



GAYATRI HIGHWAYS LIMITED

(Formerly known as Gayatri Highways Private Limited erstwhile Gayatri Domicile Private Limited)

Registered / Corporate Office	:	1st Floor, TSR Towers, 6-3-1090, Rajbhavan Road, Somajiguda Hyderabad 500082
Contact Person	:	P Purnachander Rao, Director
Telephone	:	+91 40 23310330, 233314284, 23314296
Fax	:	+91 40 23398435
E-Mail	:	ghl@gayatrihighways.com

INFORMATION MEMORANDUM FOR LISTING OF 23,96,51,900 EQUITY SHARES OF Rs. 2/- EACH FULLY PAID

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

GENERAL RISK

For taking an investment decision, investors must rely on their own examination of the issue, the disclosure document and the risk involved. The Securities have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this disclosure document.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Disclosure Document contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Disclosure Document is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity shares of the Company are proposed to be listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has submitted this Information Memorandum to BSE and NSE and the same is available on the Company website www.gayatrihighways.com. The Information Memorandum would also be made available on the website of BSE www.bseindia.com and NSE www.nseindia.com For the purpose of Listing designated Stock Exchange would be BSE.

REGISTRAR AND TRANSFER AGENT

Karvy Computershare Private Limited

Karvy Selenium Tower No.B
Plot No.31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad : 500 032
Tel : +91 040 67161591,
Fax: +91 40 2300 1153
Email: einward.ris@karvy.com
Website: www.karvycomputershare.com
Contact Person: K.S. Reddy –
Email: einward.ris@karvy.com



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SECTION I: GENERAL

DEFINITIONS, ABBREVIATIONS AND INDUSTRY RELATED TERMS

In this Information Memorandum, unless the context otherwise requires, the terms defined and abbreviations expanded herein below shall have the same meaning as stated in this section. References to any legislation, act or regulation shall be to such legislation, act or regulation, as amended from time to time.

General Terms

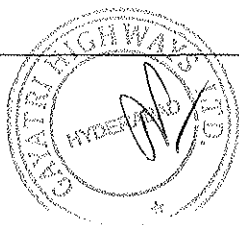
Term	Description
“our Company”, “the Company”, “GHL”, “Resulting Company” or “Resulting Entity”	Gayatri Highways Limited (Formerly known as Gayatri Highways Private Limited erstwhile Gayatri Domicile Private Limited), a company incorporated under the Companies Act, 1956 and having its Registered Office at 1st Floor, TSR Towers, 6-3-1090, Rajbhavan Road, Somajiguda Hyderabad Telangana 500082 INDIA.
“We”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiaries and joint ventures
“Scheme” or “Scheme of Arrangement”	Scheme of Arrangement between Gayatri Projects Limited (GPL or Transferee Company) and Gayatri Infra Ventures Limited (Transferor Company or GIVL) and Gayatri Highway Limited (Formerly known as Gayatri Highways Private Limited) (Resulting Company or GHL) and their respective shareholders as approved by the Hon’ble National Company Law Tribunal vide its order dated 03rd November, 2017
Appointed Date for Demerger	Appointed Date for the purpose of demerger, as defined in Clause 2.1.3 of the Scheme of Arrangement, is the date when the demerger of the Infrastructure Road BOT Assets Business from the Demerged Company and transfer to the Resulting Company comes into effect. The Appointed Date for the purpose of demerger has been fixed as 31 st March, 2017.
Articles / Articles of Association / AOA	The Articles of Association of our Company, as amended
Auditor	The Statutory Auditors of our Company, namely, M/s. G.S. Sai Babu & Associates, Chartered Accountants
Board / Board of Directors	Board of Directors of the Company
Capital / Share capital	Share capital of the Company
Cyberabad Expressways Limited	Cyberabad Expressways Limited is a Company incorporated on 3 rd August, 2007 & having its registered office at 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad, Telangana – 500082.
Director(s)	Director(s) of the Company, unless otherwise specified
Demerged Company / Transferee Company	Gayatri Projects Limited, a public company incorporated under the provisions of the Act having its registered office at 6-3-1090, TSR Towers, B-1, Rajbhavan Road Somajiguda ,Hyderabad - 500082, Telangana
Demerged Undertaking or “Infrastructure Road BOT Assets Business”	“Infrastructure Road BOT Assets Business” as defined in Clause 2.1.7 of the Scheme means the Infrastructure Road BOT Assets Business of the Demerged Company, comprising, inter alia, the assets and liabilities which shall mean and include (without limitation): (i) all assets wherever situated, whether movable or immovable, tangible or intangible, all plant and machinery including buildings, vehicles, offices, investments, interest, furniture, fixtures, office equipments, appliances, computers, accessories, licenses, permits, quotas, approvals, registrations, lease, tenancy rights in relation to office and residential properties, incentives if any, municipal permissions, consents, or powers of every kind, nature and description whatsoever in connection with operating or relatable to the Infrastructure Road BOT Assets Business of the Demerged Company and all other permissions, rights (including rights under any contracts, government contracts, memoranda of understanding, etc.), entitlements, copyrights, patents, trademarks, trade names, domain names and other industrial designs, trade secrets, or intellectual property rights of any nature and all other interest exclusively relating to the services being dealt with by the Infrastructure Road BOT Assets Business, and all deposits, advances and or moneys paid or received by the Demerged Company in connection with or pertaining or relatable to the Infrastructure Road BOT Assets Business, all statutory licenses and / or



	<p>permissions to carry on the operations of the Infrastructure Road BOT Assets Business and any financial assets, corporate guarantees issued by the Demerged Company and the benefits of any bank guarantees issued in relation to and for the benefit of the Infrastructure Road BOT Assets Business of the Demerged Company, deferred tax benefits, privileges, all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Infrastructure Road BOT Assets Business of the Demerged Company together with all present and future liabilities (including contingent liabilities), etc. pertaining or relating to the Infrastructure Road BOT Assets Business;</p> <p>(ii) all investments in Infrastructure Road BOT Assets of any nature including investments in Gayatri Jhansi Roadways Ltd (“GJRL”), Gayatri Lalitpur Roadways Ltd (“GLRL”), Hyderabad Expressways Ltd (“HEL”), Cyberabad Expressways Ltd (“CEL”), Indore Dewas Tollways Ltd (“IDTL”), Balaji Highways Holdings Pvt Ltd (“BHHPL”), HKR Roadways Ltd (“HKRRL”) and all other interest pertaining or relating to these investments in Infrastructure Road BOT Assets Business.</p> <p>(iii) Without prejudice to the provisions of sub-clause 2.1.7(i) and 2.1.7(ii) above, the Infrastructure Road BOT Assets Business of the Demerged Company shall include all the debts, liabilities, duties and obligations and also including, without limitation, all properties and assets in connection with or pertaining or relating to the Infrastructure Road BOT Assets Business of the Demerged Company;</p> <p>(iv) For the purpose of this Scheme, it is clarified that liabilities pertaining to the Infrastructure Road BOT Assets Business of the Demerged Company include:</p> <ol style="list-style-type: none"> a) The liabilities, which arises out of the activities or operations of the Infrastructure Road BOT Assets Business of the Demerged Company; b) Specific loans and borrowings raised, incurred and utilized for the activities or operations of the Infrastructure Road BOT Assets Business ; c) Liabilities other than those referred to in Sub-Clause a) and b) above and not directly relating to the remaining business of the Demerged Company, being the amounts of general or multipurpose borrowings of the Demerged Company shall be allocated to the Infrastructure Road BOT Assets Business of the Demerged Company as may be decided by the Board of Directors of the Demerged Company; <p>(v) all deposits and balances with Government, Semi Government, Local and other authorities and bodies, customers and other persons, earnest moneys and / or security deposits paid or received by the Demerged Company directly or indirectly in connection with or relating to the Infrastructure Road BOT Assets Business;</p> <p>(vi) all necessary books, records, files, papers, product, specification, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Infrastructure Road BOT Assets Business of the Demerged Company;</p> <p>(vii) All permanent and / or temporary employees of the Demerged Company substantially engaged in the Infrastructure Road BOT Assets Business and those permanent and / or temporary employees that are determined by the Board of Directors of the Demerged Company, to be substantially engaged in or relating to the Infrastructure Road BOT Assets Business of the Demerged Company;</p>
Demerger	Scheme of Arrangement to demerge the Infrastructure Road BOT Assets Business of Gayatri Projects Limited and transfer to Gayatri Highways Limited (formerly known as Gayatri Highways Private Limited & erstwhile Gayatri Domicile Private Limited) with effect from the Appointed Date



Designated Stock Exchange	BSE Limited
Draft Information Memorandum	The Draft Information Memorandum dated April 20, 2018 filed with the Stock Exchanges and referred to as the Draft Information Memorandum or Draft IM.
Effective Date	Effective Date, as defined in Clause 2.1.6 of the Scheme of Arrangement, is the date on which the last of the consents, approvals, permissions, resolutions and orders as mentioned in Clause 31 shall be obtained or passed; or date on which the certified copy of the Order of the High Court sanctioning the Scheme is filed with the Registrar of Companies, Hyderabad, Telangana; whichever is later. The certified copy of the Order was filed with the Registrar of Companies on 23 rd November, 2017 and hence it is the Effective Date.
Eligible Shareholder(s)	Eligible holder(s) of the Equity Shares of Gayatri Projects Limited (Demerged Company) as on the Record Date
Equity Share(s) or Share(s)	Equity shares of the Company having a face value of ₹ 2/- each.
Equity Shareholder / Shareholder	A holder of the Equity Shares
Financial Year / Fiscal / Fiscal Year / fiscal year / FY	Any period of twelve months ended March 31 of that particular year, unless otherwise stated.
Gayatri Jhansi Roadways Limited	Gayatri Jhansi Roadways Limited is a Company incorporated on 7 th July, 2006 & having its registered office at 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad, Telangana – 500082.
Gayatri Lalitpur Roadways Limited	Gayatri Lalitpur Roadways Limited is a Company incorporated on 7 th July, 2006 & having its registered office at 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad, Telangana – 500082.
Hyderabad Expressways Limited	Hyderabad Expressways Limited is a Company incorporated on 2 nd August, 2007 & having its registered office at 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad, Telangana – 500082.
HKR Roadways Limited	Hyderabad Expressways Limited is a Company incorporated on 9 th August, 2010 & having its registered office at 6-3-1090, B-1, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad, Telangana – 500082.
Indore Dewas Tollways Limited	Indore Dewas Tollways Limited is a Company incorporated on 4 th May, 2010 & having its registered office at 6-3-1090, B-1, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad, Telangana – 500082.
GIVL	Gayatri Infra Ventures Limited is a Company incorporated on 22 nd January, 2008 & having its registered office at 1 st Floor, TSR Towers, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad, Kurnool, Telangana – 500082.
GEVPL	Gayatri Energy Ventures Private Limited is a Company incorporated on 22 nd February, 2008 & having its registered office at 1 st Floor, 6-3-1090, B-1, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad, Telangana – 500082.
GHL(GHPL/GDPL)	Gayatri Highways Limited (formerly known as Gayatri Highways Private Limited & erstwhile Gayatri Domicile Private Limited) is a Company incorporated on 28 th December, 2008 & having its registered office at 1 st Floor, 6-3-1090, B-1, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad, Telangana – 500082.
Sai Maatarini Tollways Limited	Sai Maatarini Tollways Limited is a Company incorporated on 8 th September, 2011 & having its registered office at 6-3-1090, B-1, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad, Telangana – 500082.
Project Assets	Our Special Purpose Vehicles (SPV), Subsidiaries and Jointly Controlled Entities of our Company
Information Memorandum	This Information Memorandum dated August 29, 2017 filed with the Stock Exchanges for listing of Equity Shares and referred to as the Information Memorandum or IM.
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Memorandum/ Memorandum of Association	The Memorandum of Association of our Company, as amended
NCLT	National Company Law Tribunal, Hyderabad Bench
Promoter	The promoter of our Company, namely, Gayatri Projects Limited. For details, see section “Our Promoter, Promoter Group and Group Companies” on page 126.

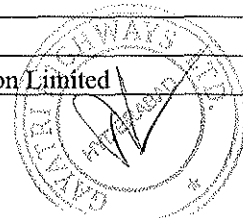


Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations. For details, see section "Our Promoter, Promoter Group and Group Companies" on page 126.
PSFG	Project and structured finance group of GHPL(GHPL/GDPL)
Restated Consolidated Financial Information	Restated consolidated statement of assets and liabilities as at March 31, , 2017 and restated consolidated statement of profit and loss and restated consolidated statement of cash flows for each of the Fiscals ended March 31, 2017of our Company, its subsidiaries, associates and joint ventures, as applicable during the relevant periods, read along with all the schedules, annexures and notes thereto, which have been prepared in Accordance with the requirements of the Companies Act, 2013 and / Ind AS . and restated in accordance with the SEBI ICDR Regulations and included in "Financial Statements" on page 37. The Company have no subsidiaries before the Scheme of Arrangement
Restated Financial Information	Collectively, the Restated Consolidated Financial Information and Restated Standalone Financial Information
Restated Standalone Financial Information	Restated standalone statement of financial information as at March 31, 2015, 2016, 2017 and restated standalone statement of profit and loss and restated standalone statement of cash flows for each of Fiscals ended March 31, , 2015, 2016, 2017 of our Company read along with all the schedules, annexures and notes thereto, which have been prepared in accordance with the requirements of the Companies Act, 2013 and Indian GAAP/ Ind AS and restated in accordance with the SEBI ICDR Regulations and included in "Financial Statements" on page 37
Record Date of the Scheme	Record Date, as defined in Clause 2.1.10 of the Scheme of Arrangement, is the date fixed by the Board of Directors of the Demerged Company or any committee thereof in consultation with the Resulting Company, for the purpose of determining names of the equity shareholders, who shall be entitled to receive the New Equity Shares in the Resulting Company pursuant to Clause 24 of the Scheme, upon coming into effect of this Scheme. The record date for the Scheme was fixed as 31 st January, 2018
Registered Office	Registered office of the Company, i.e. 1st Floor, TSR Towers, 6-3-1090, Rajbhavan Road, Somajiguda Hyderabad Telangana 500082 India.
Registrar and Transfer Agent	Karvy Computershare Private Limited
Registrar of Companies/ RoC	Unless specified otherwise, the Registrar of Companies, Telangana at Hyderabad.
Scheme of Arrangement for Demerger	Composite Scheme of Arrangement for demerger between Gayatri Projects Limited and Gayatri Highway Limited (GHPL/GDPL) and their respective shareholders and creditors as approved by the National Company Law Tribunal, Hyderabad Bench on 3 rd November, 2017.
Senior Management	Senior management means and includes certain key officers of the Company and Subsidiaries, as listed in the section "Our Management" on page 113.
Share Certificate	The certificate in respect of the Equity Shares held in physical form and allotted to a folio
Stock Exchanges	BSE and NSE
Subsidiaries	The subsidiaries of our Company. For details see the section "Our Subsidiaries" on page 125.
Working Day(s)	Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Mumbai, India are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, "Working Day" shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016



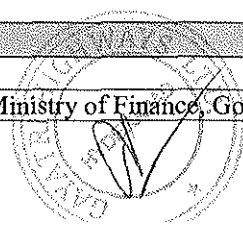
Industry Related Terms

Term	Description
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
ARR	Average revenue requirement
AVCC	Automatic Vehicle Counter-cum-Classifier System
BOT	Build, Operate and Transfer
BOT (Annuity)	Annuity based BOT projects
BOT (Toll)	Toll based BOT projects
BOO	Build, Own and Operate
BOOT	Build, Operate, Own and Transfer
BOQ	Bill of Quantities
BROT	Build, Rehabilitate, Operate and Transfer
BTKM	Billion tonne km
BTLO	Build, Transfer, Lease and Operate
CAD	Current Account Deficit
CCEA	Cabinet Committee on Economic Affairs
Construction Workers Act	The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
CLSS	Credit Linked Subsidy Systems
CRF	Central Road Fund
CSO	Central Statistics Office
CV	Commercial vehicle
DBFO	Design, Build, Finance and Operate
DBFOT	Design, Build, Finance, Operate and Transfer
DFCs	Dedicated Freight Corridors
DFCCIL	Dedicated Freight Corridor Corporation of India Limited
DIP	District Irrigation Plan
EPC	Engineering, Procurement and Construction
ESI Act	The Employees' State Insurance Act, 1948
ETC	Electronic Toll Collection
EWS	Economically weaker sections
GST	Goods and Services Tax
GVW	Gross vehicle weight
HAM	Hybrid Annuity Model
HSD	High speed diesel
IDC	Interest During Construction
IEM	Industrial Entrepreneurs' Memorandum
IL	Infrastructure Leasing
LCV	Light Commercial Vehicle
LIG	Low Income Group
LIN	Labour Identification Number
LOA	Letter of award
LSTC	Lump-sum turnkey contracts
LSTK	Lump-sum turnkey
LWE	Left Wing Extremism
MCA	Model Concession Agreement
MDR	Major District Roads
MES	Military Engineer Services
MNC	Multi National Corporation
M&HCV	Medium and Heavy Commercial Vehicle
Minimum Wages Act	The Minimum Wages Act, 1948
MoRD	Ministry of Rural Development
MoRTH	Ministry of Road Transport and Highways
MPRDC	Madhya Pradesh Road Development Corporation
MRTS	Mass Rapid Transit System
NEC	National Executive Committee
NHAI	National Highways Authority of India
NHAI Act	National Highways Authority of India Act, 1988
NHIDCL	National Highways and Infrastructure Development Corporation Limited

