in this policy.
- To carry out evaluation of every Director’s performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

**VII. MEMBERSHIP**

- The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- The quorum for the Committee meetings shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

VIII. CHAIRMAN

- Chairman of the Committee shall be an Independent Director.
- Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

IX. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at least once in a year.

X. COMMITTEE MEMBERS' INTERESTS

- A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

XI. VOTING

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

XII. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- **Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director/ Whole-time Director/Manager who has attained the age of seventy years.
Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
4. The Company shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that

effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

- **Term / Tenure:**

1. Managing Director/Whole-time Director/Manager (Managerial Person):

The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a special resolution by the Company and on the basis of the report of performance evaluation of independent directors and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 7th February, 2018 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director Serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

- **Evaluation:**

- The Committee shall carry out evaluation of performance of every performance of Board, its committees and individual directors, KMP and Senior Management at regular interval (yearly).

- **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

The Managing Director, Whole time Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

XIII. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT.

General:

1. The remuneration / compensation / commission etc. to Managerial Person, will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the Company, wherever required.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance

shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- **Remuneration to Managerial Person, KMP and Senior Management:**

1. Fixed pay:

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such.

3. Provisions for excess remuneration:

If any director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit prescribed by this section or without approval required under this section, he shall refund such sums to the company, within two years or such lesser period as may be allowed by the company, and until such sum is refunded, hold it in trust for the company.

The company shall not waive the recovery of any sum refundable to it unless approved by the company by special resolution within two years from the date the sum becomes refundable.

- **Remuneration to Non-Executive / Independent Director:**

1. Remuneration / Commission:

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

2. Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed.

3. Limit of Remuneration /Commission:

Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

XIV. CRITERIA FORMULATED BY THE COMMITTEE FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR:

- (a) Qualifications of Non-Independent Director:

A Non-Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the Company's business.

- (b) Positive attributes of Non-Independent Directors:

A Non-Independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively, exercise his responsibilities in a bonafide manner in the interest of the company,

devote sufficient time and attention to his obligations as Director, for informed and balanced decision making and assist the company in implementing the best Corporate governance practices.

(c) Independence of Independent Directors:

In addition to (a) and (b) above, an Independent Director should meet the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 concerning the independence of directors.

XV. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

XVI. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

**For and on behalf of the Nomination
and Remuneration Committee**

Place: Hyderabad
Date: 30.07.2024

**G. JAGANNADHA RAO
DIRECTOR
DIN: 01059819**

**M.V.NARASIMHA RAO
DIRECTOR
DIN:06761474**

Report on Corporate Social Responsibility (CSR) Policy and Activities as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

1. Brief outline on CSR Policy of the Company:

Gayatri Highways Limited (GHL) and its subsidiary companies (which qualifies criteria provided in the Companies Act, 2013) will take up CSR activities. The amounts will be spent by GHL and its subsidiary companies jointly /severally for undertaking CSR activities. CSR activities will be undertaken in such geographical limits in which the contributing companies have ongoing interest in either construction, maintenance or toll operations, the respective CSR Committee may approve the locations and decide on priority for undertaking the selected activities from amongst the areas of operations of the respective company, The guiding factor will be the large presence of deprived sections the society in the proximity of our projects. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company. GHL Group will select all or any of the following CSR activities for implementation in the area of its operations, namely:

- Eradicating extreme hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation;
- Promotion of education including special education ;
- Promoting gender equality and empowering women;
- Ensuring environmental sustainability and ecological balance;
- Rural Development Projects;
- Social business projects;
- Disaster Relief;

2. Composition of CSR Committee:

S.No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. M.V. Narasimha Rao	Chairman	—	—
2	Mr. G. Jagannadha Rao	Member	—	—
3	Ms. P. Laxmi	Member	—	—

3. Web-link of the website of the company where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed: <https://www.gayatrihighways.com/pdf/CorpGov/GHL%20%20Corporate%20Social%20Responsibility%20Policy.pdf>

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, and (if applicable) the report shall be attached: NA

5. Details of the amount available and required for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014: NA

S.No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
1	—	—	—
	TOTAL		

6. Average net profit of the company as per section 135(5): NIL
7. a. Two percent of average net profit of the company as per section 135(5): NIL
 b. Surplus arising out of the CSR projects or programme or activities of the previous financial years: NIL
 c. Amount required to be set off for the financial year(if any):NIL
 d. Total CSR obligation for the financial year: NIL
8. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the fund	Amount	Date of Transfer
NIL	—	—	—	—	—

- b) Details of CSR amount spent against on-going projects for the financial year: NA

(1)	(2)	(3)	(4)	(5) (6)		(7)	(8)	(9)	(10)	(11)	
S.No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Project Duration	Amount allocated for the project (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in Rs.)	Mode of implement action Direct (Yes/No)	Mode of implementation Through Implementing Agency	
				State	District					Name	CSR registration Number
1.	-	-	-	-	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-	-	-	-	-
	Total										

- c)Details of CSR amount spent against other than on-going projects for the financial year :

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S.No	Name of of the Project	Item from the Duration in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes / No)	Mode of implementation - Through Implementing Agency	
				State	District			Name	CSR registration Number
1.	-	-	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-	-	-
	Total								

- d) Amount spent in Administrative Overheads: NA
 e) Amount spent on Impact Assessment, if applicable: NA
 f) Total amount spent for the Financial Year: NIL'
 g) Excess amount for set off, if any: NIL



Sl.No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Nil
(ii)	Total amount spent for the Financial Year	Nil
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. a) Details of Unspent CSR amount for the preceding three financial years: Nil

Sl.No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
1.	-	-	-	-	-	-	-
	TOTAL						

b) Details of CSR amount spent in the financial year for on-going projects of the preceding financial year(s)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative Amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project –Completed /Ongoing.
1.								
2.								
3.								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : **(asset-wise details)**

- Date of creation or acquisition of the capital asset(s):
- Amount of CSR spent for creation or acquisition of capital asset:
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): NA

For and on behalf of Corporate Social Responsibility Committee

M.V. Narasimha Rao
Chairman
DIN: 06761474

G. Jagannadha Rao
Member
DIN: 01059819

Place: Hyderabad
Date: 30.07.2024

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/
associate companies/ joint ventures**

Part "A" : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ Lakhs)

Sl. No.		1	2	3	4	5
1.	Name of the Subsidiary	Sai Maatarini Tollways Limited	Balaji Highways Holding Private Limited	Indore Dewas Tollways Limited	Gayatri Jhansi Roadways Limited	Gayatri Lalitpur Roadways Limited
2.	The date since when subsidiary was acquired	01/04/2016	01/03/2021	31/03/2017	31/03/2017	31/03/2017
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A	N.A	N.A	N.A
4.	Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	—	—	—	—	—
5.	Share capital	1,000.08	10.00	5.00	4,240.00	3179.80
6.	Reserves & surplus	(1,24,155.32)	(24.07)	(51,716.01)	4,752.20	4,107.36
7.	Total assets	99,456.91	256.82	74,263.15	15,461.51	13,043.29
8.	Total Liabilities	2,22,612.15	270.89	1,25,974.16	6,469.31	5,756.13
9.	Investments	—	—	—	—	—
10.	Turnover	—	—	—	3,400.78	2,848.09
11.	Profit / (Loss) before taxation	(27,496.44)	(2.59)	(3,491.50)	899.14	549.79
12.	Provision for taxation	—	—	—	—	—
13.	Profit / (Loss) after taxation	(27,496.44)	(2.59)	(3,491.50)	899.14	549.79
14.	Proposed Dividend	-	-	-	-	-
15.	% of shareholding	100%	99.99%	66.64%	51%	51%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil

Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to
Associate Companies and Joint Ventures

(Amount in ₹ Lakhs)

Name of Associates/Joint Ventures	Hyderabad Expressways Limited (Jointly Controlled -Entity)	Cyberabad Expressways Limited (Jointly Controlled -Entity)	HKR Roadways Limited (Jointly Controlled -Entity)
1. Latest audited Balance Sheet Date	31st March, 2024	31st March, 2024	31st March, 2024
2. Shares of Associate/Joint Ventures held by the company on the year end			
No.	9,90,000	6,24,462	12,06,995
Amount of Investment in Associates/Joint Venture	99.00	62.45	1270.70
Extent of Holding %	50%	31.54%	26%
3. Description of how there is significant influence	Voting Power above 20%	Voting Power above 20%	Voting Power above 20%
4. Reason why the associate /joint venture is not consolidated	N.A	N.A	N.A
5. Networth attributable to Shareholding as per latest audited Balance Sheet	3,696.60	(3,218.19)	1,917.71
6. Profit / (Loss) for the year			
i. Considered in Consolidation	126.51	(402.52)	(2,372.95)
ii. Not Considered in Consolidation	-	-	-

- Names of associates or joint ventures which are yet to commence operations: Nil
- Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of the Board

M.V. NARASIMHA RAO
 Director
 DIN: 06761474

KRISHNAMURTHY CHATURVEDI
 Director
 DIN: 08661228

K.G. NAIDU
 Chief Executive Officer

P.K. SAHOO
 Chief Financial Officer

P. RAJ KUMAR
 Company Secretary

Place : Hyderabad
 Date: 30.07.2024

(Pursuant to Rule 8 of Companies (Accounts) Rules, 2014)
Report on the performance and financial position of each of the Subsidiaries, Associates
and Joint Ventures Companies of the Company

Amount in ₹ Lakhs

PART - A Subsidiaries		Name of the Subsidiary				
Sl. No.		Sai Maatarini Tollways Limited	Balaji Highways Holding Private Limited	Indore Dewas Tollways Limited	Gayatri Jhansi Roadways Limited	Gayatri Lalitpur Roadways Limited
1.	The date since when subsidiary was acquired	01-04-2016	01-03-2021	31-03-2017	31-03-2017	31-03-2017
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A	N.A	N.A	N.A
3.	Reporting Currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	—	—	—	—	—
4.	Share capital	1,000.08	10.00	5.00	4,240.00	3,179.80
5.	Reserves and Surplus	(1,24,155.32)	(24.07)	(51,716.01)	4,752.20	4,107.36
6.	Total Assets	99,456.91	256.82	74,263.15	15,461.51	13,043.29
7.	Total Liabilities	2,22,612.15	270.89	1,25,974.16	6,469.31	5,756.13
8.	Investments (Refer Note 4 below)	—	—	—	—	—
9.	Turnover	—	—	—	3,400.78	2,848.09
10.	Profit/ (Loss) before Taxation	(27,496.44)	(2.59)	(3,491.50)	899.14	549.79
11.	Tax Expense/ (Benefit)	—	—	—	—	—
12.	Profit/ (Loss) after Taxation	(27,496.44)	(2.59)	(3,491.50)	899.14	549.79
13.	Other Comprehensive Income	—	—	—	(55.98)	(55.81)
14.	Total Comprehensive Income	(27,496.44)	(2.59)	(3,491.50)	843.16	493.98
15.	Proposed Dividend	—	—	—	—	—
16.	% of shareholding	100%	99.99%	66.64%	51%	51%

Notes: Names of subsidiaries which have been liquidated or sold during the year:

S.No.	Name of the Company	Address
NIL		

Part-B-Associate and Joint Ventures											
Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures											
S. No.	Name of Associates/ Joint Ventures	Date on which the Associate or Joint Ventures was associated or acquired	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Share holding as per latest audited Balance Sheet	Profit/Loss for the year	
				No.	Amount of Investment in Associate/ Joint Venture	Extend of Holding %				i. Considered in Consolidation	ii. Not Considered in Consolidation
1	Hyderabad Expressways Limited	31-03-2017	31-03-2024	9,90,000	99.00	50%	Voting power above 20%	N.A.	3,696.60	126.51	—
2	Cyberabad Expressways Limited	31-03-2017	31-03-2024	6,24,462	62.45	31.54%	Voting power above 20%	N.A.	(3,218.19)	(402.52)	—
3	HKR Roadways Limited	31-03-2017	31-03-2024	12,06,990	120.700	26%	Voting power above 20%	N.A.	1,917.71	(2,372.95)	—

1. Names of associates or joint ventures which are yet to commence operations:

S. No.	Name of the Company	Address
NIL		

2. Names of associates or joint ventures which have been liquidated or sold during the year.

S. No.	Name of the Company	Address
NIL		

For and on behalf of the Board of Directors

Place: Hyderabad
Date: 30.07.2024

M.V. NARASIMHA RAO
DIRECTOR
DIN: 06761474

KRISHNAMURTHY CHATURVEDI
DIRECTOR
DIN:08661228

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY'S OVERVIEW

Gayatri Highways Limited - GHIL ("the Company") 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 at 5th Floor, A-Block, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana.

Industry Analysis:

Increased impetus to develop infrastructure in the country is attracting both domestic and international players. In the road's sector, the Government's policy to increase private sector participation has proved to be a boon for the infrastructure industry as many private players are entering the business through the public private partnership (PPP) model. According to a leading analysis forecast, India is expected to become the third largest construction market globally.

Minister for Road Transport & Highways and Micro, Small and Medium Enterprises stated that the government is giving utmost priority to infrastructure development and has set a target of road construction of worth Rs. 15 lakh crore (US\$ 206 billion) in the next two years.

Opportunities and Threats

In view of more and more competition in construction industry, the opportunities for securing contracts need continuous innovation in its various core functions. The Company has emerged as a significant Infrastructure Company with diversification in Roads and Expressways. The Company is poised to seize every opportunity to expand the existing line of business. The Company is well equipped to handle threats of competition and challenges or the Company's ongoing execution of Projects.

Business outlook:

In Union Budget 2023-24, the Government of India has given a massive push to the infrastructure sector by allocating approximately Rs. 2,70,435 Crores to enhance the infrastructure sector by emphasizing its importance and creating modern infrastructure.

The Budget aims to construct 25,000 Kilometers of National Highways in 2022-23 which is nearly double that of the maximum achieved the last 5 years, and by 2024, the Ministry of Road Transport and Highways wants to build 60,000 kms of world-class national highways at a rate of 40 kms each day, and 2 Lakh kms of National Highways are targeted to be completed by 2024-25 under PM Gati Shakti.

In the road's sector, the Government's policy to increase private sector participation has proved to be a boon for the infrastructure industry as many private players are entering the business through the public-private partnership (PPP) model.

Your Company is exploring new opportunities to identify suitable and viable project or to continue and strengthen its present business with its existing SPVs keeping in view the current business conditions, financial constraints, modern technologies, project deadlines, safety protocols, compliances and market margins

RISKS AND CONCERNS

Inadequate risk management is a primary cause of concern indicated by most organizations in India. To be in a position to have fully identified all risks associated with a project and have a response plan for each; that is clearly a benchmark most organizations acknowledge, nevertheless, do little about it. Risk Management by its very nature is flawed because it only identifies the things project managers know; it fails to appreciate the

“unknown”, “unknowns”, the “un-controllable”. That said, the more risks identified and planned for, the better position the project team is in to deliver a successful project. Risk Management has been identified as a best practice by most respondents. Moreover, there is a growing concern among Organizations about inaccurate risk identification. The project will yield continuous flow of revenue for the Company.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has adequate Internal Control Systems and Procedures with regard to purchase of Stores, Raw Materials including Components, Plant and Machinery, equipment, sale of goods and other assets. The company has clearly defined roles and responsibilities for all managerial positions and all operating parameters are monitored and controlled.

The Company designs and maintains accounting and internal control systems to provide reasonable assurance at reasonable cost that assets are safeguarded against loss from unauthorized use or disposition, and that the financial records are reliable for preparing financial statements and maintaining accountability for assets. These systems are augmented by written policies, an organizational structure providing division of responsibilities, careful selection and training of qualified personnel, and a program of internal audits.

FINANCIAL PERFORMANCE & OPERATIONAL PERFORMANCE:

A. FINANCIAL CONDITION:

Capital Structure:

The Paid-up Share Capital of the Company as on 31st March, 2024 is ₹ 21,563.07 Lakhs divided into 239,651,900 Equity Shares of ₹ 2/- each fully paid up and 167,700,300 9% Non-convertible Cumulative Redeemable Preference shares (NCRPS) of ₹10/- each.

Other Equity:

The retained earnings in other equity of the company as on 31st March, 2024 stand at ₹ (28,778.73) Lakhs as compared to ₹ (28,706.27) Lakhs in the previous year.

There is no change in Capital reserve in other equity of the company as on 31st March, 2024 when compared to ₹ 4,738.35 Lakhs in the previous year.

Fixed Assets:

During the financial year 2023-24, Computers and related equipment were acquired for an amount of ₹ 1.17 Lakhs by the company, whereas during the previous year 2022-23, Computers and office equipment were acquired for an amount of ₹ 16.22 Lakhs by the company.

Sundry Debtors:

Sundry debtors decreased to ₹ 52.34 Lakhs as on 31st March, 2024 as against ₹ 58.81 Lakhs debtors in the previous year. These debtors are considered good and realizable.

Cash and Bank Balances:

Cash and Bank balances with Scheduled Banks stood to ₹ 114.57 Lakhs as against ₹ 18.88 Lakhs in the previous year. However the company had investments in liquid debt funds (Cash equivalent) worth of ₹ 129.51 Lakhs as on 31.03.2024 and ₹ 130.12 Lakhs as on 31.03.2023.

Loans and Advances:

Long Term Loans and Advances is ₹ Nil in the current year as well as in the previous year.

Short Term Loans and Advances is ₹ 2,452.18 Lakhs as against ₹ 2,873.28 Lakhs in the previous year.

Current Liabilities:

Current Liabilities as on 31st March, 2024 is ₹ 13,049.72 Lakhs as against ₹ 15,026.62 Lakhs in the previous Year.

**B. OPERATIONAL RESULTS:****Turnover:**

During the financial year 2023-24 the turnover of the Company was ₹172.00 Lakhs and income from other sources as on 31st March, 2024 was ₹ 2,190.72 Lakhs, compared to the turnover of the company was ₹762.56 Lakhs and income from other sources was ₹1,441.01 Lakhs, in the previous financial year.

Depreciation:

The Company has provided for depreciation of ₹ 8.06 Lakhs during the financial year 2023-24 whereas depreciation of ₹ 4.11 Lakhs provided in the previous financial year.

Provision for Tax:

The Company has provided for income tax of ₹5.31 Lakhs in the financial year 2023-24 and has not provided for any tax in the previous financial year.

Net Profit:

The Net loss of the Company after tax is ₹ (72.46) Lakhs as against ₹ (17,873.75) Lakhs in the previous year.

Earnings per Share:

The Earnings (Losses) per Share of the Company as on 31st March, 2024 is ₹ (0.03) per share for Face Value of ₹ 2/- as against ₹ (7.46) per share for Face Value of ₹ 2/- in the previous year.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIALRELATIONS:

The Company believes that the Company's growth and future success depend largely on the skills of the Company's workforce, including executives and officers, as well as the designers and engineers and the attraction of critical skills. The loss of the services of one or more of these employees could impair the Company's ability to continue to implement its business strategy. The Company's success also depends, on its continued ability to attract and retain experienced and qualified employees. The Company is committed to building the competencies of its employees and improving their performance through training and development. The Company focus is on identifying gaps in its employees' competencies and preparing employees for changes in competitive environments, as well as to meet organizational challenges.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS

Key financial ratios on standalone basis including significant changes (more than 25%) are shown in the table below:

Ratio	FY 2023-24	FY 2022-23	Change	Note
Debtor Turnover (Days)	8.59	39.98	51.90%	A
Interest Coverage Ratio	0.95	0.66	(43.54)%	B
Current Ratio	0.22	0.22	-	
Debt Equity Ratio	(2.17)	(2.17)	-	
Operating profit margin %	60.83%	62.71%	2.99%	
Net profit margin %	(2.62)%	(31.81)%	91.76%	C
Return on Net worth %	(1.29)%	(14.62)%	91.16%	D

- A. Turnover decreased during the year end when compared to previous year end.
- B. The interest coverage ratio is improved as the interest cost is decreased compared to previous financial year.
- C. Net profit margin is improved as profits increased.
- D. Return on Net worth margin is improved as profits increased.

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objective, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates changes in the Government regulations, tax laws and other statutes and incidental factors.

Place: Hyderabad
Date: 30.07.2024

M.V. NARASIMHA RAO
DIRECTOR
DIN: 06761474

KRISHNAMURTHY CHATURVEDI
DIRECTOR
DIN:08661228

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2024

FORM NO MR 3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
M/s. Gayatri Highways Limited
5th Floor, 'A' Block, TSR Towers, 6-3-1090,
Rajbhavan Road, Somajiguda, Hyderabad- 500082
CIN-L45100TG2006PLC052146

I have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **M/s Gayatri Highways Limited** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Gayatri Highways Limited** ("Company") for the financial year ended on March 31, 2024 according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- II. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- III. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
- IV. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - The Secretarial Standards on the Meetings of the Board of Directors, Committees and General Meetings issued by the Institute of Company Secretaries of India.
- VI. The Company is presently carrying only O & M activities with the group Companies. As per management view, there are no Industry Specific Acts applicable to the Company; However, Company has investments in Companies engaged in the construction, operations and maintenance of roads, highways, vehicle bridges and tunnels and toll roads.

I have also examined compliance with the applicable clauses of the following:

Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

I further report that:

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

The Company has complied with the requirements of Regulation 3(5) and 3(6) of SEBI (PIT) Regulations, 2015. i.e., maintenance of Structured Digital Database (SDD).

I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The financial creditor i.e., Union Bank of India, SAM Branch, Hyderabad, Telangana, had filed an application under section 7 of the Insolvency and Bankruptcy Code, 2016 read with the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 on Indore Dewas Tollways Limited ("Material Subsidiary") before the Hon'ble National Company Law Tribunal, Hyderabad Bench, Hyderabad for the defaulting amount of Rs. 194,24,55,662/- and the application vide Company Petition IB/398/07/HDB/2022 has been admitted on 31/10/2023.

The financial creditor i.e., IDBI Bank Limited, Chapel Road Branch, Hyderabad has filed an application under Section 7 (2) of The Insolvency and Bankruptcy Code 2016 read with Rule 34 of the National Company Law Tribunal Rules, 2016, on Sai Maatarini Tollways Limited ("Material Subsidiary") before the Hon'ble National Company Law Tribunal, Hyderabad Bench, Hyderabad for the defaulting amount of Rs.457,56,33,859/-.

I further report that the company has no cases of fraud which are required to be reported pursuant to provisions of section 143 read with section 447 of the companies act, 2013 and the rules made there under.

Place:Hyderabad
Date: 15.07.2024
UDIN : F007638F000741030

For V.Shankar & Co.,
Company Secretaries

V.Shankar
CP No. 8446, FCS. 7638

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To
The Members,
M/s. Gayatri Highways Limited,
5th Floor, A-Block, TSR Towers, 6-3-1090,
Rajbhavan Road, Somajiguda, Hyderabad- 500082
CIN-L45100TG2006PLC052146

Our report of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place:Hyderabad
Date: 15.07.2024
UDIN : F007638F000741030

For V.Shankar & Co.,
Company Secretaries

V.Shankar
CP No. 8446, FCS. 7638

Form No. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

To
 The Members,
Gayatri Jhansi Roadways Limited,
 CIN: U50403TG2006PLC050569,
 6-3-1090, TSR Towers, Raj Bhavan Road,
 Somajiguda, Hyderabad -500082, Telangana.

I have conducted the Secretarial Audit for compliance of applicable statutory provisions and the adherence to good corporate practices by Gayatri Jhansi Roadways Limited, (herein after called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Gayatri Jhansi Roadways Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31-03-2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Gayatri Jhansi Roadways Limited (the "Company") for the financial year ended on 31-03-2024, according to the provisions of:

- I. The Companies Act, 2013(the 'Act') and the rules made there under; and
- II. The Depositories Act, 1996and the Regulations and Bye-laws framed there under;

I have also examined compliance with the applicable clauses of the following:

- (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (to the extent to be complied by the Company being a subsidiary to listed entity);
- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India as notified from time to time; and
- (iii) Other laws specifically applicable to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that that the provisions of the following are not applicable to the Company or there were no reportable events during the audit period;

- (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (ii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iii) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- (iv) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (vi) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (vii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (viii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
- (ix) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009; and
- (x) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, and there were no dissenting members' views, and the same are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has no specific event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., referred to above.

I further report that the the Company has no cases of fraud which are required to be reported pursuant to provisions of section 143 read with section 447 of the Companies Act, 2013 and the rules made there under.

Note: This report is to be read with my letter of even date which is annexed as Annexure –'A' and forms an integral part of this report.

UDIN: F009255F000301021
Date: 03/05/2024
Place: Kurnool

C.N. Kranthi Kumar
Company Secretary in Practice
FCS No. 9255 CP. No. 13889
Unique Code No: I2014AP1227000
(Old Unique Code No: I2014TL1227000)
P R Certificate No.612/2019

Annexure A

To
The Members,
Gayatri Jhansi Roadways Limited

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of Gayatri Jhansi Roadways Limited (the "Company"). My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, I have obtained the management representation about the compliance of laws, rules, regulations, guidelines and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on testbasis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

UDIN: F009255F000301021
Date: 03/05/2024
Place: Kurnool

C.N. Kranthi Kumar
Company Secretary in Practice
FCS No. 9255 CP. No. 13889
Unique Code No: I2014AP1227000
(Old Unique Code No: I2014TL1227000)
P R Certificate No.612/2019

Form No. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

To
The Members,
Gayatri Lalitpur Roadways Limited,
CIN: U45203TG2006PLC050554,
6-3-1090, TSR Towers, RajBhavan Road,
Somajiguda, Hyderabad - 500082, Telangana.

I have conducted the Secretarial Audit for compliance of applicable statutory provisions and the adherence to good corporate practices by Gayatri Lalitpur Roadways Limited, (herein after called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Gayatri Lalitpur Roadways Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31-03-2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Gayatri Lalitpur Roadways Limited (the "Company") for the financial year ended on 31-03-2024, according to the provisions of:

- (i) The Companies Act, 2013(the 'Act') and the rules made there under; and
- (ii) The Depositories Act, 1996and the Regulations and Bye-laws framed there under;

I have also examined compliance with the applicable clauses of the following:

- (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (to the extent to be complied by the Company being a subsidiary to listed entity);
- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India as notified from time to time; and
- (iii) Other laws specifically applicable to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the provisions of the following are not applicable to the Companyor there were no reportable eventsduring the audit period:

- (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (ii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iii) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (iv) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

- (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (vi) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (vii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (viii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
- (ix) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009; and
- (x) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, and there were no dissenting members' views, and the same are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has no specific event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., referred to above.

I further report that the Company has no cases of fraud which are required to be reported pursuant to provisions of section 143 read with section 447 of the Companies Act, 2013 and the rules made there under.

Note: This report is to be read with my letter of even date which is annexed as Annexure –'A' and forms an integral part of this report.

UDIN: F009255F000301096

Date: 03-05-2024
Place: Kurnool

C.N. Kranthi Kumar

Company Secretary in Practice
FCS No.9255 CP No.13889
Unique Code No: I2014AP1227000
(Old Unique Code No: I2014TL1227000)
P R Certificate No.612/2019

Annexure A

To
The Members,
Gayatri Lalitpur Roadways Limited

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of Gayatri Lalitpur Roadways Limited (the "Company"). My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, I have obtained the management representation about the compliance of laws, rules, regulations, guidelines and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

UDIN: F009255F000301096

Date: 03-05-2024
Place: Kurnool

C.N. Kranthi Kumar
Company Secretary in Practice
FCS No.9255 CP No.13889
Unique Code No: I2014AP1227000
(Old Unique Code No: I2014TL1227000)
P R Certificate No.612/2019

Form No. MR - 3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

To
 The Members,
Sai Maatarini Tollways Limited,
 CIN: U45400TG2011PLC076396,
 6-3-1090, TSR Towers, Raj Bhavan Road,
 Somajiguda, Hyderabad - 500082, Telangana.

I have conducted the Secretarial Audit for compliance of applicable statutory provisions and the adherence to good corporate practices by Sai Maatarini Tollways Limited, (herein after called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Sai Maatarini Tollways Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31-03-2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Sai Maatarini Tollways Limited (the "Company") for the financial year ended on 31-03-2024, according to the provisions of:

- (i) The Companies Act, 2013(the 'Act') and the rules made there under; and
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

I have also examined compliance with the applicable clauses of the following:

- (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (to the extent to be complied by the Company being a subsidiary to listed entity);
- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India as notified from time to time; and
- (iii) Other laws specifically applicable to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the provisions of the following are not applicable to the Company or there were no reportable events during the audit period:

- (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (ii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iii) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (iv) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.



- (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (vi) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (vii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (viii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
- (ix) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009; and
- (x) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at leasts even days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, and there were no dissenting members' views, and the same are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has no specific event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., referred to above except the following:

- The financial creditor i.e., IDBI Bank Limited, Chapel Road Branch, Hyderabad has filed an application under Section 7 (2) of The Insolvency and Bankruptcy Code 2016 read with Rule 34 of the National Company Law Tribunal Rules, 2016, against the Company before the Hon'ble National Company Law Tribunal, Hyderabad Bench, Hyderabad for the defaulting amount of Rs.457,56,33,859/-.

I further report that the Company has no cases of fraud which are required to be reported pursuant to provisions of section 143 read with section 447 of the Companies Act, 2013 and the rules made there under.

Note: This report is to be read with my letter of even date which is annexed as Annexure –'A' and forms an integral part of this report.

UDIN: F009255F000301162
Date: 03-05-2024
Place: Kurnool

C.N. Kranthi Kumar
Company Secretary in Practice
FCS No. 9255 CP. No. 13889
Unique Code No: I2014AP1227000
(Old Unique Code No: I2014TL1227000)
P R Certificate No.612/2019

Annexure A

To
The Members,
Sai Maatarini Tollways Limited

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of Sai Maatarini Tollways Limited (the "Company"). My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, I have obtained the management representation about the compliance of laws, rules, regulations, guidelines and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on testbasis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

UDIN: F009255F000301162
Date: 03-05-2024
Place: Kurnool

C.N. Kranthi Kumar
Company Secretary in Practice
FCS No. 9255 CP. No. 13889
Unique Code No: I2014AP1227000
(Old Unique Code No: I2014TL1227000)
P R Certificate No.612/2019

**SECRETARIAL COMPLIANCE REPORT
of Gayatri Highways Limited
for the year ended 31/03/2024**

I have examined:

- (a) all the documents and records made available to me and explanation provided by Gayatri Highways Limited ("the listed entity"),
- (b) the filings / submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document / filing, as may be relevant, which has been relied upon to make this certification,

For the year ended 31/03/2024 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars / guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; ^
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; ^
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; ^
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021; ^
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; ^
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2021; ^
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (j) The Depositories Act, 1996 and the Regulations & Bye-laws framed there under.

and circulars / guidelines issued thereunder;

^ Not applicable / No reportable events in listed entity during the review period

and based on the above examination, I hereby report that, during the review period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars / guidelines issued thereunder.

There were no actions taken against the listed entity / its promoters / directors / material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts / Regulations and circulars / guidelines issued thereunder.

- (b) The listed entity was not required to take any action(s) on compliance matter(s) as there were no observation(s) in the previous reports.

I certify that during the review period

There were no instances of appointment / re-appointment / resignation of statutory auditors in the listed entity and its material subsidiaries.

I affirm that during the review period

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS
1	Secretarial Standard The compliances of listed entities are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI)	Yes	—
2	Adoption and timely updation of the Policies • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities. • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/ guidelines issued by SEBI.	Yes	—
3	Maintenance and disclosures on Website • The Listed entity is maintaining a functional website. • Timely dissemination of the documents/ information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s) / section of the website.	Yes Yes Yes	— — —
4	Disqualification of Director None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013.	Yes	—
5	To examine details related to Subsidiaries of listed entities (a) Identification of material subsidiary companies.	Yes	—

	(b) Requirements with respect to disclosure of material as well as other subsidiaries.	Yes	—
6	Preservation of Documents The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	—
7	Performance Evaluation The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.	Yes	—
8	Related Party Transactions (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions. (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/rejected by the Audit committee.	NA	As prior approval of Audit Committee obtained
9	Disclosure of events or information The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	—
10	Prohibition of Insider Trading The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	—
11	Actions taken by SEBI or Stock Exchange(s), if any No Actions taken against the listed entity / its promoters / directors / subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars / guidelines issued thereunder.	Yes	—
12	Additional Non-compliances, if any No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.	Yes	—

Other Information:

- 1) The financial creditor i.e., IDBI Bank Limited, Chapel Road Branch, Hyderabad has filed an application under Section 7 (2) of The Insolvency and Bankruptcy Code 2016 read with Rule 34 of the National Company Law Tribunal Rules, 2016, on **Sai Maatarini Tollways Limited (“Material Subsidiary”)** before the Hon'ble National Company Law Tribunal, Hyderabad Bench, Hyderabad for the defaulting amount of Rs.457,56,33,859/-.
- 2) The financial creditor i.e., Union Bank of India, SAM Branch, Hyderabad, Telangana, had filed an application under section 7 of the Insolvency and Bankruptcy Code, 2016 read with the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 on **Indore Dewas Tollways Limited (“Material Subsidiary”)** before the Hon'ble National Company Law Tribunal, Hyderabad Bench, Hyderabad for the defaulting amount of Rs. 194,24,55,662/- and the application vide Company Petition IB/398/07/HDB/2022 has been admitted on 31/10/2023.

UDIN: F009255F000214482
Date: 23-04-2024
Place: Kurnool

C.N. Kranthi Kumar
Company Secretary in Practice
FCS No. 9255 CP. No. 13889
Unique Code No: I2014AP1227000
(Old Unique Code No: I2014TL1227000)
P R Certificate No.612/2019

REPORT ON CORPORATE GOVERNANCE

Report Pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the requirements of Corporate Governance is set out below:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company follows the principles of fair representation and full disclosure in all its dealings and communications. The Company's annual report, results, presentations and other forms of corporate and financial communications provide extensive details and convey important information on a timely basis. Your company's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all its interactions with its stakeholders, employees, government and lenders. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders value, over a sustained period of time. The Company's core philosophy on the code of Corporate Governance is to ensure:

- Fair and transparent business practices;
- Accountability for performance;
- Compliance of applicable statute;
- Transparent and timely disclosure of financial and management information;
- Effective management control and monitoring of executive performance by the Board; and
- Adequate representation of promoter, executive and independent directors on the Board.

Hence it harmonizes the need for a company to strike a balance at all times between the need to enhance shareholders' wealth whilst not in any way being detrimental to the interests of the other stakeholders in the company.