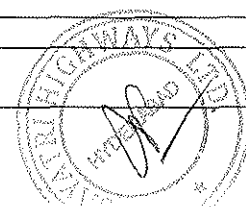


NH Act	National Highways Act, 1956
NH Fee Rules	National Highways Fee (Determination of Rates and Collection) Rules, 2008
NHDP	National Highways Development Project
NIIF	National Investment and Infrastructure Fund
NITI	National Institution for Transforming India
NW	National Waterway
ODR	Other District Roads
OMT	Operate Maintain and Transfer
O&M	Operation and Maintenance
PFCE	Private Final Consumption Expenditure
PMAY	Pradhan Mantri Awas Yojna
PMKSY	Pradhan Mantri Krishi Sirchayee Yojana
PMGSY	Pradhan Mantri Gram Sadak Yojana
PPP	Public private partnership
PWD	Public works department
RDC	Road Development Corporations
RERA	Real Estate Regulatory Authority
RFQ	Request for qualification
RLDA	Rail Land Development Authority
RLT	Rehabilitate, lease or rent, and transfer
ROT	Rehabilitate, operate, and transfer
SARDP-NE	Special Accelerated Road Development Programme for North-Eastern region
SIP	State Irrigation Plan
SPV	Special Purpose Vehicle
SWB	Static weigh bridge
TAMP	Tariff Authority for Major Ports
TOT	Toll, operate and transfer
VGf	Viability gap funding
Wages Act	The Payment of Wages Act, 1936
WIM	Weigh-in-motion
WSS	Water supply and sanitation
AGM	Annual general meeting
AIF(s)	Alternative Investment Funds
AIF Regulations	SEBI (Alternative Investment Funds) Regulations, 2012
AS/ Accounting Standards AS 18	Accounting Standards issued by the Institute of Chartered Accountants of India Accounting Standard 18 issued by the Institute of Chartered Accountants of India
AY/Assessment Year	Assessment Year
BSE	BSE Limited
Building and other Construction Workers Act	Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
CAGR	Compounded Annual Growth Rate, being the annualised average year-over-year growth rate over a specified period of time calculated as per the following formula - (End Value/Beginning Value) ^{1/number of years} - 1
Calendar Year	The period of 12 months commencing on January 1 and ending on December 31

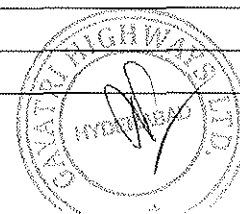
Term	Description
CBDT	Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Govt



CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identity Number
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
Companies Act	Companies Act 1956 and the Companies Act 2013
Companies Act 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) along with relevant amendments, modifications and regulations
Companies Act 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications, amendments and modifications thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from August 28, 2017, issued by the DIPP, and any modifications thereto or substitutions thereof, issued from time to time
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP ID	Depository Participant's identity number
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EGM	Extra-ordinary general meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
Euro	Euro, the official single currency of the participating member states of the European Economic and Monetary Union of the Treaty establishing the European Community
Factories Act	Factories Act, 1948
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations Thereunder
FII(s)	Foreign Institutional Investors as defined under Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 2000, registered with the SEBI under applicable laws in India and deemed as FPIs under the SEBI FPI Regulations
Financial Year/Fiscal/FY	The period of 12 months commencing on April 1 of the immediately preceding Calendar Year and ending on March 31 of that particular Calendar Year
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GoI	The Government of India
GST	Goods and services tax
HUF(s)	Hindu Undivided Family(ies)
IAS Rules	Companies (Indian Accounting Standards) Rules, 2015
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income Tax Act, 1961
IND (AS) / IND AS / Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
INR or Rupee or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India



IT	Information Technology
Legal Metrology Act	Legal Metrology Act, 2009
MCA	The Ministry of Corporate Affairs, GoI
Mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes an NRI
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act, 1933
Resident	A person resident in India, as defined under the FEMA
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Insider Trading	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Listing Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
STT	Securities Transaction Tax
Trademarks Act	Trademarks Act, 1999
UNCITRAL	United Nations Commission on International Trade Law
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United State of America
U.S. Securities Act	U.S. Securities Act, 1933
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
ALM	Asset liability management
CAR	Capital adequacy ratio
DCM	Debt capital markets
DOT	Department of
HNI	High net worth individuals



MCEV	Market consistent embedded value
MTPA	Million tonnes per annum
NHB	National Housing Bank
NPA	Non-performing asset
NPS	Net promoter score
RMC	Ready mix concrete
TAT	Turn-around time

Conventional and General Terms / Abbreviations

Term	Description
CCI	The Competition Commission of India
Depository Participant / DP	A depository participant as defined under the Depositories Act, 1996
DP ID	Depository Participant Identity
ESOS	Employee stock option schemes
FDI Policy	Consolidated Foreign Direct Investment Policy dated June 7, 2016
GAAP	Generally Accepted Accounting Principles
Indian GAAP	Generally Accepted Accounting Principles in India
JV	Joint Venture
MICR	Magnetic Ink Character Recognition
MOU	Memorandum of Understanding
NAV	Net Asset Value
NCD	Non-convertible debentures
NECS	National Electronic Clearing Services
NEFT	National Electronic Funds Transfer
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
OCB	Overseas Corporate Body
p.a.	Per annum
PAC	Persons Acting in Concert
PLR	Prime Lending Rate
Rs. / Rupees / INR / ₹	Indian Rupees
RTGS	Real Time Gross Settlement
SEBI Circular	SEBI Circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015, including any amendments thereof
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Trademark Act	Trademark Act, 1999
US/USA	United States of America

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Reserve Bank of India Act, 1934, the Insurance Regulatory and Development Authority of India Act, 1999, the National Housing Bank Act, 1987, the Depositories Act, 1996 and the rules and regulations made there under.

Notwithstanding the foregoing, terms in the sections titled “Main Provisions of the Articles of Association”, “Statement of Tax Benefits”, and “Financial Statements”, shall have the meanings given to such terms in these respective sections.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL AND MARKET DATA

Certain Conventions

All references to “India” contained in this Information Memorandum are to the Republic of India.

Unless stated otherwise, all references to page numbers in the Information Memorandum are to the page numbers of the Information Memorandum.

Financial Data

Unless stated otherwise, the financial data in this Information Memorandum is derived from the audited consolidated financial statements of our Company as of and for the fiscal years ended March 31, 2017 and the audited standalone financial statements of our Company as of and for the fiscal years ended March 31, 2017 and March 31, 2016 and March 31, 2015, prepared in accordance with Indian GAAP / IND AS and the Companies Act.

Further, unless stated otherwise, the financial data in this Information Memorandum in respect of GPL and GHL (Formerly known as GHPL & erstwhile GDPL) is derived from the audited financial statements (consolidated where applicable) of these entities as of and for the fiscal years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013.

In this Information Memorandum, any inconsistencies in any table between the aggregate and the totals of the sums recorded are because of rounding off. Certain figures in decimals have been rounded off and accordingly there may be consequential changes in the Information Memorandum.

Our Company’s financial year commences on April 1 of the preceding year and ends on March 31 of that year; accordingly, all references to a particular financial year, unless stated otherwise, are to the 12-month period ended on March 31 of that year.

Unless the context otherwise indicates, any percentage amounts, as set forth in the sections titled “Risk Factors” and “Our Business” on pages 16 and 28 respectively, and elsewhere in the Information Memorandum have been calculated on the basis of the audited consolidated financial statements of our Company prepared in accordance with Indian GAAP/Ind AS and the Companies Act.

Currency and Units of Presentation

1. All references to “Rupees” or “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India.
2. All references to “USD” or “US\$” are to the United States Dollar, the official currency of the United States.

At certain places, our Company has presented certain numerical information in the Information Memorandum in “crores” units. One crore represents 1,00,00,000 or 10 million.

Industry and Market Data

Unless stated otherwise, industry data used throughout this Information Memorandum have been obtained or derived from publicly available information as well as various industry publications and sources. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Information Memorandum is reliable, it has not been independently verified.

The information included in this Information Memorandum about various other companies is based on their respective Annual Reports and information made available by the respective companies. The data included in this Information Memorandum about different organizations is based on their particular Annual Reports and information made available by the respective organizations.



DOCUMENTS INCORPORATED BY REFERENCE

The audited financial statements, consolidated where applicable, of certain of our Subsidiaries as of and for the fiscal years ended March 31, 2017, March 31, 2016, and March 31, 2015, as applicable, along with the audit reports, notes, schedules and annexures thereto, shall be deemed to be incorporated in, and form part of, this Information Memorandum; and are available at the URL indicated against the name of such Subsidiary in the table below:

Sr. No.	Name	URL
1.	Indore Dewas Tollways Limited	http://www.gayatrihighways.com/annual-reports/subsidiary.html
2.	Sai Maatarini Tollways Limited	http://www.gayatrihighways.com/annual-reports/subsidiary.html

Copies of the above financial statements shall also be available for inspection at the Registered Office of our Company on any working day (i.e. Monday to Friday and not being a bank holiday in Telangana) between 10.00 am and 5.00 pm from the date of the Information Memorandum until the listing of the Equity Shares on the Stock Exchanges.

Any other information contained on the websites referenced in this Information Memorandum is not incorporated by reference into this Information Memorandum. The Company does not take any responsibility for the accuracy of, and potential investors should not rely upon, any such information.



FORWARD-LOOKING STATEMENTS

This Information Memorandum includes certain statements which contain words or phrases such as “will”, “would”, “aim”, “aimed”, “will likely result”, “is likely”, “are likely”, “believe”, “expect”, “expected to”, “will continue”, “will achieve”, “anticipate”, “estimate”, “estimating”, “intend”, “plan”, “contemplate”, “seek to”, “seeking to”, “trying to”, “target”, “propose to”, “future”, “objective”, “goal”, “project”, “should”, “can”, “could”, “may”, “will pursue”, or other words or phrases of similar import, that can be identified as “forward-looking statements”. Our forward-looking statements contain information regarding, among other things, our financial condition, future plans, business strategies, objectives, prospects or goals. Forward-looking statements reflect the current views of our Company as of the date of the Information Memorandum and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, nor any of their affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from expectations include, among others:

- Infrastructure projects are typically awarded to us on satisfaction of prescribed pre-qualification criteria and following a competitive bidding process. Our business and our financial condition may be adversely affected if new infrastructure projects are not awarded to us or if contracts awarded to us are prematurely terminated.;
- Our Toll and annuity Revenue may not be representative of our future results and our actual income may be significantly less than the estimates reflected in our Projections, which could adversely affect our business, financial condition, results of operations and prospects.;
- Any adverse change in government policies or focus, or delay in payment may lead to our/group companies contracts being foreclosed, terminated, restructured or renegotiated;
- Our projects are exposed to various implementation and other risks and uncertainties, which may adversely affect our business, financial condition, results of operations, and prospects;
- We may be exposed to liabilities arising under our warranties or from defects during construction, which may adversely affect our business, financial condition, results of operations and prospects;
- Our Company, Subsidiaries, Directors, Promoters, Group Company and joint ventures are involved in certain outstanding legal proceedings, which if determined adversely, may adversely affect our business, financial condition, results of operations and prospects;
- We cannot assure you that we will be successful in executing the project or if we will be able to achieve better returns as compared to our existing projects, or any returns at all;
- Our business has been relatively concentrated in northern and Southern India Project Assets Project Assets. Consequently, we are exposed to risks emanating from economic, regulatory and other changes in these locations which we may not be able to successfully manage may adversely affect our business, financial condition, results of operations, and prospects;
- Our actual cost in executing a contract and O&M Operations may vary substantially from the assumptions underlying our bid. We may be unable to recover all or some of the additional expenses, which may have an adverse effect on our business, financial condition, results of operations, and prospects; and
- We have working capital requirements, If we experience insufficient cash flows to enable us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our business, financial condition, results of operations and prospects. General economic and business conditions in India and other countries which have an impact on our business activities or investments;
- Regulatory changes pertaining to the industry in India in which we operate and our ability to respond to them;
- Our exposure to market risks and credit risk;



- Our ability to successfully implement our strategy, our growth and expansion plans;
- Technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in Indian or international interest rates;
- Adverse changes in social, economic or political conditions in India;
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally; and
- The changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.

For further discussion of factors that could cause our actual results to differ from the expectations, see the sections titled “Risk Factors” and “Our Business” on pages respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.



SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Information Memorandum, including the risks and uncertainties described below, before making an investment in the Equity Shares of our Company. If any of the following risks or other risks that are not currently known or are deemed immaterial at this time, actually occur, our business, financial condition and results of operation could suffer, and you may lose all or part of your redemption amounts and the dividend payments may be affected. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. The order of the risk factors appearing hereunder is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

You must rely on your own examination of our Company and this Issue, including the risks and uncertainties involved. Unless the context requires otherwise, references to "we", "our", "our business" or "Company's business" in this section refer to the Company and its Subsidiaries on a consolidated basis.

- 1. We are involved in certain legal proceedings that if decided against us may have a material adverse impact on our business operations, results of operations and financial conditions.***

Our Group Company and its Subsidiaries are involved in certain legal proceedings pending at different stages of adjudication before various courts and tribunals, appellate authorities and arbitrators. There can be no assurance that these legal proceedings will be decided in our favor. Decisions in any of the aforesaid proceedings adverse to our interests may have a material adverse effect on our business, future financial performance and results of operations. If the courts or tribunals rule against our Group Company or our Directors, Subsidiaries or Promoter, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. Furthermore, we may also not be able to quantify all the claims in which we are involved.

For details of litigations outstanding as on the date of this document, see "Outstanding Litigations and Material Developments" on page 144 of this Information Memorandum.

- 2. Toll or annuity / Hybrid Annuity projected projects are typically awarded to us on satisfaction of prescribed pre-qualification criteria and following a competitive bidding process. Our business and our financial condition may be adversely affected if new toll projects are not awarded to us or if contracts awarded to us are prematurely terminated.***

Toll projects are typically awarded to the contractor following a competitive bidding process and satisfaction of prescribed technical and financial pre-qualification criteria. If we are not able to pre-qualify in our own right to bid for large highway and development projects, we may be required to partner and collaborate with third parties for joint bidding for such projects. While track record, experience of project execution, service quality, health and safety records, qualified and experienced personnel, reputation and sufficiency of financial resources are important considerations in awarding contracts, there can be no assurance that we would be able to meet such technical and financial qualification criteria, whether independently or together with other joint venture partners. We may face competition from other bidders in a similar position looking for acceptable joint venture partners for pre-qualification requirements.

Further, once prospective bidders satisfy the pre-qualification requirements of the tender, the project is usually awarded on the basis of price competitiveness of the bid. Generally there is significant costs in the preparation and submission of bids, which are one-time non-reimbursable costs. We cannot assure you that we would bid where we have been pre-qualified to submit a bid, or that our bids, when submitted or if already submitted, would result in projects being awarded to us.



Generally, it is very difficult to predict whether and when we will be awarded a new contract. If we are unable to partner with other suitable companies or lack the credentials to be the partner-of-choice for other companies, we may lose the opportunity to bid for large toll projects, which could affect our growth plans. The growth of our business mainly depends on our ability to obtain new contracts in the sectors in which we operate. In cases of bids in a consortium, we may also not be able to secure bids due to negligence or disqualification of our joint venture partners, as these factors would be beyond our control. If a joint venture partner fails to perform its obligations satisfactorily, we may be required to incur additional expenditure to ensure the adequate performance and delivery of the contracted services or make payments on behalf of the joint venture partners, which could adversely affect the profitability of the contract.

Our future results of operations and cash flows can fluctuate materially from period to period depending on the timely award of contracts, commencement of work and completion of projects in the scheduled time period. If we are unable to obtain new contracts, our business could be adversely affected. Another factor which may impact the growth of our business is that the Government/clients may terminate their toll agreements for reasons set forth in these agreements. If the client terminates any of the toll agreements, under the relevant agreement it is generally required to compensate us for the amount, depending on the valuation of the unpaid works and the timing of the termination in relation to the payment milestones associated with the respective projects, unless the agreement is terminated pursuant to applicable law or our breach of the terms of the agreement is material. Such compensation process is likely to be time consuming and the amount paid to us may not fully compensate us. We cannot assure you that we would receive such amounts on a timely basis or in an amount equivalent to the value of our investment plus our lost profits. An early termination of our contracts by our clients may adversely affect our business, results of operation and financial condition.

3. *Our growth is dependent on our continued ability to access external financing and capital markets and any disruption in our sources of funding would have a material and adverse effect on our liquidity, profitability and financial condition.*

Our growth will depend on our continued ability to access funds at competitive rates. With the growth of our business, we have become increasingly reliant on funding from the equity capital markets, debt capital markets and commercial borrowings. Our liquidity and the ongoing profitability of our business depends and will continue to depend on our ability to access diversified funding sources in a timely and cost efficient manner. The market for such funding sources is competitive and our ability to obtain funds on acceptable terms and at competitive rates continues to depend on various factors, including our ability to maintain our credit ratings, the regulatory environment and the policy initiatives in India, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities, and our current and future results of operations and financial condition.

Further, changes in economic and financial conditions or lack of liquidity in the market could make it difficult for us to access funds at competitive rates. Any disruption in our primary funding sources at competitive costs would have a material adverse effect on our liquidity, business, results of operations and our future financial performance.

4. *We may encounter problems relating to the operations of our joint ventures.*

We might operate some of our businesses through joint ventures. We may have a majority/Minority stake in each of our joint venture companies, unanimity of the joint venture partner is required for major decisions relating to the business operations of our joint ventures. To the extent there are disagreements between us and our various joint venture partners regarding the business and operations of the joint ventures, we cannot assure that we will be able to resolve them in a manner that will be in our best interests. Under the terms of the joint venture agreements, disagreements between the partners are required to be submitted to arbitration panels or courts of law, as the case may be, whose decisions will be binding. In addition, our partners in our joint ventures may be unable or unwilling to fulfil their obligations, whether of a financial nature or otherwise; have economic or business interests or goals that are inconsistent with ours; take actions contrary to our instructions or requests or contrary to our policies and objectives; take actions that are not acceptable to regulatory authorities; have financial difficulties; or have disputes with us.

Any of the foregoing could have a material adverse effect on our joint venture business, prospects,



financial condition and results of operations.

5. ***We require certain statutory and regulatory approvals for conducting our business and our failure to obtain, retain or renew them in a timely manner, or at all, may adversely affect our operations.***

The maintenance of highways & collection through toll services sector in India is subject to strict regulation and supervision by the NHAI, SEBI, and other regulatory bodies. Given the extensive regulation of the highways industry, it is possible that we could be found by a court, arbitration panel or regulatory authority not to have complied with applicable legal or regulatory requirements. Further, we may be subject to lawsuits or arbitration claims by customers, employees or other third parties in the different state jurisdictions in India in which we may conduct our business. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled and we shall not be able to carry on such activities. We may also incur substantial costs related to litigation if we are subject to significant legal action, which may materially and adversely affect our business, future financial performance and results of operations. We require certain approvals, licenses, registrations and permissions for operating our businesses and such approvals, licenses, registrations and permissions must be maintained over time. Moreover, applicable requirements may change and we may not be aware of or comply with all requirements all of the time.

6. ***Changes in the regulatory environment in which we operate could have a material adverse effect on our business, financial condition, results of operations and prospects.***

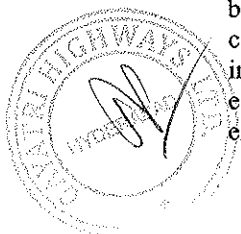
The regulatory environment in which we operate is subject to change both in the form of gradual evolution over time and also in the form of significant reforms from time to time. Any such change in the future may also require us to commit significant management resources and may require significant changes to our business practices and could have a material adverse effect on our business, financial condition, results of operations and prospects. Our group Companies have been materially affected in the past due to regulatory changes effecting our business segments.

7. ***Our success depends in large part upon our management team and skilled personnel and our ability to attract and retain such persons.***

Our future performance will be affected in case our management team and skilled personnel discontinue their service with the Company. We may also face a continuing challenge to recruit and retain a sufficient number of suitably skilled personnel, particularly as we continue to grow. We may face significant competition in attracting and retaining personnel who possess the skill sets that we seek. The Company has employees on its payroll as on date & it will recruit senior management & other employees during course of time if required. Any delay in appointment of employees will effect our business activities. The Company has already commenced its business activities in its own name. The Company does have human resources policies as on date; which will be upgraded as per the changing environment in due course. The future HR policy will be crucial for any recruitment of the employees of the Company. If one or more members of our senior management team were unable or unwilling to continue their present positions, it may be difficult to replace. If we lose a key personnel and are unable to recruit and retain them, our ability to manage day-to-day aspects of the business may be affected.

8. ***We are exposed to various operational risks, including the risk of fraud and other misconduct by employees or outsiders.***

As with other toll collection services entity, we are exposed to various operational risks such as fraud or misconduct by our employees or by an outsider, unauthorized transactions by employees or third parties, misreporting of and non-compliance with various statutory and legal requirements and operational errors. It may not always be possible to deter employees from or otherwise prevent misconduct or misappropriation of cash collections, and the precautions we take to detect and prevent these activities may not always be effective. Despite the business contingency plans and the disaster recovery policies we will have in place, there can be no assurance that such plans will fully mitigate all potential business continuity risks to us. Our ability to conduct business may be adversely affected by a disruption in the infrastructure that supports our business and the communities where we might be located. This may include a disruption involving physical site access, cyber incidents, terrorist activities, disease pandemics, catastrophic events, natural disasters, extreme weather events, electrical outage, environmental hazard, computer servers, communications or other services we use, our employees or third parties with whom we might conduct business.



Any instance of employee misconduct, fraud or improper use or disclosure of confidential information could result in regulatory and legal proceedings which if unsuccessfully defended, could materially and adversely affect our business, future financial performance and results of operations. We have to devote significant resources to maintaining and upgrading our systems and networks with measures such as intrusion prevention and detection systems, monitoring firewalls and network traffic to safeguard critical business applications and supervising third party providers that have access to our systems, though there is no guarantee that these measures or any other measures can provide absolute security given the techniques used in cyber attacks are complex and frequently change, and may not be able to be anticipated. These threats may derive from human error, fraud or malice on the part of our employees or third parties, including third party providers, or may result from accidental technological failure.

Furthermore, negative publicity may result in increased regulation and legislative scrutiny of industry practices as well as increased litigation, which may further increase our costs of doing business and adversely affect our profitability. Although we might have a strict code of conduct and insider trading norms to monitor, detect and prevent fraud, there can be no assurance that we will not suffer significant losses due to breach of such norms. Any breach of the strict code of conduct and the insider trading norms by any of our employees could damage our brand and reputation.

9. *Weaknesses, disruptions or failures in IT systems could adversely impact our business.*

We have to rely on IT systems in connection with financial controls, risk management and transaction processing. The increasing size of the operations, which use automated control and recording systems for record keeping, exposes us to the risk of errors in control and record keeping. We may also be subject to disruptions of our IT systems, arising from events that are wholly or partially beyond our control (including, for example, damage or incapacitation by human error, natural disasters, electrical or telecommunication outages, sabotage, computer viruses, hacking, cyber-attacks or similar events, or loss of support services from third parties such as internet backbone providers). In the event we experience system interruptions, errors or downtime, this may give rise to deterioration in customer service and to loss or liability to us and it may materially and adversely affect our business, financial condition and results of operations.

Our dependence upon automated IT systems to record and process transactions may further increase the risk that technical system flaws will result in losses that are difficult to detect. As a result, we face the risk that the design of our controls and procedures may prove to be inadequate thereby causing delays in detection or errors in information.

10. *Our insurance coverage may not adequately protect us against losses, and successful claims against us that exceed our insurance coverage could harm our results of operations and diminish our financial position.*

We will maintain insurance coverage of the type and in the amounts that we believe are commensurate with our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. In addition, there are various types of risks and losses for which there is no insurance such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to us on acceptable terms. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, future financial performance and results of operations.

11. *We have entered into, and will continue to enter into, related party transactions.*

The Company is taking over the business activities of the demerged entities & its subsidiaries as well as that of Joint ventures promoted by the promoters of the Company and we expect that we will continue to be involved in, a significant number of related party transactions. While we believe that all such transactions have been conducted in the ordinary course of business and on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. As required under the Companies Act, 2013, our Company is, *inter alia*, required to obtain prior approval of majority of our shareholders through an ordinary resolution for all future material related party transactions where any person or entity that is related to our Company will be required to abstain from voting on such resolutions.

We will continue to have related party transactions in the future and we may face difficulties in entering into related party transactions in future due to these requirements which may adversely affect our business and



results of operations.

12. *Restrictions on payment of dividend.*

As per the provisions of the Companies Act, the dividends payable on the Equity Shares can only be out of profits of the Company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the Company for any previous fiscal year(s) arrived at as laid down by the Companies Act. Further, where the profits (including accumulated profits standing in the profit or loss account) are inadequate, dividends can be paid out of free reserves, in accordance with the Companies Act and the rules made thereunder. In case the Company does not have adequate profits, the Company will not be able to pay the dividends on its Equity Shares.

13. *A slowdown in economic growth in India could cause the Company's business to suffer.*

The Company's performance and the quality and growth of its assets are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect its business, including its ability to grow its asset portfolio, the quality of its assets, and its ability to implement its strategy. India's economy could be adversely affected by a general rise in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or general down trend in the economy.

14. *Our business is substantially affected by the prevailing economic, political and other conditions in India.*

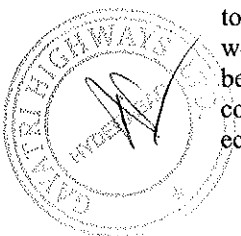
We are incorporated in and our operations are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include: any increase in Indian interest rates or inflation; any exchange rate fluctuations; any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions; prevailing income conditions among Indian consumers and Indian corporations; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries; occurrence of natural or man-made disasters; prevailing regional or global economic conditions, including in India's principal export markets; any downgrading of India's debt rating by a domestic or international rating agency; financial instability in financial markets; and other significant regulatory or economic developments in or affecting India or its financial sector. Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition and the price of the Equity Shares.

15. *The trading volume and market price of the Equity Shares may be volatile following the Listing.*

Upon listing, the market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control: quarterly variations in our results of operations; results of operations that vary from the expectations of securities analysts and investors results of operations that vary from those of our competitors; changes in expectations as to our future financial performance, including financial estimates by research analysts and investors; announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments; announcements by third parties or governmental entities of significant claims or proceedings against us; new laws and governmental regulations applicable to our industry; additions or departures of key management personnel; changes in the interest rates; fluctuations in stock market prices and volume; and general economic and stock market conditions.

16. *Our Total Project Assets may not be representative of our future results and our actual income may be significantly less than the estimates reflected in our Project Assets, which could adversely affect our business, financial condition, results of operations and prospects.*

The Company is taking over business activities of the demerged entity of its highway business activities & as on, 2018, its Project Assets was Rs7043 Crores. In addition, the contracts in the Concession Agreement are subject to changes in our scope of services to be provided as well as adjustments to the costs relating to the contracts. The Project Assets comprises the estimated revenues from the unexecuted portions of all the ongoing projects i.e. the total contract value of such ongoing projects secured by the promoter of the Company as reduced by the value of work billed until the date of such Project Assets. Projects can remain in Project Assets for extended periods of time because of the nature of the project and the timing of the particular services required by the project. The risk of contracts in Project Assets being cancelled or suspended generally increases during periods of wide-spread economic slowdowns. In addition, even where a project proceeds as scheduled, it is possible that contracting parties



may default and fail to pay amounts owed. Project delays, modifications in the scope or cancellations may occur from time to time due to any of the reasons above due to defaults by the clients or our own defaults, incidents of force majeure, adverse cash flows, regulatory delays and other factors beyond our control. Our inability to complete or monetize such work in a timely manner, or at all, may adversely affect our business and results of operations. Delays in the completion of a project can lead to clients delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such project. Even relatively short delays or surmountable difficulties in the execution of a project could result in our failure to receive, on a timely basis or at all, all payments due to us on a project. In addition, the clients may also be entitled to terminate the agreement in the event of delay in completion of the work if the delay is not on account of any of the agreed exceptions. We have to execute all pending contracts in the name of the Company as old contract was in the name of Gayatri Projects Limited or its subsidiaries name; certain parties might not renew the pending contracts on account of transfer of business to the Company from demerged undertaking, which might impact our future growth prospects.

Hence, the Project Assets may not be indicator of our future results due to various factors including delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default in regard to the Project Assets projects or any other incomplete projects, or disputes with clients in respect of any of the foregoing, which could adversely affect our cash flow position, revenues and earnings.

17. *Our projects are exposed to various implementation and other risks and uncertainties, which may adversely affect our business, financial condition, results of operations, and prospects.*

The toll business involves various implementation risks including construction delays, delay or disruption in supply of raw materials, delays in acquisition of land, unanticipated cost increases, force majeure events, cost overruns, disputes with our joint venture partners, or delays in securing required licenses, authorisations or permits or making advance payments. We may be further subject to regulatory risks, financing risks and the risks that these projects may ultimately prove to be unprofitable. In particular - we may encounter delays in completion and commercial operation could increase the financing costs associated with the construction and cause our forecast budget to be exceeded; we may encounter unforeseen engineering problems, disputes with workers, force majeure events and unanticipated costs due to defective plans and specifications; we may not be able to obtain adequate capital or other financing at affordable costs or obtain any financing at all to complete construction of any of our projects; we may not be able to provide the required guarantees under project agreements or enter into financing arrangements; we may experience shortages of, and price increases in, materials and skilled and unskilled labour, and inflation in key supply markets; the projects that we are engaged in may not receive timely regulatory approvals and/or permits for development and operation of our projects, such as environmental clearances, mining, forestry or other approvals from the central or State environmental protection agencies, mining, forestry, railway or other regulatory authorities and procuring right of way and other unanticipated delays; we may not be able to recover the amounts already invested in these projects if the assumptions contained in the feasibility studies for these projects do not materialize; the relevant authorities may not be able to fulfil their obligation prior to construction of a project, in accordance with the relevant contracts resulting in unanticipated delays; delays on account of subpar performance of the principal contractors or the sub-contractor or the joint venture partners of our Company; geological, construction, excavation, regulatory and equipment problems with respect to operating projects and projects under construction; we may experience adverse changes in market demand or prices for the services that our projects are expected to provide; the third party service providers hired to complete the projects may not be able to complete the construction of our projects on time, within budget or to the required specifications and standards; we may be subject to risk of equipment failure or industrial accidents that may cause injury and loss of life, and severe damage to and destruction of property and equipment; and other unanticipated circumstances or cost increases, in excess of what we are unable to recover under the terms of escalation clauses provided in our contract terms.

18. *We may be exposed to liabilities arising under our warranties or from defects during construction, which may adversely affect our business, financial condition, results of operations and prospects.*

A majority of the highway contracts specify a period, ranging from 18 months to 42 months from the date of completion, as the defects liability period during which we would have to rectify any defects arising from construction-services provided by us, within the warranty periods stipulated in our contracts at our cost. Further, we may not be able to recover such increased costs from our customers in part, or at all, and may further be subject to penalties, including liquidated damages on account of such construction faults arising in our projects. Our contracts also usually include damages clauses, which may be enforced against us if we do not meet specified targets during the course of a contract. As such we are typically required to put in place grievance mechanisms to handle our construction defects and liabilities during the relevant construction and the warranty periods. Actual or claimed defects in construction quality could give rise to claims, liabilities, costs and



expenses.

We may further face delays in the estimated project completion schedule in respect of such projects on account of additional works required to be undertaken towards rectifying such construction faults, and are dependent upon our clients permitting extension of time of completion of such projects. Further, such construction faults may result in loss of goodwill and reputation, and may furthermore have a material and adverse impact our eligibility in respect of future bids made by us towards projects, thereby affecting our future operations and revenues. We seek protection through our practice of covering risks through contractual limitations of liability, indemnities and insurance. However, there can be no assurance that any cost escalation or additional liabilities in connection with the development of such projects would be fully offset by amounts due to us pursuant to the guarantees and indemnities, if any, provided by our contractors or insurance policies that we maintain. Any liability in excess of our insurance payments, reserves or backup guarantee could result in additional costs, which would reduce our profits. In addition, if there is a client dispute regarding our performance, the client may delay or withhold payment to us. If we were ultimately unable to collect on these payments, our profits would be reduced. These claims, liabilities, cost and expenses, if not fully covered, thus could have an adverse effect on our business, financial condition, results of operations, and prospects.

19. *The Company has not started any business activities since last few years & it has not generated any revenue till date.*

The Company was incorporated in 2006 & is having paid-up capital of Rs 2,00,000/- consisting of only 20,000 equity shares of Rs. 10/- each as on the appointed date. The Company has not done any business activities since incorporation, so Company does not have any experience in infrastructure or highways activities, but its promoters; group Companies & Directors have rich experience in infrastructure or highways activities & based on their goodwill & contacts, Company is confident of generating more business opportunities. The Company does not have any business track record; so it might be a hinderance in getting Government contracts or private contracts; wherein track record of the Company is must. This will hampered & limit its business activities in the beginning. Since the paid-up capital of the Company is meager as on Appointed date & there is no Capital infusion in the beginning, the Company has to borrow heavily to complete certain projects; which will impact the profitability of the Company for few years. The Company/Promoters may pledge their shares to raise capital for working capital requirements & its future growth plans.

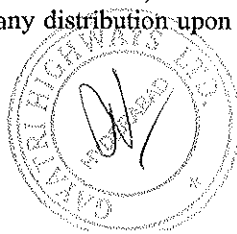
20. *The Company has not started any business activities since last few years & has not obtained any licenses; registration, etc for conducting business activities.*

The Company was incorporated in 2006 & has not done any business activities since incorporation, nor it has obtained any registration or license for conducting infrastructure & highway business including routine general registration which is required to carry on any business activities. The Company has to obtained various registration & licenses to carry out business activities, which might effect 2018-19 financial performance. In case of substantial delay of getting registration in its name; Company cannot carry out any business activities till such time, which will effect its future profitability.

21. *The Company's financial results depend on the financial performance of the Project SPVs and their ability to declare and pay dividends.*

The Company is a holding company and conducts no business operations of its own and is not engaged in any activity other than the holding of ownership interests in its Subsidiaries and the proposed future subsidiaries. Most of our infrastructure development projects are operated through Project SPVs. The ability of these Project SPVs to make dividend payments is subject to applicable laws and regulations in India relating to payment of dividends. In addition, loans obtained by these Project SPVs contain restrictions on the payment of dividends, including, among others, financial covenants being met and certain debt service accounts being adequately funded prior to the declaration and/or payment of dividends by these Project SPVs.

In the event of a bankruptcy, liquidation or reorganisation of a Project SPV, the Company's claim in the assets of such Project SPV as a shareholder in the Project SPV remains subordinated to the claims of lenders and other creditors. Lenders to the Project SPVs also typically have a floating charge over all assets of the Project SPVs, including dividend payments by, and all cash of, these Project SPVs, effectively providing the lenders to the Project SPV a first priority lien over any distribution upon the occurrence of an event of default under the financing arrangements.



22. *We have not registered the Gayatri trademark.*

We use the “Gayatri” trademark and its associated logos in our business operations. The logo “Gayatri” does not belong to us. It belongs to TSR Holdings Pvt. Limited, which is owned by our family members of our Promoter Group, who permitted us to use the logo. TSR Holdings Pvt. Limited has vide its letter dated 18th August, 2012 licensed our Company to use this logo subject to the terms and conditions mentioned therein for a royalty of Rs.0.01 million per annum. If TSR Holdings Pvt. Limited, increases royalty fees or withdraws or terminates this arrangement, we will not be able to make use of our logo in connection with our business and consequently, we may be unable to capitalize on the brand recognition. This may adversely affect our business prospects and reputation.

23. *Certain entities in the Promoter Group are engaged in business activities similar to ours, which could result in a conflict of interest.*

24. *Our ability to negotiate standard form government contracts may be limited.*

Counterparties to most of our infrastructure development and construction contracts are government entities, and we have only a limited ability to negotiate the standard terms of government contracts which means that many terms in the agreement tend to favour the client. For example, it is not always clear whether design review and approval by a client releases us from design and engineering liability, in particular latent defects. There are generally no caps on our liability as a contractor, and it is not always clear whether we can be liable for consequential and/or economic loss to a client. Further, infrastructure contracts awarded by the Government of India and state governments may include provisions which enable the client to terminate the contract without cause following provision of notice. Performance guarantees are also common features of our contracts and are typically unconditional and payable on demand, and can be invoked by the client in accordance with the terms of such contracts. Since the majority of our projects are contracts with the Government of India and state governments or their agencies, we are susceptible to such termination or invocation of performance guarantees which may adversely affect our results of operations and financial condition.

Within the context of our BOT business, the nature of our contracts with various government entities is such that we have limited control over the terms relating to collection of tolling revenues. Generally, the government entity that has granted the relevant BOT concession to us unilaterally determines the terms on which we may collect tolling revenues, and we are not permitted to amend such tolling rates without the prior written consent of such government entity. Further, with respect to certain of our BOT projects, the relevant government entity is entitled to at any one time during our concession period, effect a reduction in the prevailing tolling rates by up to 10%. The tolling rates set by government entities in consultation with us, depend on the nature of vehicles that use the roads that comprise our BOT projects. In setting toll rates that apply to such vehicles, government entities may give greater consideration to various socio-economic goals of the government, rather than to the efficiencies of our business. Our inability to exercise control over the terms of our tolling arrangements with government entities may adversely affect our results of operations.