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors:

The Company endeavours to have an optimum combination of Executive and Non-Executive Directors to maintain the independence of the Board and separate the functions of Governance and Management through Board and Committees. As at 31st March, 2024, the Board of Directors ("Board") comprises of six Directors and all are Non-Executive Directors. The Company has six Independent Directors. The composition and category of the Board of Directors is as follows:

Sl. No	Name of Director	Designation	Category
1.	Mr. M.V. Narasimha Rao	Director	Independent Director
2.	Mr. G. Jagannadha Rao	Director	Independent Director
3.	Ms. P. Laxmi	Director	Independent Director
4.	Mr. Krishnamurthy Chaturvedi	Director	Independent Director
5.	Mr. Desina Balarama Krishna	Director	Independent Director
6.	Ms. Venkata Sindhuja Pothapragada	Director	Independent Director

b) Attendance of each director at the Board meetings and at the last Annual General Meeting:

The particulars of attendance of Board Meetings and Annual General Meeting by Directors for the financial year ended 31st March, 2024 has been set out here below:

Sl. No	Name of Director	No. of Board Meetings		Attendance at last AGM on 29.09.2023
		Held	Attended	
1.	Mr. M.V. Narasimha Rao	5	5	Present
2.	Mr. G. Jagannadha Rao	5	5	Present
3.	Ms. P. Laxmi	5	5	Present
4.	Mr. Krishnamurthy Chaturvedi	5	5	Present
5.	Mr. Desina Balarama Krishna	5	5	Present
6.	Ms.Venkata Sindhuja Pothapragada	5	5	Present

c) Number of Other Directorships, Committee Membership(s) & Chairmanship(s):

Sl. No.	Name of the Director	Other Directorships	Committee Membership	Committee Chairmanship
1.	Mr. M.V. Narasimha Rao	-	2	1
2.	Mr. G. Jagannadha Rao	1	3	-
3.	Ms. P. Laxmi	-	2	1
4.	Mr. Krishnamurthy Chaturvedi	7	6	4
5.	Mr. Desina Balarama Krishna	4	4	1
6.	Ms. V. Sindhuja Pothapragada	3	-	-

- The other directorship also includes the Partnership in Limited Liability Partnership (LLP).
- The Directors of Gayatri Highways Limited do not hold Directorships in any other listed entities.
- The Number of Directorships, Committee memberships and Chairmanships of all listed and unlisted companies are within the limits as per Regulation 26 of SEBI (LODR) Regulations, 2015.
- The number of total directorships is in accordance with Section 165 of the Companies Act, 2013.

d) Number of Board Meetings held and the date on which held:

In terms of compliance with the requirement of Regulation 17(2) of SEBI (LODR) Regulations, 2015, Five Board Meetings were held during the financial year ended 31st March, 2024, as against the minimum requirement of four meetings.

The dates on which the Board meetings were held are 18th May, 2023, 29th May, 2023, 10th August, 2023, 9th November, 2023 and 13th February, 2024.

e) Disclosure of relationship between directors inter-se

None of the Directors are related to any other Director.



f) Shares held by Non- Executive Directors;

The number of equity shares and convertible instruments of the Company held by the non-executive directors, as on 31st March, 2024 are as follows:

Sl. No	Name of the Director	No of Equity Shares
1.	Mr. M.V. Narasimha Rao	Nil
2.	Mr. G. Jagannadha Rao	Nil
3.	Ms. P. Laxmi	Nil
4.	Mr. Krishnamurthy Chaturvedi	Nil
5.	Mr. Desina Balarama Krishna	Nil
6.	Ms. V. Sindhuja Pothapragada	Nil

g) The details of familiarization programs imparted to independent directors:

Your Company follows a structured orientation and familiarisation programme through various reports/codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved.

The framework on familiarisation programme has been posted in the website of the Company. The details of familiarization programme is available on the website: <https://www.gayatrihighways.com/DirectorsFamiliarisationProgramme.html>

h) The Board currently has sufficient range of expertise and possesses all the competencies required for effective functioning. Below is the chart/ matrix of such competencies, identified by the Board:

Sl. No.	Core Competencies
1.	Project Management
2.	Domain / Industry Specialist
3.	Business Development & Business Strategist
4.	Asset Management / Operational Excellence
5.	Networking / Connecting / Spanning
6.	Organizational Learning and Institutional memory
7.	Governance Consciousness

i) Given below is the chart setting out the skills/expertise/competence of the Board of Directors:

S.No.	Name of the Director	Category	Specialisation
1.	Mr. M.V. Narasimha Rao	Independent Director	Over 45 years of experience. He was Country Head for Sheladia Associate Inc as also worked as Resident Engineer for Louis Berger Inc. Afghanistan, General Manager for National Highways Authority of India and Superintendent Engineer for Roads & Buildings Department, Andhra Pradesh. He is empanelled as an Arbitrator and also as a Disputes Resolution Expert by the Indian Council of Arbitrators.

2.	Mr. G. Jagannadha Rao	Independent Director	Over 46years of Experience. He has worked as a Resident Engineer for ADB Project at Visakhapatnam Dy. General Manager for National Highways Authority of India and Executive Engineer, NH Division, Visakhapatnam, Superintending Engineer in R & B Department, and took charge as Engineer in Chief R & B Admin, SH and MD, APRDC in May 2017 and continued till retirement.
3.	Ms. P. Laxmi	Independent Director	Over 46 years of rich professional experience in the design, construction supervision and Contract Management of large number and various types of road and bridge projects.
4.	Mr. Krishnamurthy Chaturvedi	Independent Director	He has over 4 Decades of experience in State Bank Group in various Capacities as Asst. Manager, Deputy Manager, Manager and Branch head, dealing with accounting, operations, Agriculture credit, retail Credit, SME Credit, Corporate Credit, Marketing, customer relations and internal audit.
5.	Mr. Desina Balarama Krishna	Independent Director	<p>Has over 14 year of professional experience as a Company Secretary with core working knowledge and experience in Company Law, RBI, FEMA and NBFC Compliances.</p> <p>Also, a Faculty with over 10 years of teaching experience in various professional educational institutes for the students of CS, CA and CWA.</p> <p>Regular Guest Speaker for seminar on subjects of Company Law and Practice, Commercial Laws, Industrial Laws and Labour Laws in colleges and institutes.</p>
6.	Ms. Venkata Sindhuja Pothapragada	Independent Director	Has professional experience as a Company Secretary with core working knowledge and experience in Company Law, RBI, FEMA, IPR compliances.



- j) The Board of Directors be and hereby confirm that in the opinion of the board, the independent directors fulfil the conditions specified in these regulations and are independent of the management.
- k) No Independent Director has resigned from the Directorship of the Company before the expiry of their term of appointment during the Financial Year ended 31st March, 2024.

COMMITTEES OF THE BOARD

Committee of Directors has been constituted by the Board of Directors of the Company in their meeting held on 7th February, 2018. The composition and terms of reference of these committees are approved by the Board and are in line with the requirement of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015. The following statutory Committees were established by the Board:

- (i) Audit Committee
- (ii) Nomination and Remuneration Committee
- (iii) Stakeholders Relationship Committee

Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

1. AUDIT COMMITTEE:

(a) Brief description of terms of reference:

The role and terms of reference of the Audit Committee are set out in Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors of the Company. The terms of reference of the Audit Committee broadly are:

1. Review of financial reporting systems;
2. Ensuring compliance with regulatory guidelines;
3. Reviewing the quarterly, half yearly and annual financial results;
4. Approval of annual internal audit plan;
5. Review and approval of related party transactions;
6. Discussing with the management, annual financial statements and auditor's report before submission to the Board with particular reference to the (i) Director's Responsibility Statement; (ii) major accounting entries; (iii) significant adjustments in financial statements arising out of audit findings; (iv) Compliance with listing requirements (v) modified opinion(s) in the draft audit report etc.;
7. Interaction with statutory, internal and cost auditors;
8. Scrutiny of inter-corporate loans and investments;
9. To review the functioning of the whistle blower mechanism;
10. Recommendation for appointment and remuneration of auditors;
11. Carrying out any other function as is mentioned in the terms of reference of the audit committee; and
12. Reviewing and monitoring the auditor's independence and performance
13. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments. etc.

Further the Audit Committee also mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;

3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee; and
6. Statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations;
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

In addition to the above, the Audit Committee also reviews the financial statements, minutes and details of investments made by the subsidiary companies.

(b) Composition, Name of members and Chairman:

As on 31st March, 2024, the Audit Committee of the Board comprises of Non - Executive Directors being Independent Directors. The Chairperson of the Audit Committee is an Independent Director. The composition of the Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations:

Sl. No	Name of Director	Designation
1	Mr. M.V. Narasimha Rao	Chairman
2	Mr. G. Jagannadha Rao	Member
3	Ms.P. Laxmi	Member

(c) Meetings and attendance during the year:

During the Financial year 5 Audit committee meetings were conducted on 18th May, 2023, 29th May, 2023, 10th August, 2023, 09th November, 2023 and 13th February, 2024.

Attendance at the Audit Committee Meetings:

Sl. No	Name of Director	Designation	Number of Meetings	
			Held	Attended
1.	Mr. M.V. Narasimha Rao	Chairman	5	5
2.	Mr. G. Jagannadha Rao	Member	5	5
3.	Ms. P. Laxmi	Member	5	5

2. NOMINATION & REMUNERATION COMMITTEE:

a. Brief description of terms of reference

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down in this policy.
- To carry out evaluation of every Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.



- To devise a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

b. Composition, Name of members and Chairman:

Nomination and Remuneration Committee was constituted by the Board with three(3) Non - Executive Directors being Independent Directors.

The following is the composition of the Board

Sl. No	Name of Director	Designation
1.	Mr. G. Jagannadha Rao	Chairman
2.	Mr. M.V. Narasimha Rao	Member
3.	Ms.P. Laxmi	Member

c. Nomination and Remuneration Committee meetings & Attendance

During the Financial year One (1) Nomination and Remuneration Committee meeting were held on 12th February, 2024.

Attendance at the Nomination and Remuneration Committee Meetings:

Sl. No	Name of Director	Designation	Number of Meetings	
			Held	Attended
1.	Mr. G. Jagannadha Rao	Chairman	1	1
2.	Mr. M.V. Narasimha Rao	Member	1	1
3.	Ms. P. Laxmi	Member	1	1

d. Nomination and Remuneration policy

- The nomination and remuneration committee has adopted a Nomination and Remuneration Policy which, inter alia, deals with the manner of selection of Board of Directors, KMP & other senior management and their remuneration. Executive Directors and KMP are eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The Executive Director and KMP remuneration is determined based on levels of responsibility and scales prevailing in the industry.
- The Non-executive directors are paid sitting fees for attending meetings of Board/ Committee.

e. Performance evaluation of Directors

The performance evaluation of independent director is done by the Board annually based on criteria of attendance and contributions at Board/ Committee meetings and also the role played by them other than at meetings.

The Nomination and Remuneration Committee had specified criteria for performance evaluation of Directors, Committees and Board as a whole and recommend the same to the Board for evaluation.

In line with corporate governance guidelines, evaluation of all Board members is done on an annual basis. This evaluation is done by the entire Board led by the Chairman of the Board with specific focus on the performance and effective functioning of the Board, committees of the Board and individual directors and reported to the Board. The evaluation process also considers the time spent by each of the Board members, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise.

The entire Board of directors (excluding the director being evaluated) held the performance evaluation of Independent directors and on the basis of performance evaluation, the Board decided to continue the term of appointment of Independent directors.

Performance evaluation was done by the respective bodies on 12th February, 2024.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE:

(a) Brief description of terms of reference:

Stakeholders Relationship Committee oversees and reviews all matters connected with the share transfers and also looks into redressing of shareholders complaints like transfer of shares, non-receipt of annual report/dividends etc. The committee oversees the performance of the Registrar of Transfer Agents and recommends measures for overall improvement in the quality of investor services. Email-id for Investor Grievances: cs@gayatrihighways.com

(b) Composition:

Sl. No	Name of Director	Designation
1	Ms. P. Laxmi	Chairman
2	Mr. G. Jagannadha Rao	Member
3	Mr. M.V. Narasimha Rao	Member

(c) Name and Designation of Compliance Officer:

Mr. P. Raj Kumar, Company Secretary is acting as Compliance Officer of the Company.

(d) Number of Shareholders complaints received so far.

During the financial year ended 31st March, 2024, the Company did not receive any complaints from the shareholders.

(e) Number of complaints not resolved to the satisfaction of shareholders: Not Applicable

(f) There were no pending complaints as at the year end.

4. INDEPENDENT DIRECTORS' MEETING:

In accordance with the provisions of schedule IV (Code for Independent Directors) of the Companies Act, 2013 and SEBI Listing Regulations, 2015, one meeting of the Independent Directors of the Company was held in the financial year on 12th February, 2024, without the attendance of Non-Independent Directors and members of the management.

5. Senior Management:

For the Financial Year 2023-24, there is no change in the Senior Management.

6. Remuneration of Directors

(a) Details of Remuneration of Non – Executive Directors:

- There were no pecuniary transactions with any non-executive director of the Company.
- Non-Executive Directors are paid Sitting Fee for attending the Board and Committee Meetings.



During the financial year under review the company has paid sitting fees to the Non-Executive Directors/ Independent Directors.

S. No.	Name of Director	Sitting Fees paid (Rs.)
1.	Mr. M.V. Narasimha Rao	2,60,000
2.	Mr. G. Jagannadha Rao	2,60,000
3.	Ms. P. Laxmi	2,60,000
4.	Mr. Krishnamurthy Chaturvedi	1,20,000
5.	Mr. Desina Balarama Krishna	1,20,000
6.	Ms.VSindhuja Pothapragada	1,20,000

(b) Details of Remuneration of Executive Directors: Not Applicable

6. GENERAL BODY MEETINGS:

i) Location and Time, where last three Annual General Meetings held:

Year	Locations	Date	Time
17 th AGM (2022-23)	Annual General Meeting through Video Conferencing / Other Audio Visual Means facility Deemed Venue for Meeting: Registered Office: 5th Floor, A Block, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad – 500 082, Telangana	29 th September, 2023	3:30 P.M.
16 th AGM (2021-22)	Annual General Meeting through Video Conferencing / Other Audio Visual Means facility Deemed Venue for Meeting: Registered Office: 1st Floor, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad – 500 082, Telangana	28 th September, 2022	3:30 P.M.
15 th AGM (2020-21)	Annual General Meeting through Video Conferencing / Other Audio Visual Means facility Deemed Venue for Meeting: Registered Office: 1st Floor, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad – 500 082, Telangana	28 th September, 2021	3.30 P.M

ii. Whether any Special Resolutions passed in the previous 3 Annual General Meetings:

2022-23: The Company did not pass any special resolutions in the 17th AGM held on 29th September, 2023

2021-22 : In the 16th AGM held on 28th September, 2022, the Company has passed the following Special Resolutions:

- i. Re-appointment of Mr. Venkata Narasimha Rao Mysore (DIN: 06761474) as an Independent Director of the Company
- ii. Re-appointment of Mr. Jagannadha Rao Gavara (DIN: 01059819) as an Independent Director of the Company.
- iii. Re-appointment of Mrs.Laxmi Pamarthy (DIN: 08051632) as an Independent Director of the Company.

2020-21: The Company did not pass any special resolutions in the 15th AGM held on 28th September, 2021.

8. MEANS OF COMMUNICATION:

- (a) **Quarterly Results:** The quarterly Financial Results of the Company are published in accordance with the requirements of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015.
- (b) **Newspapers wherein results were normally published:** The financial results were published in an English language daily newspaper having India wide circulation viz. Business Standard and a daily newspaper in Telugu language viz. Andhra Prabha.
- (c) **Any website, where displayed**
The yearly Audited Financial results and the un-audited financial results of the Company are published on the Company's website: www.gayatrihighways.com
- (d) **Displays official news releases : NA**
- (e) **Presentation made to institutional investors or to the analysts : NA**
- (f) **Website:**
The website www.gayatrihighways.com contains a separate dedicated section "Investor" for the Company's investors where shareholders' information is available. The full Annual Report, shareholding pattern etc.

9. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting	Date : 26th September, 2024 Time : 3.30 p.m. Venue : Annual General Meeting through Video Conferencing / Other Audio Visual Means facility Deemed Venue for Meeting : Registered Office, 5th Floor, A-Block, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad – 500 082, Telangana
Financial Year	1st April, 2023 to 31st March, 2024
Date of Book Closure	19th September, 2024 to 26th September, 2024 (both days inclusive)
Dividend Payment Date	Not Applicable
Name and address of the Stock Exchange where the Company is listed	BSE Limited: Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001
	National Stock Exchange of India Limited: 5th Floor, Exchange Plaza, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051
Listing on Stock Exchanges BSE Ltd & NSE Ltd	28th June, 2018
Scrip/Stock Code	BSE Scrip Code: 541546 NSE Scrip Id: GAYAHWS
ISIN Number for NSDL & CDSL	INE287Z01012



The listing fee has been paid to the above stock exchanges viz., BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE).

(a) Market Price Data: (BSE Limited (BSE))

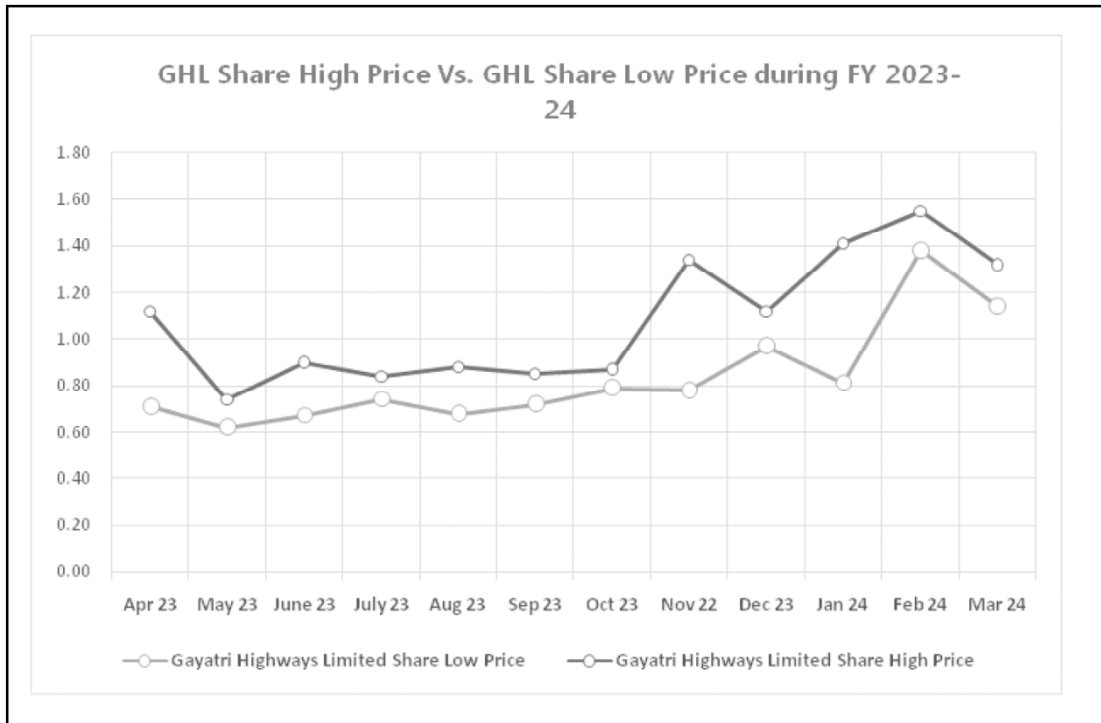
Sl.No.	Month	High during the month	Low during the month
1.	April 2023	1.12	0.71
2.	May 2023	0.74	0.62
3.	June 2023	0.90	0.67
4.	July 2023	0.84	0.74
5.	August 2023	0.88	0.68
6.	September 2023	0.85	0.72
7.	October 2023	0.87	0.79
8.	November 2023	1.34	0.78
9.	December 2023	1.12	0.97
10.	January 2024	1.41	0.81
11.	February 2024	1.55	1.38
12.	March 2024	1.32	1.14

(b) Market Price Data: (National Stock Exchange of India Limited (NSE))

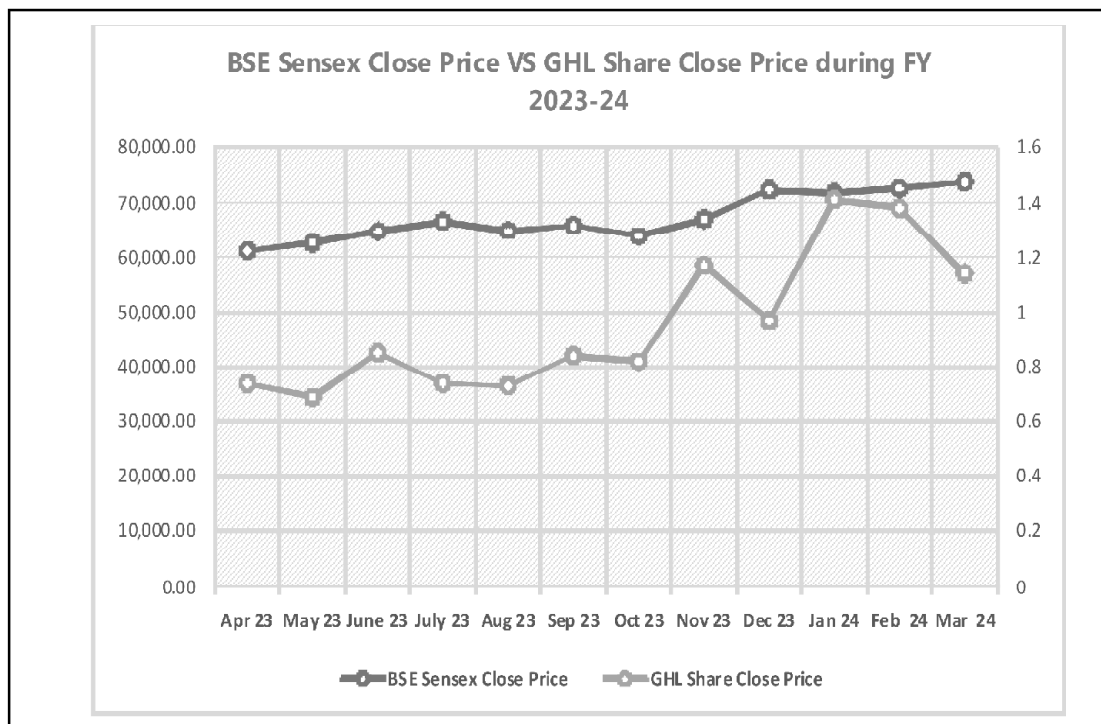
Sl.No.	Month	High during the month	Low during the month
1.	April 2023	1.10	0.65
2.	May 2023	0.80	0.60
3.	June 2023	0.90	0.55
4.	July 2023	0.80	0.55
5.	August 2023	0.90	0.70
6.	September 2023	0.90	0.70
7.	October 2023	0.90	0.75
8.	November 2023	1.35	0.75
9.	December 2023	1.20	1.00
10.	January 2024	1.40	0.80
11.	February 2024	1.50	1.35
12.	March 2024	1.35	1.15

(c) Performance in comparison to broad based indices of BSE SENSEX :

(i) Comparison between GHL share price- High and Low.



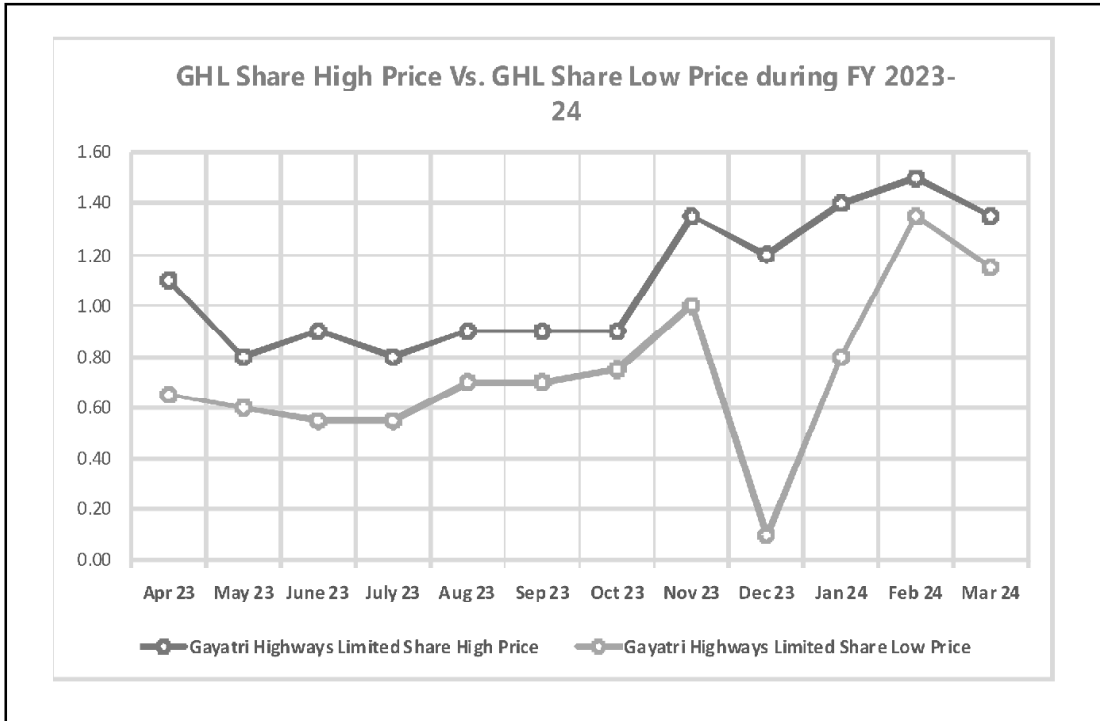
(i) Comparison between BSE SENSEX close price and GHL share close price.



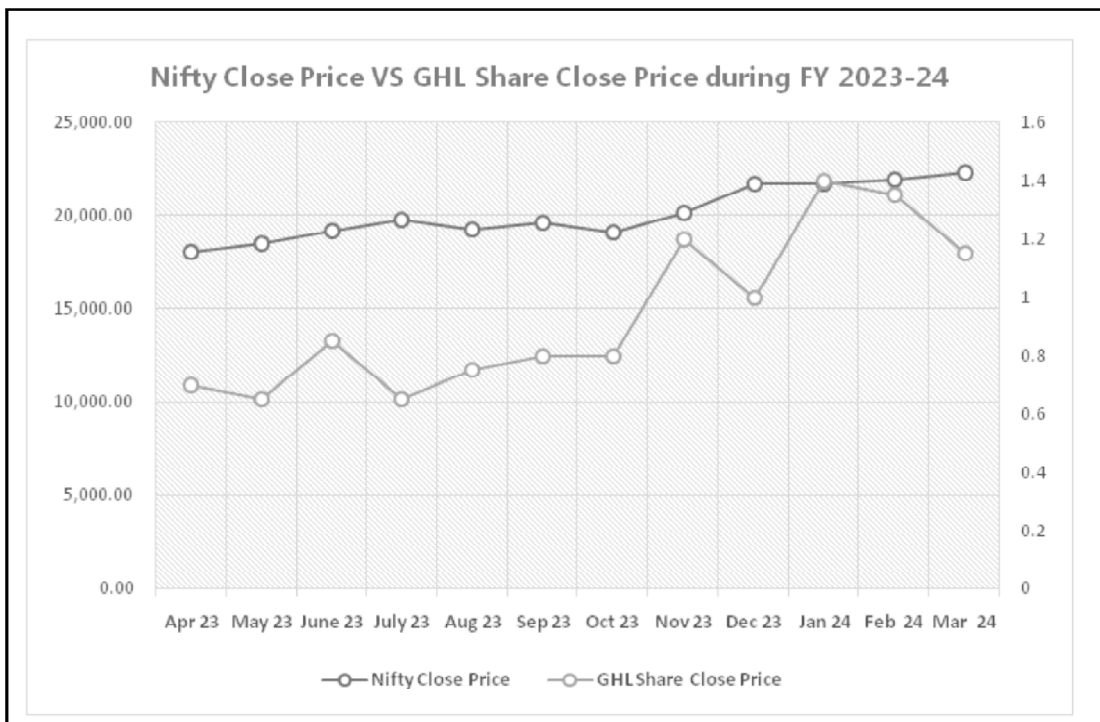


(d) Performance in comparison to broad - based indices of NIFTY :

(i) Comparison between GHL share price - High and Low



(ii) Comparison between Nifty close price and GHL share close price



(e) During the Financial Year 2023-24 there was temporary suspension of trading in the Securities of the Company for a short period of time under GSM surveillance restriction imposed by SEBI due to sudden increase in the share price of the Company.

(f) Registrar to an issue & Share Transfer Agents:

Registrar to an issue & Share Transfer Agents (for shares held in both Physical and Demat mode) are as follows:

M/s KFin Technologies Limited (Formerly known as KFin Technologies Private Limited)

Selenium Building, Tower No B, Plot No.31&32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032

Toll Free / Phone Number: 1800 309 4001

Email ID: einward.ris@kfintech.com/anandan.k@kfintech.com

(g) Share Transfer System

All share transfer and other communications regarding share certificates, change of address, dividends, etc should be addressed to Registrar and Share Transfer Agents.

Share Transfer Committee is authorized to approve transfer of shares in the physical segment. Such transfers take place on fortnightly basis. A summary of all the transfers/ transmissions etc. so approved is placed at every Committee meeting. All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects.

In compliance with the SEBI Listing Regulations, a Practicing Company Secretary carries out audit of the system of transfer and a certificate to that effect is issued.

(h) Distribution of shareholding

(i) Shareholding Pattern as on 31st March, 2024:

Sl. No	Description	Total Shares	% Equity
1.	Promoters & Directors	8,41,54,710	35.12
2.	Promoter Companies	6,24,00,000	26.04
3.	Foreign Portfolio - Corp	97,74,236	4.08
4.	Bodies Corporates	37,88,956	1.58
5.	Resident Individuals	7,18,81,029	29.99
6.	Non Resident Indians	58,51,980	2.44
7.	HUF	16,19,828	0.68
8.	Non Resident Indian Non Repatriable	1,79,601	0.07
9.	I E P F	1560	0.00
	Total	23,96,51,900	100.00



(ii) Distribution of shareholding as on 31st March, 2024:

Shares holding of nominal value of	No. of Shareholders	No. of Shares	% of total shares
1 - 5000	39286	1,45,49,883	6.07
5001 - 10000	1929	79,00,133	3.30
10001 - 20000	1149	95,19,386	3.97
20001 - 30000	286	35,06,093	1.46
30001 - 40000	200	37,22,456	1.55
40001 - 50000	111	25,69,587	1.07
50001 - 100000	213	82,11,674	3.43
100001 & Above	222	18,96,72,688	79.15
Total	43,396	23,96,51,900	100.00

(i) Dematerialization of Shares & Liquidity

The Company's shares are available for dematerialization with both the Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 23,96,49,629 equity shares were dematerialized representing 99.99% of the total paid up equity share capital of the Company as on 31st March, 2024.

(j) There are no outstanding Global Depository Receipts/ American Depository Receipts or Warrants or any convertible instruments as on the date of 31st March, 2024.

(k) Commodity price risk or foreign exchange risk and hedging activities;

The Company is not carrying on any Commodity business and has also not undertaken any hedging activities hence same are not applicable to the Company.

(l) There are 16,77,00,300, 9 % Non- Convertible Cumulative Redeemable Preference Shares (NCRPS) each of Rs.10/- each issued to Gayatri Projects Limited.

(m) Plant Locations – N.A.

(n) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad: NA

(o) Address for correspondence:

Sl. No.	Shareholders Correspondence for	Address
1.	Transfer/Dematerialization/ Consolidation/Split of shares, Issue of Duplicate Share Certificates, Non-receipt of dividend/ Bonus shares, etc., change of address of Members and Beneficial Owners and any other query relating to the shares of the Company.	M/s. KFin Technologies Limited Selenium Building Tower No. B, Plot No 31&32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Ranga Reddy, Hyderabad – 500 032, T.S. Toll Free / Phone Number : 1800 309 4001 Email ID: einward.ris@kfintech.com / anandan.k@kfintech.com
2.	Investor Correspondence / Queries on Annual Report, Revalidation of Dividend Warrants, Sub-Division, etc.,	Company Secretary Gayatri Highways Limited 5th Floor, A-Block, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad-500082, Telangana. Tel: +91 40 40024262 Email: cs@gayatrihighways.com Website: www.gayatrihighways.com

10. OTHER DISCLOSURES

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;

Besides the transactions mentioned in the Annual Report, there were no materially significant related party transactions during the year conflicting with the interest of the Company.

(b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

The Company has fully complied with all its compliances under the Listing Regulations, all applicable regulations and circulars issued thereunder except for the appointment of 2 [Two] Directors on the Board from 01-04-2020 till 27-08-2020.

A penalty was levied on Gayatri Highways Limited by NSE for non-compliance of Regulation 17(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to the Composition of Board of Directors (Board) of having minimum 6 (Six) directors on its Board. NSE levied a Fine of Rs.4,55,000/- For quarter ended June 30, 2020, for a period of 91 days -; and Rs. 3,42,200/- for quarter ended September 30, 2020, for a period of 58 days.

The Company has appointed 2 [Two] Directors in Independent Category on its Board with effect from "28-08-2020" and the total number of Directors on its Board on 28-08-2020 were 6 [Six] Directors.

No strictures/penalties were imposed on your Company by Stock Exchanges or by the Securities and Exchange Board of India or by any statutory authority on any matter related to the Securities markets during the financial year 2023-24.

(c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR) Regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The policy is available on the Company website, <http://gayatrihighways.com/pdf/CorpGov/Whistle%20Blower%20Policy.pdf>

During the financial year under review, no Complaints were received.

(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Adoption of non-mandatory requirements pursuant to SEBI (LODR), 2015 is being reviewed by the Board from time to time.

(e) Web link where policy for determining 'material' subsidiaries is disclosed;

The policy for determining 'material' subsidiaries is available on the website of the company http://gayatrihighways.com/pdf/CorpGov/Policies_for_material_subsidaries.pdf

(f) Web link where policy on dealing with related party transactions;

The policy on dealing with related party transactions is available on the website of the Company: https://www.gayatrihighways.com/pdf/CorpGov/Related_Party_Transaction_Policy_01-04-2022.pdf

(g) Disclosure of commodity price risks and commodity hedging activities: Not applicable

(h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). Not Applicable



- (i) **A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.**
The Certificate issued by Mr.C.N.Kranthi Kumar, Practicing Company Secretary is attached to this Report.
- (j) **The board has accepted all the recommendations of various Committees of the board which is mandatorily required, in the relevant financial year**
- (k) **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: Rs.3,00,000/-**
- (l) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**
a. number of complaints filed during the financial year -NA
b. number of complaints disposed of during the financial year -NA
c. number of complaints pending as on end of the financial year-NA
- (m) **Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:NA**
- (n) **Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:**

Sl. No.	Details	1	2	3	4
1.	Name of the Material Subsidiary	Sai Maatarini Tollways Limited	Indore Dewas Tollways Limited	Gayatri Jhansi Roadways Limited	Gayatri Lalitpur Roadways Limited
2.	Date of Incorporation	08/09/2011	04/05/2010	07/07/2016	07/07/2016
3.	Place of Incorporation	Hyderabad	Hyderabad	Hyderabad	Hyderabad
4.	Name of Statutory Auditor	M/s. MKPS & Associates	M/s. MKPS & Associates	M/s. N.C Mittal & Co.	M/s. N.C Mittal & Co.
5.	Date of Appointment of Statutory Auditor	24/09/2021	25/09/2020	24/09/2019	24/09/2019

11. The Company Complied with the requirements of the Schedule V Corporate Governance report sub-paras (2) to (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

12. Details of compliance with mandatory requirements and adoption of Discretionary Requirements:

The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Adoption of non-mandatory requirements pursuant to SEBI (LODR), 2015 is being reviewed by the Board from time to time.

13. The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

The company has complied the regulations of SEBI (LODR) as stated below:

Regulation	Particulars of Regulation	Compliance Status (Yes/ No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stake Holders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirement with respect of Subsidiary of Listed entity	Yes
25	Obligation with respect to Independent Director	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance Requirement	Yes
46 (2) (b) to (i)	Website	Yes

14. Declaration regarding compliance by board members and senior management personnel with the Company's Code of Conduct

The Company has in place a comprehensive Code of Conduct applicable to all the employees and Non-executive Directors including Independent Directors. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. A copy of the Code has been posted on the Company's website. <https://www.gayatrihighways.com/pdf/CorpGov/GHL-Code%20of%20Conduct.pdf>

A declaration regarding the compliance by Board members and senior management with the Company's Code of Conduct has been enclosed at the end of the Corporate Governance Report.

15. CEO and CFO Certification

The annual certification given by the Chief Executive Officer and Chief Financial Officer of the Company is published in this Annual Report.

16. Certificate of Non-Disqualification of Directors

Certificate from a Practising Company Secretary stating that none of the directors are debarred or disqualified forms a part of this Annual Report.

**17. Disclosure with respect to Demat suspense account/ unclaimed suspense account:**

Pursuant to the SEBI Circular and Regulation 39 of the SEBI Listing Regulations, 2015, during the year under review, there are no outstanding shares in the demat suspense account.

18. Disclosure of certain types of agreements binding listed entities:**Information disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations.**

There are no such agreements for the Financial Year 2023-24,

19. Unclaimed Dividend:

The Company has not issued any dividend since the inception of the Company. Hence it is not applicable.

20. Proceeds from public issues, rights issues, preferential issues, etc.

During the year ended 31st March, 2024, there were no proceeds from public issues, rights issues, preferential issues, etc.

21. The Company has adopted the policy on dissemination of information on the material events to stock exchanges in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available on the website of the Company <https://www.gayatrihighways.com/pdf/CorpGov/Policy%20on%20criteria%20for%20determining%20materiality%20of%20events.pdf>

22. The Company has adopted the policy on preservation of documents in accordance with the Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Documents Preservation Policy is available on the website of the Company: <https://www.gayatrihighways.com/pdf/CorpGov/Preservation%20Policy.pdf>

23. Company's Policy on prevention of insider trading:

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, and in continuation with your Company's efforts to enhance the standards of corporate governance in the Company, and to strictly monitor and prevent insider trading within the company, your company has in place a Code of Conduct which is approved by the Board.

The Company Secretary is acting as Compliance Officer for the said purpose. The code is applicable to all such employees, officers, Directors and Promoters of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism. The code has been circulated to all the members of the Board and Senior Management and others concerned the compliance of the same has been affirmed by them.

For and on behalf of the Board

Place: Hyderabad
Date: 30.07.2024

M.V. NARASIMHA RAO
DIRECTOR
DIN:06761474

KRISHNAMURTHY CHATURVEDI
DIRECTOR
DIN:08661228

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

To

The Members of Gayatri Highways Limited

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management and the same has been placed on the Company's website. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct in respect of the financial year ended 31st March, 2024.

For Gayatri Highways Limited

Place: Hyderabad
Date: 30.07.2024

K. G Naidu
Chief Executive Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para-C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of Gayatri Highways Limited
Somajiguda, Hyderabad, Telangana.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Gayatri Highways Limited having CIN: L45100TG2006PLC052146 and having registered office at 5th Floor, A Block, TSR Towers, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V ParaC Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number [DIN] status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the financial year ending on 31-03-2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl. No.	Names of Director	DIN	Date of appointment in Company
1	Jagannadha Rao Gavara	01059819	07-02-2018
2	Venkata Narasimha Rao Mysore	06761474	07-02-2018
3	Laxmi Pamarthy	08051632	07-02-2018
4	Krishnamurthy Chaturvedi	08661228	14-02-2020
5	Desina Balarama Krishna	08846055	28-08-2020
6	Venkata Sindhuja Pothapragada	08852765	28-08-2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on verification of the documents. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

UDIN: F009255F000739897
Date : 15-07-2024
Place : Hyderabad

C.N. Kranthi Kumar
Company Secretary in Practice
FCS No.9255 CP No.13889
Unique Code No: I2014AP1227000
(Old Unique Code No: I2014TL1227000)
P R Certificate No.612/2019

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
Gayatri Highways Limited,
5th Floor, A Block, TSR Towers, 6-3-1090,
Rajbhavan Road, Somajiguda,
Hyderabad - 500 082, Telangana.

I have examined all the relevant records of Gayatri Highways Limited [the "Company"] for the purpose of certifying compliance with the conditions of Corporate Governance for the financial year ended on 31-03-2024, as stipulated under Chapter IV (Regulations 17 to 27, Regulation 46(2) (b) to (i) & (t) and Para C, D and E of Schedule V) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended [the "SEBI Listing Regulations"].

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to the review of procedures and implementation process adopted by the Company for ensuring compliance with the conditions of Corporate Governance. This certificate is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations and information furnished to me, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance for the financial year ended on 31-03-2024.

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

UDIN: F009255F000739864
Date : 15-07-2024
Place : Hyderabad

C.N. Kranthi Kumar
Company Secretary in Practice
FCS No.9255 CP No.13889
Unique Code No: I2014AP1227000
(Old Unique Code No: I2014TL1227000)
P R Certificate No.612/2019

CEO AND CFO CERTIFICATE

To
The Board of Directors
Gayatri Highways Limited

We the undersigned, in our respective capacities as Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of Gayatri Highways Limited ("the Company"), to the best of our knowledge and belief certify that:

- a) We have reviewed the Financial Statements and cash flow statement of Gayatri Highways Limited for the year ended 31st March, 2024 and to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the applicable accounting standards, applicable laws and regulations.
- b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Hyderabad
Date: 30.07.2024

K.G. Naidu
Chief Executive Officer

P.K Sahoo
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of **GAYATRI HIGHWAYS LIMITED**

Report on the audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of Gayatri Highways Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2024 and the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("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 state of affairs of the Company as at March 31, 2024, and loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- 1 As explained in note 11 to the financial statements, the company has written back Zero Interest Subordinate Loan (ZISL) payable to Gayatri Projects Limited of Rs. 17,887.51 Lakhs during the financial year 2022-23 which has been subject to confirmation from Gayatri Projects Limited. In the absence of balance confirmation, we are unable to comment upon the aforesaid write back and the carrying value of the payable as at 31 March 2024 or any adjustments required to and the consequent impact if any, on the financial statements had the confirmation been received from the Gayatri Projects Limited.
2. As explained in note 13(v) and (vi) to the financial statements the company has defaulted in repayment of outstanding term loan of Rs. 3,822.65 Lakhs and outstanding accumulated interest of Rs. 1,193.21 Lakhs (Interest was recognized in the financial statements till 31 March 2023) payable to IL&FS Financial Services Limited. The company has been calculating and recognizing interest only on the defaulted principle of 3,822.65 Lakhs as per the existing loan agreement since the Company has not received balance confirmation from the said lender. In the absence of balance confirmation, we are unable to comment on the carrying value of term loan principle and outstanding interest as at 31 March 2024 or any adjustment required to and the consequent impact if any on the financial statements had the confirmations been received from the lender.
3. As explained in note 13(vi) to the financial statements the company did not provide interest on the outstanding term loan of Rs. 3,822.65 Lakhs due to IL&FS Financial Services Limited for the period 01 April 2023 to 31 March 2024. The Company's records indicate that, had management has provided interest for the period 01 April 2023 to 31 March 2024, the expenses and the corresponding liability would have been increased by Rs. 573.40 Lacs and total equity would have been reduced by Rs. 573.40 Lakhs.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the

financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor's Response
<p>1. As at 31 March 2024, the Company has total investments of Rs. 19,884.17 Lakhs (Net of impairment) in the equity, preference shares optionally convertible debentures and instruments entirely equity in nature of Jointly controlled entities of the Company, which are classified as financial assets in the financial statements.</p> <p>The management regularly reviews whether there are any indicators of impairment on unquoted investments made by the company.</p> <p>As per Ind AS 36 - 'Impairment of Assets' the standard is applicable to financial assets classified as Investments in subsidiaries, associates and joint ventures. Accordingly, in assessing whether there is any indication that an asset may be impaired, an entity shall consider as a minimum, the external and internal sources of information, any other indications or evidences from internal reporting that indicates that the assets may be impaired.</p> <p>This assessment involves significant judgment especially in relation to determination of expected future economic benefits.</p> <p>Accordingly, the evaluation of impairment of investments in subsidiaries/joint ventures was determined to be a key audit matter.</p> <p>2. The Company has been incurring operating losses during the past years and the current liabilities of the Company exceed its current assets.</p> <p>The Company financial statements were prepared on a going concern basis. Management's statement in respect of going concern is set out in Note 37 of the financial statements.</p>	<p>1. In respect of the impairment indicator assessment for the investments in joint controlled entities, our audit procedures included and were not limited to the following: -</p> <ul style="list-style-type: none"> • Obtained and read the financial statements of joint controlled entities to identify if any disclosure is made for impairment of assets in its standalone financial statements. • Obtained the impairment indicator assessment performed by the management considering internal/external sources of information. • We have obtained the management's understanding with regard to impairment of the investments made in loss-making joint ventures. • We have obtained the company's management opinion in estimating the realizable value of the investments made by the joint controlled entities. <p>2. We have evaluated the assumptions and forecasts made by management. We have specifically devoted attention to the assumptions made with respect to the future value added, the results and the cash flows in order to assess the company's ability to continue meeting its payment obligations and its obligations under the financing covenants in the year ahead</p>

Information Other than the Ind Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance under SA720 "The Auditor's responsibilities relating to Other Information".

Responsibility of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

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 financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards 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 of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) 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.
 - c) The Balance Sheet, the Statement of Profit and Loss, including other comprehensive income the statement of changes in equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended

- e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 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 Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements to the extent applicable.
 - 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.
 - iv. a) the management has represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) the management has represented that, to the best of their knowledge and belief, no funds have been received by the Company to or in any other person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) based on our audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under above sub-clause (a) and (b) contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year.
 - vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023. Based on our examination which included test checks the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software, Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.
3. The Company did not pay any remuneration to its directors during the current year

For **PRSV & Co. LLP**
 Chartered Accountants
 Firm's Registration No.: S200016

Y. Venkateswarlu
 Partner
 Membership No: 222068
 Place : Hyderabad
 Date : 29 May 2024
 UDIN: 24222068BKAVRI9642

Annexure 'A' to the Independent Auditor's Report of GAYATRI HIGHWAYS LIMITED for the Year ended as on 31 March 2024

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date: -

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- B. The Company does not hold any intangible assets during the year.
- b. It was informed that the Property, Plant and Equipment were physically verified by the management at reasonable intervals considering the size of the Company, number of assets and nature of assets. No physical verification has been conducted during the financial year 2023-24.
- c. The company has no immovable property hence paragraph 3(i)(c) of the Order is not applicable to the company.
- d. The Company has not revalued its property, plant and equipment (including Right of use assets) during the year ended 31 March 2024.
- e. There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. As the company is engaged in the business of infrastructure development, operations and its maintenance, the Company business does not involve inventories. Accordingly, the requirements to report on clause 3(ii) of the Order is not applicable to the company.
- iii. During the year, the Company has not made any investments. During the year the Company has not provided any loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clause 3(iii) of the Order is not applicable to the company.
- iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of sections 185 and 186 of the Companies Act, 2013. Accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the company.
- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. The maintenance of cost records specified by the Central Government under sub-section 148(1) of the Companies Act, 2013 are not applicable to the Company. Accordingly, the requirement to report on clause 3(vi) of the order is not applicable to the Company.
- vii. a. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employee state insurance, income tax, duty of customs, goods and services tax and other statutory dues applicable to it. The provisions relating to sales tax, duty of excise, value added tax and cess are not applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- b. According to the information and explanation given to us, there are no dues of income tax, goods and service tax, sales tax, provided fund, employee' state insurance, duty of customs, cess and other statutory dues which have not been deposited on account of dispute.

viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix. a) During the year the Company has defaulted in repayment of term loans and interest thereon to the financial institution:

S.No.	Nature of the Borrowing	Name of the Lender	Amount not paid on due date	Whether Principal or Interest	No. of days delay or unpaid	Remarks
1	Term Loan	IL&FS Financial Services Limited	5,589.26 (After giving impact of audit qualification mentioned above)	Principal and Interest	37 months	

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.

d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix) (f) of the Order is not applicable to the Company.

x. a) The Company has not raised any monies during the year by way of initial public offer in the nature of equity shares.

b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit. Accordingly, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

xi. a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company and hence clause 3 (xii) of the Companies (Auditor's Report) Order 2020 is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.

- xiv. a) The Company has an internal audit system commensurate with the size and nature of its business.
- b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the requirements to report on clause 3(xv) of the Order is not applicable.
- xvi. a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
- c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has incurred cash loss during the current year Rs.632.59 Lakhs (After considering impact of audit qualification mentioned above) and in the preceding financial year is Rs.696.79 Lakhs
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios disclosed in note no. 33 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. a) The provisions of section 135 of the Companies Act are not applicable to the Company. Accordingly, the requirement to report under clause 3(xx) of the order is not applicable to the Company.

xxi. There are qualifications by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. The following are the details regarding them:

S.No.	Name of the Company	Paragraph no. in the respective CARO reports	Remarks
1	Sai Maatarini Tollways Limited	vii(b), ix(a), xvii and xix	Regarding statutory dues have not been deposited on account of dispute, default in the repayment of loans or other borrowings or payment of interest thereon to banks and financial institutions, cash losses in the financial year and in the immediately preceding financial year, material uncertainty exists as on the date of the audit report indicating that that the Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet.

For **PRSV & Co. LLP**
Chartered Accountants
Firm's Registration No.: S200016

Y. Venkateswarlu
Partner
Membership No: 222068

Place : Hyderabad
Date : 29 May 2024
UDIN: 24222068BKAVR19642

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in our Report of even date)**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Gayatri Highways Limited ("the Company") as of 31st March 2024 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management 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 (the "Guidance Note"). 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 its 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Standalone Ind AS financial statements, whether due to fraud or error.

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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, 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 **PRSV & Co. LLP**
Chartered Accountants
Firm's Registration No.: S200016

Y Venkateswarlu
Partner
Membership No: 222068

Place: Hyderabad
Date: 29 May 2024
UDIN: 24222068BKAVRI9642

Balance Sheet as at 31st March 2024

(All amounts in ₹ lakhs unless otherwise stated)

	Notes	As at 31st March 2024	As at 31st March 2023
Assets			
Non-current assets			
Property, plant and equipment	3	15.38	22.27
Financial assets			
- Investments	4	19,884.17	19,894.17
		<u>19,899.55</u>	<u>19,916.44</u>
Current assets			
Financial assets			
- Trade receivables	6	52.34	58.81
- Cash and cash equivalents	7	244.08	149.00
- Loans	5	2,452.18	2,873.28
Current tax assets (net)	8	23.20	190.74
Other Current Assets	9	34.86	55.47
		<u>2,806.66</u>	<u>3,327.30</u>
Total assets		<u><u>22,706.21</u></u>	<u><u>23,243.74</u></u>
Equity and liabilities			
Equity			
Equity share capital	10	4,793.04	4,793.04
Instruments entirely equity in nature	11	—	—
Other equity	12	(24,040.38)	(23,967.92)
Total Equity		<u>(19,247.34)</u>	<u>(19,174.88)</u>
Non-current Liabilities			
Financial liabilities			
- Borrowings	13	28,844.45	27,335.15
Provisions	14	59.38	56.85
Current liabilities			
Financial liabilities			
- Trade Payables	15	—	—
- Dues to Micro Enterprises and Small Enterprises		—	—
- Dues to Creditors other than Micro Enterprises and Small Enterprises		123.67	139.32
- Borrowings	13	11,727.35	13,167.73
- Other financial liabilities	16	1,193.21	1,360.96
Other current liabilities	17	4.73	358.61
Provisions	18	0.76	—
Total liabilities		<u>41,953.55</u>	<u>42,418.62</u>
Total equity and liabilities		<u><u>22,706.21</u></u>	<u><u>23,243.74</u></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 **PRSV & Co. LLP**
Chartered Accountants
Firm Regn. No: S200016

Y.Venkateswarlu
Partner
M.No.:222068
Place : Hyderabad
Date : 29th May 2024

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

M.V.Narasimha Rao
Director
DIN: 06761474
K.G.Naidu
Chief Executive Officer
Place : Hyderabad
Date : 29th May 2024

Ch. Krishnamurthy
Director
DIN: 08661228

P.K.Sahoo
Chief Financial Officer

P.Raj Kumar
Company Secretary

Statement of Profit and Loss for the year ended 31st March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	For the year ended	
		31st March 2024	31st March 2023
Revenue from Operations	19	172.00	762.56
Other income	20	2,190.72	1,441.01
Total income		2,362.72	2,203.57
Expenses			
Operating & Maintenance Expenses	21	143.26	683.65
Employee benefits expense	22	8.09	56.85
Finance costs	23	1,509.30	2,082.70
Depreciation expense	3	8.06	4.11
Other expenses	24	755.95	77.16
Total expenses		2,424.66	2,904.47
Profit/(Loss) before exceptional items and tax		(61.94)	(700.90)
Exceptional items	25	(10.00)	(17,172.85)
Profit/(Loss) before tax		(71.94)	(17,873.75)
Current tax		2.47	—
Income tax for earlier years		2.84	—
(Profit) Loss for the year		(77.25)	(17,873.75)
Other comprehensive income			
Re-measurement (loss)/gain on defined benefit plans	28	4.79	—
Total comprehensive income for the period		(72.46)	(17,873.75)
Earnings per equity share (EPES)			
Basic (in ₹)	27	(0.03)	(7.46)
Diluted (in ₹)		(0.03)	(7.46)

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 **PRSV & Co. LLP**
Chartered Accountants
Firm Regn. No: S200016

Y.Venkateswarlu
Partner
M.No.:222068

Place : Hyderabad
Date : 29th May 2024

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

M.V.Narasimha Rao
Director
DIN: 06761474

K.G.Naidu
Chief Executive Officer

Place : Hyderabad
Date : 29th May 2024

Ch. Krishnamurthy
Director
DIN: 08661228

P.K.Sahoo
Chief Financial Officer

P.Raj Kumar
Company Secretary

Statement of Cash Flows for the year ended 31st March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

	For the year ended	
	31st March 2024	31st March 2023
Cash flows from operating activities		
Loss before tax	(72.46)	(17,873.75)
Adjustments for:		
Interest income and financial guarantee income	(378.86)	(295.47)
Exceptional items	10.00	17,172.85
Liabilities not required written back	(1,440.38)	—
Depreciation expense	8.06	4.11
Finance cost on Preference Shares	1,509.30	1,509.30
Interest expense	—	573.40
Operating loss before working capital changes	(364.34)	1,090.44
Changes in working capital:		
(Decrease)/increase in other current liabilities	(521.63)	(684.19)
(Decrease)/increase in provisions	3.29	56.85
Increase in other current assets	140.70	(179.27)
Increase in trade receivables	6.47	97.89
(Decrease)/increase in trade payables	(15.65)	4.98
Decrease/(increase) in loans and advances	799.96	93.36
Cash generated from/(used in) operating activities	48.80	480.06
Less: Income taxes refund received /(paid)	47.45	23.25
Net cash generated from/(used in) operating activities A	96.25	503.31
Cash flows from investing activities		
Purchase of Fixed Assets	(1.17)	(16.22)
Purchase of Investments	—	—
Net cash used in investing activities B	(1.17)	(16.22)
Cash flows from financing activities		
Interest paid	—	—
Proceeds from/(repayment of) short-term borrowings, net	—	(691.86)
Repayment of term loan	—	—
Net cash (used in)/generated from financing activities C	—	(691.86)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	95.08	(204.77)
Cash and cash equivalents at the beginning of the year	149.00	353.77
Cash and cash equivalents at the end of the year	244.08	149.00
Cash and cash equivalents comprises of:		
Cash on hand	0.04	0.83
Balances with banks in current accounts	114.53	18.05
Investments in Mutual Funds (Liquid Funds)	129.51	130.12
	244.08	149.00

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

 For **PRSV & Co. LLP**
 Chartered Accountants
 Firm Regn. No: S200016

Y.Venkateswarlu
 Partner
 M.No.:222068
 Place : Hyderabad
 Date : 29th May 2024

 For and on behalf of Board of directors of
Gayatri Highways Limited
M.V.Narasimha Rao
 Director
 DIN: 06761474
K.G.Naidu
 Chief Executive Officer
 Place : Hyderabad
 Date : 29th May 2024

Ch. Krishnamurthy
 Director
 DIN: 08661228

P.K.Sahoo
 Chief Financial Officer
P.Raj Kumar
 Company Secretary

Statement of Changes in Equity for the year ended 31st March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

(a) Share Capital

	Number	Amount
(i) Equity Share Capital		
Equity shares of ₹2 each issued, subscribed and fully paid		
At 31 March 2023 (₹2 each)	23,96,51,900	4,793.04
At 31 March 2024 (₹2 each)	23,96,51,900	4,793.04

(b) Instruments entirely equity in nature

	31st March 2024	31st March 2023
Opening Balance	—	17,887.51
Changes during the year	—	(17,887.51)
Closing Balance	—	—

(c) Other equity

	Capital Reserve	Retained earnings	Total equity
Balance as of 1st April 2022	4,662.80	(10,832.52)	(6,169.72)
Loss for the year	—	(17,873.75)	(17,873.75)
Changes during the year #	75.55	—	75.55
Balance as of 31st March 2023	4,738.35	(28,706.27)	(23,967.92)
Balance as of 1st April 2023	4,738.35	(28,706.27)	(23,967.92)
Loss for the year	—	(72.46)	(72.46)
Balance as of 31st March 2024	4,738.35	(28,778.73)	(24,040.38)

During the financial year 2022-23, the Goodwill on acquisition of shares in SMTL has been impaired which is earlier set-off against Capital Reserve (refer note no.28).

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

For **PRSV & Co. LLP**
Chartered Accountants
Firm Regn. No: S200016

Y.Venkateswarlu
Partner
M.No.:222068

Place : Hyderabad
Date : 29th May 2024

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

M.V.Narasimha Rao
Director
DIN: 06761474

K.G.Naidu
Chief Executive Officer

Place : Hyderabad
Date : 29th May 2024

Ch. Krishnamurthy
Director
DIN: 08661228

P.K.Sahoo
Chief Financial Officer

P.Raj Kumar
Company Secretary

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

1. Nature of operations

Gayatri Highways Limited - GHL ("the Company") 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 carriage ways 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, 5th Floor, A-Block, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad-500082.

2. Summary of material accounting policies

a) Basis of preparation of standalone financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Unless otherwise stated, the accounting policies applied by the Group are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the group's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of work and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the group has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

b) Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the reporting date of the financial statements and amounts of income and expenses. Examples of such estimates include the provision for doubtful receivables, determination of recoverable amounts of fixed assets, deferred tax assets, employee benefits and useful lives of fixed assets.

Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

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.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

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.

d) 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.

e) 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.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

f) 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.

g) 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.

h) 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.

i) 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.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

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
- 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.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

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.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

j) Fixed assets

Tangible assets are stated at cost of acquisition, less accumulated depreciation thereon. The cost of an item of fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Intangible assets represent commercial rights to collect toll fee in relation to roads projects which has been accounted at the cost incurred on the project activity towards reconstruction, strengthening, widening, rehabilitation of the roads on build, operate and transfer basis. It includes all direct material, labour and subcontracting costs, inward freight, duties, taxes, obligation towards negative grant payable to concessionaires, if any, and any directly attributable expenditure on making the commercial right ready for its intended use.

k) Depreciation and amortization

Depreciation of tangible assets is provided on the basis of straight line method in accordance with Schedule II to the Companies Act, 2013.

l) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external facts? An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

m) Borrowings Costs

In Case of concession arrangement under financial asset model, borrowing Costs that are attributable to the acquisition and/or construction of the infrastructure are charged to The Statement of Profit and Loss in the period in which such costs are incurred.

In Case of concession arrangement under intangible asset model, borrowing cost of qualifying assets are capitalized as part of cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. Any income on the temporary investments of borrowings is deducted from the borrowing cost. All borrowing cost subsequent to the capitalization of the intangible assets are charged to the Statement of Profit and Loss in the period in which such costs are incurred.

n) Foreign currency transactions and derivatives

- a. The reporting currency of the company is the Indian Rupee.
- b. Foreign currency transactions are recorded on initial recognition in the foreign currency, using the exchange rate on the date of the transaction.
- c. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of monetary items at the closing rate are adjusted in pre-operative expenses.

o) Employee benefits

GRATUITY - Company's liability towards gratuity is determined by independent actuaries, using the projected unit credit method.

Past service costs are recognised immediately in the statement of profit and loss. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for defined benefit obligation and plan assets are recognised in OCI in the period in which they arise. When the benefits under a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains or losses on the settlement of a defined benefit plan obligation when the settlement occurs. past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains or losses on the settlement of a defined benefit plan obligation when the settlement occurs.

p) Recent Accounting Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1st, 2023, as below:

- 1) **Ind AS 1 – Presentation of Financial Statements:** The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information included in an entity's financial statements, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.
- 2) **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:** The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.
- 3) **Ind AS 12 – Income Taxes:** The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

3. Property, Plant and equipment

	Office Equipment	Vehicle	Machinery	Computer and related equipment	Total
Gross block					
As at 31st March 2022	1.62	7.92	5.60	16.93	32.07
Additions during the year	3.19	—	—	13.03	16.22
As at 31st March 2023	4.81	7.92	5.60	29.96	48.29
Additions during the year	—	—	—	1.17	1.17
Deletions during the year	(1.62)	—	(5.60)	(14.14)	(21.36)
As at 31st March 2024	3.19	7.92	—	16.99	28.10
Accumulated depreciation					
Up to 31st March 2022	1.62	2.49	3.38	14.42	21.91
Charge for the year	0.02	0.99	1.12	1.98	4.11
Up to 31st March 2023	1.64	3.48	4.50	16.40	26.02
Charge for the year	0.32	0.99	1.10	5.65	8.06
Deletions during the year	(1.62)	—	(5.60)	(14.14)	(21.36)
Up to 31st March 2024	0.34	4.47	—	7.91	12.72
Net block					
As at 31st March 2024	2.85	3.45	—	9.08	15.38
As at 31st March 2023	3.17	4.44	1.10	13.56	22.27

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

4. Investments

	As at 31st March 2024	As at 31st March 2023
Non-current investments		
Unquoted		
Investments carried at cost		
Investments in equity instruments of Subsidiaries		
1,00,00,843 (2023: 1,00,00,843) equity shares of ₹10 each fully paid-up in Sai Maatarini Tollways Limited	—	17,940.48
Less : Impairment loss recognised*	—	(17,940.48)
Net value of Investment	—	—
33,320 (2023: 33,320) equity shares of ₹ 10 each fully paid-up in Indore Dewas Tollways Limited.	—	3.33
Less : Impairment loss recognised*	—	(3.33)
Net Value of Investment	—	—
99,995 (2023: 99,995) equity shares of ₹10 each fully paid-up in Balaji Highways Holding Private Limited.	10.00	10.00
Less: Impairment loss recognised*	(10.00)	—
Net value of Investment	—	10.00
Sub-Total (A)	—	10.00
Investments in equity instruments of jointly controlled entities		
990,000 (2023: 990,000) equity shares of ₹ 10 each fully paid-up in Hyderabad Expressways Limited.	1,581.36	1,581.36
624,462 (2023: 624,462) equity shares of ₹10 each fully paid-up in Cyberabad Expressways Limited.	434.32	434.32
21,619,994 (2023: 21,619,994) equity shares of ₹10 each fully paid-up in Gayatri Jhansi Roadways Limited.	2,668.94	2,668.94
16,218,000 (2023: 16,218,000) equity shares of ₹ 10 each fully paid-up in Gayatri Lalitpur Roadways Limited.	2,009.46	2,009.46
1,206,990 (2023: 1,206,990) equity shares of ₹ 10 each fully paid-up in HKR Roadways Limited.	75.44	75.44
Sub-Total (B)	6,769.52	6,769.52
Investments in preference shares of jointly controlled entities		
1,220,217 (2023: 1,220,217) 0.01% cumulative redeemable preference shares (Non-covertable) of ₹ 1000 each fully paid-up in in HKR Roadways Limited. (Premium on redemption of CRPS - 25.75% per annum (inclusive of all taxes) for the first two years from the date of allotment; and 22% per annum (inclusive of all taxes) for balance Tenor	12,002.17	12,002.17
Sub-Total (C)	12,002.17	12,002.17
Investments in debentures of jointly controlled entities		
13,482,692 (2023: 13,482,692) 0.001% Optionally Convertible debentures of ₹10 each fully paid-up in Cyberabad Expressways Limited.	1,112.48	1,112.48
Sub-Total (D)	1,112.48	1,112.48

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

4. Investments (continued)

	As at 31st March 2024	As at 31st March 2023
Investments in Instruments entirely Equity in nature		
- Investments in Subsidiary (Sai Maatarini Tollways Limited)	—	10,016.00
Less: written off during the year*	—	(10,016.00)
Net value of Investment	—	—
-Investments in Subsidiary (Indore Dewas Tollways Limited)	—	7,025.00
Less: written off during the year*	—	(7,025.00)
Net value of Investment	—	—
Sub-Total (E)	—	—
Total non-current investments (A+B+C+D+E)	19,884.17	19,894.17
Less: Investments held for sale	—	—
Net value of non-current investments	19,884.17	19,894.17
Aggregate amount of unquoted investments	19,884.17	19,894.17

*Note on Impairment and Investments Written off:

i. Sai Maatarini Tollways Limited (SMTL)

Gayatri Highways Limited (GHL) has impaired its Investment based on IndAS-36 - "Impairment of Assets". As per the clause 9 of Ind AS 36, GHL has tested its investments in SMTL for impairment and estimated the recoverable amount of the investment as zero based on the IDBI (the Lead Bank of SMTL) provided sanction letter vide dated 15 July, 2022, with the terms and conditions which contain the following:

"SMTL/its Sponsors shall recompense the lenders, from all the present and future payments from NHAI, in relation to the project, towards Termination payment or any claim by SMTL or its sponsors or any other identified/unidentified claims, if any. The said payments from NHAI shall be for the sole benefit of Lenders (Senior Lenders and Sub-debt Lenders) and shall be deposited in escrow account maintained with lead bank or in any other account identified by the lead bank for the benefit of Lenders".

As per the above sanction letter, the bank clearly mentioned that any claims received by the SMTL is payable only to the Lenders and not to sponsors (Equity or Quasi-Equity). Further, Sai Maatarini Tollways Limited (SMTL) has entered into a settlement agreement with NHAI towards the full and final settlement of all dues and Claims vide dated 30.03.2023. As per IDBI sanction letter, the investment of GHL (Equity and Quasi-Equity (ZISL)) in SMTL is not realizable and any claim amounts will be paid only to the lenders.

Accordingly, GHL has impaired its Equity Investment and written off the instruments entirely equity in nature in SMTL. The following are the Investments impaired and written off w.r.t. SMTL.

Particulars	As at 31st March 2024	As at 31st March 2023
Equity Value of Investment in SMTL	—	17,940.48
Goodwill on acquisition of Shares in SMTL	—	75.55
Impairment loss of Investment in SMTL (A)	—	18,016.03
Investments in Instruments entirely Equity in nature in SMTL	—	10,016.00
Written off value of Investment in SMTL (B)	—	10,016.00

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

4. Investments (continued)

ii. Indore Dewas Tollways Limited (IDTL)

Based on the clause 9 of Ind AS 36 - "Impairment of Assets", GHIL has tested its investments in IDTL for impairment and estimated the recoverable amount of the investment as zero based on the following basis:

The IDTL's Project was terminated by NHAI and the toll collections are taken over by NHAI vide its letter dated 27.05.2022. Further, Loan accounts of IDTL have become NPA and Lenders have filed the cases before DRT and NCLT (under IBC) for recovery of loan.

The conciliation/settlement offer of the Company for Rs.270 Crores was not accepted by NHAI. Further, NHAI has informed that they will not pay anything to the company towards termination payment as the premium due to NHAI is more than the termination payment. In fact as per books of IDTL, the balance premium amount of Rs.566 Crores as on 31st March, 2023 is payable by IDTL to NHAI. The IDTL bank accounts are frozen and no operations are allowed except payment to IDTL lenders. The amount realizable from NHAI will not be sufficient to repay the senior lenders dues which are Rs.585.52 Crores as on 31st March 2023.

As per the above, any amount realizable from NHAI the lenders will be adjusted to senior lenders dues and nothing will be available to Equity or Quasi-Equity.

Accordingly, GHIL has impaired its Equity Investment and written off the instruments entirely equity in nature in IDTL.

The following are the Investments impaired and written off w.r.t. IDTL:

Particulars	As at 31st March 2024	As at 31st March 2023
Equity Value of Investment in IDTL	-	3.33
Impairment loss of Investment in IDTL (C)	-	3.33
Investments in Instruments entirely Equity in nature in IDTL	-	7,025.00
Written off value of Investment in IDTL (D)	-	7,025.00

iii. Balaji Highways Holding Private Limited (BHHPL)

Based on the clause 9 of Ind AS 36 - "Impairment of Assets", GHIL has tested its investments in BHHPL for impairment and estimated the recoverable amount of the investment as zero based on following basis:

- 1) The net worth of the BHHPL as on 31st March, 2024 is negative Rs.14.07 Lakhs.
- 2) There are no regular operations generating revenue.
- 3) Only investment of BHHPL is in IDTL which was already in losses and the value of investment is impaired. Accordingly, GHIL has impaired its Equity Investment and written off the instruments entirely equity in nature in BHHPL. The following are the Investments impaired and written off w.r.t. BHHPL:

Particulars	As at 31st March 2024	As at 31st March 2023
Equity Value of Investment in BHHPL	10.00	—
Impairment loss of Investment in BHHPL (E)	10.00	—
Total value of Impairment loss during the year (A+C+E)	10.00	18,019.36
Total value of written off investments during the year (B+D)	-	17,041.00

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

5. Loans

Particulars	As at 31st March 2024	As at 31st March 2023
Non-current		
(Unsecured, considered good)		
Loans to related parties		
-Loans to subsidiary	—	611.10
-Loans to jointly controlled entities*	2,452.18	2,262.18
	<u>2,452.18</u>	<u>2,873.28</u>
Aggregate of Loans and Advances	<u>2,452.18</u>	<u>2,873.28</u>
*Including the Interest accrued till the year end	<u>1,132.77</u>	<u>942.77</u>

Note: Loans to subsidiary includes advances given to subsidiaries SMTL and IDTL, which are not recoverable and written off during the current financial year 2023-24. (refer note no.24)

6 Trade receivables

Particulars	As at 31st March 2024	As at 31st March 2023
(Unsecured, considered good)		
- Receivables from related parties	52.34	58.81
	<u>52.34</u>	<u>58.81</u>

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is partner, a director or a member.

Trade receivables are non-interest bearing and are generally receivable on presentation of invoice.