25. **Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by employees as well as due to unavailability of a sufficient pool of contract labour.**

We are also dependent on the availability of a sufficient pool of contract labour to execute our infrastructure development and construction projects. Some of our contracts provide that a significant percentage of the aggregate number of unskilled labour employed for the relevant project must be sourced from within the district in which the work site is located. If the requisite number of contract labour is not available within such district, we may employ the rest from outside the district, with the permission of the relevant government entity. The number of contract labourers employed by us varies from time to time based on the nature and extent of work contracted to independent contractors. We enter into contracts with independent contractors to complete specified assignments. All contract labourers engaged at our projects are assured minimum wages that are fixed by the relevant state governments. Any upward revision of wages required by such state governments to be paid to such contract labourers may adversely affect our business and results of our operations.

As on 28th February, 2018, Company does not any employees on its payroll.



External Risk Factors

26. *The demand for our services is largely dependent on the level of investments and the Government's spending on civil infrastructure projects in India. Any policy change or economic downturn or other factors adversely affecting investments in this sector may adversely affect our business, financial condition, results of operations, and prospects.*

A change in Government policies or budgeted spend on the civil infrastructure sector in India, which results in reduction in capital investment in the Indian infrastructure sector as a whole, or in the specific geographies in which we are operating, could result in a slowdown in infrastructure projects, which may have an adverse effect on our business, financial condition, results of operations, and prospects.

27. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and our Company's financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. These acts may also result in a loss of business confidence and adversely affect our business. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, some states in India have witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

28. *Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.*

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Consequently, any future slowdown in the Indian economy could harm our business, financial condition, results of operations, and prospects. Also, a change in the Government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

29. *Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business and the trading price of the Equity Shares.*

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or financial policy or a decrease in India's foreign exchange reserves. According to the RBI, India's total foreign exchange reserves were over U.S. \$ 400,742.00 million as on November 24, 2017. India's foreign exchange reserves have grown consistently in the past. (Source: Reserve Bank of India) However, any decline in foreign exchange reserves could adversely affect the valuation of the Indian Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our future financial performance and the market price of the Equity Shares and could result in a downgrade of India's debt ratings.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could adversely affect our business, capital expenditure plans and future financial performance and our ability to obtain financing to fund our growth, as well as the trading price of the Equity Shares.

30. *Significant differences exist between Indian GAAP and IND (AS), on one hand, and other accounting principles, such as U.S. GAAP and IFRS, on the other hand, which may be material to investors' assessments of our financial condition.*

Our financial statements, including the Restated Consolidated Financial Statements included in this Information Memorandum, were prepared and presented in accordance with Indian GAAP (for Fiscals 2013, 2014, 2015,



2016 and 2017) and IND (AS) for the six months ended September 30, 2017. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Information Memorandum, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP and IND (AS). Accordingly, the degree to which the Indian GAAP and IND (AS) Restated Consolidated Financial Statements included in this Information Memorandum will provide meaningful information is dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Information Memorandum should accordingly be limited.

31. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.*

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. For details of the laws that are currently applicable to us, see "*Key Regulations and Policies in India*" on page 103.

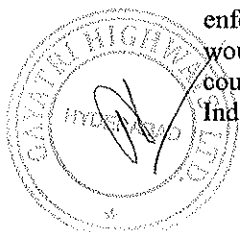
The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, financial condition, results of operations, and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax ("*GST*") regime with effect from July 1, 2017 that combines multiple taxes and levies by the Central and State Governments into a unified tax structure. While the Government of India and certain State Governments have announced that all committed incentives will be protected following the implementation of the GST, given that the various rules and regulations regarding the new regime are being evaluated in terms of various implications concerning the GST, we cannot provide you with any assurance as to this or any other aspect of the tax regime following implementation of the GST including anti-profiteering regulations of the new tax regime and availability of input tax credit ("*ITC*"). Further, the General Anti-Avoidance Rules ("*GAAR*") became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in the denial of tax benefits to an arrangement, among other consequences. In the absence of any such precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us. Unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, financial condition, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

32. *Public Companies in India are required to compute income tax under the Income Computation and Disclosure Standards (the "ICDS"), The transition to ICDS in India is very recent and we may be negatively affected by such transition*

The Ministry of Finance, GoI, through a notification dated March 31, 2015, required all income tax assessments in India to follow the ICDS. ICDS are required to be applied in computing taxable income and payment of income taxes thereon and apply to all taxpayers following an accrual system of accounting for the purpose of computation of income under the heads of "*Profits and gains of business/profession*" and "*Income from other sources*." ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. This is the first time such specific standards have been issued for income taxes in India, and the impact of the ICDS on our tax incidence is uncertain. We cannot assure you that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

33. *Investors may not be able to enforce a judgment of a foreign court against our Company.*

Our Company is incorporated under the laws of India. Our Company's assets are primarily located in India and all of our Directors and Key Managerial Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian public policy.



34. ***Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the valuation and reporting requirements specified by the Reserve Bank of India (the "RBI"). If a transfer of shares is not in compliance with such requirements and fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other Governmental agency can be obtained on any particular terms or at all.

35. ***Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.***

36. Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting rights on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

37. ***Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

38. ***We are not able to guarantee the accuracy of third party information.***

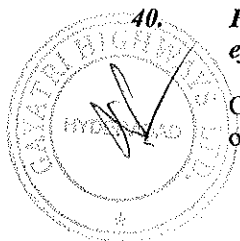
Market data and certain information and statistics relating to us and general market/industry data are derived from both public and private sources, including market research, publicly available information and industry publications. While we have taken reasonable care to ensure that the facts and statistics presented are accurately reproduced from such sources, they have not been independently verified by us, and, therefore, we make no representation as to the accuracy, adequacy or completeness of such facts and statistics. Due to possibly flawed or ineffective calculation and collection methods and other problems, the facts and statistics herein may be inaccurate or may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon. Further, there can be no assurance that the facts and statistics are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

39. ***The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the listing. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

40. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign



currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

41. ***You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***
42. Capital gains arising from sale of equity shares in an Indian company, within 12 months, are generally taxable in India. Any gain realized on sale of listed equity shares on a stock exchange held for more than 12 months will be subject to capital gains tax in India if Securities Transaction Tax (“STT”) is paid on the transaction. STT is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, other than on a recognized stock exchange and on which no STT has been paid, is subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. However, generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.
43. ***Any future issuance of Equity Shares, or convertible securities or other equity-linked securities, by us may dilute your shareholding and any sale of Equity Shares by our Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in “*Capital Structure*” on page 44, we cannot assure you that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

Once our Equity Shares are listed, changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.



SECTION III: INTRODUCTION

SUMMARY OF OUR BUSINESS

In this section "the Company", "our Company", "we", "us" and "our" refers to Gayatri Highways Limited (formerly known as Gayatri Highways Private Limited & erstwhile Gayatri Domicile Private Limited) and its Subsidiaries on a consolidated basis.

Overview

The Company is a core Investment Company promoted by Gayatri Projects Limited a leading Hyderabad Based Infrastructure Company. We are an established construction, development and maintenance Service Company, with a track record of 12 years of experience and expertise in execution of various road focused projects in various states of India.

We are an infrastructure development in India with extensive experience in the roads and highways sector and are currently involved in 7 BOT projects in the roads and highways sector. The Company is primarily a holding company and the assets of the Gayatri Group are held by, and our business operations are conducted through, the various Subsidiaries of the Company; except those of Gayatri Projects Limited. For further information on the structure of the Gayatri Group, see "Business – The Gayatri Group" on page 93 of this Information Memorandum.

Our infrastructure development business involves the construction, development and operation of infrastructure development projects. The Group is an established infrastructure company in the roads sector in India and have a large portfolio of completed and operational BOT projects in the Indian road infrastructure sector.

Most of the work in both our infrastructure development business and construction business is won on a competitive bidding basis. Our clients are usually government entities that award project specific contracts to bidders based on certain eligibility requirements; these eligibility requirements generally include project experience, engineering capabilities and financial strength. We may enter into project-specific joint ventures with other companies to meet these requirements or to further enhance our credentials.

As of March, 2018, the Company have only 7 permanent employees on its payroll, but its subsidiaries Companies have 60 permanent employees including 9 employees in our head office, , we engage sub-contractors, who provide us with casual and temporary contract labour from time to time. Having a large work force enables us to mobilize our skilled employee resources depending on the location and the necessary expertise for projects undertaken by us. We do not own assets on our own, but our subsidiaries own few assets Our sophisticated equipment and skilled employee resources enable us to successfully implement modern infrastructure and construction methodologies effectively and efficiently.

In fiscal upto 31st December,2017, our consolidated total income was Rs. 239.96crores, including consolidated turnover of Rs. 51.30 crores, and we earned consolidated net loss, as restated, of Rs. 115.14 crores. Income from BOT projects, i.e., toll revenue from various infrastructure development BOT projects undertaken by the Group, of Rs. 51.30 crores represented 21.38% of our consolidated total income in fiscal upto 31st December,2017 .

We categorise our operations into primarily one businesses, namely, development of roads and highways projects, including highways and bridges, currently on ("BOT ") basis (the "**Annuity Business**" / "**Toll Business**"), and through our Subsidiaries completed build, operate, transfer ("**BOT**") toll / annuity projects under which we receive toll collection fees and annuity income.

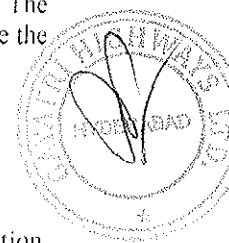
Gayatri Highways Limited operates as an investment and Infrastructure company with 7 operational BOT Road Projects (SPVs) under it. The Company makes investments in companies engaged in the construction, operation, and maintenance of roads, highways, bridges, and tunnels. Gayatri Highways Limited operations are spread throughout India.

The Company has 7 Operational BOT Road Assets under it, 4 BOT Annuity and 3 BOT Toll Assets. The Total Value of the BOT Road Assets under the Company is Rs. 7,043 Crores. Annuity Projects provide the Company with stable Cash Flows while the Toll Projects provide with an opportunity for upside..

A brief summary of the each BOT SPV is as follows:

Gayatri Jhansi Roadways Limited

Gayatri Jhansi Roadways Limited is as SPV incorporated for the purpose of Design, Construction, Development, Finance, Operation and Maintenance of km 0.000 to km 49.700 covering 49.700 km of



National Highway No. 25/26 (NH-25/26) in the state of Uttar Pradesh. The Concession Agreement was signed with NHA1 in Sept 2006 and Concession was granted for 20 years. NHA1 will pay the SPV a Semi-Annual Annuity of Rs. 39.50 Crores during the operations period.

Gayatri Lalitpur Roadways Limited

Gayatri Lalitpur Roadways Limited is as SPV incorporated for the purpose of Design, Construction, Development, Finance, Operation and Maintenance of km 49.700 to km 99.005 covering 49.305 km of National Highway No. 26 (NH-26) in the state of Uttar Pradesh. The Concession Agreement was signed with NHA1 in Sept 2006 and Concession was granted for 20 years (2.5 Years Construction Period and 17.5 Years Operations Period). NHA1 will pay the SPV a Semi-Annual Annuity of Rs. 23.95 Crores during the operations period.

Hyderabad Expressways Limited

Hyderabad Expressways Limited is as SPV incorporated for the purpose of Design, Construction, Development, Finance, Operation and Maintenance of Eight Lane access controlled expressway under Phase II A Programme as an extension of Phase I of ORR to Hyderabad City, in the State of Telangana, India, for the package from Bongalur to Tukuguda from km 108.000 to km 121.000 on Build, Operate and Transfer (BOT) (Annuity) basis. The Concession Agreement was signed with Hyderabad Urban Development Authority and Hyderabad Growth Corridor Limited in August 2007 and Concession was granted for 15 years (2.5 Years Construction Period and 12.5 Years Operations Period). HGCL/HMDA will pay the SPV a Semi-Annual Annuity of Rs. 30.49 Crores during the operations period.

Cyberabad Expressways Limited

Cyberabad Expressways Limited is as SPV incorporated for the purpose of Design, Construction, Development, Finance, Operation and Maintenance of Eight Lane access controlled expressway under Phase II A Programme as an extension of Phase I of ORR to Hyderabad City, in the State of Telangana, India, for the package from Kollur to Patancheru from km 12.000 to km 23.700 on Build, Operate and Transfer (BOT) (Annuity) basis. The Concession Agreement was signed with Hyderabad Urban Development Authority and Hyderabad Growth Corridor Limited in August 2007 and Concession was granted for 15 years (2.5 Years Construction Period and 12.5 Years Operations Period). HGCL/HMDA will pay the SPV a Semi-Annual Annuity of Rs. 39.50 Crores during the operations period.

HKR Roadways Limited

HKR Roadways Limited is as SPV incorporated for the purpose of Design, Construction, Development, Finance, Operation and Maintenance of Four Laning of Hyderabad – Karimnagar – Ramagundam Road (SH-1) from km 28.200 to km 235.058 in the State of Telangana under Public Private Partnership as Build, Operate and Transfer (BOT) basis and to collect toll, charges and fees from the users of the said project . The Concession Agreement was signed with Government of Telangana in August 2010 and Concession was granted for 25 years (2.5 Years Construction Period and 22.5 Years Operations Period). The SPV has the right to the collect Toll for the users of the Road during the operations period.

Indore Dewas Tollways Limited

Indore Dewas Tollways Limited is as SPV incorporated for the purpose of Six Laning of Indore – Dewas Section of NH-3 from Km 577.500 to Km 610.000 and Km 0.000 to Km 12.600 (Approx. Length 45.05 Km) in the State of Madhya Pradesh under NHDP Phase-V to be executed as BOT (Toll) project on Design, Build, Finance, Operate and Transfer “DBFOT” Pattern. The Concession Agreement was signed with NHA1 in May 2010 and Concession was granted for 25 years (2.5 Years Construction Period and 22.5 Years Operations Period). The SPV has the right to the collect Toll for the users of the Road during the operations period.

Sai Maatarini Tollways Limited

Sai Maatarini Tollways Limited is as SPV incorporated for the purpose of Four Laning of Panikoilli – Rimuli Section of NH-215 from Km 0.000 to Km 163.000 (Design Length 167.173 Km) in the State of Orissa under NHDP Phase-III as BOT (Toll) project on Design, Build, Finance, Operate and Transfer “DBFOT” Pattern. The Concession Agreement was signed with NHA1 in September 2011 and Concession was granted for 24 years (2.5 Years Construction Period and 21.5 Years Operations Period). The SPV has the right to the collect Toll for the users of the Road during the operations period.

We independently execute projects where we are pre-qualified to bid on an independent basis as per the objects of the Company.



The Company has not conducted much business activities during last few years, hence its financial figures are negligible. However, after demerger of the Infrastructure Road BOT Assets Business of Gayatri Projects Limited and transfer to the Company pursuant to the Scheme of Arrangement, there will be an increase in its operations & financial figures.

Competitive Strengths

Strong track record of completed infrastructure projects across various states in India, with focus on roads and highways projects.

We are an established construction, development and maintenance service company, with a track record of 12 years of experience and expertise in execution of various road focused BOT projects in various states of India including Madhya Pradesh, Uttar Pradesh, Telangana and Odisha. We provide BOT services on a lump sum basis as well as on an item rate basis, primarily in the road sector including bridges and highways, and building and other civil construction projects.

We constantly liaise with regulatory and local authorities in order to ensure that our projects are not stalled due to non-availability of any statutory or regulatory clearances, non-availability of land, human resources, plant and machinery etc., or other instances of cost-overrun which allows us to complete projects in a timely manner. Further, we undertake majority of our projects through our own employees and appoint contractors for only non-core portions of our projects. Our experience and established track record of executing road and other civil infrastructure projects allows us to meet the necessary pre-qualification requirements and helps us identify and mitigate certain development and operational risks.

Strong Project Assets with growing project portfolio.

In the infrastructure industry, Project Assets is considered an indicator of future performance since it represents a portion of anticipated future revenue. As on 31.03.2018, we had Project Assets of 7043 Crores, being comprised of roads and highways projects;

Our operations are spread across various states in India, including Madhya Pradesh, Uttar Pradesh, Telangana and Odisha. Diversifying our skill set and Project Assets across different business and geographical regions, enables us to pursue a broader range of project tenders and therefore maximize our business volume and contract profit margins. The consistent growth in our Project Assets is a result of our past experience, our focus on maintaining quality standards in our construction and project execution skills.

Driven by our execution track record, we have exhibited strong financial performance and credit profile over the last few years. Our strong financial performance and substantial assets, helps us present a strong credit profile to our lenders and keeps alternative sources of financing available to us. Our Group Company's strong financial position, its experience, have helped us in being pre-qualified by NHAI, and other state authorities.

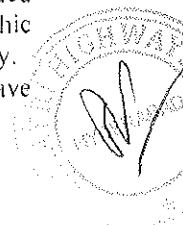
Focused geographic expansion based on scientific project selection.

The Company is holding BOT/BOOT/TOLL projects across PAN India presence such as: Sai Maatarini Tollways Ltd, Indore Dewas Tollways Ltd, Gayatri Jhansi Roadways Ltd, Gayatri Lalitpur Roadways Ltd, HKR Roadways Ltd, Hyderabad Expressways Ltd and Cyberabad Expressways Ltd

We scientifically bid for projects in particular geographies, by taking into consideration key factors such as the potential for project clustering, risks related to land acquisition and obtaining environment and forest clearances and other approvals needed for execution and the potential cash flow from such projects after they become operational. We are selective when we expand into a new location and typically consider geographies where we can deliver high-quality services without experiencing significant delays and interruptions. We have expanded our operations into states with less competition, high GDP, stable political conditions, favourable geographic and climatic conditions. We strive to cluster our projects geographically to improve efficiency and profitability. By leveraging the manpower, equipment and materials which are set-up at nearby work sites, we save transportation costs and investment in new equipment, thus achieving economies of scale.

Experienced promoters with senior management team and skilled workforce.