Trade Receivables Ageing Schedule:

(i) Undisputed Trade receivables considered good and unsecured:

- Outstanding for following periods from due date of payment

	As at 31st March 2024	As at 31st March 2023
(a) Less than 6 months	31.46	56.80
(b) 6 months - 1 year	20.88	—
(c) 1 year - 2 years	—	2.01
(d) 2 years - 3 years	—	—
(e) More than 3 years	—	—
	<u>52.34</u>	<u>58.81</u>

7 Cash and cash equivalents

Particulars	As at 31st March 2024	As at 31st March 2023
Balances with banks		
- on current accounts	114.53	18.05
Cash on hand	0.04	0.83
Investments in Mutual Funds (Liquid Funds)	129.51	130.12
	<u>244.08</u>	<u>149.00</u>

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

8 Current tax assets (net)

Particulars	As at	
	31st March 2024	31st March 2023
TDS Receivables	25.67	190.74
Less: Provision for tax	(2.47)	—
	<u>23.20</u>	<u>190.74</u>

9 Other Current Assets

Particulars	As at	
	31st March 2024	31st March 2023
Prepaid Expenses	3.74	22.12
Balances with government authorities (GST)	29.77	33.21
Other Advances	1.35	0.14
	<u>34.86</u>	<u>55.47</u>

10 Equity Share capital

Particulars	As at		As at	
	31st March 2024		31st March 2023	
	Number	Amount	Number	Amount
Authorized Equity Share Capital				
Equity shares of ₹ 2 each	25,00,00,000	5,000.00	25,00,00,000	5,000.00
	<u>25,00,00,000</u>	<u>5,000.00</u>	<u>25,00,00,000</u>	<u>5,000.00</u>
Issued, subscribed and fully paid-up Equity Share Capital				
Equity shares of ₹ 2 each	23,96,51,900	4,793.04	23,96,51,900	4,793.04
	<u>23,96,51,900</u>	<u>4,793.04</u>	<u>23,96,51,900</u>	<u>4,793.04</u>

Note: The Company also has Authorised Preference Share Capital of 18,00,00,000 shares of ₹10/- each, paidup preference share capital of 16,77,00,300 shares of ₹10/- each. The preference share capital is treated as long-term borrowings as per Indian Accounting Standards (refer note 13).

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

Particulars	As at		As at	
	31st March 2024		31st March 2023	
	Number	Amount	Number	Amount
At the beginning of the year	23,96,51,900	4,793.04	23,96,51,900	4,793.04
Issued during the year	—	—	—	—
Balance at the end of the year	<u>23,96,51,900</u>	<u>4,793.04</u>	<u>23,96,51,900</u>	<u>4,793.04</u>

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹2 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.

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.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

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

Particulars	As at		As at	
	31st March 2024		31st March 2023	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of ₹ 2 each				
Gayatri Projects Limited	6,24,00,000	26.04%	6,24,00,000	26.04%
Smt T. Indira Subbarami Reddy	5,71,29,500	23.84%	5,71,29,500	23.84%
Sri T.V. Sandeep Kumar Reddy	2,70,19,810	11.27%	2,70,19,810	11.27%

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.

(d) Details of shares held by promoters in the Company at the end of the year 31st March 2024

Name of the Promoter	Number of shares	% of total shares	% Change during the year
Equity shares of ₹ 2 each			
Gayatri Projects Limited	6,24,00,000	26.04%	-
Smt T. Indira Subbarami Reddy	5,71,29,500	23.84%	-
Sri T.V. Sandeep Kumar Reddy	2,70,19,810	11.27%	-
Smt T. Sarita Reddy	800	0.00%	-
Sri J. Brij Mohan Reddy	2,250	0.00%	-
Smt G. Sulochanamma	2,350	0.00%	-

Details of shares held by promoters in the Company at the end of the year 31st March 2023

Name of the Promoter	Number of shares	% of total shares	% Change during the year
Equity shares of ₹ 2 each			
Gayatri Projects Limited	6,24,00,000	26.04%	-
Smt T. Indira Subbarami Reddy	5,71,29,500	23.84%	-
Sri T.V. Sandeep Kumar Reddy	2,70,19,810	11.27%	-
Smt T. Sarita Reddy	800	0.00%	-
Sri J. Brij Mohan Reddy	2,250	0.00%	-
Smt G. Sulochanamma	2,350	0.00%	-

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

11 Instrument entirely equity in nature

Particulars	As at 31st March 2024	As at 31st March 2023
Loans from Related Party:		
Gayatri Projects Ltd.		
Opening balance	—	17,887.51
Less: Loans written back*	—	(17,887.51)
Closing Balance	—	—

During the financial year 2018-19, Gayatri Projects Ltd(GPL) and Gayatri Highways Ltd(GHL) are mutually agreed to bring the complete control over the SPVs under one roof i.e., under GHL. GPL agreed to transfer the outstanding ZISL of GPL in SMTL, HKR and IDTL to GHL.

GHL agrees and undertakes that the ZISL shall be repaid to Gayatri Projects Ltd with the same original terms given for the SMTL, HKR and IDTL, i.e., this ZISL is considered as Quasi Equity and can be repaid only after fully repaying whole of the Senior Debt in GHL, SMTL, HKR and IDTL.

The following are the details of the Investments transferred from GPL to GHL:

Company Name	Amount
Sai Maatarini Tollways Limited	10,016.00
HKR Roadways Limited	4,476.51
Indore Dewas Tollways Limited	3,395.00
TOTAL	<u>17,887.51</u>

*Note on loans written back :

GHL has followed the IndAS 109 - "Financial Instruments" and based on the Memorandum of Understanding (MOU) entered between Gayatri Projects Limited (GPL) and Gayatri Highways Limited (GHL) dated 20.03.2019, written back the above financial liability.

1. SMTL - Rs.10,016 Lakhs - The Loan Accounts of SMTL have become NPA and Lenders have filed the cases before DRT for recovery. Out of total outstanding loan of about Rs. 2173.29 Crores, NHAI is settling the matter without any payment towards Equity/Quasi Equity. Hence, nothing can be paid or payable to GPL towards the Equity/Quasi Equity. Further, it may be noted that, the lenders are not agreed to pay any money from SMTL to GPL, as GPL is the sponsor and guarantor of SMTL loans. The SMTL bank accounts are frozen and no operations are allowed except payment to SMTL lenders. Hence, the balance of Rs.10,016 Lakhs w.r.t. SMTL written off during FY 2022-23.
2. HKR - Rs.4,476.51 Lakhs - Pursuant to One-Time-Settlement (OTS) entered by HKR with Senior Lenders through Investment from Kotak Special Situations Fund (KSSF), all the funds in the form of Non-Convertible Debentures (NCDs) received from KSSF are paid to the Senior Lenders dues under OTS and nothing was received against Quasi-Equity (ZISL) of HKR.

Further, the company has settled dues as per the One-Time Settlement Agreement dated 26.03.2021 for Rs. 800 Crores against outstanding dues of Rs.1,343.63 Crores. Out of this, by the time KSSF has come in May 2021, HKR has cleared amount of Rs. 88.44 Crores and balance of Rs.711.56 Crores has been borrowed from KSSF in the form of Non-Convertible Debentures (NCDs). The entire amount borrowed is utilised only against the dues to senior lenders which is very low when compared to total senior lenders dues of Rs.1,343.63 Crores. Accordingly HKR has no surplus cash available to pay towards Quasi-Equity (ZISL) and further it has not received any amount from new investor KSSF towards Quasi-Equity (ZISL).

Based on the existing MOU, having no surplus cash after payment to senior lenders dues, the liability of GHL towards payment to GPL stands cancelled. Accordingly, GHL has written back the ZISL in HKR of Rs.4,476.51 Lakhs payable to GPL.

3. IDTL - Rs.3,395 Lakhs - The Loan accounts of IDTL have become NPA and Lenders have filed the cases before DRT and NCLT (under IBC) for recovery of loan. The Project was terminated by NHAI and the toll collections are taken over by NHAI. The conciliation/settlement offer of the Company was not accepted by NHAI. NHAI has informed that they will not pay anything to the company towards termination payment as the premium due to NHAI is more than the termination payment. In fact the balance premium is payable by company to NHAI. Further, it may be noted that, the lenders are not agreeing to pay any money from IDTL to GPL, as they are the sponsors and guarantors of IDTL loans. The IDTL bank accounts are frozen and no operations are allowed except payment to IDTL lenders. Hence, nothing is receivable against equity/quasi equity, and nothing can be paid or payable to GPL. Hence, the balance of Rs.3,395 Lakhs w.r.t. IDTL written off during FY 2022-23.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

12 Other equity

Particulars	As at 31st March 2024	As at 31st March 2023
Capital Reserve		
Capital Reserve generated on demerger of Infrastructure BOT assets from GPL to GHL (refer note 29)		
Opening Balance	4,738.35	4,662.80
Changes during the year	—	75.55
Closing Balance	<u>4,738.35</u>	<u>4,738.35</u>
Retained earnings		
Balance as per last audited financial statements	(28,706.27)	(10,832.52)
Add: Loss for the year	(72.46)	(17,873.75)
Balance at the end of the year	<u>(28,778.73)</u>	<u>(28,706.27)</u>
Total other equity	<u>(24,040.38)</u>	<u>(23,967.92)</u>

13 Borrowings

Particulars	As at 31st March 2024	As at 31st March 2023
(a) Non-current borrowings		
Term loans		
Unsecured		
From related party - 9% Non-convertible Cumulative Redeemable Preference shares of ₹ 10 each	16,770.03	16,770.03
Sub-Total (A)	<u>16,770.03</u>	<u>16,770.03</u>
Cumulative liability on Preferences Shares (B)	12,074.42	10,565.12
Total Non-Current borrowings (A+B)	<u>28,844.45</u>	<u>27,335.15</u>
(b) Short-term borrowings		
Loans repayable on demand		
Unsecured		
From related parties	7,904.70	9,345.08
From Others	3,822.65	3,822.65
	<u>11,727.35</u>	<u>13,167.73</u>

i) Term loans from others aggregating to ₹3,822.65 Lakhs (31st March 2023: ₹3,822.65 Lakhs;) is secured by way of; (a) pledge of 1,180,555 Equity shares held by the company, M/s Gayatri Projects Ltd; (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 31st March 2024	As at 31st March 2023
Up to 1 year	3,822.65	3,822.65
2 to 5 years	—	—
Above 5 years	—	—
	<u>3,822.65</u>	<u>3,822.65</u>

iii) The above facilities carry an annual interest rate of 15% (31st March 2023: 15%).

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

- iv) **Settlement Agreement** - The company entered into a settlement agreement dated 14th September 2020 with Gayatri Projects Limited and IL&FS Financial Services Limited (IFIN). As per this, the existing principal outstanding ₹ 8,409.83 Lakhs will be repaid in 11 equal monthly instalments commencing from 15.09.2020 including interest accrued thereon.
- v) The company had defaulted in repayment of Term loan of ₹3,822.65 Lakhs and interest of ₹1,193.21 Lakhs there on and the same is outstanding to IFIN as on 31st March 2024.
- vi) Interest on above term loan was recognized only on principal amount, as the company has not received any Balance confirmation from IFIN.
- vii) Short-term borrowings from related parties of ₹7,904.70 Lakhs represents interest free loans repayable on demand.

viii) Terms of Preference Shares

- a. The Company has only one class of 9% Non-convertible cumulative redeemable preference shares (NCRPS) having a par value of ₹10 per share. Each holder of preference shares is entitled to one vote per share in the matter of preference share holders. 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.
- b. NCRPS shall be redeemed upon completion of a period of 10 years from the date on which they are issued. The tenure of the NCRPS may exceed 10 years from the date of issue, but shall in no circumstances exceed 20 years from the date of issue. However, any variation (extension or reduction) in the tenure of NCRPS will be subject to the mutual agreement of both parties.
- c. As per the Indian accounting standard 32, a preference share that provides for mandatory redemption by the issuer for a fixed or determinable amount at a fixed or determinable future date, or gives the holder the right to require the issuer to redeem the instrument at or after a particular date for a fixed or determinable amount, is a financial liability. Accordingly, 9% Non-convertible cumulative redeemable preference shares were treated as a financial liability and the finance cost (as interest) on such liability was also recognised.

14 Provision (Non-Current)

	As at 31st March 2024	As at 31st March 2023
Provision for employee benefits - Gratuity, non-funded	59.38	56.85
	59.38	56.85

15 Trade Payables

	As at 31st March 2024	As at 31st March 2023
Trade payables - Other than MSME	123.67	139.32
	123.67	139.32

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 31st March 2024 or 31st March 2023.

Trade Payables Ageing Schedule:

(i) Trade payables other than MSME:

- Outstanding for following periods from due date of payment

	As at 31st March 2024	As at 31st March 2023
(a) Less than 6 months	1.73	11.51
(b) 6 months - 1 year	—	—
(c) 1 year - 2 years	1.64	0.51
(d) 2 years - 3 years	—	7.00
(e) More than 3 years	120.30	120.30
	123.67	139.32

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

16 Other financial liabilities

	As at 31st March 2024	As at 31st March 2023
Interest accrued and due on borrowings	1,193.21	1,193.21
Financial guarantee	—	167.75
	<u>1,193.21</u>	<u>1,360.96</u>

17 Other Current liabilities

	As at 31st March 2024	As at 31st March 2023
Creditors for expenses	4.31	352.93
Provision for Expenses	0.25	0.25
Statutory liabilities	0.17	5.43
	<u>4.73</u>	<u>358.61</u>

18 Provisions (Current)

	As at 31st March 2024	As at 31st March 2023
Provision for Gratuity	0.76	—
	<u>0.76</u>	<u>—</u>

19 Revenue from Operations

	For the year ended 31st March 2024	For the year ended 31st March 2023
Operation & Maintenance Income	100.00	470.56
Other Service Income	—	100.00
Deputation Income	72.00	192.00
	<u>172.00</u>	<u>762.56</u>

20 Other income

	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest on Advances	211.11	211.11
Interest on IT refund	8.62	2.44
Income from Mutual Funds	9.39	10.48
Dividend Income	—	1,115.23
Financial guarantee income	167.75	84.36
Liabilities not required written back	1,792.95	—
Other miscellaneous income	0.90	17.39
	<u>2,190.72</u>	<u>1,441.01</u>

21 Operating & Maintenance Expenses

	For the year ended 31st March 2024	For the year ended 31st March 2023
O&M Expenses	43.26	415.79
Major Maintenance Expenses	100.00	267.86
	<u>143.26</u>	<u>683.65</u>

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

22 Employee benefits expense

	For the year ended 31st March 2024	For the year ended 31st March 2023
Gratuity expenses	8.09	56.85
	<u>8.09</u>	<u>56.85</u>

23 Finance costs

	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest expense on borrowings	—	573.40
Finance cost on Preference Shares	1,509.30	1,509.30
	<u>1,509.30</u>	<u>2,082.70</u>

24 Other expenses

	For the year ended 31st March 2024	For the year ended 31st March 2023
Rates and taxes	0.09	0.27
Bank Charges	0.05	0.06
Auditor's remuneration (refer note below)	3.00	3.00
Advertisement Expenses	2.66	2.78
Printing and Stationery	0.81	0.84
Office Maintenance	13.81	5.96
Consultancy and professional charges	45.46	30.12
Travelling and conveyance	9.24	8.79
Bad debts written off*	663.97	-
Other Administrative Expenses	5.46	15.19
Director's sitting fees	11.40	10.15
	<u>755.95</u>	<u>77.16</u>

*Note : Bad debts written off includes Loans and advances given to subsidiaries SMTL (Rs. 596.96 Lakhs) and IDTL (Rs. 66.99 Lakhs), which are not recoverable and accordingly have written off during the current financial year 2023-24.

Auditor's remuneration

- as statutory auditor

	3.00	3.00
	<u>3.00</u>	<u>3.00</u>

25 Exceptional Items

	For the year ended 31st March 2024	For the year ended 31st March 2023
Loans written off (refer note no.11)	—	17,887.51
Impairment loss on investments (refer note no.4)	(10.00)	(18,019.36)
Investments written off (refer note no.4)	—	(17,041.00)
	<u>(10.00)</u>	<u>(17,172.85)</u>

Impairment loss on certain investments in subsidiaries and joint ventures has been recognised considering the performance of these companies and their future projections.

The Company has long-term investments in subsidiaries which are measured at cost less impairment or at fair value through profit or loss. The management assesses the performance of these entities including the future projections, relevant economic and market conditions in which they operate to identify if there is any indicator of impairment in the carrying value of the investments. In case indicators of impairment exist, the impairment loss is measured by estimating the recoverable amounts based on available information. The recoverable amount estimates are based on judgments, estimates, assumptions and market data as on reporting date and ignore subsequent changes in the economic and market conditions.

During the year ended 31st March, 2023, the performance of subsidiaries coupled with the relevant economic and market indicators resulted in indicators of impairment in respect of certain entities. Accordingly, the Company determined the recoverable amounts of the long term assets and other exposures related to these entities and recorded a provision of Rs. 18,019.36 lakhs for the year ended 31st March, 2023.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹Lakhs unless otherwise stated)

During the year ended 31st March, 2024, the performance of subsidiaries coupled with the relevant economic and market indicators resulted in indicators of impairment in respect of certain entities. Accordingly, the Company determined the recoverable amounts of the long term assets and other exposures related to these entities and recorded a provision of Rs. 10 lakhs for the year ended 31st March, 2024.

26 Tax expense

	For the year ended 31st March 2024	For the year ended 31st March 2023
A. Tax expense comprises of:		
Current tax	2.47	—
Income tax for earlier years	2.84	—
Deferred tax	—	—
Income tax expense reported in the statement of profit or loss	5.31	—
B. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 26% and the reported tax expense in profit or loss are as follows:		
Accounting loss before tax from continuing operations	(71.94)	(17,873.75)
Accounting profit before income tax	(71.94)	(17,873.75)
At India's statutory income tax rate of 34.608%*	—	—
Income tax expense	—	—

* Due to losses in current and earlier years, the management has not recognised deferred tax assets

27 Earnings/(loss) per share (EPS)

	For the year ended 31st March 2024	For the year ended 31st March 2023
Weighted average number of shares used to compute EPS	23,96,51,900	23,96,51,900
Add: Dilutive shares	—	—
Weighted average number of shares used to compute diluted EPS	23,96,51,900	23,96,51,900
Net loss after tax attributable to equity shareholders	(72.46)	(17,873.75)
Add: Savings of interest upon conversion of instruments	—	—
Net loss after tax attributable to equity shareholders for calculating diluted earning per share	(72.46)	(17,873.75)
Earnings per share		
Basic (₹)	(0.03)	(7.46)
Diluted (₹)	(0.03)	(7.46)
Nominal value - Rupees (₹) per equity share	2	2

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

28 Employee Benefits

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment.

Provision for Gratuity is made on actuarial basis as summarized below. The Company does not have any policy for Compensated Absences.

Profit and Loss account for current period

Current Service Cost	3.94	56.85
Past service cost and loss/(gain) on curtailments and settlement	—	—
Net interest cost	4.15	—
Total included in 'Employee Benefit Expense'	8.09	56.85
Expenses deducted from the fund	—	—
Total Charge to P&L	8.09	56.85

Other Comprehensive Income for the current period

Components of actuarial gain/losses on obligations:

Due to change in financial assumptions	0.30	—
Due to change in demographic assumptions	—	—
Due to experience adjustments	(5.09)	—
Amount recognized in Other Comprehensive Income	(4.79)	—

Reconciliation of defined obligation

	For the year ended 31st March 2024	For the year ended 31st March 2023
Defined Benefit Obligation		
Opening defined benefit obligation	56.85	—
Service Cost	3.94	56.85
Net interest expense	4.15	—
Components of actuarial gain/losses on obligations		
Due to change in financial assumptions	0.30	—
Due to change in demographic assumptions	—	—
Due to experience adjustments	(5.09)	—
Past Service Cost	—	—
Benefits paid	—	—
Closing defined benefit obligation	60.15	56.85
Bifucation of liability as per schedule III		
Current Liability	0.77	—
Non-current liability	59.38	—

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

28 Employee Benefits Gratuity (continued...)

Principal Actuarial Assumptions

	For the year ended 31st March 2024	For the year ended 31st March 2023
Discounting Rate	7.20%	7.30%
Average Salary Growth Rate	7.30%	7.30%
Withdrawal Rate	0 % at all ages	0 % at all ages
Sensitivity to key assumptions		
<u>Discount Rate Sensitivity</u>		
Increase by 0.5%	58.71	55.20
(% change)	-2.38%	-2.90%
Decrease by 0.5%	61.69	58.62
(% change)	2.57%	3.12%
<u>Salary Growth Rate Sensitivity</u>		
Increase by 0.5%	61.68	58.62
(% change)	2.55%	3.10%
Decrease by 0.5%	58.71	55.20
(% change)	-2.39%	-2.91%
<u>Withdrawal Rate (W.R.) Sensitivity</u>		
W.R. X 110%	60.15	56.85
(% change)	0.00%	0.00%
W.R. X 90%	60.15	56.85
(% change)	0.00%	0.00%

Major risk to the Post Employment Benefit plan

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:
 Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If a ctual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: I factual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

28 Employee Benefits Gratuity (continued...)

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & viceversa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

29 Goodwill / Capital Reserve

	As at 31st March 2024	As at 31st March 2023
(i) Acquisition of Subsidiaries		
Cost of Investment in SMTL		
(a) Equity Share Capital of GHL issued to GPL	—	1,246.00
(b) Preference Share Capital of GHL issued to GPL	—	16,770.03
Total (A)	<u>—</u>	<u>18,016.03</u>
Value of Investment in SMTL		
(a) Equity Share capital of SMTL	—	1,000.08
(b) Securities Premium	—	17,015.94
(c) Profit & Loss A/c	—	(75.54)
Total (B)	<u>—</u>	<u>17,940.48</u>
Goodwill on Acquisition of Subsidiaries (A-B) (I)	—	75.55
Less: Impairment loss of value in investment (refer note no.4)	—	(75.55)
Net Goodwill	<u>—</u>	<u>—</u>
(ii) Acquisition of Investments (from Demerger)		
Cost of Investment of BOT Assets		
(a) Equity Share Capital of GHL issued to GPL	3,545.04	3,545.04
Total (A)	<u>3,545.04</u>	<u>3,545.04</u>
Value of Assets received from GPL		
Investments in Infrastructure BOT Assets	10,590.14	10,590.14
Other Net Assets (BOTs) received from GPL	(2,306.75)	(2,306.75)
Total (B)	<u>8,283.39</u>	<u>8,283.39</u>
Capital Reserve on Acquisition of Investments (A-B) (II)	<u>(4,738.35)</u>	<u>(4,738.35)</u>
(iii) Net Amount of Capital Reserve (I-II)	(4,738.35)	(4,738.35)

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

30 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31st March 2024 were as follows :

Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair Value
Financial assets:					
4	19,884.17	—	—	19,884.17	19,884.17
6	—	—	52.34	52.34	52.34
5	—	—	2,452.18	2,452.18	2,452.18
7	—	—	244.08	244.08	244.08
	19,884.17	—	2,748.60	22,632.77	22,632.77
Financial liabilities:					
13	—	—	40,571.80	40,571.80	40,571.80
15	—	—	123.67	123.67	123.67
16	—	—	1,193.21	1,193.21	1,193.21
	—	—	41,888.68	41,888.68	41,888.68

The carrying value and fair value of financial instruments by categories as at 31st March 2023 were as follows :

Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair Value
Financial assets:					
4	19,894.17	—	—	19,894.17	19,894.17
6	—	—	58.81	58.81	58.81
5	—	—	2,873.28	2,873.28	2,873.28
7	—	—	149.00	149.00	149.00
	19,894.17	—	3,081.09	22,975.26	22,975.26
Financial liabilities:					
13	—	—	40,502.88	40,502.88	40,502.88
15	—	—	139.32	139.32	139.32
16	—	—	1,360.96	1,360.96	1,360.96
	—	—	42,003.16	42,003.16	42,003.16

Notes to financial instruments

- i. The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, trade payables and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments. The management assessed that the fair value of borrowings approximate the carrying amount largely due to such borrowings carry interest rates or rates are negotiable. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- ii. **Fair value hierarchy**
Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:
Level 1: Quoted prices (unadjusted) in active markets for financial instruments.
Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.
Level 3: Inputs for the assets or liabilities that are not based on the observable marked data (unobservable inputs)
- iii. **Measurement of fair value of financial instruments**
The Company's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialist for complex valuations, wherever necessary. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximizing the use of market-based information.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

31 Financial risk management

Financial risk factors

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalent, trade receivables, financial assets measured at amortized cost	Ageing analysis
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk – Interest rate	Long-term borrowings at variable rates	Sensitivity analysis

The Company's risk management is carried out by a central treasury department (of the group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such interest rate risk, credit risk and investment of excess liquidity.

a. Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and financial institutions.

Credit risk management

The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Expected credit loss for trade receivables under simplified approach

The Company recognises significant income from toll road on the basis of actual collection and hence there are no significant outstanding. Hence, as the Company does not have significant credit risk, it does not present the information related to ageing pattern. The company has widespread customer base and no single customer accounted for 10% or more of revenue in any of the years indicated.

During the periods presented, the Company made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

b. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

31 Financial risk management (Contd...)

Maturities of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at 31st March 2024	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	11,727.35	16,770.03	—	28,497.38
Future interest payments	13,267.63	—	—	13,267.63
Trade payables	123.67	—	—	123.67
Other financial liabilities	—	—	—	—
Total	25,118.65	16,770.03	—	41,888.68
As at 31st March 2023	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	13,167.73	—	16,770.03	29,937.76
Future interest payments	11,758.33	—	—	11,758.33
Trade payables	139.32	—	—	139.32
Other financial liabilities	62.27	100.56	4.92	167.75
Total	25,127.65	100.56	16,774.95	42,003.16

c. Interest rate risk

Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

	As at 31st March 2024	As at 31st March 2023
Fixed rate borrowing	20,592.68	20,592.68
Interest free borrowing	7,904.70	10,918.23
Total borrowings	28,497.38	31,510.91

Interest rate risk

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest rates – increase by 50 basis points (50 bps)	(102.96)	(102.96)
Interest rates – decrease by 50 basis points (50 bps)	102.96	102.96

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

32 Capital Management

The Company's objectives when managing capital are to:

Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors its capital using gearing ratio, which is net debt divided by total equity. Net debt includes long term borrowings, short term borrowings, current maturities of long term borrowings less cash and cash equivalents and other bank balances.

	As at 31st March 2024	As at 31st March 2023
Long term borrowings (including current maturities)	30,037.66	28,528.36
Short term borrowings	11,727.35	13,167.73
Less: Cash and cash equivalents	(244.08)	(149.00)
Net debt	41,520.93	41,547.09
Total equity	(19,247.34)	(19,174.88)
Gearing ratio	(2.16)	(2.17)

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

33 Financial Ratios

S.No.	Ratio	Numerator	Denominator	31st March 2024	31st March 2023	% Change	Reason for Variance
1	Current ratio	Current Assets	Current Liabilities	0.22	0.22	3%	
2	Debt-Equity ratio	Total Debt	Shareholder's Equity	-2.17	-2.17	0%	
3	Debt service Coverage ratio	Earnings for debt service = Net profit after taxes + Depreciation and amortisation+ Interest	Debt service = Interest payments + Principal Repayments	NA	NA	NA	
4	Return on Equity ratio	Net profits after taxes - preference dividend	Average Shareholder's Equity	0.00	-58.08	100%	Due to Instrument entirely equity in nature has been written off and investments written off during the last year
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	NA	NA	NA	
6	Trade receivables turnover ratio	Net Credit Sales	Average Trade Receivable	3.09	7.08	56%	Due to reduce in the revenue when compared to previous year
7	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	1.09	5.00	78%	Due to reduce in the expenditure when compared to previous year
8	Net Capital turnover ratio	Net sales	Working capital = current assets - current liabilities	-0.02	-0.07	74%	Due to reduce in the revenue when compared to previous Year
9	Net Profit ratio	Net Profit after tax	Net sales	-0.42	-23.44	98%	Due to reduce in the revenue when compared to previous year
10	Return on Capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.06	-0.70	109%	Due to reduce in the revenue when compared to previous year
11	Return on Investment	Interest (Finance Income)	Investment	0.07	0.06	-22%	

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

34 Contingent liabilities

	As at 31st March 2024	As at 31st March 2023
Pledge of equity shares held in jointly controlled entities for loans taken by them		
Sai Maatarini Tollways Limited	2,11,996.16	2,17,328.83
Indore Dewas Tollways Limited	62,085.31	58,551.87
Gayatri Jhansi Roadways Limited	303.17	2,571.23
Gayatri Lalitpur Roadways Limited	524.37	2,477.46
HKR Roadways Limited	69,075.99	76,327.98

35 Related party disclosures

a) Name of related parties and nature of relationship

Name of the related party	Nature of relationship
Sai Maatarini Tollways Limited	Wholly owned Subsidiary
Indore Dewas Tollways Limited	Subsidiaries
Balaji Highways Holding Private Limited	
Gayatri Jhansi Roadways Limited	
Gayatri Lalitpur Roadways Limited	
Hyderabad Expressways Limited	
Cyberabad Expressways Limited	
HKR Roadways Limited	Jointly controlled entities
Gayatri Projects Limited	
T. Indira Subbarami Reddy	
T.V. Sandeep Kumar Reddy	Significant holder of Shares
T. Subbarami Reddy	Relative of Significant holder of Shares
T. Sarita Reddy	
K.G.Naidu, Chief Executive Officer	Key Management Personnel ("KMP")
P.K.Sahoo, Chief Financial Officer	
P.Rajkumar, Company Secretary	

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

35 Related party disclosures (Continued..)

b) Transactions with related parties

	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Gayatri Jhansi Roadways Limited		
Financial guarantee income	6.00	5.22
Gayatri Lalitpur Roadways Limited		
Financial guarantee income	5.38	4.22
Dividend income	—	768.73
Intercorporate Deposit repaid	—	691.86
Cyberabad Expressways Limited		
Interest income	211.11	211.11
Deputation Income	36.00	96.00
Hyderabad Expressways Limited		
Dividend Income	—	346.50
Operations & Maintenance Income	—	370.56
Deputation Income	36.00	96.00
Indore Dewas Tollways Limited		
Financial guarantee income	156.37	74.92
Loans (written off) / given	(29.69)	29.69
HKR Roadways Limited		
Operations & Maintenance Income	100.00	100.00
Loans recovered	—	532.96
Sai Maatarini Tollways Limited		
Loans (written off) / given	(581.41)	515.40
Balaji Highways Holding Private Limited		
Loans taken (net)	—	—
Gayatri Projects Limited		
Loans taken (net)	—	—
Instruments entirely equity in nature written off	—	17,887.51

c) Balances receivable/(payable)

	As at 31st March 2024	As at 31st March 2023
Gayatri Jhansi Roadways Limited	—	(6.00)
Gayatri Lalitpur Roadways Limited	(251.01)	(256.38)
Hyderabad Expressways Limited	10.58	30.97
Indore Dewas Tollways Limited	—	(126.68)
Cyberabad Expressways Limited	2,493.94	2,290.02
Balaji Highways Holding Private Limited	(250.22)	(250.22)
Sai Maatarini Tollways Limited	—	581.41
Gayatri Projects Limited	(7,523.77)	(7,523.77)

d) Guarantees and pledges outstanding

Refer Note 34 for financial guarantees and pledges outstanding.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

36 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.

37 Going Concern

The Company has been incurring operating losses during the past years and the current liabilities of the Company exceed its current assets. Notwithstanding the above, the accompanying financial statements have been prepared on going concern basis as the management believes that the subsidiaries, associates and jointly controlled entities will generate sufficient cash flows to support the Company in foreseeable future.

38 Segment reporting

The Company primarily engaged in the business of "construction, operations and maintenance of roads, highways, vehicle bridges and tunnels and toll roads", which is as per Indian Accounting Standard - 108 on "Operating Segment" is considered to be the only reportable business segment. The company is operating in India which is considered as a single geographical segment.

39 Other information forming part of the financial statements

a) Capital Work in Progress

No Capital Work in Progress exist in the books of accounts of the company as at the reporting date.

b) Intangible Assets under Development

No Intangible Assets under Development exist in the books of accounts of the company as at the reporting date.

c) Benami property

The company does not have any proceedings that have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

d) Borrowings from Banks or Financial Institutions on the Basis of Security of Current Assets

The company has not obtained any borrowings on the basis of security of Current Assets during the reporting period.

e) Title deeds of Immovable Property not held in name of the Company

No immovable property held in the name of the company, hence no such property exist in the company's books of accounts as at reporting date.

f) Wilful Defaulter

The company is not declared as wilful defaulter by any bank or financial Institution or other lender from whom the borrowings are obtained.

g) Charges or Satisfaction yet to be registered with Registrar of Companies beyond the statutory period

The company has no charges or satisfaction yet to registered with Registrar of companies as at the reporting date.

h) Relationship with Struck off Companies

The company has no Relationship with Struck off Companies as at the reporting date.

i) Layers of Companies

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

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

39 Other information forming part of the financial statements (continued)

j) Corporate Social Responsibility related Disclosures

CSR is not applicable to the company, as neither of company's turnover exceeded 1000 crores nor networth exceeded 500 crores nor net profit exceeded 5 Crores during the preceding financial year.

k) Details of Crypto or Virtual Currency

The Company does not hold any investments in the form of Crypto or Virtual Currency.

l) Derivative Instruments and other Un-hedged foreign currency exposure

There are no derivative contracts outstanding at the close of the year.

40 Events after the reporting period

There were no events occurring after the balance sheet date affecting the aforesaid financial statement.

41 Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's classification / disclosure.

42 Figures have been rounded off to the nearest rupees in Lakhs.

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

For **PRSV & Co. LLP**
Chartered Accountants
Firm Regn. No: S200016

Y.Venkateswarlu
Partner
M.No.:222068

Place : Hyderabad
Date : 29th May 2024

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

M.V.Narasimha Rao
Director
DIN: 06761474

K.G.Naidu
Chief Executive Officer

Place : Hyderabad
Date : 29th May 2024

Ch. Krishnamurthy
Director
DIN: 08661228

P.K.Sahoo
Chief Financial Officer

P.Raj Kumar
Company Secretary

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results - (Standalone)**

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016) (Rs. in Lakhs)**

S. No	Particulars	Audited Figures in lakhs (as reported before adjusting for qualifications)	Adjusted Figures in lakhs (audited figures after adjusting for qualifications)
1.	Turnover/Total Income	2362.72	2362.72
2.	Total Expenditure	2424.66	2998.06
3.	Net Profit/(Loss) after tax	(72.46)	(645.86)
4.	Earnings per share (in Rs.)	(0.03)	(0.27)
5.	Total Assets	22706.21	22706.21
6.	Total Liabilities	41953.55	42526.95
7.	Net Worth	(19247.34)	(19820.74)
8.	Any other financial item(s) (as appropriate by the management)	-	-

S. No	1
Details of Audit Qualification	The Company has defaulted in repayment of outstanding term loan of Rs. 3,822.65 Lakhs and outstanding accumulated interest of Rs. 1,193.21 Lakhs (Provided till 31 March 2023) payable to IL&FS Financial Services Limited. The company has been calculating and recognizing interest only on the defaulted principle of 3,822.65 Lakhs as per the existing loan agreement since the Company has not received balance confirmation from the said lender. In the absence of balance confirmation, we are unable to comment on the carrying value of term loan principle and outstanding interest as at 31 March 2024 or any adjustment required to and the consequent impact if any on the financial statements had the confirmations been received from the lender.
Type of Qualification	Qualified Opinion
Frequency of Qualification	First Time
For Audit Qualification(s) where impact is quantified by the Auditor, Management Views	NA
i. Management's estimation on the impact of audit qualification :	NA
ii. If management is unable to estimate the impact, reasons for the same	The Company has requested for confirmation of balances and is yet to be received.
iii. Auditors Comments	No further comments

S. No	2
Details of Audit Qualification	The Company did not provide interest on the outstanding term loan of Rs. 3,822.65 Lakhs due to IL&FS Financial Services Limited for the period 01 April 2023 to 31 March 2024. The Company's records indicate that, had management provided interest for the period 01 April 2023 to 31 March 2024, the expenses and the corresponding liability would have been increased by Rs. 573.40 Lakhs and total equity would have been reduced by Rs. 573.40 Lakhs.

Type of Qualification	Qualified Opinion
Frequency of Qualification For Audit Qualification(s) where impact is quantified by the Auditor, Management Views	First Time The Lender has already claimed the amounts from the Guarantor M/s.Gayatri Projects Limited. Further the lender has already submitted the claim to NCLT under IBC, 2016 against the Guarantor namely M/s.Gayatri Projects Limited and NCLT has admitted and appointed IRP. As the matter is under dispute, the Company did not provide interest for the said period.
i. Management's estimation on the impact of audit qualification :	NA
ii. If management is unable to estimate the impact, reasons for the same	NA
iii. Auditors Comments	No further comments

S. No	3
Details of Audit Qualification financial	The Company has written back Zero Interest Subordinate Loan (ZISL) payable to Gayatri Projects Limited of Rs. 17,887.51 Lakhs during the year 2022-23 which has been subject to confirmation from Gayatri Projects Limited. In the absence of balance confirmation, we are unable to comment upon the aforesaid write back and the carrying value of the payable as at 31 March 2024 or any adjustments required to and the consequent impact if any, on the financial statements had the confirmation been received from the Gayatri Projects Limited.
Type of Qualification	Qualified Opinion
Frequency of Qualification	First Time
For Audit Qualification(s) where impact is quantified by the Auditor, Management Views	NA
i. Management's estimation on the impact of audit qualification :	NA
ii. If management is unable to estimate the impact, reasons for the same	As per the terms of the MOU dated 20.03.2019 between the parties, the ZISL is no more payable to Gayatri Projects Limited and hence the company written back the ZISL.
iii. Auditors Comments	No further comments

Signatories:

(K.G.Naidu)
Chief Executive Officer

(P.K.Sahoo)
Chief Financial Officer

(M.V.Narasimha Rao)
Audit Committee Chairman
DIN: 06761474

Y.Venkateswarlu
(PRSV & Co. LLP)
Statutory Auditor

Place: Hyderabad

Date: 29-05-2024

INDEPENDENT AUDITOR'S REPORT

To the Members of **GAYATRI HIGHWAYS LIMITED**

Report on the audit of the Consolidated Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of **Gayatri Highways Limited** ("the Holding Company") its subsidiaries (the Holding Company) and its subsidiaries together referred to as "the Group") and joint ventures (Jointly controlled entities) which comprise the Consolidated Balance Sheet as at 31 March 2024 and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated financial statements, including material accounting policy information and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its Joint ventures (Jointly controlled entities) as at 31 March 2024 of consolidated loss including other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

- As explained in note 18(v) and 18(vi) to the consolidated financial statements the company has defaulted in repayment of outstanding term loan of Rs. 3,822.65 Lakhs and outstanding accumulated interest of Rs. 1,193.21 Lakhs (Interest was recognized in the financial statements till 31 March 2023) payable to IL&FS Financial Services Limited. The Company has been calculating and recognizing interest only on the defaulted principle of Rs. 3,822.65 Lakhs as per the existing loan agreements since the Company has not received balance confirmation from the said lender. In the absence of balance confirmation, we are unable to comment on the carrying value of term loan principle and outstanding interest as at 31 March 2024 or any adjustment required to and the consequent impact if any on the financial statements had the confirmations been received from the lender.
- As explained in note 18(vi) to the consolidated financial statements the company did not provide interest on the outstanding term loan of Rs. 3,822.65 Lakhs due to IL&FS Financial Services Limited for the period 01 April 2023 to 31 March 2024. The Company's records indicate that, had management provided interest for the period 01 April 2023 to 31 March 2024, the expenses and the corresponding liability would have been increased by Rs. 573.40 Lakhs and total equity would have been reduced by Rs. 573.40 Lakhs.
- As explained in note 16 to the consolidated financial statements, the company has written back Zero Interest Subordinate Loan (ZISL) payable to Gayatri Projects Limited of Rs. 17,887.51 Lakhs during the financial year 2022-23 which has been subject to confirmation from Gayatri Projects Limited. In the absence of balance confirmation, we are unable to comment upon the aforesaid write back and the carrying value of the payable as at 31 March 2024 or any adjustments required to and the consequent impact if any, on the financial statements had the confirmation been received from the Gayatri Projects Limited.
- As detailed in Note No 48B to the consolidated financial statements, we were informed that the parent did not receive the audited financial statements of Indore Dewas Tollways Limited (IDTL), which is a material subsidiary of the Holding Company for the year ended 31 March 2024 for the reasons stated there under. We were informed that the hon'ble NCLT bench at Hyderabad had admitted IDTL into Corporate Insolvency Resolution Process (CIRP) under Section 7 of the Insolvency and Bankruptcy Code (IBC), 2016 (as amended) and appointed Interim Resolution Professional (IRP). In this regard, we were informed that the parent has compiled the financials results of IDTL for the year ended 31 March 2024 that were included in the statement by adopting the following procedure.

For the period 01st April 2023 to 30th October 2023, based on books of accounts and for the period 31st October 2023 to 31st March 2024, as nil transactions.

In the absence of the consolidation of subsidiary for the full year, we are unable to determine the effects on the consolidated financial statements of the failure to consolidate the subsidiary for the full year.

5. We draw your attention to the following qualification to the audit opinion of the financial statements of Sai Maatarini Tollways Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its Report dated 16 May 2024 reproduced by us as under. (Refer note 48 to the consolidated financial statements).
- a. Note 48A(1) regarding settlement agreement entered between the company and NHAI on 30th March 2023. As per the settlement agreement the company and NHAI had agreed for a termination payment of Rs.96,803 lakhs against all disputes/claims. The settlement amount of Rs.96,803 Lakhs includes termination payment, interest, claims receivable by the company net of recoveries by NHAI. The company had received Rs 79,650 lakhs and balance settlement amount to be received is Rs 17,153 lakhs. However pending settlement with the lenders, the company continues to recognise Net receivable from NHAI of Rs.98,578 Lakhs (Net of Rs 79,650 lakhs receipt). Henceforth the expenses (Write off of Receivable) of the company are understated by Rs. 81,425 lakhs and assets overstated by Rs. 81,425 lakhs.
 - b. Note 48A(2)(c) to the financial statements regarding non receipt of the confirmations of balances from banks and financial institutions in respect of borrowings of Rs. 2,11,996.16 Lakhs for the reasons detailed in the said note. The company had recognized interest expense and other finance charges during the period amounting to Rs 27,467.33 Lakhs as per existing loan agreements. We are unable to comment on impact, if any, on loss for the year and the Reserves had the confirmations been received from the lenders.
 - c. Note 48A(3) regarding non-recognition of liability towards goods and services Tax (including interest and penalty) amounting to Rs 12,392 Lakhs in respect of termination payment received from National Highways Authority of India and other reasons stated in the said note. Pending the ultimate outcome of this matter, which is presently unascertainable, no adjustments have been made in the financial statements.
 - d. Note 48A(4) wherein during the financial year 2022-23, the company has written off a receivable of Rs.1,011.02 Lakhs from Gayatri Projects Limited and written back trade payable of Rs.2,915.68 Lakhs and claims payable of Rs 22,745 lakhs to Gayatri Projects Limited. However, we have not received any confirmation from Gayatri Projects Limited for the write off/writeback.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to the following emphasis of matter to the audit opinion of the financial statements of Sai Maatarini Tollways Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its Report dated 16 May 2024 reproduced by us as under.

We draw attention to note no. 48A(2)(b) of the accompanying financial statements where the lenders have filed before the Hon'ble National Company Law Tribunal, Hyderabad Bench under section 7 of The Insolvency and Bankruptcy Code, 2016, read with the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 to declare the company as insolvent. The Company has received notice from NCLT and the date of hearing is scheduled on 27th May 2024 for admission under IBC.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor's Response
<p>1. As at 31 March 2024, the Company has total investments of Rs. 20896.94 Lakhs (Net of impairment) which are classified as financial assets in the financial statements. It is in the form of equity, preference shares, optionally convertible debentures and instruments entirely equity in nature of Jointly controlled entities of the Company</p> <p>The management regularly reviews whether there are any indicators of impairment on unquoted investments made by the company.</p> <p>As per Ind AS 36 - 'Impairment of Assets' the standard is applicable to financial assets classified as Investments in subsidiaries, associates and joint ventures. Accordingly, in assessing whether there is any indication that an asset may be impaired, an entity shall consider as a minimum, the external and internal sources of information, any other indications or evidences from internal reporting that indicates that the assets may be impaired.</p> <p>This assessment involves significant judgment especially in relation to determination of expected future economic benefits.</p> <p>Accordingly, the evaluation of impairment of investments in joint ventures was determined to be a key audit matter.</p> <p>2. The Company has been incurring operating losses during the past years and the current liabilities of the Company exceed its current assets.</p> <p>The Group and jointly controlled entities whose financial statements were audited have prepared on a going concern basis except subsidiaries namely "Sai Maatarini Tollways Limited" and "Indore Dewas Tollways Limited", where the former has financial statements are prepared on non-going concern basis and the later has not prepared the financials for the year ended 31 March 2024.</p>	<p>1. In respect of the impairment indicator assessment for the investments in subsidiaries/joint ventures, our audit procedures included and were not limited to the following: -</p> <ul style="list-style-type: none"> • Obtained and read the financial statements of subsidiaries/joint ventures to identify if any disclosure is made for impairment of assets in its Consolidated financial statements. • Obtained the impairment indicator assessment performed by the management considering internal/external sources of information. • We have obtained the management's understanding with regard to impairment of the investments made in loss making subsidiary companies/joint ventures. • We have obtained the company's management opinion in estimating the realizable value of the investments made by the subsidiary companies/ joint ventures. <p>2. We have evaluated the assumptions and forecasts made by management. We have specifically devoted attention to the assumptions made with respect to the future value added, the results and the cash flows in order to assess the company's ability to continue meeting its payment obligations and its obligations under the financing covenants in the years ahead.</p>

**Other Matter**

1. We did not audit the financial statements and other financial information of 2 Subsidiaries whose financial statements reflect total assets of Rs. 99,713.73 Lakhs as at 31 March 2024, total revenue of Rs. Nil and net cashflow amounting to Rs. 247.36 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 126.50 Lakhs for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of 1 Jointly controlled entity whose financial statements have not been audited by us.

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 subsidiaries, jointly controlled entities and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities, is based solely on the reports of the other auditors.

2. We did not audit the financial statements of 1 Subsidiary whose financial statements reflect total assets of Rs. 74,263.15 Lakhs as at 31 March 2024, total revenue of Rs. Nil and net cashflow amounting to Rs. (0.02) Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements include the Group's share of net loss of Rs. 2,093.62 Lakhs for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of 4 Jointly controlled entities whose financial statements have not been audited by us.

These financial statements are unaudited and 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 subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis, Board's Report, Business Responsibility Report etc. is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance under SA720 "The Auditor's responsibilities relating to Other Information".

Responsibility of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Management and 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 Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards 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 of the assets of the Group and of its associates 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 Consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its Joint ventures are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its Jointly controlled entries are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the holding has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its jointly controlled assets to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxii) of the Order
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
 - (a) We/the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity 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 the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint venture incorporated in India, none of the directors of the Group's companies and its joint controlled entities incorporated in India, is disqualified as on 31 March 2024 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - (h) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entities.

- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.
- iv. a) The respective managements of the Holding Company and its subsidiaries and jointly controlled entities which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and jointly controlled entities respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and jointly controlled entities ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The respective managements of the Holding Company and its subsidiaries and jointly controlled entities which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and jointly controlled entities respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries and jointly controlled entities from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and jointly controlled entities shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and jointly controlled entities which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under subclause (a) and (b) contain any material mis-statement.
- v. The Holding Company, its subsidiaries and jointly controlled entities companies incorporated in India have not declared or paid any dividend during the year.

For PRSV & Co. LLP

Chartered Accountants

Firm's Registration No.: S200016

Y. Venkateswarlu

Partner

Membership No: 222068

Place: Hyderabad

Date: 29 May 2024

UDIN:24222068BKAVRJ4731

**ANNEXURE '1' REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE**

There are qualifications by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. The following are the details regarding them:

S. No.	Name of the Company	Paragraph no. in the respective CARO reports	Remarks
1	Sai Maatarini Tollways Limited	vii(b), ix(a), xvii and xix	Regarding statutory dues have not been deposited on account of dispute, default in the repayment of loans or other borrowings or payment of interest thereon to banks and financial institutions, cash losses in the financial year and in the immediately preceding financial year, material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of the balance sheet as when they fall due within a period of one year from the balance sheet.
2.	Indore Dewas Tollways Limited		Did not presented the financial statements for the year ended 31 March 2024

For PRSV & Co. LLP

Chartered Accountants

Firm's Registration No.: S200016

Y. Venkateswarlu

Partner

Membership No: 222068

Place: Hyderabad

Date: 29 May 2024

UDIN: 24222068BKAVRJ4731

ANNEXURE - 2 TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date)

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

In conjunction with our audit of the consolidated financial statements Gayatri Highways Limited ("the Company") as of 31 March 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group and its jointly controlled entities, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 (ICAI). 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 its business, including adherence to the respective 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by 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 internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls with reference to Consolidated Financial Statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements 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 Consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or



disposition of the company's assets that could have a material effect on the Consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, 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 internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

In our opinion, the Group and its jointly controlled entities, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI..

We draw your attention to the following qualification to the audit opinion on the internal financial controls over financial reporting of Sai Maatarini Tollways Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its Report dated 16 May 2024 reproduced by us as under.

According to the information and explanations given to us and based on our audit, material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2024 in respect of the Company's process of provisioning of expense for demand notices, estimation of realizability of the termination payment claim from NHAI and process for obtaining confirmation of balances from term lending banks, financial institutions and related party. These could potentially result in misstatement in the financial statements by way of Company not providing for adjustments, if any, that may be required.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to the subsidiary companies and jointly controlled entities, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and jointly controlled entities incorporated in India.

For PRSV & Co. LLP

Chartered Accountants

Firm's Registration No.: S200016

Y. Venkateswarlu

Partner

Membership No: 222068

Place: Hyderabad

Date: 29 May 2024

UDIN: 24222068BKAVRJ4731

Consolidated Balance Sheet as at 31st March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	As at 31st March 2024	As at 31st March 2023
Assets			
Non-current assets			
Property, plant and equipment	5	15.38	22.27
Investment Property	6	3.09	3.09
Intangible Assets			
- Goodwill on Consolidation	37	—	11,529.80
- under SCA	7	—	—
Financial assets			
- Investments	8	20,896.94	22,864.06
		<u>20,915.41</u>	<u>34,419.22</u>
Current assets			
Financial assets			
- Trade receivables	10	63.22	69.69
- Cash and cash equivalents	11	1,006.73	664.31
- Loans	9	2,452.18	2,262.18
- Other financial assets	12	1,72,157.96	2,05,878.29
Current tax assets (net)	13	84.78	208.63
Other Current Assets	14	765.36	244.34
		<u>1,76,530.23</u>	<u>2,09,327.44</u>
Assets Classified as held for sale	5	—	—
Total assets		<u>1,97,445.64</u>	<u>2,43,746.66</u>
Equity and liabilities			
Equity			
Equity share capital	15	4,793.04	4,793.04
Instrument entirely Equity in Nature	16	—	—
Other equity	17	(1,80,269.96)	(1,36,162.33)
Total Equity		<u>(1,75,476.92)</u>	<u>(1,31,369.29)</u>
Non-current Liabilities			
Financial liabilities			
- Borrowings	18	28,844.45	27,335.15
Provisions	19	85.45	82.92
Other Non-Current Liabilities	20	56,607.52	56,607.51
Current Liabilities			
Financial liabilities			
- Trade payables	21	179.97	280.35
- Borrowings	18	11,746.63	13,187.01
- Other financial liabilities	22	2,75,274.68	2,77,085.29
Other current liabilities	23	181.91	536.53
Provisions	24	1.95	1.19
Total liabilities		<u>3,72,922.56</u>	<u>3,75,115.95</u>
Total equity and liabilities		<u>1,97,445.64</u>	<u>2,43,746.66</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 **PRSV & Co. LLP**
Chartered Accountants
Firm Regn. No: S200016

Y.Venkateswarlu
Partner
M.No.:222068
Place : Hyderabad
Date : 29th May 2024

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

M.V.Narasimha Rao
Director
DIN: 06761474
K.G.Naidu
Chief Executive Officer
Place : Hyderabad
Date : 29th May 2024

Ch. Krishnamurthy

Director
DIN: 08661228

P.K.Sahoo

Chief Financial Officer

P.Raj Kumar

Company Secretary



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Consolidated Statement of Profit and Loss for the year ended 31st March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

	Notes	For the year ended	
		31st March 2024	31st March 2023
Income			
Revenue from Operations	25	172.00	762.56
Other income	26	2,034.35	1,366.09
Total income		2,206.35	2,128.65
Expenses			
Operations & Maintenance Expenses	27	143.26	683.65
Employee benefits expense	28	8.09	56.85
Finance costs	29	1,509.30	2,082.70
Depreciation & Amortisation expenses	30	8.06	4.11
Other expenses	31	756.87	78.03
Total expense		2,425.58	2,905.34
Loss before exceptional items and tax			
		(219.23)	(776.69)
Exceptional items [Income/(Expense)]	32	(11,529.80)	17,887.51
Profit/(Loss) before tax from continuing operations			
		(11,749.03)	17,110.82
Current tax		2.47	-
Income tax for earlier years		2.84	-
Profit / (Loss) for the year from continuing operations (A)			
		(11,754.34)	17,110.82
Loss before tax from discontinued operations	33	(30,390.97)	(28,907.03)
Current tax		—	—
Loss for the year from discontinued operations (B)			
		(30,390.97)	(28,907.03)
Add: Share of profits/ (losses) in the Jointly controlled entities (C)		(1,967.12)	(2,223.52)
Total Loss for the year (D=A+B+C)			
		(44,112.43)	(14,019.73)
Other comprehensive income from continuing operations			
Remeasurements of the defined benefit plans (E)		4.79	1.34
Total comprehensive income/(loss) from continuing operations (F=A+C+E)			
		(13,716.67)	14,888.64
Total comprehensive loss from discontinued operations (G=B)			
		(30,390.97)	(28,907.03)
Total comprehensive income for the period (H=F+G)			
		(44,107.64)	(14,018.39)
Earnings per equity share (EPES)			
	35		
EPES from Continuing operations			
Basic		(5.72)	6.21
Diluted		(5.72)	6.21
EPES from discontinued operations			
Basic		(12.68)	(12.06)
Diluted		(12.68)	(12.06)
EPES from Continuing and discontinued operations			
Basic		(18.40)	(5.85)
Diluted		(18.40)	(5.85)

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 **PRSV & Co. LLP**
Chartered Accountants
Firm Regn. No: S200016

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

Y.Venkateswarlu
Partner
M.No.:222068
Place : Hyderabad
Date : 29th May 2024

M.V.Narasimha Rao
Director
DIN: 06761474
K.G.Naidu
Chief Executive Officer
Place : Hyderabad
Date : 29th May 2024

Ch. Krishnamurthy
Director
DIN: 08661228
P.K.Sahoo
Chief Financial Officer
P.Raj Kumar
Company Secretary

Consolidated Statement of Cash Flows for the year ended 31st March 2024

(All amounts in ₹ Lakhs unless otherwise stated)

	For the year ended	
	31st March 2024	31st March 2023
Cash flows from operating activities		
Loss before tax from continuing and discontinued operations	(44,107.64)	(14,019.73)
Adjustments for:		
Depreciation expense	8.06	1,735.76
Interest income and financial guarantee income	(222.49)	(220.55)
Increase in cumulative liability on preference shares	1,509.30	1,509.30
Profit/ (Loss) on Consolidation	(1,967.12)	(2,223.52)
Loans written off under exceptional items	11,529.80	(17,887.51)
Liabilities not required written back	(1,440.38)	-
Interest expense	31,000.78	36,151.49
Share of (profits)/losses in the Jointly controlled entities	1,967.12	2,223.52
Operating loss before working capital changes	(1,722.57)	7,268.76
Changes in working capital:		
Increase/(decrease) in trade payables	(100.38)	(362.60)
Increase/(decrease) in other non-current liabilities	0.01	4,128.17
Increase/(decrease) in provisions	3.29	122.93
Increase/(decrease) in other current liabilities	(365.99)	(3,115.50)
(Increase)/decrease in other non-current assets	—	7.78
(Increase)/decrease in other current assets	33,199.31	(896.95)
(Increase)/decrease in trade receivables	6.47	97.89
(Increase)/decrease in loans and advances	32.49	563.52
Cash generated in operating activities	31,052.63	7,814.00
Less: Income taxes refund received / (paid)	123.85	1,531.76
Net cash generated from operating activities A	31,176.48	9,345.76
Cash flows from investing activities		
Purchase/ Development of Fixed Assets	(1.17)	(16.22)
Change in Value of Investments	1,967.12	2,223.52
Net cash generated from investing activities B	1,965.95	2,207.30
Cash flows from financing activities		
Interest paid	(32,800.01)	(10,107.50)
Proceeds from/(repayment of) from short-term borrowings, net	—	(691.86)
Repayment of term loan	—	(593.28)
Proceeds from/(repayment of) from long-term borrowings, net	—	-
Net cash used in financing activities C	(32,800.01)	(11,392.64)
Net increase/(decrease) in cash and cash equivalents(A+B+C)	342.42	160.42
Cash and cash equivalents at the beginning of the year	664.31	503.89
Cash and cash equivalents at the end of the period	1,006.73	664.31
Cash and cash equivalents comprises of:		
Cash on hand	0.22	1.06
Balances with banks in current accounts	877.00	533.13
Investments in Mutual Funds (Liquid Funds)	129.51	130.12
	1,006.73	664.31

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

For **PRSV & Co. LLP**
Chartered Accountants
Firm Regn. No: S200016

Y.Venkateswarlu
Partner
M.No.:222068

Place : Hyderabad
Date : 29th May 2024

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

M.V.Narasimha Rao
Director
DIN: 06761474

K.G.Naidu
Chief Executive Officer

Place : Hyderabad
Date : 29th May 2024

Ch. Krishnamurthy
Director
DIN: 08661228

P.K.Sahoo
Chief Financial Officer

P.Raj Kumar
Company Secretary

**Consolidated Statement of Changes in Equity for the year ended 31st March 2024**

(All amounts in ₹ Lakhs unless otherwise stated)

	Number	Amount	
(a) Share Capital			
(i) Equity Share Capital			
Equity shares of ₹ 2 each issued, subscribed and fully paid			
At 31 March 2023 (₹ 2 each)	23,96,51,900	4,793.04	
At 31 March 2024 (₹ 2 each)	23,96,51,900	4,793.04	
(b) Instruments entirely equity in nature			
	31st March 2024	31st March 2023	
Opening Balance	—	17,887.51	
Changes during the year	—	(17,887.51)	
Closing Balance	—	—	
(c) Other equity			
	Capital Reserve	Retained earnings	Total other equity
Balance as of 1st April 2022	4,662.80	(1,26,882.29)	(1,22,219.49)
Loss for the year	-	(14,018.39)	(14,018.39)
Changes during the year#	75.55	-	75.55
Balance as of 31st March 2023	4,738.35	(1,40,900.68)	(1,36,162.33)
Balance as of 1st April 2023	4,738.35	(1,40,900.68)	(1,36,162.33)
Loss for the year	-	(44,107.64)	(44,107.64)
Balance as of 31st March 2024	4,738.35	(1,85,008.32)	(1,80,269.97)

During the financial year 2022-23, the Goodwill on acquisition of shares in SMTL has been impaired which is earlier set-off against Capital Reserve

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

For **PRSV & Co. LLP**
Chartered Accountants
Firm Regn. No: S200016

Y.Venkateswarlu
Partner
M.No.:222068

Place : Hyderabad
Date : 29th May 2024

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

M.V.Narasimha Rao
Director
DIN: 06761474

K.G.Naidu
Chief Executive Officer

Place : Hyderabad
Date : 29th May 2024

Ch. Krishnamurthy
Director
DIN: 08661228

P.K.Sahoo
Chief Financial Officer

P.Raj Kumar
Company Secretary

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

1. Corporate information

Gayatri Highways Limited - GHIL ("the Company") 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, 5th Floor, A-Block, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad-500082.

2. 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 of joint controlled and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

3. List of Entities consolidated

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

Name of Subsidiaries	Interest in Subsidiary as on	
	31-Mar-2024	31-Mar-2023
Sai Maatarini Tollways Limited	100%	100%
Indore Dewas Tollways Limited	100%	100%
Balaji Highways Holding Private Limited	100%	100%

Name of joint controlled entities	Interest in joint control as on	
	31-Mar-2024	31-Mar-2023
Gayatri Jhansi Roadways Limited	50.99%	50.99%
Gayatri Lalitpur Roadways Limited	51%	51%
Cyberabad Expressways Limited	31.54%	31.54%
Hyderabad Expressways Limited	50%	50%
HKR Roadways Limited	26%	50%

4. Summary of material accounting policies

a) Basis of preparation of consolidated financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Unless otherwise stated, the accounting policies applied by the Group are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the group's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of work and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the group has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities

b) Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the reporting date of the financial statements and amounts of income and expenses. Examples of such estimates include the provision for doubtful receivables, determination of recoverable amounts of fixed assets, deferred tax assets, employee benefits and useful lives of fixed assets.

Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

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:

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

- 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.

d) 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.

e) 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.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

f) 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.

g) 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.

h) 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.

i) 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.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

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
- 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. 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.



Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

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.

j) Fixed assets

Tangible assets are stated at cost of acquisition, less accumulated depreciation thereon. The cost of an item of fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Intangible assets represent commercial rights to collect toll fee in relation to roads projects which has been accounted at the cost incurred on the project activity towards reconstruction, strengthening, widening, rehabilitation of the roads on build, operate and transfer basis. It includes all direct material, labour and subcontracting costs, inward freight, duties, taxes, obligation towards negative grant payable to concessionaires, if any, and any directly attributable expenditure on making the commercial right ready for its intended use.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

k) Depreciation and amortization

Depreciation of tangible assets is provided on the basis of straight line method in accordance with Schedule II to the Companies Act, 2013.

l) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

m) Borrowings Costs

In Case of concession arrangement under financial asset model, borrowing Costs that are attributable to the acquisition and/or construction of the infrastructure are charged to The Statement of Profit and Loss in the period in which such costs are incurred.

In Case of concession arrangement under intangible asset model, borrowing cost of qualifying assets are capitalized as part of cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. Any income on the temporary investments of borrowings is deducted from the borrowing cost. All borrowing cost subsequent to the capitalization of the intangible assets are charged to the Statement of Profit and Loss in the period in which such costs are incurred.

n) Foreign currency transactions and derivatives

- a. The reporting currency of the company is the Indian Rupee.
- b. Foreign currency transactions are recorded on initial recognition in the foreign currency, using the exchange rate on the date of the transaction.
- c. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of monetary items at the closing rate are adjusted in pre-operative expenses.

o) Employee benefits

- a. GRATUITY - Company's liability towards gratuity is determined by independent actuaries, using the projected unit credit method.
Past service costs are recognised immediately in the statement of profit and loss. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for defined benefit obligation and plan assets are recognised in OCI in the period in which they arise. When the benefits under a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains or losses on the settlement of a defined benefit plan obligation when the settlement occurs.

p) Recent Accounting Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1st, 2023, as below:



Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

- 1) **Ind AS 1 – Presentation of Financial Statements:** The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information included in an entity's financial statements, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.
- 2) **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:** The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.
- 3) **Ind AS 12 – Income Taxes:** The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

5. Property, plant and equipment

	Office equipment	Computer and related equipment	Vehicles	Plant & Machinery	Furniture & Furniture	Amount
Tangible Assets						
Gross block						
As at 31st March 2022	4.71	17.11	43.00	5.60	0.69	71.11
Additions during the year	3.19	13.03	—	—	—	16.22
Deletions during the year	—	—	14.50	—	—	14.50
As at 31st March 2023	7.90	30.14	28.50	5.60	0.69	72.83
Additions during the year	—	1.17	—	—	—	1.17
Deletions during the year	(1.62)	(14.14)	—	(5.60)	—	(21.36)
As at 31st March 2024	6.28	17.17	28.50	—	0.69	52.64
Accumulated depreciation						
Up to 31st March 2022	4.71	14.60	28.01	3.38	0.66	51.36
Charge for the year	0.02	1.98	2.93	1.12	0.01	6.06
Deletions during the year	—	—	11.74	—	—	11.74
Up to 31st March 2023	4.73	16.58	19.20	4.50	0.67	45.68
Charge for the year	0.32	5.65	0.99	1.10	—	8.06
Deletions during the year	(1.62)	(14.14)	—	(5.60)	—	(21.36)
Up to 31st March 2024	3.43	8.09	20.19	—	0.67	32.38
Transfer to NHAI	—	—	4.87	—	0.01	4.88
Assets classified as held for sale	—	—	—	—	—	—
Net block						
As at 31st March 2024	2.85	9.08	3.44	—	0.01	15.38
As at 31st March 2023	3.17	13.56	4.43	1.10	0.01	22.27

**Summary of Material Accounting Policies and Other Explanatory Information**

(All amounts in ₹ Lakhs unless otherwise stated)

6. Investment Property

	As at 31st March 2024	As at 31st March 2023
Land	3.09	3.09
	<u>3.09</u>	<u>3.09</u>

7 Intangible assets

	Amount (Rs.)
(i) Carriageway	
Gross block	
As at 31st March 2022	84,363.78
Additions during the year	—
As at 31st March 2023	84,363.78
Additions during the year	—
As at 31st March 2024	<u>84,363.78</u>
Accumulated depreciation	
Up to 31st March 2022	9,170.00
Charge for the year	1,723.89
Up to 31st March 2023	10,893.89
Charge for the year	—
Up to 31st March 2024	<u>10,893.89</u>
Transfer to NHAI Receivable	<u>73,469.89</u>
Net block	
As at 31st March 2024	—
As at 31st March 2023	—
(ii) Toll Plaza Management Systems	
Gross block	
As at 31st March 2022	165.36
Additions during the year	—
As at 31st March 2023	165.36
Additions during the year	—
As at 31st March 2024	<u>165.36</u>
Accumulated depreciation	
Up to 31st March 2022	54.04
Charge for the year	5.65
Up to 31st March 2023	59.69
Charge for the year	—
Up to 31st March 2024	<u>59.69</u>
Transfer to NHAI Receivable	<u>105.67</u>
Net block	
As at 31st March 2024	—
As at 31st March 2023	—
Intangible Assets Under SCA	
Net block as at 31st March 2024 (i)+(ii)	—
Net block as at 31st March 2023 (i)+(ii)	<u>—</u>

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

8. Investments

Particulars	As at 31st March 2024	As at 31st March 2023
Non-current investments		
Unquoted		
Investments carried at cost		
Investments in equity instruments of Subsidiaries		
1,00,00,843 (2023: 1,00,00,843) equity shares of Rs.10 each fully paid-up in Sai Maatarini Tollways Limited	—	17,940.48
Less: Adjustment of Consolidation	—	(17,940.48)
a	—	—
49,980 (2023: 49,980) equity shares of ₹10 each fully paid-up in Indore Dewas Tollways Limited.	—	5.00
Less: Adjustment of Consolidation	—	(5.00)
b	—	—
99,995 (2023: 99,995) equity shares of ₹10 each fully paid-up in Balaji Highways Holding Private Limited.	—	10.00
Less: Adjustment of Consolidation	—	(10.00)
c	—	—
Investments in equity instruments of jointly controlled entities		
990,000 (2023: 990,000) equity shares of ₹ 10 each fully paid-up in Hyderabad Expressways Limited.	1,581.36	1,581.36
Add: Accumulated Profits/(Losses)	671.97	545.47
d	2,253.33	2,126.83
624,462 (2023: 624,462) equity shares of ₹ 10 each fully paid-up in Cyberabad Expressways Limited.	434.32	434.32
Add: Accumulated Profits/(Losses)	(434.32)	(434.32)
e	—	—
21,619,994 (2023: 21,619,994) equity shares of ₹ 10 each fully paid-up in Gayatri Jhansi Roadways Limited.	2,668.94	2,668.94
Add: Accumulated Profits/(Losses)	1,174.62	744.70
f	3,843.56	3,413.64
16,218,000 (2023: 16,218,000) equity shares of ₹10 each fully paid-up in Gayatri Lalitpur Roadways Limited.	2,009.46	2,009.46
Add: Accumulated Profits/(Losses)	1,286.34	1,034.41
g	3,295.80	3,043.87
1,206,990 (2023: 1,206,990) equity shares of ₹ 10 each fully paid-up in HKR Roadways Limited.	75.44	75.44
Add: Accumulated Profits/(Losses)	(75.44)	1,661.30
h	—	1,736.74
Investments in preference shares of jointly controlled entities		
1,220,217 (2023:1,200,217) 0.01% cumulative redeemable preference shares (Non-Convertible) of ₹ 1000/- each fully paid-up in HKR Roadways Limited	12,002.17	12,002.17
Add: Accumulated Profits/(Losses)	(636.21)	—
i	11,365.96	12,002.17
Investments in debentures of jointly controlled entities		
13,482,692 (2023: 13,482,692) 0.001% Optionally Convertible debentures of ₹ 10 each fully paid-up in Cyberabad Expressways Limited.	1,112.48	1,112.48
Add: Accumulated Profits/(Losses)	(974.19)	(571.67)
j	138.29	540.81
Investments in Instruments entirely Equity in nature		
-Investments in Subsidiary	—	17,041.00
Less : Adjustment of Consolidation	—	(17,041.00)
k	—	—
Total non-current investments (m=a+b+c+d+e+f+g+h+i+j+k)	20,896.94	22,864.06
Less: Investments held for sale (n)	—	—
Net value of non-current investments (m-n)	20,896.94	22,864.06
Aggregate amount of unquoted investments	20,896.94	22,864.06

**Summary of Material Accounting Policies and Other Explanatory Information**

(All amounts in ₹ Lakhs unless otherwise stated)

9 Loans

Particulars	As at 31st March 2024	As at 31st March 2023
Current		
(Unsecured, considered good)		
- Loans to subsidiaries / holding company	—	—
- Loans to jointly controlled entities	2,452.18	2,262.18
	<u>2,452.18</u>	<u>2,262.18</u>

10 Trade Receivables

Particulars	As at 31st March 2024	As at 31st March 2023
(Unsecured, considered good)		
- related parties	52.34	58.81
- others	10.88	10.88
	<u>63.22</u>	<u>69.69</u>

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is partner, a director or a member.

Trade receivables are non-interest bearing and are generally receivable on presentation of invoice.