The Promoters of the Company is Gayatri Projects Limited & its promoters who have extensive experience and are actively involved in the management of our business and general administration on a day to day basis. GPL



& its promoters has approximately 58 years of experience in the field of Construction industries & project execution. Gayatri Projects Limited Managing Director, Mr. T.V.Sandeep Kumar Reddy has approximately 33 years of experience in the field of business development and finance. He has been instrumental in expanding our project portfolio in the Roads and highways segment.

In addition to our Promoters, we have a dedicated and experienced management team, which is responsible for our overall strategic planning and business development. We have strong work culture designed to balance our organizational priorities with life-stage needs and aspirations of our employees. We are able to recognize, reward and develop the right kind of talent, as a result of which we have experienced low attrition at middle and top management levels in the past.

Our motivated team of management and key managerial personnel and our internal systems and processes complement each other, to enable us to deliver high levels of client satisfaction. For more information on our Directors and key managerial personnel, see "*Management*" on page 113. We intend to leverage the understanding and the experience of our senior management in successfully managing our operations, which has facilitated the growth of our business.

Strategies

Continue focusing on roads and highways projects while selectively expanding our geographic footprint.

Over the next few years, we will continue to focus on the operations, maintenance and development of our existing projects while seeking opportunities to expand our portfolio of projects. Our strategy is to continue to focus on strengthening our market position and developing and executing projects in the roads and highways sector, while seeking opportunities to bid for additional projects. We intend to draw on our experience, effectively use our assets, market position and our ability to execute and manage multiple projects across geographies, to grow our project portfolio. We will continue to leverage our existing technology and adopt new technologies, designs and project management tools to increase productivity and maximize asset utilization in capital intensive activities.

We plan to continue our strategy of diversifying and expanding our presence in different states for the growth of our business. We are selective when we expand in a new location and typically consider geographies where we can deliver high-quality services without experiencing significant delays and interruptions on account of adverse climatic conditions or regulatory delays. We currently have operations in Madhya Pradesh, Uttar Pradesh, Telanagana and Odisha. We intend to expand into states which are economically and politically stable and have favourable geographic and climatic conditions. We intend to broaden our revenue base and reduce risks of volatility of market conditions and price fluctuations by expanding our geographic footprint.

Continue focusing on enhancing execution efficiency.

We intend to continue enhancing our operational efficiencies to better absorb our fixed costs, reduce our other operating costs and strengthen our competitive position through the following initiatives: We will continue our practices of scientific selection of projects and calibrated growth by avoiding projects that may over-leverage our balance sheets or may require significant investments in equipment or manpower. We will continue to expand into states with less competition, high GDP, stable political conditions, favourable geographic and climatic conditions. We will continue to focus on geographically clustering our projects to further improve our business and financial performance. Our future growth will depend on how successfully we undertake our projects in other states and cluster our existing and new projects to achieve optimal efficiency and profitability.



Focus on timely delivery and quality execution: We intend to continue to focus on performance and project execution in order to maximize client satisfaction and profit margins. We intend to integrate best practices from different sectors and geographic regions and continue our practice of efficient planning and project management and centralizing procurement of major equipment and raw materials. This is designed to help us scale up our operations at a lower cost and enjoy greater economies of scale.

Enhance our existing project execution capabilities: We intend to further enhance our execution efficiency and improve our operating systems of equipment usage, procurement and manpower. We intend to ensure continuous availability of equipment for our projects and exercise better control over the execution of our projects. We intend to adhere to our practice of quick mobilization of the equipment needed for our new projects, further increase spare parts availability and reduce procurement and maintenance costs. We intend to continue using our centralized procurement system to gain bargaining power with our equipment and raw material suppliers and further reduce our procurement costs. We source funding for our projects primarily through loans from banks and other financial institutions. We intend to continue to evaluate various funding mechanisms which will enable us to enhance our credit rating and in turn reduce our borrowing cost and improve our liquidity position.

Focus on strengthening our information technology systems: We intend to continue upgradation of our information and communication technology infrastructure and other internal processes to reduce manual intervention and improve reliability and efficiency of our business and operations.

Capitalize on the growth opportunities in the Indian infrastructure industry.

As the growth of the economy in general and the manufacturing sector in particular is largely dependent on creation of suitable infrastructure, the policy focus in India has been on infrastructure investment which has led to increased budgetary support to the transportation sector. Accordingly, the consequent need for supporting such infrastructure may grow with the increase in infrastructure projects.

The Government's focus on the development of the infrastructure sector and sustained increased budgetary allocation towards the infrastructure sector, together with increased funding by international and multilateral development finance institutions for infrastructure projects have resulted in increased demand for engineering construction services for infrastructure projects. Government spending on the road infrastructure sector is a key component of India's goal of sustained annual GDP growth. The CRISIL Report states that investment in road projects is to double to ₹ 10.70 trillion over next five years. According to the CRISIL Report, investment in state roads is expected to grow steadily, and rise at a faster pace in case of rural roads, owing to higher budgetary allocation to the Pradhan Mantri Gram Sadak Yojana since Fiscal 2016. The Government of India has floated the NHDP in 1998, which is aimed at building, upgradation, rehabilitation and broadening of national highways.

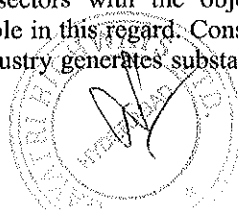
The programme is executed by NHAI in coordination with the PWD of various States. The Government has also floated various other NHAI projects including the Special Accelerated Road Development Programme in North-East region and the National Highways' Interconnectivity Improvement Project. According to the CRISIL Report, out of the total ₹ 4.3 trillion expected to be invested in national highways up to Fiscal 2022, about ₹ 1.4 trillion will be through HAM projects. Our expertise and experience in the development, operation and management of road infrastructure projects, as well as our established reputation, provides us with a competitive advantage in pursuing opportunities in this rapidly growing sector.

Our Business Lines

MACROECONOMIC & SECTOR OVERVIEW OF INDIA

In the current gloomy global economies, India is among a very few economies which are on rise and is a beacon of growth. The country's gross domestic product ("GDP") is expected to grow at an impressive CAGR of 5.6% between 2017 and 2022. Driven by strong macroeconomic fundamentals including moderate inflation, a narrow current account deficit, fiscal consolidation, and the Government's reform drive, India has overtaken China to become the world's fastest growing major economy in 2017. Infrastructure is a key driver of the overall development of Indian economy. This sector focuses on major infrastructure sectors such as power, roads and bridges, dams and urban infrastructure. Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development.

With the present emphasis on creating physical infrastructure, massive investment is planned by the Planning Commission. Key reforms have been initiated in several sectors with the objective of augmenting country's infrastructure. The construction industry has played a crucial role in this regard. Construction becomes the basic input for socio-economic development. Besides, the construction industry generates substantial employment and provides a growth to other sectors through backward and forward linkages.



The construction business is a conspicuous and increasingly large segment of the Indian economy. In recent years, high growth in the construction sector has been one of the important factors behind the acceleration in GDP growth. In the past few years, the services sector in general and the construction sector in particular remained the key driver of economic activity, with major contribution to overall real GDP growth. The construction sector is supposed as the second largest employer in India after agriculture.

India has one of the largest road networks in the world with about 47 lakh km of roads. This road length includes National Highways (NHs), Expressways, State Highways (SHs), district roads, PWD roads, project roads, etc. In India, road infrastructure is used to transport over 60% of total goods and 85% of total passenger traffic.

National Highways Authority of India (NHAI):

The central government is primarily responsible for the development and maintenance of NHs, and it carries out these functions through the NHAI. The NHs comprises about 2% of the road network but carry about 40% of the total road traffic.

One of the primary projects implemented by the NHAI is the National Highways Development Project (NHDP). The Ministry started the NHDP in 1998 for the construction and improvement of the NH network to international standards.

The Government Foray

Policymakers became increasingly cognizant of the gap in the infrastructure sector. The government implemented a select set of measures to increase spending in various infrastructure segments. The government has also taken up the restructuring and privatization of various airports, and the construction of Greenfield airports etc. Further the Govt. has also decided to develop non-metro airports in the country. In the rail sector, a Greenfield railway network dedicated to freight traffic (freight corridor) is also planned.

India is witnessing significant interest from international investors in the infrastructure space. Some key investments in the sector are listed below.

- The Government of India has planned an investment worth Rs 45,000 crore (US\$ 7.07 billion) for the development of India's north-eastern regions bordering China, Bhutan, Bangladesh and Myanmar.
- The Ministry of Road Transport and Highways, Government of India, invested Rs 14,916 crore for the Special Accelerated Road Development Programme for North East (SARDP-NE) and Rs 4,095 crore for the National Highway (Original) over the past two years to improve the road infrastructure in India's north eastern region.
- The infrastructure sector in India witnessed 33 deals in FY 2016-17 involving US\$ 3.49 billion as against US\$ 2.98 billion raised across 31 deals in FY 2015-16, with the majority of deals led by the power, roads and renewable sectors, as per investment bank Equirus Capital.

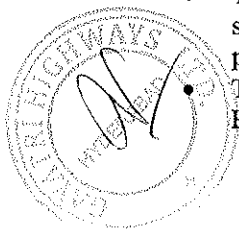
Government Initiatives

The Road Transport & Highways Ministry has invested around Rs 3.17 trillion (US\$ 47.7 billion), while the Shipping Ministry has invested around Rs 80,000 crores (US\$ 12.0 billion) in the past two and a half years for building world class highways and shipping infrastructure in the country. The Government of India is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport, prior to the general elections in 2019.

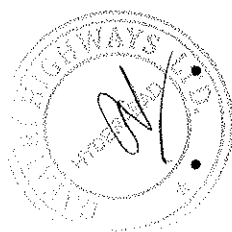
A total of 6,604 km out of the 15,000 km of target set for national highways in 2016-17 has been constructed by the end of February 2017, according to the Minister of State for Road, Transport & Highways and Government of India.

The Government of India is taking every possible initiative to boost the infrastructure sector. Some of the steps taken in the recent past are being discussed hereafter.

- Contracts awarded under the Smart Cities Mission would show results by June 2018 as the work is already in full swing, according to Mr. Hardeep Singh Puri, Minister of State (Independent Charge) for Housing and Urban Affairs, Government of India.
- The Government of India is working to ensure a good living habitat for the poor in the country and has launched new flagship urban missions like the Pradhan Mantri Awas Yojana (Urban), Atal Mission for Rejuvenation and Urban Transformation (AMRUT), and Swachh Bharat Mission (Urban) under the urban habitat model, according to Mr Hardeep Singh Puri, Minister of State (Independent Charge) for Housing
- The Government of India plans to facilitate partnerships between gram panchayats, private companies and other social organisations, to push for rural development under its 'Mission Antyodaya' and has already selected 50,000 panchayats across the country for the same.
- The Airports Authority of India (AAI) is planning to undertake new development works at Lucknow, Deoghar, Rajkot, and Allahabad airports to improve the airport infrastructure in the country and will also develop a



- Greenfield airport at Hirasar, Rajkot, according to the Ministry of Civil Aviation, Government of India.
- The Government of India plans to raise Rs 10 trillion (US\$ 156.53 billion) for infrastructure projects from retirees and provident fund beneficiaries in tranches of Rs 10,000 crore (US\$ 1.57 billion) by selling 10-year bonds at a coupon rate of 7.25-7.75 per cent.
 - Airports Authority of India (AAI) is set to construct an Export Import Cargo Terminal (EICT) at Tulihal, Imphal airport, in the state of Manipur at an estimated cost of Rs 16.20 crore (US\$ 2.54 million), which is expected to boost the export of handicrafts and perishable cargo from the state.
 - The Cabinet Committee on Economic Affairs (CCEA) approved three railway connectivity projects at a cost of Rs 3,940 crore (US\$ 614.96 million) in the states of Tamil Nadu and Kerala, which will speed up the operation of trains and also provide increased capacity for the future.
 - The Asian Infrastructure Investment Bank (AIIB) has approved a loan worth US\$ 329 million, which will be utilised towards construction of road linkages for last-mile connectivity to schools and tribal areas in 33 districts of Gujarat.
 - In the Union Budget 2017-18, the Government of India has taken the following measures for the development of infrastructure.
 - Increased total infrastructure outlay and defence capital expenditure by 10 per cent and 20.6 per cent to Rs 396,135 crore (US\$ 59.18 billion) and Rs 86,488 crore (US\$ 13.1 billion) respectively, over FY17 revised estimate.
 - Railway expenditure allocation has increased by 8 per cent to Rs 131,000 crore (US\$ 19.58 billion) for laying down 3,500 km of railway lines in 2017-18.
 - Affordable housing has been given infrastructure status.
 - Lock-in period for long-term capital gains on land and buildings has been reduced from three to two years.
 - The Government of India launched a City Livability Index on June 23, 2017, which would measure the quality of life in 116 major cities on a set of 79 parameters.
 - The Government of India has approved an investment of Rs 67,523 crore (US\$ 10.49 billion) towards urban development in Maharashtra, thereby recording the highest investment outlay towards urban infrastructure in any state in three years.
 - The National Highways Authority of India (NHAI) launched its first overseas issue of Masala Bond at the London Stock Exchange in May 2017, attracting bids worth over Rs 3,000 crore (US\$ 465 million), with aim of raising capital for funding the infrastructure projects in India.
 - The Union Cabinet, Government of India, has allowed state government agencies to borrow money from bilateral agencies in other countries to fund its infrastructure projects, in a bid to improve the funding options for infrastructure projects in the country.
 - Mr Venkaiah Naidu, Minister of Housing and Urban Poverty Alleviation, Government of India, launched 352 affordable housing projects worth Rs 38,000 crore (US\$ 5.9 billion) in 53 cities across 17 states for building over 200,000 houses costing Rs 18 lakh (US\$ 27,948) per house on average.
 - The Government of India plans to invest Rs 11,421 crore (US\$ 1.77 billion) to improve basic urban infrastructure in 61 cities and towns of Uttar Pradesh, having population exceeding 100,000 each by 2019-20, under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) scheme. The government has also approved investments in Tamil Nadu (Rs 11,237 crore or US\$ 1.74 billion), Maharashtra (Rs 6,759 crore or US\$ 1.05 billion), Haryana (Rs 2,544 crore or US\$ 394.32 million), Chattisgarh (Rs 2,192 crore or US\$ 339.76 million), Manipur (Rs 180 crore or US\$ 27.90 million) and Sikkim (Rs 39 crore or US\$ 6.05 million) by 2019-20, under the same scheme.
 - The Cabinet Committee on Economic Affairs (CCEA), Government of India, has approved the project to widen the Handia-Varanasi section of National Highway-2 in Uttar Pradesh, which would require an investment of Rs 2,147 crore (US\$ 333.36 million).
 - The Government of India has sought Parliament's approval for an additional expenditure of Rs 59,978.29 crore (US\$ 8.96 billion) for supporting the government's rural jobs scheme, building rural infrastructure, urban development and farm insurance.
 - The Ministry of Shipping plans to undertake development of 37 national waterways (NWs), out of the 111 NWs declared under the National Waterways Act 2016, in the next three years, which would have positive impact on reduction of overall logistics cost.
 - The Government of India has laid out a roadmap to complete 23 Priority-I projects by 2016-17, 31 Priority-II projects by 2017-18 and balance 45 Priority-III projects by December 2019 under the Prime Minister Krishi Sinchayee Yojana (PMKSY) and Accelerated Irrigation Benefits Programme (AIBP).
 - The Government of India plans to build 8,000 km of pavements and lay more cycle tracks in 106 cities in the next 5 years with an investment of Rs 80,000 crore (US\$ 11.94 billion), in order to reduce carbon footprint in urban areas and promote activities like walking and cycling.
 - The Central Electricity Authority (CEA) expects investment in India's power transmission sector to reach Rs 2.6 lakh crore (US\$ 38.85 billion) during the 13th plan (2017-22), and to enhance the transmission capacity of the inter-regional links by 45,700 megawatt (MW).
 - The monetisation of 75 publicly funded highway projects of value Rs 35,600 crore (US\$ 5.32 billion) via toll-



operate-transfer (TOT) mode will fetch adequate funds to finance road construction of 2,700 km length of roads.

- The Indian Railways plans to set up a US\$ 5 billion Railways of India Development Fund (RIDF), which will serve as an institutional mechanism for the Railways to arrange funds from the market to finance various infrastructure projects.
- The Ministry Of Urban Development has approved investment of Rs 2,863 crore (US\$ 433 million) in six states under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) scheme, for improving basic urban infrastructure over FY 2017-20.
- Airports Authority of India (AAI) plans to increase its capital expenditure for 2017-18 by 25 per cent to Rs 2,500 crore (US\$ 0.37 billion), primarily to expand capacity at 12 airports to accommodate increase air traffic, as per the Chairman of AAI.
- The Government of India and the Asian Development Bank (ADB) have signed US\$ 375 million in loans and grants for developing 800 kilometer (km) Visakhapatnam-Chennai Industrial Corridor, which is the first phase of a planned 2,500 km East Coast Economic Corridor (ECEC).

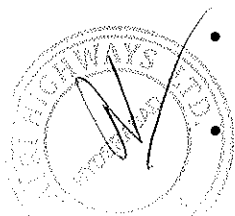
Private financing and contracts:

The road sector in India has seen investment from the private sector in the form on public private partnerships (PPPs). PPP projects in this sector are implemented through various concessionaire models. Key models include:

- (a). engineering procurement construction (EPC),
 - (b). build-operate-transfer (BOT) (toll) & BOT (annuity), and
 - (c). Hybrid annuity. 7 In 2015- 16, about 58% of the projects under NHDP were awarded through EPC, 33% through BOT, and the rest 9% were through hybrid annuity.
- (a). Under EPC contracts, the private entity is expected to construct and implement a project within a specified time, and at a specific cost, and then hand over the project to the government on completion. In such contracts, the risks have been assigned to the private entity, with the expectation that this will improve innovation and efficiency.
 - (b). A **Build Operate Transfer (BOT) Project** is typically used to develop a discrete asset rather than a whole network and is generally entirely new or greenfield in nature (although refurbishment may be involved). In a BOT Project the project company or operator generally obtains its revenues through a fee charged to the utility/ government rather than tariffs charged to consumers. In common law countries a number of projects are called concessions, such as toll road projects, which are new build and have a number of similarities to BOTs.