Trade Receivables Ageing Schedule:**(i) Undisputed Trade receivables considered goods and unsecured:**

- Outstanding for following periods from due date of payment

	As at 31st March 2024	As at 31st March 2023
(a) Less than 6 months	31.46	56.80
(b) 6 months - 1 year	20.88	—
(c) 1 year - 2 years	—	2.01
(d) 2 years - 3 years	10.88	10.88
(e) More than 3 years	—	—
Total	<u>63.22</u>	<u>69.69</u>

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

11 Cash and cash equivalents

Particulars	As at	
	31st March 2024	31st March 2023
Balances with banks		
- on current accounts	877.00	533.13
Cash on hand	0.22	1.06
Cash-Toll Collections	—	—
Investments in Mutual Funds (Liquid Funds)	129.51	130.12
	<u>1,006.73</u>	<u>664.31</u>

12 Other Financial Assets

Particulars	As at	
	31st March 2024	31st March 2023
Receivable from NHAI towards Termination of contract	1,72,157.96	2,05,878.29
	<u>1,72,157.96</u>	<u>2,05,878.29</u>

13 Current tax Assets (net)

Particulars	As at	
	31st March 2024	31st March 2023
TDS Receivable	87.25	208.63
Less: Provision for tax	(2.47)	—
	<u>84.78</u>	<u>208.63</u>

14 Other Current Assets

Particulars	As at	
	31st March 2024	31st March 2023
Mobilization advance - COS & Utility shifting paid to GPL	9.94	9.94
Hybrid ETC - NHAI Receipts A/c	152.18	152.18
Retention money-NHAI	—	20.32
Security Deposits	—	—
Prepaid expenses	3.74	22.12
Balances with government authorities (GST)	592.42	33.21
Other advances	7.08	6.57
	<u>765.36</u>	<u>244.34</u>

15 Share capital

Particulars	As at		As at	
	31st March 2024		31st March 2023	
	Number	Amount	Number	Amount
Authorized Equity Share Capital				
Equity shares of ₹ 2 each	25,00,00,000	5,000.00	25,00,00,000	5,000.00
	<u>25,00,00,000</u>	<u>5,000.00</u>	<u>25,00,00,000</u>	<u>5,000.00</u>
Issued, subscribed and fully paid-up Equity Share Capital				
Equity shares of ₹ 2 each	23,96,51,900	4,793.04	23,96,51,900	4,793.04
	<u>23,96,51,900</u>	<u>4,793.04</u>	<u>23,96,51,900</u>	<u>4,793.04</u>

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

15 Share capital (Continued...)

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

Particulars	As at 31st March 2024		As at 31st March 2023	
	Number	Amount	Number	Amount
At the beginning of the year	23,96,51,900	4,793.04	23,96,51,900	4,793.04
Issued during the year	—	—	—	—
Balance at the end of the year	23,96,51,900	4,793.04	23,96,51,900	4,793.04

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹2 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. 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) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31st March 2024		As at 31st March 2023	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of ₹ 2 each				
Gayatri Projects Limited	6,24,00,000	26.04%	6,24,00,000	26.04%
Sri T.V. Sandeep Kumar Reddy	2,70,19,810	11.27%	2,70,19,810	11.27%
Smt T. Indira Subbarami Reddy	5,71,29,500	23.84%	5,71,29,500	23.84%

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.

(d) Details of shares held by promoters in the Company at the end of the year 31st March 2024

Name of the Promoter	Number of shares	% of total shares	% Change during the year
Equity shares of ₹ 2 each			
Gayatri Projects Limited	6,24,00,000	26.04%	-
Smt T. Indira Subbarami Reddy	5,71,29,500	23.84%	-
Sri T.V. Sandeep Kumar Reddy	2,70,19,810	11.27%	-
Smt T. Sarita Reddy	800	0.00%	-
Sri J. Brij Mohan Reddy	2,250	0.00%	-
Smt G. Sulochanamma	2,350	0.00%	-

Details of shares held by promoters in the Company at the end of the year 31st March 2023

Name of the Promoter	Number of shares	% of total shares	% Change during the year
Equity shares of ₹ 2 each			
Gayatri Projects Limited	6,24,00,000	26.04%	-
Smt T. Indira Subbarami Reddy	5,71,29,500	23.84%	-
Sri T.V. Sandeep Kumar Reddy	2,70,19,810	11.27%	-
Smt T. Sarita Reddy	800	0.00%	-
Sri J. Brij Mohan Reddy	2,250	0.00%	-
Smt G. Sulochanamma	2,350	0.00%	-

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ lakhs unless otherwise stated)

16 Instrument entirely equity in nature

Particulars	As at 31st March 2024	As at 31st March 2023
Balance as per last audited financial statements	—	17,887.51
Add: Changes during the year	—	(17,887.51)
Balance at the end of the year	—	—

During the financial year 2018-19, Gayatri Projects Ltd(GPL) and Gayatri Highways Ltd(GHL) are mutually agreed to bring the complete control over the SPVs under one roof i.e., under GHL. GPL agreed to transfer the outstanding ZISL of GPL in SMTL, HKR and IDTL to GHL.

GHL agrees and undertakes that the ZISL shall be repaid to Gayatri Projects Ltd with the same original terms given for the SMTL, HKR and IDTL, i.e., this ZISL is considered as Quasi Equity and can be repaid only after fully repaying whole of the Senior Debt in GHL, SMTL, HKR and IDTL.

The following are the details of the Investments transferred from GPL to GHL:

Company Name	Amount
Sai Maatarini Tollways Limited	10,016.00
HKR Roadways Limited	4,476.51
Indore Dewas Tollways Limited	3,395.00
TOTAL	<u>17,887.51</u>

Note on loans written back:

GHL has followed the IndAS 109 - "Financial Instruments" and based on the Memorandum of Understanding (MOU) entered between Gayatri Projects Limited (GPL) and Gayatri Highways Limited (GHL) date 20.03.2019, written back the above financial liability.

- SMTL - Rs.10,016 Lakhs - The Loan Accounts of SMTL have become NPA and Lenders have filed the cases before DRT for recovery. Out of total outstanding loan of about Rs. 2173.29 Crores, NHAI is settling the matter without any payment towards Equity/Quasi Equity. Hence, nothing can be paid or payable to GPL towards the Equity/Quasi Equity. Further, it may be noted that, the lenders are not agreeing to pay any money from SMTL to GPL, as GPL is the sponsor and guarantor of SMTL loans. The SMTL bank accounts are frozen and no operations are allowed except payment to SMTL lenders. Hence, the balance of Rs.10,016 Lakhs w.r.t. SMTL written off during FY 2022-23.
- HKR - Rs.4,476.51 Lakhs - Pursuant to One-Time-Settlement (OTS) entered by HKR with Senior Lenders through Investment from Kotak Special Situations Fund (KSSF), all the funds in the form of Non-Convertible Debentures (NCDs) received from KSSF are paid to the Senior Lenders dues under OTS and nothing was received against Quasi-Equity (ZISL) of HKR. Further, the company has settled dues as per the One-Time Settlement Agreement dated 26.03.2021 for Rs. 800 Crores against outstanding dues of Rs.1,343.63 Crores. Out of this, by the time KSSF has come in May 2021, HKR has cleared amount of Rs. 88.44 Crores and balance of Rs.711.56 Crores has been borrowed from KSSF in the form of Non-Convertible Debentures (NCDs). The entire amount borrowed is utilised only against the dues to senior lenders which is very low when compared to total senior lenders dues of Rs.1,343.63 Crores. Accordingly HKR has no surplus cash available to pay towards Quasi-Equity (ZISL) and further it has not received any amount from new investor KSSF towards Quasi-Equity (ZISL).

Based on the existing MOU, having no surplus cash after payment to senior lenders dues, the liability of GHL towards payment to GPL stands cancelled. Accordingly, GHL has written back the ZISL in HKR of Rs.4,476.51 Lakhs payable to GPL.

- IDTL - Rs.3,395 Lakhs - The Loan accounts of IDTL have become NPA and Lenders have filed the cases before DRT and NCLT (under IBC) for recovery of loan. The Project was terminated by NHAI and the toll collections are taken over by NHAI. The conciliation/settlement offer of the Company was not accepted by NHAI. NHAI has informed that they will not pay anything to the company towards termination payment as the premium due to NHAI is more than the termination payment. In fact the balance premium is payable by company to NHAI. Further, it may be noted that, the lenders are not agreeing to pay any money from IDTL to GPL, as they are the sponsors and guarantors of IDTL loans. The IDTL bank accounts are frozen and no operations are allowed except payment to IDTL lenders. Hence, nothing is receivable against equity/quasi equity. and nothing can be paid or payable to GPL. Hence, the balance of Rs.3,395 Lakhs w.r.t. IDTL written off during FY 2022-23.

**Summary of Material Accounting Policies and Other Explanatory Information**

(All amounts in ₹ Lakhs unless otherwise stated)

17 Other equity

Particulars	As at 31st March 2024	As at 31st March 2023
Capital Reserve		
Capital Reserve generated on demerger of Infrastructure BOT assets from GPL to GHL (Note No.:37)		
Opening Balance	4,738.35	4,662.80
Changes during the year	—	75.55
Closing Balance	<u>4,738.35</u>	<u>4,738.35</u>
Retained earnings		
Balance as per last audited financial statements	(1,40,900.68)	(1,26,882.29)
Add: Loss for the year	(44,107.64)	(14,018.39)
Balance at the end of the year	<u>(1,85,008.32)</u>	<u>(1,40,900.68)</u>
Total other equity	<u>(1,80,269.97)</u>	<u>(1,36,162.33)</u>

18 Borrowings

Particulars	As at 31st March 2024	As at 31st March 2023
(a) Non-current borrowings		
Term Loans		
UnSecured		
From related party -		
9% Non-convertible Cumulative Redeemable Preference shares of ₹10 each	16,770.03	16,770.03
Cumulative liability on Preference Shares	12,074.42	10,565.12
From others	—	—
Total - (B)	<u>28,844.45</u>	<u>27,335.15</u>
Total (C=A+B)	<u>28,844.45</u>	<u>27,335.15</u>
Current Borrowings		
Term Loans - Secured		
From Banks & Financial Institutions	<u>2,00,574.54</u>	<u>2,00,574.54</u>
(b) Short-term borrowings		
Loans repayable on demand		
Unsecured		
From related party	7,654.48	9,094.86
From Others	4,092.15	4,092.15
	<u>13,187.01</u>	<u>13,878.87</u>

Terms & Conditions for Loans in GHL:

- i) Term loans from others aggregating to ₹ 3,822.65 Lakhs (31st March 2023: ₹ 3,822.65 Lakhs;) is secured by way of:
- pledge of 1,180,555 Equity shares held by the holding company, M/s Gayatri Projects Ltd;
 - corporate guarantee of Gayatri Projects Limited;
 - personal guarantee of Mr. T V Sandeep Kumar Reddy; and
 - demand promissory note.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

18 Borrowings (Continued...)

ii) Terms of repayment

	As at 31st March 2024	As at 31st March 2023
Up to 1 year	3,822.65	3,822.65
2 to 5 years	—	—
Above 5 years	—	—
	3,822.65	3,822.65

iii) The above facilities carry an annual interest rate of 15% (31 March 2023: 15%).

iv) Settlement Agreement:

The company entered into a settlement agreement dated 14th September 2020 with Gayatri Projects Limited and IL&FS Financial Services Limited. As per this, the existing principal outstanding ₹8,409.83 Lakhs will be repaid in 11 equal monthly instalments commencing from 15.09.2020 including interest accrued thereon.

v) The company had defaulted in repayment of Term loan of ₹ 3,822.65 Lakhs and interest of ₹1,193.21 Lakhs there on and the same is outstanding to IFIN as on 31st March, 2024.

vi) Interest on above term loan was recognized only on principal amount, as the company has not received any Balance confirmation from IFIN.

vii) Short-term borrowings from related parties of ₹7,654.48 Lakhs and from others included ₹ 269.50 Lakhs represents interest free loans repayable on demand.

viii) Terms of Preference Shares

a. The Company has only one class of 9% Non-convertible cumulative redeemable preference shares (NCRPS) having a par value of ₹10 per share. Each holder of preference shares is entitled to one vote per share in the matter of preference share holders. 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.

b. NCRPS shall be redeemed upon completion of a period of 10 years from the date on which they are issued. The tenure of the NCRPS may exceed 10 years from the date of issue, but shall in no circumstances exceed 20 years from the date of issue. However, any variation (extension or reduction) in the tenure of NCRPS will be subject to the mutual agreement of both parties.

c. As per the Indian accounting standard 32, a preference share that provides for mandatory redemption by the issuer for a fixed or determinable amount at a fixed or determinable future date, or gives the holder the right to require the issuer to redeem the instrument at or after a particular date for a fixed or determinable amount, is a financial liability. Accordingly, 9% Non-convertible cumulative redeemable preference shares were treated as a financial liability and the finance cost (as interest) on such liability was also recognised.

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.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

18 Borrowings (Continued...)

Terms & Conditions for Loans in SMTL: (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 (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) An irrevocable and unconditional corporate guarantee from the Sponsor.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

18 Borrowings (Continued...)

C. Subordinate Debt Support by Gayatri Projects Ltd (GPL)

As per clause no. 2.10 of Amended and Restated Sponsor Support Agreement dated 20th September 2014, the Sponsor (Gayatri Projects Limited) irrevocably agrees and undertakes-

- (a) to promptly bring in from its own source requisite funds in addition to the sponsor's contribution without in recourse to the lenders and/or the secured property to the satisfaction of the lenders by subscribing to the equity share capital of the borrower to enable the borrower to implement the project as per the project completion schedule in the event of delay in receipt of the proceeds of the subordinate facility by the borrower from the subordinate lender; and
- (b) that it shall in addition to the sponsors 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 (i.e. on 1st of April every year, during which, interest on subordinate facility/principal installments of the subordinate facility are scheduled for payment/repayment), as per the repayment schedule stipulated by the subordinate lender.

Provided, however, that the funds brought in by the sponsor (as per Article 2.10 (a) above by subscribing to the equity share capital of the borrower) in the event there is delay in receipt of the proceeds of the subordinate facility from the subordinate lender shall be repaid to the sponsor (by redeeming the subscribed equity share capital of the borrower) on receipt of disbursements under the subordinate facility subject to their being no occurrence and continuance of event of default.

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.

The lenders have extended the SCOD from July 1, 2016 to July 1, 2017 and accordingly the Term Loan Repayment Schedule is shifted from January 1, 2016 to January 1, 2018.

- 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.
- C. The above are original terms of repayment whereas IDBI on behalf of all lenders recalled the Senior and Sub debt dues as on 29.11.2019. As per the recall notice, the total loan from senior lenders and Sub- debt and interest thereon are become payable immediately. Accordingly, all the Non current borrowing are transferred to current borrowings
- D. The lenders have filed case in DRT for recovery of debt

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.

Period and Amounts of continuing defaults as on Balance Sheet Date

The Company has defaulted in payment of principal and interest to the Banks and Financial Institutions amounting to Rs.2,11,996.16 lakhs.

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.



Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

18 Borrowings (Continued...)

Terms & Conditions for Loans in IDTL:

- (I) Extension of Moratorium for Term loans - COVID19 Pandemic & RBI Circular dated 27th March 2020.

Due to the COVID-19 pandemic and the declining economic scenario, the Reserve Bank of India along with the Ministry of Finance have issued circular and guidelines to all the Banks for allowing moratorium in payment of EMIs, and to defer recovery of installments in all loan accounts from March 2020 to August 2020. Accordingly the company has submitted a request letter dated 18th May 2020 to all the Lenders seeking for the moratorium for the payment of Debt dues from March 2020 to August 2020 in accordance with the RBI Covid19 Regulatory package dated 27th March 2020. However Punjab National Bank (PNB) & India Infrastructure Finance Company Ltd (IIFCL) have communicated vide 14th December 2020 consortium meeting that the moratorium as per the circular cannot be availed with respect to the loans disbursed by them as the account has become NPA as on 31st January 2020 (Punjab National Bank) & IIFCL (31st December 2019).

Accordingly the current maturities with respect to the Principal repayment of the Term loan I and Funded Interest Term loan have been updated as per the COVID moratorium granted by RBI vide its circular dated 27th March 2020. Accordingly the Moratorium has been effected for the Union bank of India & State Bank of India as per the communications received from them. The Interest dues for the period March 2020 to August 2020 for Union Bank of India & State bank of India have been transferred to the Outstanding Principal dues as the same is payable at the end of the Repayment schedule and loan tenure in accordance with the RBI Circular.

During the year the accounts with Union bank of India and State Bank of India have also slipped into NPA in December 2021.

- (II) **Terms of Repayment - Restructuring Package Approved by the Lenders dated 1st July 2014 Secured Loans:**

a) 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 ₹ 45,000 lakhs, Funded Interest Term Loan 13,618 lakhs & Term Loan -II ₹ 4,000 lakhs) 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 ie., July 1, 2014 to March 31, 2017 is to be funded through Funded Interest Term Loan (₹ 13,618 lakhs).
- 4) Moratorium of 2 years 9 months for the repayment of Term Loan - I & Funded Interest Term Loan from 1st July 2014 to 31st March 2017.

b) 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 :-
 - 1) All rights, title, interest, benefits, claims and demands of Indore Dewas Tollways Limited under project documents subject to the provisions of the Concession Agreement.
 - 2) 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.
 - 3) Lenders to be named as loss payees in the insurance policies.

- c) The draft Restructuring documents were submitted to National Highways Authority of India on 5th May, 2015 for review, and also submitted the executed documents on 26th July, 2015 for approval to National Highways Authority of India.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

18 Borrowings (Continued...)

Terms & Conditions for Loans in IDTL: (Continued)

- d) As per the terms of the sanction, the Term Loan II of ₹4,000 lakhs is repayable within 20 equal instalments immediately from the next month of the disbursement. The total amount of term loan II disbursed was ₹3,112 lakhs and the same has been fully repaid during the FY 2017 - 18.
- e) As per the terms of the Restructuring package, an amount of ₹ 3,920 lakhs were kept as Debt Service Reserve Account with the Lead bank for the FY: 2014 - 15 to 2016 - 17. As per the decision of the consortium of Lenders and the Minutes of the Meeting dated 19th May, 2017, the DSRA lying in the form of FDRs amounting to ₹3,920 lakhs were redeemed and the proceeds were utilised for the prepayment of 25% of the Funded Interest Term proportionately to the Lenders along with the repayment of Term Loan II in full, so as to reduce the interest burden on the SPV. Hence the Interest and Principal payments for the FY 2017-18 & FY 2018 - 19 & Partially for FY 2019 - 20 have been serviced in advance by way of pre payment of FITL loan as per the repayment schedule. The repayment on account of Interest and Principal obligations to FITL account has started in the FY 2019 - 2020 after the adjustment of the amounts prepaid.
- f) Terms of Repayment of Term Loans
 - 1) The tenor of the repayment of the Term Loan - I for ₹45,000 lakhs 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 lakhs to ₹ 7,866 lakhs per annum as per the approved restructuring package.
 - 2) The tenor of the repayment of Funded Interest Term Loan for ₹13,618 lakhs shall be for a period of 8 years excluding 2.9 years of moratorium with 28 structured unequal quarterly instalments ranging from ₹ 1,00 lakhs to ₹ 3,880 lakhs per annum as per the approved restructuring package.
- g) The rate of Interest to all the Lenders is 10.10% per annum
- h) The above are original terms of repayment whereas UBI on behalf of all the lenders recalled the CREDIT FACILITIES (Term Loan and Funded Interest Term Loan) as on 05.01.2022 vide their letter No.IFB:HYD:737:2021-22. As per the recall notice the Term Loan and FITL and interest thereon has become payable immediately. Accordingly the Non-Current Borrowings are transferred to Current Borrowings.

(III) Restructuring of Term Loan as per the RBI circular dated 7th June 2019.

- (i) Due to Low Toll Collections and the deficit in the cash flows, the SPV is unable to service even the interest obligations towards the Lenders in full. The account has always been in SMA2 with all the Lenders.
- (ii) The Techno Economic Viability Study (TEV) has been conducted by M/s Mott Macdonald & Forensic Audit has been conducted by M/s Sagar & Associates, Chartered Accountants. Both the reports were submitted to all the Lenders, discussed in the consortium meetings and the final reports have been approved by all the Lenders vide consortium meeting dated 4th October 2019.
- (iii) All the Lenders vide consortium meeting held dated 7th Feb 2020 have decided to appoint credit rating agencies ie CRISIL & CARE to assess the sustainable and unsustainable debt. Accordingly CRISIL & CARE have issued the RP4 Rating with Part A debt as Rs. 236 crs(sustainable debt) & Part B Debt as ₹ 31,600 lakhs (Unsustainable debt) (out of ₹ 59,700 lakhs total debt as on 1st October 2020) and the same has been submitted to all the Lenders.
- (iv) After receiving the RP4 ratings from the two credit rating agencies, the company has requested the Lenders vide consortium meetings dated 7th Oct 2020, 14th December 2020 to take up the proposal of the Resolution Plan with their Competent Authorities as per the RBI circular dated 7th June 2019. The Resolution Plan has been prepared based on the two RP4 Ratings issued by CRISIL & CARE.
- (v) Punjab National Bank has categorised the account as Non Performing Asset (NPA) as on 31st January 2020. The recall letter has been received from PNB vide their letter dated 4th February 2020. Borrowings from PNB have been continued to be reported as Non current as all the Lenders in the consortium meeting dated 14th December 2020 agreed to take up the resolution proposal with their respective competent authorities. During the consortium meeting held dated 6th May 2021, the lead bank ie., Union bank of India has communicated that the Resolution Plan is not accepted by their competent Authority.
- (vi) UBI on behalf of all the lenders recalled the CREDIT FACILITIES (Term Loan and Funded Interest Term Loan) as on 05.01.2022 vide their letter No.IFB:HYD:737:2021-22. As per the recall notice the Term Loan and FITL and interest thereon has become payable immediately. Accordingly the Non-Current Borrowings are transferred to Current Borrowings.



Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

18 Borrowings (Continued...)

Terms & Conditions for Loans in IDTL: (Continued)

- (vii) The moratorium for the payment of Interest and Principal dues for the period March 2020 to August 2020 has been implemented by SBI & UBI as on 31st March 2021.
- Accordingly the Interest for the period March 2020 to August 2020 has been shifted to the end of the repayment schedule and is payable towards the end of the loan tenure.
 - The Principal repayment for the quarters March 2020 & June 2020 have been shifted to the end of the repayment schedule by UBI and has been moved to the next quarters by SBI.
 - PNB & IIFCL has not implemented the moratorium as the account was Non Performing Asset (NPA) as on 31st January 2020 & 31st December 2019 respectively.
- (viii) As on 31st March 2024, all the accounts have slipped into NPA with all the banks as on 31st December 2021. The Lenders were remitted an amount of Rs 10 crs in the month of July 2022 which were adjusted against the TL & FITL dues. As on 31st December 2022, an amount of Rs 30 crs was transferred from the toll collections account by the Lead bank and has been distributed amongst the Lenders in the ratio of their disbursements. All the amounts were accounted by the Lenders towards the Term loan I interest payments as per their email communications.
- (ix) As the accounts have become NPA with all the Lenders, the term loan statements received from them are not upto date. There are few months for which the interest charges have not been accounted by the Lenders. Hence the Term loan reconciliations were not done and there are differences in the balances of the loans as per the books and the loan statements.

IV) One Time Settlement (OTS) Proposal of Rs 250 crs submitted to the Lenders vide letter dated 30th June 2021

The Company has proposed/submitted to the Lenders the One Time Settlement (OTS) proposal for the settlement of debt dues to all the Lenders vide letter dated 30th June 2021. The Company has once again submitted to the Lenders the One Time Settlement (OTS) proposal for the settlement of debt dues to all the Lenders vide letter dated 13th December 2021 to Punjab National Bank, on 14th December 2021 to State Bank of India, on 17th December 2021 to Union Bank of India and on 21st December 2021 to IIFCL keeping in view the subsequent developments in the Project:

- Formation of the Conciliation Committee of Independent Experts (CCIE) by NHAI for the amicable settlement of all disputes with NHAI.
- Non Approval of the Resolution Plan proposal by the competent Authority of the Lead bank ie., Union Bank of India.

The SPV has submitted to the Lenders that the Sponsors/ Promoters will settle the debt dues to the Lenders through a One Time Settlement (OTS) proposal towards the full, final and complete settlement of all the dues to the lenders, without any further recourse to the project company, promoters and sponsors. The amount will be bought in by the Promoters directly or through an investor or through their associates/affiliates or private arrangement or by way of collecting advance money from NHAI. Upon payment of the said amount to the Lenders, all the liabilities towards the existing Lenders, contingent or crystallized, stand irrevocably extinguished including outstanding principal, interest due and payable, accrued and unpaid interest, penal interest and other charges and the Lenders have no further claim of any nature against the Company, Promoters and Sponsors.

The SPV further submitted that this proposal is towards full and final settlement of all existing, past and future dues, including penalties if any, processing charges, late payment charges of all the consortium loan accounts etc without any further recourse to the company, promoters and sponsors. Further, there should be a freeze on the levy of interest on the outstanding dues w.e.f. 01-07-2021, such that there would no future issues, pending the completion of the settlement.

None of the Lenders have taken up the proposal of the company for One Time Settlement (OTS) with their competent Authorities.

The Conciliation meetings with NHAI have failed and NHAI has communicated the same vide their letter dated 25th April 2022. The NHAI has also communicated vide its letter dated 25th April 2022 that the Project will be terminated and the Lenders are given the option to exercise their rights of Substitution as per the Concession Agreement. The Lenders have communicated their consent to NHAI for exercising the Substitution rights vide their letter to NHAI dated 17th May 2022.

The Consortium of Lenders have appointed M/s Sharat & Associates, Chartered Accountants (empanelled with the lead bank) for conducting the Forensic Audit for the period January 2019 to April 2022. The Firm has submitted the report to the Lenders.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

18 Borrowings (Continued...)

Terms & Conditions for Loans in IDTL: (Continued)

- V) Repayment of Zero Interest Subordinate loan (Unsecured loans from promoters) : Subordinate debt will be repaid only after the payment of debt Obligations towards the Lenders.
- VI) Suspension of Concession by the Authority
- 1) NHAI has issued a letter dated 25th April 2022 to the Lenders of its Intention to Terminate the Project and has given the option to the Lenders to exercise their rights for the Substitution as per the clause 3.3.2 of the Substitution Agreement dated 12th October 2011. The Lenders have called for the Consortium meetings dated 4th May 2022, 17th May 2022 for discussing the above. The lead bank has also taken legal opinion in this regards from their legal counsel and proceeded further. The Lenders have given their consent for exercising their rights under Substitution vide their letter dated 17th May 2022.
 - 2) The NHAI has issued the letter to the company ie IDTL dated 27th May 2022 for the Suspension of the Concession as per the Article 36 of the Concession Agreement. This was in response to the letter dated 5th May 2022 written from IDTL to NHAI for the Authority default . NHAI has also instructed to handover the toll plaza to the NHAI/Ms Prakash Asphaltings and Toll Highways (India) Ltd (Toll operating/collecting agency) from 28th May 2022. Accordingly IDTL has handed over the toll plaza to NHAI on 28th May 2022 at 8:00 hours AM. Both the Lead bank (on behalf of the consortium) and the company has protested strongly in writing by the above action of the NHAI.
 - 3) NHAI has communicated to the Lead bank vide its letter dated 8th June 2022, that the rights to Substitution is covered Under article 37.1.3 of the Concession Agreement and has requested to proceed as per the Concession Agreement within the prescribed time.
 - 4) The Consortium meeting was held on 16th June 2022 to discuss the wayforward in the Project. The Company represented to the Lenders for the release of the operating expenses of the Project for the month of June 2022 including the legal/Arbitration expenses payable to the legal counsel who have been appointed for the Arbitration proceedings. The Lead bank has taken the opinion from Ms Link Legal, Law Firm and based on the provisions of the Article 36 and the escrow agreement which stated the mechanism of operation of the escrow during the suspension period. The Lead bank has released the payments for the month of June 2022 & July 2022 based on the legal opinion received from Ms Link Legal , Legal counsel except for the Legal costs.

Subsequently the Lead bank ie., Union Bank of India (IFB Branch) has transferred the account to the SAM (Stress Asset Management) branch as per their email communication dated 24th August 2022 and since then the SAM branch has freezed all the Bank accounts with a restriction on the payments. Since then no payments have been released by the SAM branch. The Operational expenses, Statutory dues and other payments from the month of August 2022 to March 2023 are still pending to be released by the Union Bank of India - SAM Branch.

- 5) On the way forward, the company has suggested to the consortium that all the Lenders should directly represent to NHAI with the below points:-
- (i) Substitution of NHAI into the project ie., let NHAI take over the project and run itself by paying to the Lenders the Termination payment.
 - (ii) There is a difficulty in getting a Substitute for the project as nobody will be willing to take up such kind of project with huge payment of premium to NHAI.
 - (iii) The company to withdraw all its claims against NHAI in lieu of the Termination payment made to the Lenders and will support the Lenders in all the ways.
- Lenders can meet the NHAI officials, Member (Technical) and Member (Finance) to settle the matter amicably without company's intervention. The lead bank opined they will get back after discussions with their HO.
- 6) A fixed amount of the Rs 27.56 lacs per day was being deposited into the escrow account every day by the agency appointed by NHAI and till now an amount of Rs 45.51 crs has been deposited for the period 4th June 2022 to 10th November 2022 (PIs see table below).



Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

18 Borrowings (Continued...)

Terms & Conditions for Loans in IDTL: (Continued)

- 7) The company has referred the matter to Arbitration and obtained a stay order for the action of NHAI and non deposition of the toll into the escrow account. The Company had moved an application under Section 17 of the Arbitration and Conciliation Act, 1996 before the concerned Arbitral Tribunal. The Tribunal had also passed an order dated 30.05.2022 restraining the Authority from appropriating the toll revenues for any of its counter-claims lodged before the Tribunal, which includes the Premium payable by the Concessionaire to the Authority. The order also states that the Bank Guarantee for an amount of Rs. 12.927 crs cannot be encashed by the NHAI.
- 8) In the event of the Suspension of the toll rights of the Concessionaire the waterfall mechanism as per clause 31.1.1 of the Concession Agreement will still hold good as specified in the clause 36.2 of Article 36 of the CA.
- 36.2.1 : The Authority shall be entitled to make withdrawals from the escrow account for meeting the costs incurred by it for remedying and rectifying the cause of suspension, and thereafter for defraying the expenses specified in Clause 31.3.
- In the event of the Suspension of the toll rights of the Concessionaire the waterfall mechanism as per clause 31.1.1 of the Concession Agreement will still hold good as specified in the clause 36.2 of Article 36 of the CA.
- Clause 31.3 - Withdrawals during the Concession Period
- 31.3.1 The Concessionaire shall, at the time of opening of the Escrow account, give irrevocable instructions, by way of an Escrow Agreement, to the Escrow bank instructing, inter alia, that deposits in the escrow account shall be appropriated in the following order every month, or at shorter intervals as necessary, and if not due in a month then appropriated proportionately in such month and retained in the Escrow account and paid out there from in the month when due:
- All taxes due and payable by the Concessionaire ;
 - All payments related to Construction of the Project Highways, subject to and in accordance with the conditions, if any set forth in the financing Agreements,
 - O&M Expenses, subject to the ceiling, if any, set forth in the Financing Agreements,
 - O&M Expenses and other costs and expenses incurred by the Authority in accordance with the provisions of this Agreement, and certified by the Authority as due and payable to it ;
 - Concession Fee due and payable to the Authority;
 - Monthly, proportionate provision of Debt service due in an Accounting year;
 - All payments and damages certified by the Authority as due and payable to it by the Concessionaire, including repayment of Revenue shortfall loan;
 - Monthly proportionate provision of debt service payments due in an Accounting year in respect of Subordinate debt ;
 - Any reserve requirements set forth in the Financing Agreement; and
 - Balance, if any in accordance with the instructions of the Concessionaire
- Provided, however, that no withdrawals or appropriation shall be permitted prior to Financial close, save and except
- 9) 36.2.2 : During the period of Suspension hereunder, all the rights and liabilities vested in the Concessionaire in accordance with the provisions of this Agreement shall continue to vest therein and all things done or actions taken, including expenditure incurred by the Authority for discharging the obligations of the Concessionaire under and in accordance with this Agreement and the Project Agreements, shall be deemed to have been done or taken for and on behalf of the Concessionaire and the Concessionaire undertakes to indemnify the Authority for all the costs incurred during such period.
- 10) As per the clauses 36.2.1 & 36.2.2 the concessionaire's rights and liabilities still vest with the Concessionaire and the Concessionaire is obligated to discharge the obligations of the project in accordance with this agreement and the project documents. The concessionaire is bound to indemnify the Authority for all costs incurred by the Authority for the maintenance of the project during such period. Hence the Concessionaire rights and duties have not been suspended and the concessionaire is can operate the escrow as per the waterfall mechanism specified in clause 31.1.1 as specified above.
- 11) The Lenders have been remitted interest and Principal dues for an amount of Rs 41.46 crs after the suspension of Concession in in the months of July 2022 to December 2022.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

18 Borrowings (Continued...)

Terms & Conditions for Loans in IDTL: (Continued)

- 12) The company has written letters to the lead bank for the Release of operating expenses vide letter no. IDTL/ 2022-2023/119 dated 08th July 2022 immediately as the statutory dues and O&M expenses are a priority to the debt dues as per waterfall mechanism specified in Article 31 of the Concession Agreement. However the Lead bank has not been releasing any payments since August 2022. The Lead bank and the Escrow banker i.e., Union bank of India – Stressed Assets Management branch has since then has not processed any of the O&M expenses i.e., Statutory dues to the govt, employees salaries and gratuity settlements, Travel expenses & local conveyance incurred by the lenders for site visit which are the foremost priority as per the waterfall mechanism of the Escrow Agreement. The company has been also requesting for the release of the legal expenses which are very critical for the Arbitration process to go on and realization of the claims filed with NHAI.
- 13) NHAI has written a letter dated 13th August 2022 to the Lead bank citing breach of the concession agreement and unauthorised withdrawals from the escrow account during the Suspension period by the Escrow banker without the consent of the Authority. The Lead bank vide its letter dated 19th August 2022 has replied to NHAI that they have not breached any provisions of the CA & the escrow agreement and have processed the payments as per the clause 4.4.1 of the escrow agreement & 37.1 of the Concession Agreement.
- 14) The Tribunal has given the below order dated 5th August 2022 with respect to the operation of the escrow account
- (i) Without going into the question as to whether the suspension of the Agreement by the Respondent is legal, valid or not and the accepted position that till suspension is in operation in terms of Article 36 of the Concession Agreement, the Respondent is permitted to act in terms of Clause 36.2 of the Concession Agreement read with Clause 4.5 of the Escrow Agreement. As per the clause 4.5 the Authority may exercise its rights to operate the escrow account in accordance with the terms, however nowhere the concessionaire is barred to operate the same.
 - (ii) While withdrawing money from the Escrow Account in the aforesaid manner, the Respondent (NHA) shall notify the Claimant (Concessionaire) as to for what purpose the withdrawal is being made.
 - (iii) In case the Claimant has any grievance about the manner of such withdrawal, it is open to the Claimant to move the Tribunal for such directions as deemed proper. Hence the claimant (Concessionaire) has every right to file a grievance against the Authority to the Tribunal if any of the expenses as per the waterfall mechanism are being barred to be released by the Authority.
 - (iv) Learned counsel for the parties agreed that if any grievance is there in terms of para (iii) above arises, the same shall be decided by this Tribunal without resort to the Dispute Resolution Mechanism provided in the Escrow Agreement”

If the escrow bank receives any instructions from NHAI for the release of any payments, the Escrow banker has to intimate the concessionaire about the payments requested by the Authority. This is as per the Arbitration award dated 5th August 2020.

- 15) The Lead bank is not inviting the Company in any of its meetings and also not sharing the minutes of the Consortium Meetings. The submissions of the company are also not being recorded in the Minutes of the Consortium Meetings.
- 16) The Lead bank has subsequently conducted meetings on dates 27th July 2022, 19th August 2022 & 13th October 2022 but however has not released any funds for the purpose of O&M expenses and legal charges despite several requests made by the company. The bankers have not considered any submissions made by the company nor they have recorded the same in the Minutes of the Meetings. The Minutes of the Consortium Meeting dated 13th October 2022 have not been shared with the company till date.
- 17) As on 31st March 2023 an amount of Rs 4.37 crs were lying in the escrow account. The SAM branch of the UBI was not processing any payments and has freezed all the operative bank accounts.
- 18) There was a debit of Rs 30 crs from the Toll collections account on 31st December 2022 to an unknown account bearing no 020511010168 without the knowledge of the Company. The company has reported the same to the Lead bank vide its letter dated 5th January 2023 with a copy to all the banks stating that there is an unauthorized debit in the toll collections account without following the waterfall mechanism prescribed in the escrow agreement. The lead bank has communicated the details of the payment of the Rs 30 crs vide their email dated 23rd March 2023.



Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

18 Borrowings (Continued...)

Terms & Conditions for Loans in IDTL: (Continued)

- 19) NHAI has not deposited any amount for the period 28th May 2022 to 3rd June 2022. The Lenders have written letters to NHAI in this regards. Till now the toll amount for the above period is still now pending to be deposited by NHAI into the escrow account in IDTL.
- 20) The Consortium meeting was held by Union bank of India at the Corporate office of the company on 13th March 2023. The company has requested the Lenders to immediately release the pending payments for the period August 2022 to March 2023. An amount of Rs 1,12,70,410 for the release of the pending payments for the period August 2022 to March 2023. The company has also requested for the budget of Rs. 1,04,01,300/- for the next one year for operational and legal expenses. Till now no update from the lead bank has been received in this regards and Minutes of the meeting have also not been shared by the lead bank till now
- 21) The company has requested the lead bank to clear the legal bills of the Arbitrators on priority basis amounting to Rs 64.20 lacs. Without the payments to the Arbitrators the claims with NHAI will not move forward. The lead bank has communicated that they will get back on this. However till now no communication has been received from them. Further The lead bank has proposed that the can be remitted 50% 50% by the Lenders and the companys sponsor. However the company has communicated that there is no support system available to the company now as the sponsors are not in a position to give any financial support. It is well aware to the Lenders that the promoter company ie Ms Gayatri Projects Limited is under NCLT and the same is taken over by the Resolution Professional.

VII) TERMINATION of Concession by the Authority

- 1) NHAI has stopped depositing the toll collections into the escrow account from 11th November 2023. The 180 days period for the Substitution was completed by 17th November 2022. The Lead bank has failed to initiate the Substitution process.
- 2) The company vide its letter dated 23rd November 2022 to NHAI has issued Termination Notice on account of Authority Default. Subsequently NHAI has issued letter dated 16th December 2022 the Termination Notice on account of Concessionaire default.
- 3) NHAI has issued a letter dated 26th December 2022 for submission of the debt dues details and the equity details certified from the Statutory Auditor.
- 4) The Company has submitted the Termination calculations for an amount of Rs 637 crs to NHAI vide letter IDTL/1633/30.25/1769/6625 dated 10th January 2023.
- 5) The company has also submitted the Statutory Auditor Certificate to NHAI for the Debt disbursed, Debt Due, Interest due and other Information vide letter dated 2nd February 2023 ,IDTL/1633/30.25/1771/6627.
- 6) NHAI has issued a letter dated 6th February 2023 for submission certain Information with respect to Termination nos, which the Legal team is working on.
- 7) The company has issued a letter to NHAI dated 15th September 2023 to amicable settle the Arbitrations claims issues and the Termination payment issues.
- 8) Further to the above the NHAI has issued a letter dated 11th October 2023 to the company for the initiation of the conciliation process and pay an amount of Rs 5 lacs for the conciliation expenses. The same is pending on account of payment.

VIII) RECALL CUM INVOCATION NOTICES FROM LAWYERS ON BEHALF OF THE LENDERS.

- 1) A Recall cum Invocation notice received from V. Raghu (Advocate) on behalf of M/s State Bank of India (SBI), calling upon to pay the dues in total dated November 04, 2022
- 2) Subsequently, on November 22, 2022 another Recall cum Invocation notice received from TP Associates on behalf of M/s India Infrastructure Finance Company Limited (IIFCL), calling upon to pay the dues in total.

IX) APPLICATION FILED BEFORE DEBT RECOVERY TRIBUNAL (DRT) AND NATIONAL COMPANY LAW TRIBUNAL (NCLT)

- 1) An Application (OA No 370 of 2022) was filed by the State bank of India against the Company before the Debt Recovery Tribunal, Hyderabad. Hearing in this regard was posted on January 12, 2023. Further, the next date for the hearing was posted on February 5, 2023

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

Terms & Conditions for Loans in IDTL: (Continued)

- 2) Further, an insolvency petition, C.P (IB) No. 398/7/HDB/2022 under section 7 of the I.B. Code R/W of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 was filed by Financial Creditor (Union Bank of India) before Hon'ble National Company Law Tribunal against the Company.
- 3) The Lead bank has also issued a Notice under Section 13(2) of the ACT 54 of 2002 for reinforcement of Security Interest vide its letter dated 10th January 2023.
- 4) The Debt recovery tribunal case has been posted to date 31st January 2024.
- 5) With reference to the application filed by the Financial creditor i.e Union Bank of India, SAM Branch, Hyderabad, against M/s. Indore Dewas Tollways Limited (IDTL) before the Hon'ble National Company Law Tribunal, Hyderabad Bench under section 7 of The Insolvency and Bankruptcy Code, 2016, read with the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, It is hereby informed that the said application, Company Petition IB/398/07/HDB/2022 has been admitted by the NCLT, Hyderabad Bench, pursuant to their order dated 31st October, 2023.

19 Provisions (Non-Current)

	As at 31st March 2024	As at 31st March 2023
Provison for Gratuity	85.45	82.92
	<u>85.45</u>	<u>82.92</u>

20 Other Non-current liabilities

	As at 31st March 2024	As at 31st March 2023
Additional Concession Fees Payable to NHAI	56,303.06	56,303.05
Interest on Additional Concession Fees	304.46	304.46
	<u>56,607.52</u>	<u>56,607.51</u>

Note: Additional Concession Fees Payable to NHAI & Premium Deferment

The total premium amount payable as per the Concession Agreement, has been capitalized as "Intangible Assets" and amortized over a period of the service concession Agreement as per the method prescribed in Part A to the Schedule II to the Companies Act, 2013 and corresponding Obligation for committed premium has been recognised as liabilities at discounted value. The Contractual Obligation to pay premium (Additional Concession Fees) to National Highways Authority of India over the Concession period has been recognized upfront on Discounted basis (fair value) as per the Concession Agreement and is a part of the "Intangible Asset " and corresponding Obligation for committed premium payable to NHAI is recognized as liabilities. The related finance costs arising on discounting has been taken to the Profit and loss account.

Due to the low toll collections and deficit in the cash flows, there has been a stress in the account. The National Highways Authority of India has approved the proposal for the deferment of premium payable to them vide their sanction letter dated 11th June, 2014. The premium deferment sanction was given for a specific period as per the NHAI letter. As per the sanction terms, NHAI reviews the Annual accounts of the company every year. NHAI has contended that there were surplus cash flows in the certain years and the same were to be remitted to NHAI, which the company has communicated that it is an erroneous contention. The same was not accepted by NHAI and the issue has gone into dispute. However during the current year, the NHAI has cancelled the sanction of the premium deferment vide its letter dated 6th August 2020 and has issued notice to the SPV for the payment of the entire premium due along with Interest from 2014 to the date of issuance of the letter. The SPV has protested for the above and has replied suitably vide its letter dated 14th August 2020. The same and the matter is under arbitration with NHAI. Now NHAI has constituted the (CCIE) Conciliation Committee for Independent Experts for the amicable settlement of all the Disputes between the SPV and NHAI. However as the Conciliation Meetings (CCIE) have failed as per the NHAI letter dated 25th April 2022, the Arbitration proceedings have been invoked and the matter is now under Arbitration.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

Additional Concession fee has to be paid to National Highways Authority of India as per clause 26.2.1 of the Concession Agreement dated 17th May, 2010. National Highways Authority of India has granted deferment of Additional concession fees payable to them vide their sanction letter dated 11th June, 2014. Interest on the Additional concession fees payable to National Highways Authority of India for the period 1st April 2015 to 31st December 2023 has not been provided in the books of accounts as the payment has been deferred by NHAI due to the deficit in the cash flows of the project and also the matter is under Arbitration proceedings now. NHAI has subsequently terminated the project effective December 2022, hence No provision is henceforth required to be made on account of Premium deferment.

21 Trade Payables

	As at 31st March 2024	As at 31st March 2023
Trade payables - Other than MSME	179.97	280.35
	<u>179.97</u>	<u>280.35</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 31st March 2024 or 31st March 2023.

Trade Payables Ageing Schedule:

(i) Trade payables other than MSME:

- Outstanding for following periods from due date of payment

	As at 31st March 2024	As at 31st March 2023
(a) Less than 6 months	4.74	25.57
(b) 6 months - 1 year	—	—
(c) 1 year - 2 years	39.87	43.35
(d) 2 years - 3 years	—	79.27
(e) More than 3 years	135.36	132.16
Total	<u>179.97</u>	<u>280.35</u>

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

22 Other Financial Liabilities

	As at 31st March 2024	As at 31st March 2023
Current maturities of long-term borrowings (refer note 18)	2,00,574.54	2,00,574.54
Interest accrued and due on borrowings	74,700.14	76,499.37
Payable to related parties	—	—
Financial guarantee	—	11.38
	<u>2,75,274.68</u>	<u>2,77,085.29</u>

23 Other Current liabilities

	As at 31st March 2024	As at 31st March 2023
Statutory liabilities	0.27	6.32
Creditors for Expenses	76.48	425.30
Other Site Expenses	15.14	15.14
Provision for expenses	67.71	67.46
Retention Money Payable	12.37	12.37
Advance against Change of Scope works - NHAI	9.94	9.94
	<u>181.91</u>	<u>536.53</u>

24 Provision (Current)

	As at 31st March 2024	As at 31st March 2023
Provision for Gratuity	1.95	1.19
	<u>1.95</u>	<u>1.19</u>

25 Revenue from operations

	For the year ended 31st March 2024	For the year ended 31st March 2023
Operation & Maintenance Income	100.00	470.56
Other Service Income	—	100.00
Toll Revenue	—	6,285.79
Deputation Income	72.00	192.00
	<u>172.00</u>	<u>7,048.35</u>
Revenue from Discontinued operations	—	6,285.79
Revenue from Continuing operations	172.00	762.56

26 Other Income

	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest on Advances	211.11	211.11
Interest on IT refund	8.62	2.44
Income from Mutual Funds	9.39	10.48
Dividend Income	—	1,115.23
Financial guarantee income	11.38	9.44
Liabilities not required written back	2,456.90	—
Other miscellaneous income	52.56	3,640.60
	<u>2,749.96</u>	<u>4,989.30</u>
Other Income from Discontinued operations	715.61	3,623.21
Other Income from Continuing operations	2,034.35	1,366.09

**Summary of Material Accounting Policies and Other Explanatory Information**

(All amounts in ₹ Lakhs unless otherwise stated)

27 Construction and Operations & Maintenance Expenses

	For the year ended 31st March 2024	For the year ended 31st March 2023
Change of Scope Expenses	-	4.09
Toll Plaza Administrative Expenses	-	68.79
Major Maintenance Expenses	100.00	267.86
Operating and Maintenance Expenses	43.26	571.23
	<u>143.26</u>	<u>911.97</u>
Construction and Operations & Maintenance Expenses		
- from Discontinued operations	—	228.32
- from Continuing operations	143.26	683.65

28 Employee benefits expense

	For the year ended 31st March 2024	For the year ended 31st March 2023
Salaries and wages	20.33	66.72
Gratuity expenses	8.09	56.85
	<u>28.42</u>	<u>123.57</u>
Employee benefits expense from Discontinued operations	20.33	66.72
Employee benefits expense from Continuing operations	8.09	56.85

29 Finance costs

	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest expense	31,000.78	36,151.49
Finance cost on Preference Shares	1,509.30	1,509.30
Other borrowing costs	47.20	24.80
	<u>32,557.28</u>	<u>37,685.59</u>
Finance costs from Discontinued operations	31,047.98	35,602.89
Finance costs from Continuing operations	1,509.30	2,082.70

30 Depreciation and Amortisation expenses

	For the year ended 31st March 2024	For the year ended 31st March 2023
Depreciation Expenses	8.06	6.06
Amortisation Expenses	—	1,729.70
	<u>8.06</u>	<u>6.06</u>
Depreciation and Amortisation expenses		
- from Discontinued operations	—	1,731.65
- from Continuing operations	8.09	4.11

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

31 Other expenses

	For the year ended 31st March 2024	For the year ended 31st March 2023
Rates and taxes	0.15	0.39
Bank Charges	0.05	1.24
Administrative Expenses	5.96	19.47
Electricity Charges	—	7.15
Insurances	—	56.80
Auditor's remuneration (refer note below)	5.94	7.14
Legal, Consultancy & Professional Expenses	79.78	105.26
Travelling and conveyance	9.26	14.52
Director's sitting fees	12.70	11.39
Advertisement expenses	2.66	2.78
Office Maintenance	13.81	6.41
Bad & Doubtful Debts Written Off	663.97	1,029.02
Printing & Stationery	0.87	2.91
	<u>795.14</u>	<u>1,264.48</u>
Other expenses from Discontinued operations	38.27	1,186.45
Other expenses from Continuing operations	756.87	78.03

Auditor's remuneration

	For the year ended 31st March 2024	For the year ended 31st March 2023
- Statutory Audit fee	5.94	7.14
	<u>5.94</u>	<u>7.14</u>

32 Exceptional Items

	For the year ended 31st March 2024	For the year ended 31st March 2023
Loans written off (refer note no.16)	—	17,887.51
Impairment of goodwill on Consolidation (refer note no.37)	(11,529.80)	—
	<u>(11,529.80)</u>	<u>17,887.51</u>
Exceptional Items from Discontinued operations	—	—
Exceptional Items from Continuing operations	(11,529.80)	17,887.51

33 Discontinued Operations

As per Ind AS 105, Non-current Assets held for sale and Discontinued operations, entities shall disclose a single amount in the Statement of profit and loss comprising the total of (i) the post-tax profit or loss of discontinued operations and (ii) the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation. An analysis of profit/(loss) from discontinued operations is also required by paragraph 33 of Ind AS 105.

**Summary of Material Accounting Policies and Other Explanatory Information**

(All amounts in ₹ Lakhs unless otherwise stated)

Statement of Profit and Loss from discontinuing operations for the year ending 31st March 2024

	Note	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Income			
Revenue from Operations	25	—	6,285.79
Other Income	26	715.61	3,623.21
Total income		715.61	9,909.00
Expenses			
Operations & Maintenance Expenses	27	—	228.32
Employee benefits expense	28	20.33	66.72
Finance costs	29	31,047.98	35,602.89
Depreciation & Amortisation expenses	30	—	1,731.65
Other expenses	31	38.27	1,186.45
Total expense		31,106.58	38,816.03
Loss before tax from Discontinuing operations		(30,390.97)	(28,907.03)
Current Tax		—	—
Loss after tax from Discontinuing operations		(30,390.97)	(28,907.03)

Statement of summary of Cash flows from discontinued operations for the year ended 31st March 2024

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(a) Cash flows from operating activities	248.21	5,639.10
(b) Cash flows from investing activities	—	—
(c) Cash flows from financing activities	—	(2,281.88)
Net cash flows from discontinued operations	248.21	3,357.22

34 Tax expense

	For the year ended 31st March 2024	For the year ended 31st March 2023
A. Tax expense comprises of:		
Current tax	2.47	—
Income tax for earlier years	2.84	—
Deferred tax	—	—
Income tax expense reported in the statement of profit or loss	5.31	—

B. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 26% and the reported tax expense in profit or loss are as follows:

Accounting loss before tax from continuing operations	(13,716.67)	14,888.64
Accounting loss before tax from discontinued operations	(30,390.97)	(28,907.03)
Accounting profit before income tax	(44,107.64)	(14,018.39)
At India's statutory income tax rate of 34.608%*	—	—
Income Tax expense	—	—

* Due to losses in current and earlier years, the management has not recognised deferred tax assets

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

35 Earnings/(loss) per share (EPS)

	For the year ended 31st March 2024	For the year ended 31st March 2023
Weighted average number of shares used to compute EPS	23,96,51,900	23,96,51,900
Add: Dilutive shares	—	—
Weighted average number of shares used to compute diluted EPS	23,96,51,900	23,96,51,900
Nominal value - Rupees (₹) per equity share	2	2
Continuing Operations		
Net loss after tax attributable to equity shareholders	(13,716.67)	14,888.64
Add: Savings of interest upon conversion of instruments	—	—
Net loss after tax attributable to equity shareholders for calculating diluted earning per share	(13,716.67)	14,888.64
Earnings per share		
Basic (₹)	(5.72)	6.21
Diluted (₹)	(5.72)	6.21
Discontinued Operations		
Net loss after tax attributable to equity shareholders	(30,390.97)	(28,907.02)
Add: Savings of interest upon conversion of instruments	—	—
Net loss after tax attributable to equity shareholders for calculating diluted earning per share	(30,390.97)	(28,907.02)
Earnings per share		
Basic (₹)	(12.68)	(12.06)
Diluted (₹)	(12.68)	(12.06)
Continuing & Discontinued Operations		
Net loss after tax attributable to equity shareholders	(44,107.64)	(14,018.39)
Add: Savings of interest upon conversion of instruments	—	—
Net loss after tax attributable to equity shareholders for calculating diluted earning per share	(44,107.64)	(14,018.39)
Earnings per share		
Basic (₹)	(18.40)	(5.85)
Diluted (₹)	(18.40)	(5.85)

36 Employee Benefits

Gratuity

The Group operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment.

Provision for Gratuity is made on actuarial basis as summarized below. The Company does not have any policy for Compensated Absences.

Profit and Loss account for current period

Service Cost:		
Current Service Cost	6.82	59.73
Past service cost and loss/(gain) on curtailments and settlement	—	—
Net interest cost	5.90	1.75
Total included in 'Employee Benefit Expense'	12.72	61.48
Expenses deducted from the fund	—	—
Total Charge to P&L	12.72	61.48

**Summary of Material Accounting Policies and Other Explanatory Information**

(All amounts in ₹ Lakhs unless otherwise stated)

Other Comprehensive Income for the current period

Components of actuarial gain/losses on obligations:

Due to change in financial assumptions	(0.47)	(0.77)
Due to change in demographic assumptions	—	—
Due to experience adjustments	(5.66)	(0.57)
Amount recognized in Other Comprehensive Income	(6.13)	(1.34)

Reconciliation of defined obligation

	For the year ended 31st March 2024	For the year ended 31st March 2023
Defined Benefit Obligation		
Opening defined benefit obligation	83.15	26.30
Service Cost	6.82	59.73
Net interest expense	5.90	1.75
Components of actuarial gain/losses on obligations		
Due to change in financial assumptions	0.30	-
Due to change in demographic assumptions	(0.77)	(0.77)
Due to experience adjustments	(5.09)	-
Past Service Cost	(0.57)	(0.57)
Benefits paid	(2.02)	(2.02)
Closing defined benefit obligation	87.72	84.42
Bifurcation of liability as per schedule III		
Current Liability	1.90	1.13
Non-current liability	85.82	83.29
Principal Actuarial Assumptions		

	For the year ended 31st March 2024	For the year ended 31st March 2023
Discounting Rate	7.30%	7.35%
Average Salary Growth Rate	5.65%	5.65%
Withdrawal Rate	0 % at all ages	0 % at all ages
Sensitivity to key assumptions		
Discount Rate Sensitivity		
Increase by 0.5%	42.63	40.88
(% change)	-2.51%	-2.77%
Decrease by 0.5%	44.87	43.33
(% change)	2.71%	2.98%
Salary Growth Rate Sensitivity		
Increase by 0.5%	44.87	43.34
(% change)	2.74%	3.01%
Decrease by 0.5%	42.61	40.86
(% change)	-2.56%	-2.82%
Withdrawal Rate (W.R.) Sensitivity		
W.R. X 110%	43.78	42.13
(% change)	0.27%	0.27%
W.R. X 90%	43.63	41.99
(% change)	-27.50%	-27.50%

Major risk to the Post Employment Benefit plan**A. Actuarial Risk:**

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:
Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

36. Employee Benefits expenses (continued..)

Variability in mortality rates: If a ctual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: I factual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & viceversa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

37 Goodwill / Capital Reserve

A. CAPITAL RESERVE

	As at 31st March 2024	As at 31st March 2023
(i) Acquisition of Subsidiaries		
Cost of Investment in SMTL		
(a) Equity Share Capital of GHL issued to GPL	—	1,246.00
(b) Preference Share Capital of GHL issued to GPL	—	16,770.03
Total (A)	<u>—</u>	<u>18,016.03</u>
Value of Investment in SMTL		
(a) Equity Share capital of SMTL	—	1,000.08
(b) Securities Premium	—	17,015.94
(c) Profit & Loss A/c	—	(75.55)
Total (B)	<u>—</u>	<u>17,940.47</u>
Goodwill on Acquisition of Subsidiaries (A-B) (I)	—	75.56
Less: Impairment loss of value in investment	—	(75.56)
Net Goodwill	<u>—</u>	<u>—</u>

**Summary of Material Accounting Policies and Other Explanatory Information**

(All amounts in ₹ Lakhs unless otherwise stated)

37. Goodwill / Capital Reserve (continued..)**(ii) Acquisition of Investments(from Demerger)****Cost of Investment of BOT Assets**

(a) Equity Share Capital of GHL issued to GPL	3,545.04	3,545.04
Total (A)	3,545.04	3,545.04

Value of Assets received from GPL

Investments Infrastructure BOT Assets	10,590.14	10,590.14
Other Net Assets(BOTs) received from GPL	(2,306.75)	(2,306.75)
Total (B)	8,283.39	8,283.39

Capital Reserve on Acquisition of Investments (A-B) (II)	(4,738.35)	(4,738.35)
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(iii) Net Amount of Capital Reserve (I-II)	(4,738.35)	(4,738.35)
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B. Goodwill on consolidation of Subsidiaries**(i) Acquisition of Subsidiaries****Cost of Investment in SMTL**

(a) Equity Share Capital of GHL issued to GPL	—	1,246.00
(b) Preference Share Capital of GHL issued to GPL	—	16,770.03
Total (A)	—	18,016.03

Value of Investment in SMTL

(a) Equity Share capital of SMTL	—	1,000.08
(b) Securities Premium	—	17,015.94
(c) Profit & Loss A/c	—	(75.55)
Total (B)	—	17,940.47

Goodwill on Acquisition of Subsidiaries (A-B) (I)	—	75.56
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Less: Impairment loss of value in investment	—	(75.56)
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Net Goodwill	—	—
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Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

37 Goodwill / Capital Reserve (continued)

	As at 31st March 2024	As at 31st March 2023
(ii) Consolidation of Subsidiaries		
A. IDTL		
Cost of Investment in IDTL		
(a) Equity Share Capital of GHL in IDTL	3.33	3.33
(b) Equity Share Capital of BHHPL in IDTL	1.67	1.67
Total (A)	<u>5.00</u>	<u>5.00</u>
Value of Investment in IDTL		
(a) Equity Share capital of IDTL	5.00	5.00
(b) Profit & Loss A/c	(11,438.80)	(11,438.80)
(c) Other Equity	—	—
(d) Less: Loan from GIVL to IDTL	—	—
Total (B)	<u>(11,433.80)</u>	<u>(11,433.80)</u>
Goodwill on Consolidation of Subsidiaries - IDTL (A-B) (II)	<u>11,438.80</u>	<u>11,438.80</u>
B. SMTL		
Cost of Investment in SMTL		
(a) Equity Share Capital of GHL issued to GPL	1,246.00	1,246.00
(b) Preference Share Capital of GHL issued to GPL	16,770.03	16,770.03
Total (A)	<u>18,016.03</u>	<u>18,016.03</u>
Value of Investment in SMTL		
(a) Equity Share capital of SMTL	1,000.08	1,000.08
(b) Securities Premium	17,015.94	17,015.94
(c) Profit & Loss A/c (after adjustment for fair valuation)	(75.55)	(75.55)
Total (B)	<u>17,940.47</u>	<u>17,940.47</u>
Goodwill/(Capital Reserve) on Consolidation of Subsidiaries (A-B)	<u>75.56</u>	<u>75.56</u>
Less: Goodwill recognised on Acquisition of Investment in SMTL (I)	—	—
Capital reserve on Consolidation of SMTL (III)	<u>75.56</u>	<u>75.56</u>
C. BHHPL		
Cost of Investment in BHHPL		
(a) Equity Share Capital of GHL in BHHPL	10.00	10.00
Total (A)	<u>10.00</u>	<u>10.00</u>
Value of Investment in BHHPL		
(a) Equity Share capital of BHHPL	10.00	10.00
(b) Profit & Loss A/c	(15.44)	(15.44)
Total (B)	<u>(5.44)</u>	<u>(5.44)</u>
Goodwill on Consolidation of Subsidiaries - BHHPL (A-B) (IV)	<u>15.44</u>	<u>15.44</u>
Consolidated Goodwill/(Capital Reserve) (II+III+IV)	<u>11,529.80</u>	<u>11,529.80</u>
Less : Impairment of Goodwill on Consolidation	11,529.80	—
Net Consolidated Goodwill	<u>—</u>	<u>11,529.80</u>

Note : Since all investments in subsidiaries (SMTL, IDTL & BHHPL) were impaired and the goodwill on consolidation has been tested for impairment and the same has been impaired fully based on the recoverability calculated as zero value.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

38 Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31st March 2024 were as follows :

Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair Value
Financial assets:					
8	20,896.94	-	-	20,896.94	20,896.94
10	-	-	63.22	63.22	63.22
9	-	-	2,452.18	2,452.18	2,452.18
11	-	-	1,006.73	1,006.73	1,006.73
	20,896.94	-	3,522.13	24,419.07	24,419.07
Financial liabilities:					
18	-	-	40,591.08	40,591.08	40,591.08
21	-	-	179.97	179.97	179.97
22	-	-	2,75,274.68	2,75,274.68	2,75,274.68
	-	-	3,16,045.73	3,16,045.73	3,16,045.73

The carrying value and fair value of financial instruments by categories as at 31 March 2023 were as follows :

Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair Value
Financial assets					
8	22,864.06	-	-	22,864.06	22,864.06
10	-	-	69.69	69.69	69.69
9	-	-	2,262.18	2,262.18	2,262.18
11	-	-	664.31	664.31	664.31
	22,864.06	-	2,996.18	25,860.24	25,860.24
Financial liabilities :					
18	-	-	40,522.16	40,522.16	40,522.16
21	-	-	280.35	280.35	280.35
22	-	-	2,77,085.29	2,77,085.29	2,77,085.29
	-	-	3,17,887.80	3,17,887.80	3,17,887.80

Notes to financial instruments

i. The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, trade payables and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments. The management assessed that the fair value of borrowings approximate the carrying amount largely due to such borrowings carry interest rates or rates are negotiable.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

ii. Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

Level 3: Inputs for the assets or liabilities that are not based on the observable marked data (unobservable inputs)

iii. Measurement of fair value of financial instruments

The Company's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialist for complex valuations, wherever necessary. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximizing the use of market-based information.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

39 Financial risk management

Financial risk factors

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalent, trade receivables, financial assets measured at amortized cost	Ageing analysis
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk – Interest rate	Long-term borrowings at variable rates	Sensitivity analysis

The Company's risk management is carried out by a central treasury department (of the group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

a. Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and financial institutions.

Credit risk management

The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Expected credit loss for trade receivables under simplified approach

The Company recognises significant income from toll road on the basis of actual collection and hence there are no significant outstanding. Hence, as the Company does not have significant credit risk, it does not present the information related to ageing pattern. The company has widespread customer base and no single customer accounted for 10% or more of revenue in any of the years indicated.

During the periods presented, the Company made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

b. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**Summary of Material Accounting Policies and Other Explanatory Information**

(All amounts in ₹ Lakhs unless otherwise stated)

39 Financial risk management (Contd...)**Maturities of financial liabilities**

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at 31st March 2024	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	2,14,011.77	16,770.03	—	2,30,781.80
Future interest payments	1,43,382.08	—	—	1,43,382.08
Trade payables	126.68	—	—	126.68
Other financial liabilities	—	—	—	—
Total	3,57,520.53	16,770.03	—	3,74,290.56

As at 31st March 2023	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	2,14,011.77	-	16,770.03	2,30,781.80
Future interest payments	1,43,672.00	-	-	1,43,672.00
Trade payables	214.70	-	-	214.70
Other financial liabilities	62.27	100.56	4.92	167.75
Total	3,57,960.74	100.56	16,774.95	3,74,836.25

c. Interest rate risk

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

	As at 31st March 2024	As at 31st March 2023
Fixed rate borrowing	7,028.74	7,028.74
Interest free borrowing	6,394.92	7,835.30
Total borrowings	13,423.66	14,864.04

Interest rate risk

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest rates – increase by 50 basis points (50 bps)	(35.14)	(35.14)
Interest rates – decrease by 50 basis points (50 bps)	35.14	35.14

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

40 Capital Management

The Company's objectives when managing capital are to :

Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors its capital using gearing ratio, which is net debt divided by total equity. Net debt includes long term borrowings, short term borrowings, current maturities of long term borrowings less cash and cash equivalents and other bank balances.

	As at 31 March 2024	As at 31 March 2023
Long term borrowings (including current maturities)	3,04,119.13	3,04,409.06
Short term borrowings	11,746.63	13,187.01
Less: Cash and cash equivalents	(1,006.73)	(664.31)
Net debt	3,14,859.03	3,16,931.76
Total equity	(1,75,476.92)	(1,31,369.29)
Gearing ratio	(1.79)	(2.41)

41 Contingent liabilities

	As at 31 March 2024	As at 31 March 2023
Pledge of equity shares held in jointly controlled entities for loans taken by them		
Sai Maatarini Tollways Limited	2,11,996.16	2,17,328.83
Indore Dewas Tollways Limited	62,085.31	58,551.87
Gayatri Jhansi Roadways Limited	303.17	2,571.23
Gayatri Lalitpur Roadways Limited	524.37	2,477.46
HKR Roadways Limited	69,075.99	76,327.98
Demand payable to NHAI in IDTL	55,605.25	55,605.25

42 Related party disclosures

a) Name of related parties and nature of relationship

Name of the related party	Nature of relationship
Sai Maatarini Tollways Limited	Wholly owned Subsidiary
Indore Dewas Tollways Limited Balaji Highways Holding Private Limited	Subsidiaries
Gayatri Jhansi Roadways Limited Gayatri Lalitpur Roadways Limited Hyderabad Expressways Limited Cyberabad Expressways Limited HKR Roadways Limited	Jointly controlled entities
Gayatri Projects Limited T. Indira Subbarami Reddy T.V. Sandeep Kumar Reddy	Significant holder of Shares
T. Subbarami Reddy T. Sarita Reddy	Relative of Significant holder of Shares
K.G.Naidu, Chief Executive Officer P.K.Sahoo, Chief Financial Officer P.Rajkumar, Company Secretary	Key Management Personnel ("KMP")

**Summary of Material Accounting Policies and Other Explanatory Information**

(All amounts in ₹ Lakhs unless otherwise stated)

42 Related party disclosures (Continued..)**b) Transactions with related parties**

	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Gayatri Jhansi Roadways Limited		
Financial guarantee income	6.00	5.22
Gayatri Lalitpur Roadways Limited		
Financial guarantee income	5.38	4.22
Dividend income	—	768.73
Intercorporate Deposit repaid	—	691.86
Cyberabad Expressways Limited		
Interest income	211.11	211.11
Deputation Income	36.00	96.00
Hyderabad Expressways Limited		
Dividend Income	—	346.50
Operations & Maintenance Income	—	370.56
Deputation Income	36.00	96.00
HKR Roadways Limited		
Operations & Maintenance Income	100.00	100.00
Loans given recovered	—	532.96
Gayatri Projects Limited		
Instruments entirely equity in nature written off	—	17,887.51

c) Balances receivable/(payable)

	As at 31st March 2024	As at 31st March 2023
Gayatri Jhansi Roadways Limited	—	(6.00)
Gayatri Lalitpur Roadways Limited	(251.01)	(256.38)
Hyderabad Expressways Limited	10.58	30.97
HKR Roadways Limited	—	—
Cyberabad Expressways Limited	2,493.94	2,290.02
Gayatri Projects Limited	(7,523.77)	(7,523.77)

d) Guarantees and pledges outstanding

Refer Note 41 for financial guarantees and pledges outstanding.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

43 Interest in Subsidiaries, Associates and Jointly controlled entities

Name of entity	Interest in Entities as on 31st March 2024	Interest in Entities as on 31st March 2023
Subsidiaries		
Sai Maatarini Tollways Limited	100%	100%
Indore Dewas Tollways Limited	100%	100%
Balaji Highways Holding Private Limited	100%	100%
Jointly Controlled Entities		
Gayatri Jhansi Roadways Limited	51%	51%
Gayatri Lalitpur Roadways Limited	51%	51%
Cyberabad Expressways Limited	32%	32%
Hyderabad Expressways Limited	50%	50%
HKR Roadways Limited	26%	50%

The Company's interest in Gayatri Jhansi Roadways Limited, Gayatri Lalitpur Roadways Limited, Cyberabad Expressways Limited, Hyderabad Expressways Limited and HKR Roadways Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the jointly controlled entities based on its Ind AS financial statements is set out below:

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

A) Gayatri Jhansi Roadways Limited:

(i) Summarised balance sheet as at 31 March 2024:

	As at 31st March 2024	As at 31st March 2023
Current assets including trade receivables	4,930.70	4,052.72
Non-current assets	10,530.81	13,815.72
Current liabilities, including trade payables	(1,545.50)	(1,373.96)
Non-current liabilities including borrowings	(4,923.81)	(8,345.44)
Net assets	8,992.20	8,149.04

**Summary of Material Accounting Policies and Other Explanatory Information**

(All amounts in ₹Lakhs unless otherwise stated)

43 Interest in Subsidiaries and Jointly controlled entities(Contd..)**(ii) Summarised statement of profit and loss:**

	For the year ended 31st March 2024	For the year ended 31st March 2023
Revenue	3,547.10	4,272.94
Operation & Maintenance Expenses	1,738.56	1,697.78
Depreciation & amortization	0.29	0.24
Finance cost	403.89	911.98
Employee benefit	340.27	203.56
Other expense	164.97	150.83
Profit/(Loss) before tax	899.14	1,308.54
Income tax expense	-	8.84
Profit/ (Loss) for the year	899.14	1,317.38
Other Comprehensive Income (loss)	(55.98)	(17.94)
Total comprehensive income/(loss) for the year	843.16	1,299.44

The Company had no contingent liabilities or capital commitments relating to its interest in Gayatri Jhansi Roadways Limited as at 31st March 2024 and 31st March 2023, except as disclosed in Note 41. The jointly controlled entity had no other contingent liabilities or capital commitments as at 31st March 2024 and 31st March 2023.