Key Features of BOT Projects

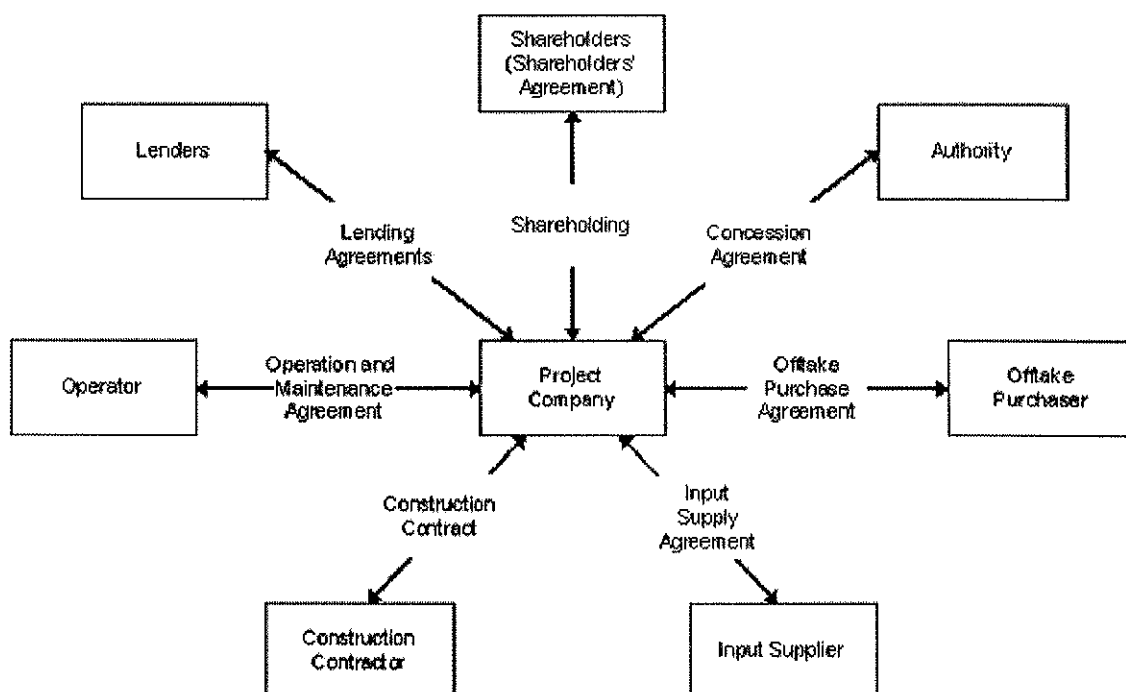
- In a BOT project, the public sector grantor grants to a private company the right to develop and operate a facility or system for a certain period (the "Project Period"), in what would otherwise be a public sector project.
- Usually a discrete, greenfield new build project.
- Operator finances, owns and constructs the facility or system and operates it commercially for the project period, after which the facility is transferred to the authority.
- BOT is the typical structure for project finance. As it relates to new build, there is no revenue stream from the outset. Lenders are therefore anxious to ensure that project assets are ring-fenced within the operating project company and that all risks associated with the project are assumed and passed on to the appropriate actor. The operator is also prohibited from carrying out other activities. The operator is therefore usually a special purpose vehicle.
- The revenues are often obtained from a single "offtake purchaser" such as a utility or government, who purchases project output from the project company (this is different from a pure concession where output is sold directly to consumers and end users).
- Project company obtains financing for the project, and procures the design and construction of the works and operates the facility during the concession period.
- Project company is a special purpose vehicle, its shareholders will often include companies with construction and/or operation experience, and with input supply and offtake purchase capabilities. It is also essential to include shareholders with experience in the management of the appropriate type of projects, such as working with diverse and multicultural partners, given the particular risks specific to these aspects of a BOT project. The offtake purchaser/ utility will be anxious to ensure that the key shareholders remain in the project company for a period of time as the project is likely to have been awarded to it on the basis of their expertise and financial stability.
- Project company will co-ordinate the construction and operation of the project in accordance with the requirements of the concession agreement. The off-taker will want to know the identity of the construction sub-contractor and the operator.
- The revenues generated from the operation phase are intended to cover operating costs, maintenance, repayment of debt principal (which represents a significant portion of development and construction costs), financing costs (including interest and fees), and a return for the shareholders of the special purpose company.
- Lenders provide non-recourse or limited recourse financing and will, therefore, bear any residual risk along with the project company and its shareholders.



- The project company is assuming a lot of risk. It is anxious to ensure that those risks that stay with the grantor are protected. It is common for a project company to require some form of guarantee from the government and/ or commitments from the government which are incorporated into an **Implementation Agreements**.
- In order to minimize such residual risk (as the lenders will only want, as far as possible, to bear a limited portion of the commercial risk of the project) the lenders will insist on passing the project company risk to the other project participants through contracts, such as a construction contract, an operation and maintenance contract

Contractual Structure

The chart below shows the contractual structure of a typical BOT Project or Concession, including the lending agreements, the shareholder's agreement between the Project company shareholders and the subcontracts of the operating contract and the construction contract, which will typically be between the Project company and a member of the project company consortium.



Each project will involve some variation of this contractual structure depending on its particular requirements: not all BOT projects will require a guaranteed supply of input, therefore a fuel/ input supply agreement may not be necessary. The payment stream may be in part or completely through tariffs from the general public, rather than from an offtake purchaser.

- (c). In January 2016, the Cabinet Committee on Economic Affairs approved the hybrid annuity model for implementing highway projects in partnership with the private sector. Under this model, government and the private entity will share the project cost in the ratio of 40:60.

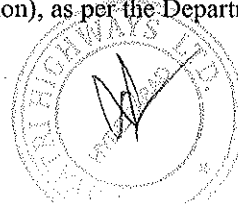
This model is expected to lower the initial capital outflow for the government, as bulk of the payment will be done through annuity payments. Further, the private entity will be insulated from traffic and inflation risks, as these will be looked after by the government.

In May 2015, the Cabinet Committee on Economic Affairs approved 100% equity divestment after two years of construction completion for all BOT projects. Further, it also approved a one-time fund infusion to revive and physically complete languishing BOT projects. It remains to be seen whether these policies help in bringing more private investment into the sector and resolve the issues with financing and slow construction.

Road Ahead

India's national highway network is expected to cover 50,000 kilometres by 2019, with around 20,000 km of works scheduled for completion in the next couple of years, according to the Ministry of Road Transport and Highways.

The Government of India is devising a plan to provide wifi facility to 550,000 villages by March 2019 for an estimated cost of Rs 3,700 crore (US\$ 577.88 million), as per the Department of Telecommunications, Government of India.



India and Japan have joined hands for infrastructure development in India's north-eastern states and are also setting up an India-Japan Coordination Forum for Development of North East to undertake strategic infrastructure projects in the northeast.

Sweden is interested in smart cities development in India and has put forward a Common Plan of Action for developing sustainable and environment-friendly public transport solutions and solid waste management for the smart cities under development.

The Ambassador of Japan to India, Mr. Kenji Hiramatsu, has conveyed Government of Japan's inclination to invest and offer any other feasible support for various ongoing as well as upcoming development and infrastructure projects in the North-Eastern region of India.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial statements derived from GHL's audited consolidated financial statements as of, and for the years ended, March 31, 2017, 2016 and 2015. These financial statements have been prepared in accordance with the Indian GAAP and the Companies Act.

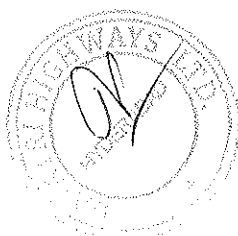
The summary financial statements of GHL presented below should be read in conjunction with such financial statements, notes and annexures thereto included in the section "Financial Statements" on pages 37-41 of this Information Memorandum.

Further, set forth below are as follows:

- (i) *GHL (GHPL/GDPL)'s summary financial statements derived from GHL (GHPL/GDPL)'s audited financial statements as of, and for the years ended, March 31, 2017, 2016 and 2015.*
- (ii) *These financial statements have been prepared in accordance with the applicable accounting standards and the Companies Act. The summary financial statements presented below should be read in conjunction with such financial statements, the audit reports, notes and annexures thereto which are available at*

The Gayatri Group has undergone significant restructuring in fiscal 2017 and there was Scheme of arrangement & scheme of demerger between various group & subsidiaries Companies of Gayatri Group. The detailed scheme of arrangement & scheme of demerger is mentioned on page 53 of this Information Memorandum. For detailed information relating to the restructurings in the Group, see "Management's Discussion and Analysis of Financial Condition and Results of Operations as per Consolidated Financial Statements - Restructuring of the Group and presentation of Financial Information" beginning on page 37 of this Information Memorandum and the section "History and Certain Corporate Matters" beginning on page 107 of this Information Memorandum.

Prior to the restructuring of the Group during fiscal 2017, the Company did not have any subsidiaries. Pursuant to the restructurings in fiscal 2017, Sai Maatarini Tollways Limited and Indore Dewas Tollways Limited are became subsidiaries of the Company and HKR Roadways Limited, Gayatri Jhansi Roadways Limited, Gayatri Lalitpur Roadways Limited, Hyderabad Expressways Limited and Cyberabad Expressways Limited are became Jointly Controlled Entities with effect from various dates during fiscal 2017. The consolidated restated financial statements of the Company for fiscal 2017 reflect the results of operations for each such subsidiary from the date that such subsidiary became a subsidiary of the Company, and do not reflect a full fiscal year of consolidated results of operations of the Company as constituted on March 31, 2017.



GHL(GHPL/GDPL) – Summary Consolidated Statement of Assets and Liabilities

(in millions)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES				
Shareholder's Funds				
Share Capital	2,156.307	2,156.307	0.200	0.200
Reserves and Surplus	-542.340	-325.945	-0.070	-0.038
Equity Attributable to Owners of the Parent	1,613.967	1,830.362	0.130	0.162
Non Controlling Interest	0	0	0	0
Total Equity – (A)	1,613.967	1,830.362	0.130	0.162
Non-Current Liabilities				
Long-Term Borrowings	21,809.125	21,968.444	0	0
Deferred Tax Liabilities (Net)	0	0	0	0
Other Long-Term Liabilities	3,469.152	3,223.796	0	0
Long-Term Provisions	0	0	0	0
Sub Total – ©	25,278.277	25,192.240	0	0
Current Liabilities				
Short-Term Borrowings	343.811	217.620	0.109	0.077
Short-Term Provisions	0	0	0	0
Trade Payables	38.647	15.626	0	0
Other Current Liabilities	1,474.983	1,019.590	0.003	0.003
Sub Total – (D)	1,857.442	1,252.836	0.112	0.080
TOTAL (A+B+C+D)	28,749.686	28,275.438	0.242	0.242
ASSETS				
Non-Current Assets				
Fixed Assets				
Tangible Assets	3.043	3.218	0	0
Intangible Assets including goodwill on consolidation	25,571.453	8,605.425	0	0
Capital Work-in-Progress	0	0	0	0
Intangible Assets under Development	636.765	17,314.577	0	0
Non-Current Investments				
Other Investment	997.687	489.669	0	0
Deferred Tax Assets(Net)	0	0	0	0

(in millions)

Particulars	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Long-term Loans and Advances	973.666	869.344	0	0
Other Non-Current Assets	173.003	263.408	0	0
Sub Total (E)	28,355.617	27,545.641	0	0
Current Assets				
Current Investments				
Other Investment	0	0	0	0
Trade Receivable	0	0	0	0
Cash and Bank Balances	121.250	427.250	0.003	0.003

Short-Term Loans and Advances	236.479	236.479	0	0
Other Current Assets	36.340	66.068	0.239	0.239
Sub Total (F)	394.069	729.797	0.242	0.242
TOTAL (E+F)	28,749.686	28,275.438	0.242	0.242

GHL – Summary Consolidated Statement of Profits and Losses

(in millions)

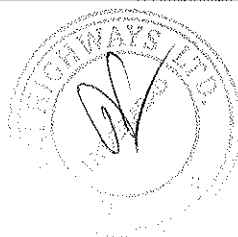
Particulars	For the fiscal year ended			
	December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015
INCOME				
Revenue from operations	512.964	0	0	0
Construction Income	1,758.562	6,762.349	0	0
Other Income	128.061	0	0	0
TOTAL REVENUE (A)	2,399.587	6,762.349	0	0
EXPENSES				
Construction Expenses	1,777.462	6,762.349	0	0
Employee Benefit Expense	14.665	0	0	0
Provision for Doubtful Debts & contingencies (incl bad debts)	0	0	0	0
Depreciation & Amortisation	199.163	0	0	0
Interest Expenses and Other Charges	0	0	0	0
Finance Cost	1,465.672	0	0	0
Other Expenses	94.040	0.389	0.032	0.019
TOTAL EXPENSES (B)	3,551.002	6,762.738	0.032	0.019
Exceptional Items-Impairment of Goodwill	0	0	0	0
PROFIT BEFORE TAX FOR THE YEAR (A-B)	-1,151.415	-0.389	-0.032	-0.019
Less :				
-Current Tax	0	0	0	0
-Write Back of Excess Provision for Tax	0	0	0	0
-Short/(Excess) Provision for Tax of Earlier Years (Net)	0	0	0	0
-Deferred Tax	0	0	0	0
PROFIT AFTER TAX FOR THE YEAR	-1,151.415	-0.389	-0.032	-0.019
Share of profits/(loses) in the Jointly controlled entites	-60.993	-569.011	-0.032	-0.019
PROFIT AFTER TAX FOR THE YEAR	-1,212.408	-569.400	-0.032	-0.019
Profit for the Year Attributable to				
Owners of Parent	-1,212.408	-569.400	-0.032	-0.019
Minority Interest	0	0	0	0
Profit for the Year	-1,212.408	-569.400	-0.032	-0.019

GHL – Summary Consolidated Cash Flow Statement

(in millions)

Particulars	31-Dec-17	31-Mar-17	31-Mar-16	31-Mar-15
CASH FLOW FROM OPERATING ACTIVITIES (A)				
Profit before tax Adjustment for non-cash item/items, to be disclosed separately	-1,151.415	-0.389	-0.032	-0.019
Add:				
Exceptional Item	0	0	0	0
Depreciation and Amortisation Expenses	199.163	0	0	0
(Gain)/Loss on Sale of Investments	0	0	0	0
(Gain)/Loss on Fixed Assets Sold	0	0	0	0

Interest income – others	-123.168	0	0	0
Interest Expense	1,201.169	0	0	0
General Contingency Provision written back	0	0	0	0
Foreign Currency Translation Reserve	0	0	0	0
Loss on Consolidation	-60.993	-569.011	0	0
Change in valuation of liability in respect of life insurance policies in force	0	0	0	0
Dividend Income	0	0	0	0
Total	1,216.170	-569.011	0	0
Operating Profits before Changes in Working Capital Total (A)	64.756	-569.400	-0.032	-0.019
Adjustment for Changes in working capital and provisions (B)				
Decrease/(Increase) in Loans and Advances	-104.321	-1,105.823	0	0
Decrease/(Increase) in Other Assets	131.484	-217.675	0	0
Increase/(Decrease) in Trade Payables	23.021	15.626	0	0
Increase/(Decrease) in Other Liabilities	700.749	4,243.383	0	0
Increase/(Decrease) in Provisions	0	0	0	0
Decrease/(Increase) in trade and Other Receivables	0	0	0	0
Decrease/(Increase) in Stock of Securities	0	0	0	0
Total	750.933	2,935.511	0	0
Cash generated from operations Total (A+B)	815.689	2,366.111	0	0
Taxes Paid (net of refunds) (C)	-11.351	-111.563	0	0
NET CASH USED IN OPERATING ACTIVITIES (A+B+C)	804.338	2,254.548	-0.032	-0.019
CASH FLOW USED IN INVESTING ACTIVITIES (D)				
Sale/(Purchase) of Current Investments (Net)				
Purchase of fixed assets	-989.571	-25,413.299	0	0
Sale of fixed assets	0	0	0	0
Acquisition of Additional Shares/Investment in Subsidiary	990.360	-756.064	0	0
Interest Received – Others	123.168	0	0	0
ICDs (Net)	0	0	0	0
Redemption of Long Term Investment	0	0	0	0
Bank Deposits more than 3 months (Net)	0	0	0	0
Dividend Income	0	0	0	0
NET CASH FROM INVESTING ACTIVITIES Total (D)	123.958	-26,169.363	0	0
CASH FLOW FROM FINANCING ACTIVITIES (E)				
Increase/(Decrease) in Borrowings	-33.127	22,185.955	0.032	0.019
Proceeds of Preference Shares (Including shares issued by subsidiary)	0	1,677.003	0	0
Redemption of preference share	0	0	0	0
Proceeds from Issue of Equity Shares (Including Securities Premium)	0	479.104	0	0



particulars	31-Dec-17	31-Mar-17	31-Mar-16	31-Mar-15
Dividend	0	0	0	0
Dividend Tax	0	0	0	0
Interest paid	-1,201.169	0	0	0
Dilution of stake in subsidiaries	0	0	0	0
NET CASH FROM FINANCING ACTIVITIES Total (E)	-1,234.296	24,342.062	0.032	0.019
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C+D+E)	-306.000	427.247	0	0
Cash And Cash Equivalents at the beginning of the year	427.250	0.003	0.003	0.003
Add : Cash and cash equivalents of a Subsidiary on acquisition thereof	0	0	0	0
Cash And Cash Equivalents at the end of the year	121.250	427.250	0.003	0.003
NET INCREASE OF CASH OR CASH EQUIVALENTS DURING THE YEAR	-306.000	427.247	0	0

Note:

1. GHIL Pursuant to the Scheme of Arrangement will have subsidiaries as per the Scheme of Arrangement approved by the NCLT, Hyderabad.
2. The group is preparing Consolidated Financial Statement for first time and is availing exemption from presenting comparatives for the cash flow statement given in transitional provision to Accounting Standard AS-21, "Consolidated Financial Statement" issued by the Institute of Chartered Accountants of India.