B) Gayatri Lalitpur Roadways Limited**(i) Summarised balance sheet as at 31 March 2024:**

	As at 31st March 2024	As at 31st March 2023
Current assets including trade receivables	4,585.58	4,199.09
Non-current assets	8,457.71	11,033.41
Current liabilities, including trade payables	(618.44)	(529.96)
Non-current liabilities including borrowings	(5,137.69)	(7,909.35)
Net assets	7,287.16	6,793.19

(ii) Summarised statement of profit and loss:

	For the year ended 31st March 2024	For the year ended 31st March 2023
Revenue	2,957.34	3,525.70
Operation & Maintenance Expenses	1,569.97	1,565.29
Depreciation & amortization	0.16	0.38
Finance cost	399.18	708.61
Employee benefit	298.15	157.16
Other expense	140.09	165.29
Profit/ (loss) before tax	549.79	928.97
Income tax expense	—	5.85
Profit/(loss) for the year	549.79	934.82
Interim Dividend	—	648.68
Other Comprehensive Income (loss)	(55.81)	(16.50)
Total comprehensive income/(loss) for the year	493.98	269.64

The company has no contingent liabilities or capital commitments relating to its interest in Gayatri Lalitpur Roadways Limited as at 31st March, 2024 and 31st March 2023, except as disclosed in Note 41. The Jointly controlled entity had no other contingent liabilities or capital commitments as at 31st March, 2024 and 31st March 2023.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

43 Interest in Subsidiaries and Jointly controlled entities(Contd..)

C) Cyberabad Expressways Limited

(i) Summarised balance sheet as at 31 March 2024:

	As at 31st March 2024	As at 31st March 2023
Current assets including trade receivables	12,510.98	12,692.63
Non-current assets	17.30	20.36
Current liabilities, including trade payables	(22,731.81)	(21,640.30)
Non-current liabilities including borrowings	—	—
Net assets	(10,203.53)	(8,927.31)

(ii) Summarised statement of profit and loss:

	For the year ended 31st March 2024	For the year ended 31st March 2023
Revenue	13.48	761.36
Operation & Maintenance Expenses	—	1,463.64
Depreciation & amortization	3.06	2.51
Finance cost	1,170.84	1,163.60
Employee benefit	47.28	119.99
Other expense	68.52	88.81
Profit/ (loss) before tax	(1,276.22)	(2,077.19)
Income Tax expenses	—	—
Profit/(loss) for the year	(1,276.22)	(2,077.19)
Total comprehensive loss for the year	(1,276.22)	(2,077.19)

The Company had no contingent liabilities or capital commitments relating to its interest in Cyberabad Expressways Limited as at 31st March 2024 and 31st March 2023, except as disclosed in Note 41. The jointly controlled entity had no other contingent liabilities or capital commitments as at 31st March 2024 and 31st March 2023.

D) Hyderabad Expressways Limited

Summarised balance sheet as at 31st March 2024:

	As at 31st March 2024	As at 31st March 2023
Current assets including trade receivables	13,241.49	12,990.46
Non-current assets	138.25	161.58
Current liabilities, including trade payables	(5,986.55)	(6,011.86)
Non-current liabilities including borrowings	—	—
Net assets	7,393.19	7,140.18

(ii) Summarised statement of profit and loss:

	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue	477.94	3,163.28
Operation & Maintenance Expenses	2.01	2,323.91
Depreciation & amortization	0.29	0.29
Finance cost	0.06	0.05
Employee benefit	57.70	180.78
Other expense	86.03	335.57
Profit/(loss) for the year	331.85	322.68
Income tax expense	(78.84)	(11.12)
Profit/(loss) for the year	253.01	311.56
Interim Dividend	—	693.00
Total comprehensive income/(loss) for the year	253.01	(381.44)

**Summary of Material Accounting Policies and Other Explanatory Information**

(All amounts in ₹ Lakhs unless otherwise stated)

43 Interest in Subsidiaries and Jointly controlled entities(Contd..)

The Company had no contingent liabilities or capital commitments relating to its interest in Hyderabad Expressways Limited as at 31st March 2024 and 31st March 2023, except as disclosed in Note 41. The jointly controlled entity had no other contingent liabilities or capital commitments as at 31st March 2024 and 31st March 2023.

E) HKR Roadways Limited**(i) Summarised balance sheet as at 31 March 2024:**

	As at 31 March 2024	As at 31 March 2023
Current assets including trade receivables	7,385.64	9,783.60
Non-current assets	1,27,501.75	1,30,790.29
Current liabilities, including trade payables	(16,452.82)	(15,069.57)
Non-current liabilities including borrowings	(1,11,058.77)	(1,09,001.77)
Net assets	7,375.82	16,502.56

(ii) Summarised statement of profit and loss:

	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue	24,578.30	22,539.75
Depreciation & amortization	6,631.46	6,089.62
Finance cost	20,696.75	19,802.68
Employee benefit	234.30	238.68
Other expense	6,143.73	6,099.67
Profit for the year	(9,127.94)	(9,690.89)
Other Comprehensive Income (loss)	1.22	0.81
Total comprehensive income for the year	(9,126.72)	(9,690.08)

The Company had no contingent liabilities or capital commitments relating to its interest in HKR Roadways Limited as at 31st March 2024 and 31st March 2023, except as disclosed in Note 41. The jointly controlled entity had no other contingent liabilities or capital commitments as at 31st March 2024 and 31st March 2023.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

44. Statutory Group Information

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and (loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit and (loss)	Amount
Parent				
Gayatri Highways Limited				
Balance as at 31st March 2024	22%	(39,131.51)	84%	(11,746.96)
Balance as at 31st March 2023	11%	(14,841.58)	-39%	17,111.69
Subsidiaries in India				
Sai Maatarini Tollways Limited				
Balance as at 31st March 2024	64%	(1,12,542.27)	192%	(26,899.47)
Balance as at 31st March 2023	65%	(85,642.80)	52%	(23,002.84)
Indore Dewas Tollways Limited.				
Balance as at 31st March 2024	25%	(44,686.01)	25%	(3,492.84)
Balance as at 31st March 2023	31%	(41,194.51)	13%	(5,900.92)
Balaji Highways Holding Private Limited.				
Balance as at 31st March 2024	0%	(14.07)	0%	(2.59)
Balance as at 31st March 2023	0%	(11.48)	0%	(0.87)
Jointly controlled entities in India (investment as per the equity method)				
Gayatri Jhansi Roadways Limited				
Balance as at 31st March 2024	-2%	3,843.56	-3%	429.92
Balance as at 31st March 2023	-3%	3,413.64	-1%	660.33
Gayatri Lalitpur Roadways Limited				
Balance as at 31st March 2024	-2%	3,295.80	-2%	251.93
Balance as at 31st March 2023	-2%	3,043.87	0%	134.93
Cyberabad Expressways Limited				
Balance as at 31st March 2024	0%	138.29	3%	(402.52)
Balance as at 31st March 2023	0%	-	1%	(655.15)
Hyderabad Expressways Limited				
Balance as at 31st March 2024	-1%	2,253.33	-1%	126.50
Balance as at 31st March 2023	-2%	2,126.83	0%	155.79
HKR Roadways Limited				
Balance as at 31st March 2024	-6%	11,365.96	17%	(2,372.95)
Balance as at 31st March 2023	-1%	1,736.74	6%	(2,519.42)

**Summary of Material Accounting Policies and Other Explanatory Information**

(All amounts in ₹ Lakhs unless otherwise stated)

44 Statutory Group Information(Contd...)

Name of the entity in the group	Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated other comprehensive	Amount	As % of total comprehensive income	Amount
Parent				
Gayatri Highways Limited				
Balance as at 31st March 2024	100%	4.79	27%	(11,742.17)
Balance as at 31st March 2023	-	-	-122%	17,111.69
Subsidiaries in India				
Sai Maatarini Tollways Limited				
Balance as at 31st March 2024	-	-	61%	(26,899.47)
Balance as at 31st March 2023	-	-	164%	(23,002.84)
Indore Dewas Tollways Limited.				
Balance as at 31st March 2024	-	-	8%	(3,492.84)
Balance as at 31st March 2023	100%	1.34	42%	(5,899.58)
Balaji Highways Holding Private Limited.				
Balance as at 31st March 2024	-	-	0%	(2.59)
Balance as at 31st March 2023	-	-	0%	(0.87)
Jointly controlled entities in India (investment as per the equity method)				
Gayatri Jhansi Roadways Limited				
Balance as at 31st March 2024	-	-	-1%	429.92
Balance as at 31st March 2023	-	-	-5%	660.33
Gayatri Lalitpur Roadways Limited				
Balance as at 31st March 2024	-	-	-1%	251.93
Balance as at 31st March 2023	-	-	-1%	134.93
Cyberabad Expressways Limited				
Balance as at 31st March 2024	-	-	1%	(402.52)
Balance as at 31st March 2023	-	-	5%	(655.15)
Hyderabad Expressways Limited				
Balance as at 31st March 2024	-	-	0%	126.50
Balance as at 31st March 2023	-	-	-1%	155.79
HKR Roadways Limited				
Balance as at 31st March 2024	-	-	5%	(2,372.95)
Balance as at 31st March 2023	-	-	18%	(2,519.42)

45 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.

46 The Company has been incurring operating losses during the past few years and the current liabilities of the Company exceeds its current assets. Notwithstanding the above, the accompanying financial statements have been prepared on going concern basis as the promoters have guaranteed support to the Company and management believes that the subsidiaries and jointly controlled entities will also generate sufficient cash flows to support the Company in foreseeable future.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

47 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"

48 Disclosure relating to Wholly owned subsidiary

A. Sai Maatarini Tollways Limited (SMTL):

One of the Subsidiary company 'Sai Maatarini Tollways Limited' (SMTL) has issued a notice dated 9th March 2019 of "Intention to Terminate the Concession Agreement on account of, inter-alia, irreparable loss of toll revenue due to reasons not attributable to the Concessionaire-Force Majeure (Political Event)" to NHAI to terminate the concession agreement and also issued "Termination Notice for the Force Majeure (Political Event) on 27th March 2019.

NHAI had issued a Notice dated 10.04.2019 of "Intention for Termination under clause 37 of the concession agreement dated 28.09.2011" stating default of the concessionaire. In response to this notice, SMTL replied in detail to NHAI that the default is not on part of the Concessionaire. Later the Lenders had exercised their Right to Substitution of concessionaire vide their letter dated 24.04.2019. Based on that NHAI withhold the termination for 9 months. There after NHAI terminated the Concession Agreement vide their letter dated 28.01.2020 and the project assets have been handed over to the NHAI at 08.00 AM on 30.01.2020.

SMTL, based on Authority's default, has rased a claim of ₹ 2,834.47 Cr (which includes Equity of ₹ 835.19 Cr and Total Debt Due of ₹1999.28 Crs) strictly adopting the relevant clauses of the Concession Agreement.

The NHAI has released ₹35,861 Lakhs as an advance for Termination Payment payable to the company and after deducting TDS of ₹537 Lakhs & GST TDS of ₹717 Lakhs on ₹ 35,861 Lakhs an amount of ₹ 34,606 Lakhs is credited to the Companies Escrow account on 31.03.2021.

Status of claim at the year end:

In connection with the termination of the project, SMTL has entered in to a Settlement agreement with NHAI on 30.03.2023 towards the full and final settlement of all dues and Claims and both the parties (NHAI and SMTL) shall not have any rights and obligations towards each other as per the settlement agreement. As per the settlement agreement, the termination payment of Rs 968.03 cores was agreed by the parties, of which an amount of Rs 468.67 crores was received by SMTL and the balance of the termination payment amounting to Rs 499.36 crores were to be received by SMTL.

Subsequently, the Deputy Commissioner of CT & GST, Keonjhar circle has issued a letter to the Project director, NHAI dated 31.03.2023 with regard to the realisation of the government dues (GST) pending against SMTL for the period April 2020 to April 2021, wherein it was mentioned to recover the government dues on priority basis as per the provisions of the law, if any amount is becoming due to him from your office. Accordingly NHAI has not disbursed the balance termination payment amount as on 31.03.2023.

During the months of September and October 2023, NHAI has released 5.62 crores and 331.14 crores respectively after deducting necessary taxes. On 09th October, 2023, NHAI has disbursed an amount of Rs. 331.14 crores towards final termination payment and the same was transferred to Bankers account from Company's Escrow Account.

Further, during the year, the Company is in receipt of the demand notices from the GST authorities aggregating to an amount of Rs 206.64 crores. In addition to the demand notice of Rs.206.64 Crs that the GST department had raised, a GST demand on the currently proposed disbursement of Rs.327.83 Crs @ 18% which amounts to Rs.59.01Crs may be raised. Upon which the aggregate of the GST liability shall stand at an amount of Rs 265.65 crores. Hence, to indemnify NHAI, they have withheld an amount of Rs.171.53 Crs. Accordingly, NHAI has withheld the amount of Rs.171.53 Crs to clear the demand notices received from the GST Department, Odisha.

Key Matters of SMTL :

1. Settlement Agreement with NHAI on March 30, 2023

During the Consortium meetings, the Company officials have appraised and requested the lenders to note that the agreement with NHAI would be full and final settlement and agreed to follow as per the advice of the lenders to either sign the agreement or to go ahead with further arbitration that may be prolonged for over few years. Thereafter, lenders deliberated on the way forward and unanimously agreed and advised SMTL to enter in to the settlement agreement with NHAI at the earliest.

Further, again in the consortium meeting held on 21.03.2023 lenders again reiterated their stand that the balance termination payment of Rs.337.20 core from NHAI would be full and final settlement from NHAI, and advised SMTL to complete the formalities for release of termination payment from NHAI before end March 2023 and also to execute necessary documents.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

Accordingly, In connection with the termination of the project, the Company has entered in to a Settlement agreement with NHAI on 30.03.2023 towards the full and final settlement of all dues and Claims and both the parties (NHAH and the Company) shall not have any rights and obligations towards each other as per the settlement agreement. As per the settlement agreement, the termination payment of Rs 968.03 crores was agreed by the parties, of which an amount of Rs 796.50 crores was received by the Company and the balance of the termination payment amounting to Rs 171.53 crores were to be received.

Subsequently, the Deputy Commissioner of CT & GST, Keonjhar circle has issued a letter to the Project director, NHAI dated 31.03.2023 with regard to the realisation of the government dues (GST) pending against the Company for the period April 2020 to April 2021, wherein it was mentioned to recover the government dues on priority basis as per the provisions of the law, if any amount is becoming due to him from your office. Accordingly NHAI has not disbursed the balance termination payment amount as on 31.03.2023.

The NHAI has released the appeal Fee of Rs.5.62cr to SMTL on 14.08.2023 on request of the Lead Bank. The Company had paid the appeal fee and filed the appeal to the appellate authority, GST department, Cuttack. The Appeal application was accepted and issued the form APL-02. The Company has submitted the APL-02 to the GST Department and requested to remove the stay and allow NHAI and IDBI Bank to release the balance Termination Payment. The NHAI has released the remaining termination payment of Rs.331.14 crs to the Company on 09.10.2023 to the Escrow Bank (IDBI Bank). The Lead banker (IDBI Bank) has released the amount of Rs.328.00 crs out of Rs.331.14 crs to the Senior Lenders.

2 a. Application before Debt Recovery Tribunal (DRT)

IDBI Bank Limited (Lead Lender) on behalf of all the consortium lenders filed a case against M/s Sai Maatararini Tollways Limited and its directors and M/s Gayatri Projects Limited & M/s IDBI Trusteeship Services Limited under sub-section (4) of Section 19 of the Debt Recovery Tribunal Act, read with Sub Rule(2A) of Rule 5 of the Debt Recovery Tribunal (Procedure) Rules, 1993, which was listed before Hon'ble Debts Recovery Tribunal-1 on 23.09.2020

Hon'ble Tribunal issued summons on the said Application under Section 19 (4) of the Act, (OA) filed against M/s Sai Maatararini Tollways Limited and its directors and M/s Gayatri Projects Limited & M/s IDBI Trusteeship Services Limited for recovery of debts of Rs.2051,21,51,325.42 Ps on 05.10.2020, and directed the Company to file Written Statement. However, the Company has not received copy of the subject O.A. The Company requested Hon'ble Debts Recovery Tribunal-1 to furnish copy complete set of O.A along with documents on 22.10.2020.

The Company has not yet filled any counter petition till 21.04.2022. After multiple listings from 30.10.2020 to 21.01.2022, the Company is yet to file counter petition.

The Company has informed DRT that IDBI Bank has filed before the Hon'ble National Company Law Tribunal, Hyderabad Bench under section 7 of The Insolvency and Bankruptcy Code, 2016, read with the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

2 b. Application before National Company Law Tribunal (NCLT) (Case No. IB (IBC)/32(HYD)2024)

The Financial creditor i.e lenders have filed before the Hon'ble National Company Law Tribunal, Hyderabad Bench under section 7 of The Insolvency and Bankruptcy Code, 2016, read with the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 to declare SMTL as insolvent. The Company has received notice from NCLT. The date of hearing is scheduled on 27th May 2024 for admission under IBC.

2 c. Non-receipt of Confirmations/Statements from Lenders

Consequent to defaults by the Company, the Lenders have classified the borrowings as non performing assets (NPA) in the earlier years, in view of the company's non compliance to debt servicing obligations as per the contracted terms. The Lenders have recalled the loans and the Company is negotiating with the banks for a settlement. In view of this, these lenders have stopped issuing confirmation balances and statements of account. In the absence of same, the Company has recognised the interest and other financial costs in accordance with the contract terms. Differences, if any, between the carrying value of liabilities in the books of account and the claims by the respective lenders, would be recognised in the year of final settlement.

3. GST Liability - Claims not recognised and acknowledged by the Company

The GST department, Odisha has raised demand notices on M/s. Sai Maatarini Tollways Limited under section 74 and Section 56 of the GST Act for an amount of Rs.182.93 Crores

Compliance under the GST Act:

In order to comply with the provisions of the GST Act, the company's Project office at Holding No.61, Jagannathpur, Keonjhar Mun, Keonjhar, Odisha -758001, is registered under GST law and allotted GSTIN 21AAQCS3264F1ZE under the jurisdiction of the Deputy Commissioner ('DC') of CT&GST, Keonjhar Circle, Jajpur, Odisha.

Summary of Material Accounting Policies and Other Explanatory Information

(All amounts in ₹ Lakhs unless otherwise stated)

As Toll Charges is not covered under the scope of GST liability and are exempted under the Act vide Sr. No. 23 of Notification No. 12/2017-Central Tax (Rate) dated 28th June, 2017; the Company has been filing its GST returns regularly till date declaring NIL taxable turnover.

The company has neither accepted nor claimed credit or utilised the TDS in returns. The company has raised objection to the TDS deduction with NHAI, since the TDS is without examining the taxability of termination payments under the GST Act. After continuous follow up, recently NHAI has communicated accepting the wrong TDS deduction and the company is in the process of claiming refund of the TDS wrongly deducted & deposited.

Tax Assessment & Demand:

The learned assessing officer, DC, CT&GST, Keonjhar Circle,

- (a) Assuming the payment to be against Works Contract; (b) Without due verification of fact;
 (c) Ignoring information and submissions on file that the payments were towards Termination of Concession Agreement; and (d) Without following prescribed procedures under the law; passed orders under Sec 74 of the Act dated February 24, 2022 raising demand of tax, interest and penalty of Rs. 123.75 Crores.

NHAI has issued a letter stating that the GST TDS is not applicable on Termination Payments vide their letter dated 31.03.2022. SMTL has requested the the Deputy Commissioner ('DC') of CT&GST, Keonjhar Circle, Jajpur, Odisha to kindly intervene and to give direction for rectification of the order; in order to avoid litigation and hardship to the company both financially and other resources. Subsequently, on 5th July 2022, the Commissioner of GST has heard the case and has requested for further details and the Company has duly submitted the same. The Company has filed an application for rectification of order under section 161 of the CGST/SGST Act, 2017 on 20th August, 2022. Further as per advice of NHAI, the Company has rejected the GST TDS on GST portal on 13.10.2022 and informed NHAI to seek refund from GST department. Subsequently, on 19th October, 2022, the Deputy Commissioner of State tax, Keonjhar Circle, Keonjhar has rejected our application filed for rectification under section 161 of the CGST/SGST Act.

Then, the Company has filed a manual appeal application on 11.01.2023 before Additional Commissioner Appeals of CT and GST, Cuttack and the order was passed on 29th April 2023, observing that the impugned order was passed dated 19th October, 2022 u/s 161 of the Act and instructed the learned proper officer to hear and dispose off the application filed by the Appellant under section 161 of the Act.

However, the application filed under Section 161 for rectification of errors was rejected by DCCT, Keonjhar vide the order dated 27th June, 2023 (received on 07.07.2023).

4. Written off/Written back of balances with GPL:

During the financial year 2022-23 ,the Board of Directors of the SMTL at their Meeting held on 03.05.2023 has approved to write back the balances which were payable to GPL and the NHAI in the books of accounts as the project was terminated and a settlement agreement was signed with the NHAI towards full and final settlement of all the dues and the same shall be distributed to Lenders and the statutory authorities.

The road project was terminated by the NHAI vide its letter dated 28.01.2020. Prior to which, the NHAI has issued a notice of intention to terminate the project, where in it is specifically mentioned that due to the inefficiency and the non completion of Punch List works, non completion of Change of Scope, Breach of Operation and maintenance, non completion of toll plaza facilities, balance works of the project, the authority intends to terminate the project. Gayatri Projects Limited (GPL), who is the EPC and O&M Contractor of the project, failed to operate efficiently and all the above lapses are retributable to Gayatri Projects Limited, due to their non performance, the NHAI has terminated the project and SPV has incurred huge losses.

Subsequently, the NHAI has recovered an amount of Rs 115.54 crores on account of breach of agreement as recommended by the Project Director while disbursing the part of the termination payment as per NHAI letter dated 06.07.2021. After considering the recovery of Rs. 115.54 Crore from GPL, the balance will be Rs. 101.47 Crore receivable from GPL. Further, it may be noted that, upon signing of the settlement agreement with NHAI by the Company, apart from the termination payment which is full and final, no amounts shall be receivable by the Company and the entire termination payment is distributed to the lenders of the project in settlement of their dues and to the statutory authorities to remit the statutory liabilities. Accordingly, on the above basis, no amount can be paid to the Gayatri Projects Limited and infact GPL has to indemnify the SPV. Accordingly, no amount is due to GPL from the SPV and the same are being written back in the books of accounts of the SMTL. In addition to above claims payable of Rs.22,745 lakhs to GPL has also been written off.

**Summary of Material Accounting Policies and Other Explanatory Information**

(All amounts in ₹ Lakhs unless otherwise stated)

48 Disclosure relating to Wholly owned subsidiary (Contd..)**B. Indore Dewas Tollways Limited (IDTL):**

The Hon'ble NCLT Bench at Hyderabad had admitted the company into CIRP vide its order dated 31.10.2023, in response to the application made by Union Bank of India, SAM Branch, Hyderabad under the provision of Section 7 of IBC, 2016 against the default of Rs.194,24,55,662.20/- outstanding loan to the bank and appointed Mr. Madhu Sudhanarao Mallipaddi an Insolvency Professional with IBBI Regn No. IBBI/IPA-001/IP-P-02633/2022-2023/14081 as Interim Resolution Professional (herein after called IRP).

The IRP has made public announcement in Form-A (Under Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016) for the attention of the creditors of Indore Dewas Tollways Limited in Financial Express, English, Hyderabad Edition, Nava Telangana, Telugu, Hyderabad Edition, Times of India, English, Indore Edition and Swadesh, Hindi, Indore Edition on 04.11.2023 to submit their claims on or before 14.11.2023.

The IRP has received claims of Rs.648,15,30,921.43/- from Union Bank of India, State Bank of India, Punjab National Bank and India Infrastructure Finance Company Limited (IIFCL).

The IRP has constituted the COC with Union Bank of India, State Bank of India, Punjab National Bank and India Infrastructure Finance Company Limited (IIFCL) as its members and COC has appointed him as Resolution Professional with effect from 04.12.2023.

Status of Financial Statements and its consolidation:

With regard to the Status of financial Statements, IRP has represented that there is no business activity after his appointment i.e., 31.10.2023. Hence the consolidated financial statements were being prepared based on accounts updated upto 30.10.2023 and assumed no significant transactions during 31.10.2023 to 31.12.2023 as represented by IRP and also there is no information provided by IRP for the period 01.01.2023 to 31.03.2024.

49 Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's classification / disclosure.

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

For **PRSV & Co. LLP**
Chartered Accountants
Firm Regn. No: S200016

Y.Venkateswarlu
Partner
M.No.:222068

Place : Hyderabad
Date : 29th May 2024

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

M.V.Narasimha Rao
Director
DIN: 06761474

K.G.Naidu
Chief Executive Officer

Place : Hyderabad
Date : 29th May 2024

Ch. Krishnamurthy
Director
DIN: 08661228

P.K.Sahoo
Chief Financial Officer

P.Raj Kumar
Company Secretary

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results - (Consolidated)**

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016) (Rs. in Lakhs)**

S. No	Particulars	Audited Figures in lakhs (as reported before adjusting for qualifications)	Adjusted Figures in lakhs (audited figures after adjusting for qualifications)
1.	Turnover/Total Income	2206.35	2206.35
2.	Total Expenditure	2425.58	2998.98
3.	Net Profit/(Loss) after tax	(44107.64)	(126106.04)
4.	Earnings per share (in Rs.)	(18.40)	(52.62)
5.	Total Assets	197445.64	116020.64
6.	Total Liabilities	372922.56	373495.96
7.	Net Worth	(175476.92)	(257475.32)
8.	Any other financial item(s) (as felt appropriate by the management)	-	-

S. No	1
Details of Audit Qualification	The Company has defaulted in repayment of outstanding term loan of Rs. 3,822.65 Lakhs and outstanding accumulated interest of Rs. 1,193.21 Lakhs (Provided till 31 March 2023) payable to IL&FS Financial Services Limited. The company has been calculating and recognizing interest only on the defaulted principle of Rs. 3,822.65 Lakhs as per the existing loan agreement since the Company has not received balance confirmation from the said lender. In the absence of balance confirmation, we are unable to comment on the carrying value of term loan principle and outstanding interest as at 31 March 2024 or any adjustment required to and the consequent impact if any on the financial statements had the confirmations been received from the lender.
Type of Qualification	Qualified Opinion
Frequency of Qualification	First Time
For Audit Qualification(s) where impact is quantified by the Auditor, Management Views For audit Qualification(s) where the Impact is not quantified by the auditor	NA
i. Management estimation on the impact of audit qualification.	NA
ii. If management is unable to estimate the impact, reasons for the same	The Company has requested for confirmation of balances and is yet to be received.
iii. Auditors Comments	No further comments

S. No	2
Details of Audit Qualification	The Company did not provide interest on the outstanding term loan of Rs. 3,822.65 Lakhs due to IL&FS Financial Services Limited for the period 01 April 2023 to 31 March 2024. The Company's records indicate that, had management provided interest for the period 01 April 2023 to 31 March 2024, the expenses and the corresponding liability would have been increased by Rs. 573.40 Lakhs and total equity would have been reduced by Rs. 573.40 Lakhs.
Type of Qualification	Qualified Opinion
Frequency of Qualification	First Time
For Audit Qualification(s) where impact is quantified by the Auditor, Management Views	The Lender has already claimed the amounts from the Guarantor M/s.Gayatri Projects Limited. Further the lender has already submitted the claim to NCLT under IBC, 2016 against the Guarantor namely M/s.Gayatri Projects Limited and NCLT has admitted and appointed IRP. As the matter is under dispute, the Company did not provide interest for the said period.
i. Management estimation on the impact of audit qualification.	NA
ii. If management is unable to estimate the impact, reasons for the same	NA
iii. Auditors Comments	No further comments
S. No	3
Details of Audit Qualification	The Company has written back Zero Interest Sub-ordinated Loan (ZISL) payable to Gayatri Projects Limited of Rs. 17,887.51 Lakhs during the financial year 2022-23 which has been subject to confirmation from Gayatri Projects Limited. In the absence of balance confirmation, we are unable to comment upon the aforesaid write back and the carrying value of the payable as at 31 March 2024 or any adjustments required to and the consequent impact if any, on the financial statements had the confirmation been received from the Gayatri Projects Limited.
Type of Qualification	Qualified Opinion
Frequency of Qualification	First Time
For Audit Qualification(s) where impact is quantified by the Auditor, Management Views	NA
i. Management estimation on the impact of audit qualification.	NA
ii. If management is unable to estimate the impact, reasons for the same	As per the terms of the MOU dated 20.03.2019 between the parties, the ZISL is no more payable to Gayatri Projects Limited and hence the company written back the ZISL.
iii. Auditors Comments	No further comments
S. No	4
Details of Audit Qualification	We were informed that the parent did not receive the audited financial statements of Indore Dewas Tollways Limited (IDTL), which is a material subsidiary of the Holding Company for the year ended 31 March 2024 for the reasons stated there under. We were informed that the hon'ble NCLT bench at Hyderabad had admitted IDTL into Corporate Insolvency Resolution Process (CIRP) under Section 7 of the Insolvency and Bankruptcy Code (IBC), 2016 (as amended) and appointed Interim Resolution Professional (IRP). In this regard, we were informed that the parent has compiled the financials results of IDTL for the year ended 31

	<p>March 2024 that were included in the statement by adopting the following procedure.</p> <p>For the period 01st April, 2023 to 30th October, 2023, based on books of accounts and for the period 31st October, 2013 to 31st March, 2024 as nil transactions.</p> <p>In the absence of the consolidation of subsidiary for the full year, we are unable to determine the effects on the consolidated financial statements of the failure to consolidate the subsidiary for the full year.</p>
Type of Qualification	Qualified Opinion
Frequency of Qualification	First Time
For Audit Qualification(s) where impact is quantified by the Auditor, Management Views	NA
i. Management estimation on the impact of audit qualification.	NA
ii. If management is unable to estimate the impact, reasons for the same	The hon'ble NCLT bench at Hyderabad had admitted IDTL into Corporate Insolvency Resolution Process (CIRP) under Section 7 of the Insolvency and Bankruptcy Code (IBC), 2016 (as amended) and appointed Interim Resolution Professional (IRP) with effect from 31st October, 2023. We have pursued the IRP of IDTL to provide the annual accounts for the financial year 2023-24, but we have not received any information or response from him. Hence we have prepared the consolidated accounts based on the available information from 1st April 2023 to 30th October 2023.
iii. Auditors Comments	No further comments

S. No	5(a)
Details of Audit Qualification	Regarding settlement agreement entered between the company and NHAI on 30th March 2023. As per the settlement agreement the company and NHAI had agreed for a termination payment of Rs.96,803 lakhs against all disputes/claims. The settlement amount of Rs.96,803 Lakhs includes termination payment, interest, claims receivable by the company net of recoveries by NHAI. The company had received Rs 79,650 lakhs and balance settlement amount to be received is Rs 17,153 lakhs. However pending settlement with the lenders, the company continues to recognise Net receivable from NHAI of Rs.98,578 Lakhs (Net of Rs 79,650 lakhs receipt). Henceforth the expenses (Write off of Receivable) of the company are understated by Rs. 81,425 lakhs and assets overstated by Rs. 81,425 lakhs.
Type of Qualification	Qualified Opinion
Frequency of Qualification	First Time
For Audit Qualification(s) where impact is quantified by the Auditor, Management Views	NA
i. Management estimation on the impact of audit qualification.	NA
ii. If management is unable to estimate the impact, reasons for the same	Since the NHAI has not fully paid the amount as per the settlement agreement dated 30th March, 2023 and still the balance settlement amount to be received is Rs 17,153 lakhs, hence SMTL has not written off the receivable.
iii. Auditors Comments	No further comments

S. No	5(b)
Details of Audit Qualification	Regarding non receipt of the confirmations of balances from banks and financial institutions in respect of borrowings of Rs. 2,11,996.16 Lakhs for the reasons detailed in the said note. The company had recognized interest expense and other finance charges during the period amounting to Rs 27,467.33 Lakhs as per existing loan agreements. We are unable to comment on impact, if any, on loss for the year and the Reserves had the confirmations been received from the lenders.
Type of Qualification	Qualified Opinion
Frequency of Qualification	First Time
For Audit Qualification(s) where impact is quantified by the Auditor, Management Views	NA
i. Management estimation on the impact of audit qualification.	NA
ii. If management is unable to estimate the impact, reasons for the same	Since the accounts of SMTL has become NPA and the lenders have not provided the account statements for the period ended 31st March, 2024. The lead banker namely IDBI Bank has already filed an application with NCLT under IBC, 2016 and the matter may be admitted and IRP may be appointed at any time.
iii. Auditors Comments	No further comments

S. No	5(c)
Details of Audit Qualification	Regarding non-recognition of liability towards goods and services Tax (including interest and penalty) amounting to Rs 12,392 Lakhs in respect of termination payment received from National Highways Authority of India and other reasons stated in the said note. Pending the ultimate outcome of this matter, which is presently unascertainable, no adjustments have been made in the financial statements.
Type of Qualification	Qualified Opinion
Frequency of Qualification	First Time
For Audit Qualification(s) where impact is quantified by the Auditor, Management Views	NA
i. Management estimation on the impact of audit qualification.	NA
ii. If management is unable to estimate the impact, reasons for the same	Since the matter is still pending with Commissioner of Appeals and also NHAI has withheld an amount of around Rs 17,153 lakhs towards the GST liability, SMTL has not recognised the GST liability in its books of accounts. Further the Company is of the opinion that the GST is not applicable on termination payments paid/payable by NHAI.
iii. Auditors Comments	No further comments

S. No	5(d)
Details of Audit Qualification	Wherein during the financial year 2022-23, the company has written off a receivable of Rs.1,011.02 Lakhs from Gayatri Projects Limited and written back trade payable of Rs.2,915.68 Lakhs and claims payable of Rs 22,745 lakhs to Gayatri Projects Limited. However, we have not received any confirmation from Gayatri Projects Limited for the write off/writeback.
Type of Qualification	Qualified Opinion
Frequency of Qualification	First Time
For Audit Qualification(s) where impact is quantified by the Auditor, Management Views	NA

i. Management estimation on the impact of audit qualification.	NA
ii. If management is unable to estimate the impact, reasons for the same	NHAI has terminated the project due to non-completion of the project and non-performance of O&M activities by the Gayatri Projects Limited (the contractor). As per the settlement agreement with NHAI dated 30.03.2023, NHAI has not made any payments with respect to above amounts. Hence SMTL has written off and written back the respective receivables and payables.
iii. Auditors Comments	No further comments

Signatories:

(K.G.Naidu)
Chief Executive Officer

(P.K.Sahoo)
Chief Financial Officer

(M.V.Narasimha Rao)
Audit Committee Chairman
DIN: 06761474

Y.Venkateswarlu
(PRSV & Co. LLP)
Statutory Auditor

Place: Hyderabad

Date: 29-05-2024

Gayatri Jhansi Roadways Limited



Gayatri Lalitpur Roadways Limited



HKR Roadways Limited



Gayatri Jhansi Roadways Limited



Gayatri Highways Limited

CIN: L45100TG2006PLC052146

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