GENERAL INFORMATION

Our Company was originally incorporated on 28th December, 2006 under the Companies Act, 1956 as **GAYATRI DOMICILE PRIVATE LIMITED** with the Registrar of Companies, Andhra Pradesh at Hyderabad under CIN NO: U70101AP2006PTC052146. The name of Company was changed from **GAYATRI DOMICILE PRIVATE LIMITED** to **GAYATRI HIGHWAYS PRIVATE LIMITED** on 7th August, 2017. Further the Company was converted into Public Company & name was changed to **GAYATRI HIGHWAYS LIMITED** on 16th January, 2018 & CIN NO: U45100TG2006PLC052146. For further details, please see the section titled "History and Certain Corporate Matters" on page 107.

Registered Office of our Company

1st Floor, TSR Towers, 6-3-1090,
Rajbhavan Road, Somajiguda
HYDERABAD - 500082
Tel: +91 40 23310330 /4296/4284
Fax: +91 40 23398435

Corporate Office of our Company

1st Floor, TSR Towers, 6-3-1090,
Rajbhavan Road, Somajiguda
HYDERABAD - 500082
Tel: +91 40 23310330 /4296/4284
Fax: +91 40 23398435

Details	Registration/ Identification number
Registration Number	052146
Corporate Identification Number	U45100TG2006PLC052146

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Hyderabad situated at the following address:

Registrar of Companies, Hyderabad

2nd Floor, Corporate Bhawan,
GSI Post, Tattiannaram Nagole, Bandlaguda
Hyderabad - 500 068

Tel: +91 040-29805427/29803827/29801927
Fax: +91 040-29803727

Board of Directors

The following table sets out the current details regarding our Board as on the date of filing of this Information Memorandum:

Name	DIN	Designation	Address
PUKNACHANDER RAO POPURI	02230190	Director	1-11-226/2/301, Shamlal Building, Begumpet Hyderabad - 500016, Telangana
GAVARA JAGANNADHA RAO	01059819	Additional Director	F-504, RV Devakinandan Apts, 3-4- 695, Reddy College Lane, Narayan guda, Hyderabad-500029, Telangana.
VENKATA NARASIMHA RAO MYSORE	06761474	Additional Director	H.No.12-13-1246, Street No.8, Tarnaka, Secunderabad-500017, Telangana.
LAXMI PAMARTHY	08051632	Additional Director	10-2-270/8, 1-2 Essar Apartments, West Marredpally, Nehrunagar, Secunderabad, Hyderabad-500026, Telangana.

For further details of the Board of Directors of our Company, please see the section titled "Our Management" on page 113.



Designated Stock Exchange

The designated stock exchange is BSE.

Demat Credit

Our Company has executed tripartite agreements with the Registrar and Share Transfer Agent and the Depositories i.e. NSDL and CDSL, respectively, for admitting our Company's Equity Shares in demat form and has been allotted ISIN-INE287Z01012.

Company Secretary and Compliance Officer

Raj Kumar Pragallapati is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

1st Floor, TSR Towers, 6-3-1090,
Rajbhavan Road, Somajiguda
Hyderabad - 500082
Tel: +91 40 23310330 /4296/4284
Fax: +91 40 23398435
Email: cs@gayatrihighways.com

Statutory Auditors

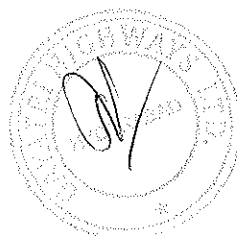
M/s. G.S. Sai Babu & Associates

Chartered Accountants
#11-13-15, Road No.1, Alkapuri Colony
SRK Puram, Saroornagar
Hyderabad-500035 . Telangana
Firm Registration No.014207S
Mobile no: 9346270814
Email : gssaibabu@gmail.com
Contact Person: Mr.Satya Sai Babu Gurram
Proprietor
Membership No.208341

Registrar and Share Transfer Agent

Karvy Computershare Private Limited

Karvy Selenium Tower B
Plot 31 and 32 Gachibowli
Financial District
Hyderabad 500 008
Tel: +91 40 6716 1505
Fax: +91 40 2331 1968
Email: einward.ris@karvy.com
Website: www.karvycomputershare.com
Contact Person: K.S. Reddy
SEBI Registration: INR000000221



CAPITAL STRUCTURE

Share capital of our Company prior to the consummation of the Scheme is as set forth below:

Particulars	Amount (in Rupees)
Authorised Share Capital	
1,000,000 Equity shares of Rs.10/-each	1,00,00,000
Total	1,00,00,000
Issued, Subscribed and Paid-up Share Capital	
20,000 equity shares of Rs. 10/- each	2,00,000
Total	2,00,000

Share capital of our Company upon consummation of the Scheme is as set forth below:

Particulars	Amount (in ₹)
Authorised Share Capital	
25,00,00,000 Equity shares of Rs. 2 each	50,00,00,000
18,00,00,000 redeemable preference shares of Rs. 10/- each	180,00,00,000
Total	230,00,00,000
Issued, Subscribed and Paid-up Share Capital	
23,96,51,900 Equity Shares of Rs. 2/- each	47,93,03,800
16,77,00,300 Redeemable Preference Shares of Rs. 10/- each	167,70,03,000
Total	215,63,06,800

⁽¹⁾ Pursuant to the Scheme, 23,96,51,900 Equity Shares of Rs. 2/- each of the Company were issued and allotted to the Shareholders of Gayatri Projects Limited in the ratio of 1 :1 on account of demerger on 31st January, 2017.

1. Changes in the Authorised Capital

Set out below are the changes in the Authorised Capital since the incorporation of our Company.

Date of shareholders' resolution	Particulars
28-12-2006	Authorized share capital of Rs. 10,00,000 divided into 100,000 Equity Shares of Rs. 10 each.
23-11-2017	Authorized share capital of Rs. 10,00,000 divided into 100,000 Equity Shares of Rs. 10 each was increased to Rs. 230,00,00,000 divided into 5,00,00,000 equity shares of Rs.10 (Rupees Ten only) each and 180,000,000 redeemable preference shares of Rs. 10 (Rupees Ten only) each pursuant to the Scheme of Arrangement.
12-12-2017	The Company has sub-divided face value from Rs. 10/- to Rs. 2 on 12 th December, 2017 accordingly there is change in Authorised share capital to Rs. 230,00,00,000 divided into 25,00,00,000 equity shares of Rs.2 (Rupees Two only) each and 18,00,00,000 redeemable preference shares of Rs.10 (Rupees Ten only) each



Notes to the Capital Structure

2. Share Capital History of our Company

- a. The history of the Equity Share capital and the securities premium account of our Company is provided in the following table:

Date of Allotment	No. of Equity Shares Allotted	Face value (₹.)	Premium (₹.)	Issue Price per Equity Share (₹.)	Consideration	Reason of Allotment	Cumulative No. of Equity Shares	Cumulative paid up capital (₹.)
		10	-	10	Cash	Initial Subscribers to the Memorandum of Association		
02.02.2018	177251900	2	-	2	Not applicable	Shares allotted to the shareholders of Gayatri Projects Limited as Scheme of Demerger		
02.02.2018	62300000	2	-	2	Not applicable	Shares allotted to Gayatri Projects Limited as Part B of Composite Scheme of Arrangement	239651900	

Share Capital built –up of Redeemable Preference Shares

Date of Allotment	No. of Redeemable Preference Shares	Face value (₹.)	Premium (₹.)	Issue Price per Redeemable Preference Shares	Consideration	Reason of Allotment	Cumulative No. of Redeemable Preference Shares	Cumulative paid up capital (₹.)
07.02.2018	16,77,00,300	10	Not Applicable	10	Not applicable	Pursuant to scheme of Arrangement	16,77,00,300	10

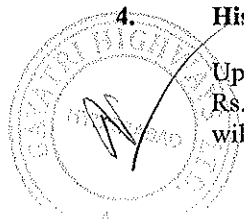
* Pursuant to the Scheme, 23,95,51,900 Equity Shares of Rs. 2/- each of the Company were issued and allotted to the Shareholders of Gayatri Projects Limited & Gayatri Projects Limited in the ratio of 1 : 1 on account of demerger on 23rd November, 2017 & 16,77,00,300 Redeemable Preference Shares of Rs. 10/- per Share.

3. Issue of Shares for consideration other than cash

Other than the allotment of Equity Shares and preference shares pursuant to the Scheme, our Company has not allotted any Equity Shares or preference shares for consideration other than cash.

4. History of the Equity Share Capital held by our Promoter

Upon consummation of the Scheme, our Promoter, i.e. GPL, will hold 62400000 Equity Shares, equivalent to Rs. 12,48,00,000 of the issued, subscribed and paid-up Equity Share capital of our Company & Promoter Group will hold 146554710 (61.15% paid-up capital of the Company).



a. *Build-up of our Promoters' shareholding in our Company*

Set forth below is the build-up of the shareholding of our Promoter since incorporation of our Company:

Name of the Promoter	Date of allotment/ Transfer	Nature of allotment	No. of Equity Shares	Nature of consideration	Face value per Equity Share	Issue price/ Transfer Price per Equity Share	Percentage of the pre-scheme capital (%)	Percentage of the post-scheme capital (%)
Gayatri Projects Limited	07.07.2016	Transfer	100000	Cash	2	2	100.00	NA
Gayatri Projects Limited *	January 31, 2018	Scheme of Arrangement	62300000	Not applicable	2	Not applicable	Not applicable	26.04

All the Equity Shares held by our Promoters were fully paid up on the respective dates of vesting and transfer of such Equity Shares.

Shareholding of our Promoters and Promoter Group

Upon consummation of the Scheme, the shareholding of our Promoter and Promoter Group in our Company is as follows:

Sr. no	Name of the Shareholder	No. of Equity Shares	%
EQUITY SHARES			
1.	JENNA REDDY BRIJ MOHAN REDDY	2250	0.00
2.	TIKKAVARAPU SARITA REDDY	800	0.00
3.	SANDEEP KUMAR REDDY TIKKAVARAPU	27019810	11.27
4.	INDIRA TIKKAVARAPU	57129500	23.84
5.	SULOCHANAMMA GUNUPATI	2350	0.00
6.	GAYATRI PROJECTS LIMITED (including nominee of GPL)	62400000	26.04
	TOTAL (A)	146554710	61.15
Redeemable Preference Shares			
1	GAYATRI PROJECTS LIMITED	16,77,00,300	100.00
	GRAND TOTAL (A+B)	16,77,00,300	100.00

b. *Details of Lock-in*

As per SEBI Circular 10.03.2017 read with SEBI Circular 03.01.2018,

- The existing 100,000 equity shares (pre scheme shareholding) held by the Gayatri Projects Limited (Promoter) will be locked in for period of three (3) years from the date of listing of the shares and
- The shares of the transferee entity issued in lieu of the locked-in shares of the transferor entity will be subject to lock-in for the remaining period.

5. **Employee stock options: Not Applicable**



6. Shareholding Pattern of our Company

The table below presents the shareholding of our Company as on the date of this Information Memorandum:

Category code	Category of Shareholder	Number of Shareholders	Pre-Arrangement				Post-Arrangement				Shares pledged or otherwise encumbered	
			Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Total number of shares	Number of shares held in Dematerialized form	Total shareholding as a percentage of total number of shares			
					As a percentage of (A+B)	As a percentage of (A+B+C)			As a percentage of (A+B)	As a percentage of (A+B+C)	Number of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)					(VIII)	(IX)= (VIII)/(IV)*100
(A)	Shareholding of Promoter and Promoter Group											
1	Indian	1	100000	0	100.00	100.00	146554710	146554710	61.15	61.15	0	0
(a)	Individuals/Hindu Undivided Family	0	0	0	0	0	84154710	84154710	35.12	35.12	0	0
(b)	Central Government/State Government(s)	0	0	0	0	0					0	0
(c)	Bodies Corporate (including nominees)	1	100000	0	100.00	100.00	62400000	62400000	26.04	26.04	0	0
(d)	Financial institutions/Banks	0	0	0	0	0	0	0	0	0	0	0
(e)	Any others (Specify)	0	0	0	0	0	0	0	0	0	0	0
	Sub Total (A) (1)	1	100000	0	100.00	100.00	146554710	146554710	61.15	61.15	0	0



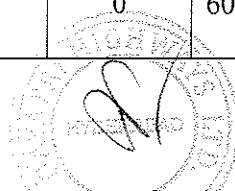
2	Foreign	0	0	0	0	0	0	0	0	0	0	0
(a)	Individuals (Non-Residents Individuals)	0	0	0	0	0	0	0	0	0	0	0
(b)	Bodies Corporate (through GDRs)	0	0	0	0	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0	0	0	0	0
(d)	Any others (Specify) ⁽¹⁾	0	0	0	0	0	0	0	0	0	0	0

Category code	Category of Shareholder	Number of Shareholders	Pre-Arrangement				Post-Arrangement				Shares pledged or otherwise encumbered	
			Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Total number of shares	Number of shares held in Dematerialized form	Total shareholding as a percentage of total number of shares		Number of Shares	As a percentage
					As a percentage of (A+B)	As a percentage of (A+B+C)			As a percentage of (A+B)	As a percentage of (A+B+C)		
	Sub Total (A)(2)	0	0	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	1	100000	0	100.00	100.00	146554710	146554710	61.15	61.15	0	0
(B)	Public Shareholding											
1	Institutions											
(a)	Mutual Funds	0	0	0	0	0	300000	300000	0.13	0.13	NA	NA
(b)	Foreign Portfolio Investors	0	0	0	0	0	49364740	49364740	20.60	20.60	NA	NA
(c)	Financial Institutions/Banks	0	0	0	0	0	8773	8773	0.00	0.00	NA	NA



(d)	Central Government/State Government(s)	0	0	0	0	0	0	0	0	0	0	NA	NA
(e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	NA	NA
(f)	Insurance Companies	0	0	0	0	0	4631649	4631649	1.93	1.93	NA	NA	
(g)	Foreign Institutional Investors	0	0	0	0	0	16772852	16772852	7.00	7.00	NA	NA	
(h)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0	NA	NA	
(i)	Foreign Bodies-DR	0	0	0	0	0	0	0	0	0	NA	NA	
(j)	Any other (specify)	0	0	0	0	0	0	0	0	0	NA	NA	
	Sub-Total (B)(1)						71078014	71078014	29.66	29.66	NA	NA	
2	Non-Institutions	0	0	0	0	0							
(a)	Individuals	0	0	0	0	0							
1	Individual shareholders	0	0	0	0	0							

Category code	Category of Shareholder	Number of Shareholders	Pre-Arrangement				Post-Arrangement				Shares pledged or otherwise encumbered		
			Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Total number of shares	Number of shares held in Dematerialized form	Total shareholding as a percentage of total number of shares		Number of Shares	As a percentage	
					As a percentage of (A+B)	As a percentage of (A+B+C)			As a percentage of (A+B)	As a percentage of (A+B+C)			
	holding nominal share capital up to ₹ 2 lakhs	0	0	0	0	0	0	6036258	6036258	2.52	2.52	NA	NA



II	Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	0	0	0	0	0	1136278	1136278	0.47	0.47	NA	NA
(b)	NBFCs Registered with RBI	0	0	0	0	0	40451	40451	0.02	0.02	NA	NA
(c)	Overseas depositories (Holding GDRs)	0	0	0	0	0	0	0	0	0	NA	NA
(d)	Any other	0	0	0	0	0						
	Trusts	0	0	0	0	0	0	0	0	0	NA	NA
	Overseas Corporate Bodies ⁽²⁾	0	0	0	0	0	0	0	0	0	NA	NA
	Non-Resident Indians	0	0	0	0	0	5892245	5892245	2.46	2.46	NA	NA
	Clearing Members	0	0	0	0	0	262491	262491	0.11	0.11	NA	NA
	NRI Non-Repatriation	0	0	0	0	0	85004	85004	0.04	0.04	NA	NA
	Bodies Corporate	0	0	0	0	0	8317312	8317312	3.47	3.47	NA	NA
	Foreign Nationals	0	0	0	0	0	0	0	0	0	NA	NA
	IEPF	0	0	0	0	0	1560	1560	0.00	0.00	NA	NA
	HUF	0	0	0	0	0	247577	247577	0.10	0.10	NA	NA
	Sub Total (B) (2)	0	0	0	0	0	22019176	22019176	9.19	9.19	NA	NA
1.	Total Public Shareholding (B) = (B)(1)+ (B)(2)	0	0	0	0	0	93097190	93097190	38.85	38.85	NA	NA
2.	Total Shareholding (A+B)	1	100000	0	100.00	100.00	239651900	239651900	100.00	100.00	0.00	0.00



The list of top 10 shareholders of our Company and the number of Equity Shares held by them as on the date of this Information Memorandum, 10 days before the date of this Information Memorandum, and two years prior to the date of this Information Memorandum are set forth below:

(a) The top 10 shareholders as on the date of this Information Memorandum are as follows:

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the paid up share capital (%)
1.	GAYATRI PROJECTS LIMITED	62400000	26.04
2.	INDIRA SUBBARAMIREDDY TIKKAVARAPU	57129500	23.84
3.	SANDEEP KUMAR REDDY TIKKAVARAPU	27019810	11.27
4.	GMO EMERGING MARKETS FUND, A SERIES OF GMO TRUST	16772852	7.00
5.	GMO EMERGING DOMESTIC OPPORTUNITIES FUND, A SERIES OF GMO TRUST	10683040	4.46
6.	GOVERNMENT OF SINGAPORE	8131218	3.39
7.	MENTOR CAPITAL LIMITED	5669188	2.37
8.	STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY POOL	5265666	2.20
9.	SATPAL KHATTAR	5179335	2.16
10.	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	4631649	1.93
	Total	202882258	84.65

(b) The top 10 shareholders two years prior to the date of this Information Memorandum are as follows:

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the paid up share capital (%)
1.	T.V. SANDEEP KUMAR REDDY	8000	40.00
2.	T. INDIRA SUBBARMIR REDDY	6000	30.00
3.	T. SARITA REDDY	6000	30.00
	Total	20000	100.00

7. As on the date of the Information Memorandum, our Company has allotted 17,72,51,900 Equity Shares to equity shareholders of Gayatri Projects Limited & 6,23,00,000 to Gayatri Projects Limited resulting into total allotment of 239651900 equity shares to the shareholders of Gayatri Projects Limited & demerged undertaking, i.e. Gayatri Projects Limited pursuant to the Scheme approved by the NCLT under Sections 391 to 394 of the Companies Act, 1956 and Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the rules made there under (to the extent notified and applicable).
8. As of the date of the filing of this Information Memorandum, the total number of Shareholders of our Company is 13,096.
9. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into the Equity Shares as on the date of this Information Memorandum. For further details, please see paragraph 5(B) on page .
10. Our Company has not issued any Equity Shares out of revaluation reserves.



11. At least 25% of the post-Scheme paid up share capital of our Company comprises of Equity Shares allotted to public shareholders.
12. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.



COMPOSITE SCHEME OF ARRANGEMENT

BETWEEN

GAYATRI PROJECTS LIMITED

AND

GAYATRI INFRA VENTURES LIMITED

AND

GAYATRI DOMICILE PRIVATE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

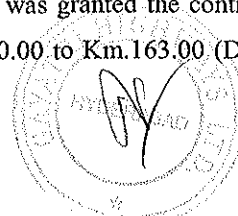
**UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 AND TO THE EXTENT
APPLICABLE, PROVISIONS OF THE COMPANIES ACT, 2013**



PART A – INTRODUCTIONS & DEFINITIONS

3. GENERAL

- 3.1 Gayatri Projects Limited (“the Transferee Company” or “the Demerged Company” or “GPL”) is a public limited company incorporated on 15th September, 1989 under the provisions of the Act under the name and style of “Andhra Coastal Constructions Private Limited”. The name was then changed to “Gayatri Projects Private Limited” on 31st March, 1994, and subsequently on conversion into a public limited company the name was changed to its present name of “Gayatri Projects Limited”. The registered office of the Demerged Company is situated at TSR Towers, B-1, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad, Telangana - 500082, India. The equity shares of the Demerged Company are listed on BSE Limited and National Stock Exchange of India Limited.
- 3.2 GPL is an infrastructure and construction company with a presence across the segment, and a special focus on road and irrigation projects. GPL has been executing construction orders across the country over last 50 years and owns almost all its equipment, enabling optimal cost control. Its two subsidiaries, Gayatri Infra Ventures Ltd (“GIVL”) and Gayatri Energy Ventures Private Ltd (“GEVPL”), are the Asset Development arms for the Company. GIVL the road development arm and associate GPL entities are working on 6 operating and 1 under-construction projects, adding up to gross capital employed in excess of Rs. 5000 cr. GEVPL was set up to undertake power generation projects.
- 3.3 Gayatri Infra Ventures Limited (“the Transferor Company” or “GIVL”) is a company incorporated on 22nd January, 2008 under the provisions of the Act having its registered office at 1st Floor, TSR Towers, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad, Kurnool, Telangana - 500082 India. GIVL is a 70.59% subsidiary of GPL, while the balance shareholding of 29.41% is held by AMP Capital Finance Mauritius Limited. There is a definitive agreement in place between GPL and AMP Capital Finance Mauritius Limited for the acquisition of the balance shareholding in GIVL. Pursuant to the share purchase, GIVL would become a wholly-owned subsidiary of GPL
- 3.4 GIVL is a single holding company of the SPVs of BOT projects. Currently GIVL has portfolio of 6 BOT projects, which comprises of 4 annuity BOT projects and 2 toll BOT project. All the projects have achieved their financial closure.
- 3.5 Gayatri Domicile Private Limited (“the Resulting Company” or “GDPL”) is a private limited company incorporated on 28th December, 2006 under the provisions of the Act having its registered office at 1st Floor, TSR Towers, 6-3-1090, Rajbhavan Road, Somajiguda Hyderabad, Telangana - 500082 India. The Resulting Company is a wholly-owned subsidiary of GPL.
- 3.6 The Resulting Co is proposed to be engaged in the business of construction and other allied construction activities.
- 3.7 Sai Maatarini Tollways Limited (“SMTL”) is a company incorporated on 8th September, 2011 under the provisions of the Act having its registered office at 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad, Telangana - 500082 India. SMTL is a wholly-owned subsidiary of GPL.
- 3.8 SMTL is a Special Purpose Company promoted by GPL. GPL was granted the contract from NHAI. The project involves Four-Laning of Panikoili-Rimuli Section of NH-215 from Km.0.00 to Km.163.00 (Design Length 166.173) in the State of



Orissa under NHDP Phase – III as BOT (Toll) project on Design, Construction, Finance, Operation and Maintenance under Private Public Partnership on “DBFOT” Basis.

3.9 This Composite Scheme of Arrangement provides for:

3.9.1 Transfer of investments in SMTL from GPL to GDPL, and the consequent discharge of consideration by GDPL to GPL

3.9.2 Post transfer of investments, merger of GIVL with GPL

3.9.3 Post merger of GIVL with GPL, transfer of Infrastructure Road BOT Assets Business from the Demerged Company to the Resulting Company and the consequent discharge of consideration by the Resulting Company to the Demerged Company, pursuant to the relevant provisions of the Act.

3.10 This Scheme also makes provision for various other matters consequential or related thereto and otherwise integrally connected therewith.

3.11 Rationale for the Scheme:

3.11.1 In order to achieve better management and to have clear focus on business operations, the management of Demerged Company has decided to demerge Infrastructure Road BOT Assets Business, thereby transferring Infrastructure Road BOT Assets Business (as defined hereinafter) of GPL to GDPL, in the interests of maximizing overall shareholder value.

3.11.2 Therefore, with a view to effect such plan, the Board of Directors of Demerged Company and the Resulting Company proposes that the Infrastructure Road BOT Assets Business of the Demerged Company be transferred to and vested in the Resulting Company on a going concern basis to be undertaken through this Scheme (as defined hereinafter) under the provisions of Sections 391 to 394 read with relevant provisions of the Companies Act, 1956 and the Companies Act, 2013, for such consideration and in such manner as provided for in this Scheme (as defined hereinafter).

3.11.3 Accordingly, this Scheme under Sections 391 to 394 and applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, has been proposed to provide for transfer of Infrastructure Road BOT Assets Business of the Demerged Company by way of demerger to the Resulting Company.

3.11.4 Upon the sanction of the Scheme by the High Court (as defined hereinafter) and the Composite Scheme becoming effective on the Effective Date (as defined hereinafter), the Infrastructure Road BOT Assets Business of the Demerged Company shall stand transferred to, and be vested in, the Resulting Company on and from the Appointed Date for all intent and purposes.

3.12 The Composite Scheme is divided into the following parts:

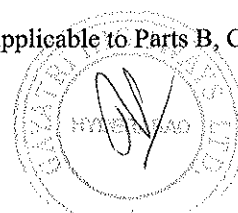
3.12.1 Part A deals with the introductions and definitions;

3.12.2 Part B deals with transfer of investments in SMTL from GPL to GDPL

3.12.3 Part C deals with amalgamation of GIVL with GPL

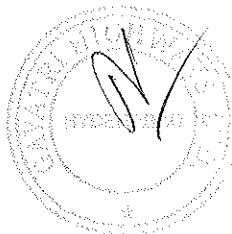
3.12.4 Part D deals with Transfer of Infrastructure Road BOT Assets Business from GPL to GDPL by way of demerger and

3.12.5 Part E deals with the general terms and conditions that will be applicable to Parts B, C and D of the Scheme.



4. DEFINITIONS

- 4.1 In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:
- 4.1.1 “Act” means the Companies Act, 1956 (and to the extent applicable, provisions of the Companies Act, 2013) or any statutory modification or re-enactment thereof;
- 4.1.2 “Appointed Date” for the purpose of the amalgamation of GIVL with GPL as mentioned in Part C of this Scheme, and Income Tax Act, 1961 means April 1, 2016 or such other date as the Court or National Company Law Tribunal, as the case may be, under Section 391 to 394 of the Act may direct or approve;
- 4.1.3 “Appointed Date” for the purpose of transfer of Infrastructure Road BOT Assets Business from GPL to GDPL by way of demerger as mentioned in Part D of this Scheme, and Income Tax Act, 1961 means March 31, 2017 or such other date as the Court or National Company Law Tribunal, as the case may be, under Section 391 to 394 of the Act may direct or approve;
- 4.1.4 “Court” or “High Court” means the High Court of Judicature at Hyderabad and shall include the National Company Law Tribunal, as the case may be, under Section 391 to 394 of the Act may direct or approve;
- 4.1.5 “Demerged Company” or “Transferee Company” or “GPL” means Gayatri Projects Limited, a public company incorporated under the provisions of the Act having its registered office at TSR Towers, B-1, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad, Telangana - 500082, India;
- 4.1.6 “Effective Date” means the date on which the last of the consents, approvals, permissions, resolutions and orders as mentioned in Clause 31 shall be obtained or passed; or date on which the certified copy of the Order of the High Court sanctioning the Scheme is filed with the Registrar of Companies, Hyderabad, Telangana; whichever is later.
- 4.1.7 “Infrastructure Road BOT Assets Business” means the Infrastructure Road BOT Assets Business of the Demerged Company, comprising, *inter alia*, the assets and liabilities which shall mean and include (without limitation):
- (i) all assets wherever situated, whether movable or immovable, tangible or intangible, all plant and machinery including buildings, vehicles, offices, investments, interest, furniture, fixtures, office equipments, appliances, computers, accessories, licenses, permits, quotas, approvals, registrations, lease, tenancy rights in relation to office and residential properties, incentives if any, municipal permissions, consents, or powers of every kind, nature and description whatsoever in connection with operating or relatable to the Infrastructure Road BOT Assets Business of the Demerged Company and all other permissions, rights (including rights under any contracts, government contracts, memoranda of understanding, etc.), entitlements, copyrights, patents, trademarks, trade names, domain names and other industrial designs, trade secrets, or intellectual property rights of any nature and all other interest exclusively relating to the services being dealt with by the Infrastructure Road BOT Assets Business, and all deposits, advances and or moneys paid or received by the Demerged Company in connection with or



pertaining or relating to the Infrastructure Road BOT Assets Business, all statutory licenses and / or permissions to carry on the operations of the Infrastructure Road BOT Assets Business and any financial assets, corporate guarantees issued by the Demerged Company and the benefits of any bank guarantees issued in relation to and for the benefit of the Infrastructure Road BOT Assets Business of the Demerged Company, deferred tax benefits, privileges, all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Infrastructure Road BOT Assets Business of the Demerged Company together with all present and future liabilities (including contingent liabilities), etc. pertaining or relating to the Infrastructure Road BOT Assets Business;

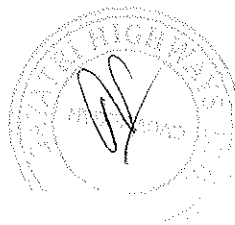
- (ii) all investments in Infrastructure Road BOT Assets of any nature including investments in Gayatri Jhansi Roadways Ltd (“GJRL”), Gayatri Lalitpur Roadways Ltd (“GLRL”), Hyderabad Expressways Ltd (“HEL”), Cyberabad Expressways Ltd (“CEL”), Indore Dewas Tollways Ltd (“IDTL”), Balaji Highways Holdings Pvt Ltd (“BHHPL”), HKR Roadways Ltd (“HKRRL”) and all other interest pertaining or relating to these investments in Infrastructure Road BOT Assets Business.
- (iii) Without prejudice to the provisions of sub-clause 2.1.5(i) and 2.1.5(ii) above, the Infrastructure Road BOT Assets Business of the Demerged Company shall include all the debts, liabilities, duties and obligations and also including, without limitation, all properties and assets in connection with or pertaining or relating to the Infrastructure Road BOT Assets Business of the Demerged Company;

For the purpose of this Scheme, it is clarified that liabilities pertaining to the Infrastructure Road BOT Assets Business of the Demerged Company include:

- d) The liabilities, which arises out of the activities or operations of the Infrastructure Road BOT Assets Business of the Demerged Company;
 - e) Specific loans and borrowings raised, incurred and utilized for the activities or operations of the Infrastructure Road BOT Assets Business ;
 - f) Liabilities other than those referred to in Sub-Clause a) and b) above and not directly relating to the remaining business of the Demerged Company, being the amounts of general or multipurpose borrowings of the Demerged Company shall be allocated to the Infrastructure Road BOT Assets Business of the Demerged Company as may be decided by the Board of Directors of the Demerged Company;
- (iv) all deposits and balances with Government, Semi Government, Local and other authorities and bodies, customers and other persons, earnest moneys and / or security deposits paid or received by the Demerged Company directly or indirectly in connection with or relating to the Infrastructure Road BOT Assets Business;



- (v) all necessary books, records, files, papers, product, specification, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Infrastructure Road BOT Assets Business of the Demerged Company;
- (vi) All permanent and / or temporary employees of the Demerged Company substantially engaged in the Infrastructure Road BOT Assets Business and those permanent and / or temporary employees that are determined by the Board of Directors of the Demerged Company, to be substantially engaged in or relatable to the Infrastructure Road BOT Assets Business of the Demerged Company;
- 4.1.8 “New Equity Shares” means new equity shares of the Resulting Company as referred to in Clause 24 hereof;
- 4.1.9 “Proceedings” shall have the meaning ascribed to it in Clause 10 and 22 hereof;
- 4.1.10 “Record Date” means the date fixed by the Board of Directors of the Demerged Company or any committee thereof in consultation with the Resulting Company, for the purpose of determining names of the equity shareholders, who shall be entitled to receive the New Equity Shares in the Resulting Company pursuant to Clause 24 of the Scheme, upon coming into effect of this Scheme
- 4.1.11 “Remaining Business” means all the business, divisions, assets and liabilities of the Demerged Company other than the Infrastructure Road BOT Assets Business as defined in the clause 2.1.5;
- 4.1.12 “Resulting Company” means Gayatri Domicile Private Limited, a public company incorporated under the provisions of the Act having its registered office at 1st Floor, TSR Towers, 6-3-1090, Rajbhavan Road, Somajiguda Hyderabad, Telangana - 500082 India;
- 4.1.13 “Scheme” or “the Scheme” or “this Scheme” means this Composite Scheme of Arrangement in its present form submitted to the High Court or with any modification(s) made under Clause 30 of this Scheme or with such other modifications / amendments as the High Court may direct.
- 4.1.14 “SEBI” means the Securities and Exchange Board of India;
- 4.1.15 “SEBI Circular” means circular issued by SEBI, bearing reference number CIR/CFD/CMD/16/2015 dated 30 November 2015 and any amendments thereto including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- 4.1.16 “Transferor Company” or “GIVL” means Gayatri Infra Ventures Limited, a public company incorporated under the provisions of the Act having its registered office at 1st Floor, TSR Towers, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad, Kurnool, Telangana - 500082 India;



4.1.17 "Undertaking" shall mean and include all the undertaking and businesses of the Transferor Company as a going concern comprising of:-

- (i) All the assets and properties (whether moveable or immovable, tangible and intangible, real or personal, corporeal or incorporeal, present, future or contingent) of GIVL, including, without being limited to, plant and machinery, equipments, buildings and structures, offices, residential and other premises, capital work-in-progress, furniture, fixtures, office equipments, appliances, accessories, power lines, depots, deposits, all stocks, stocks of fuel, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash balances with banks, loans, advances, contingent rights or benefits, receivables, earnest monies, advances or deposits (including but not limited to deposits with Value Added Tax & Service Tax Departments as per the provisions of applicable Statutes, Security deposits for lease hold premises, Electricity & Octroi Deposits) paid by GIVL; financial assets, leases (including lease rights), hire purchase contracts and assets, landing contracts, rights and benefits under any contracts, benefits of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies in relation to the office and / or residential properties for the employees or the other persons, guest houses, godowns, warehouses, licenses, fixed and other assets, trade and service names and marks, patents, copy rights, and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties, or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including sales tax deferrals, title, interests, other benefits (including tax benefits), easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by GIVL or in connection with or relating to that GIVL and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by GIVL, whether in India or abroad;
- (ii) All secured and unsecured debts, (whether in Indian rupees or foreign currency) liabilities (including contingent liabilities, if any), duties and obligations of GIVL of every kind, borrowings, bills payable, interest accrued and all other debts, duties, undertakings, contractual obligations, guarantees given and obligations of GIVL of every kind, nature and description whatsoever and howsoever.
- (iii) All agreements (including franchisee agreements), rights, contracts, entitlements, permits, licenses, pre-qualifications/tenders relating to the business of GIVL, approvals, authorisations, concessions, consents, quota rights, fuel linkages, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company's business activities and operations;
- (iv) All intellectual rights, records, files, papers, computer programmes (including but not limited to SAP Licences), manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and all other records and documents relating to the GIVL's business activities and operations;
- (v) All employees engaged in or relating to the GIVL business activities and operations;
- (vi) Without prejudice to the generality of sub-clause 2.1.16(i), 2.1.16(ii), 2.1.16(iii), 2.1.16(iv) and 2.1.16(v) above, the undertaking of GIVL shall include all GIVL's assets including claims or obligations, certifications / permissions of whatsoever nature directly or indirectly pertaining to the business of export



of the past, present or future products, including those relating to employees and technical know-how agreement, if any, or otherwise with any person / institution / company or any association anywhere in the world, enactments, lease-hold rights and, systems of any kind whatsoever, rights and benefits of all agreements and other interests including rights and benefits under various schemes of different Taxation and other Laws may belong to or be available to GIVL, rights and powers of every kind, nature and description of whatsoever probabilities, liberties, and approval of, whatsoever nature and wherever situated,

- (vii) The words importing the singular include the plural; words importing any gender include every gender.
- (viii) Any word or expression used and not defined in the Scheme but defined in the Act shall have meaning respectively assigned to them in the Act.

5. SHARE CAPITAL

5.1 The share capital structure of the Demerged Company as on 31 March, 2016, was as follows:

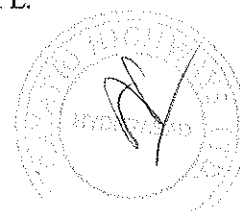
PARTICULARS	AMT. IN RUPEES
Authorized Capital	
80,000,000 Equity Shares of Rs. 10/- each	800,000,000
	800,000,000
Issued, Subscribed and Paid-up Capital	
35,450,380 Equity Shares of Rs.10/- each fully paid-up	354,503,800
	354,503,800

Subsequent to the above date, there has been no change in authorised, issued, subscribed and paid up share capital of GPL.

5.2 The share capital structure of the Transferor Company as on 31 March, 2016 was as follows:

PARTICULARS	AMT. IN RUPEES
Authorized	
2,000,000 Equity Shares of Rs. 10/- each	20,000,000
	20,000,000
Issued, Subscribed and Paid-up	
1,770,833 equity shares of Rs. 10/- each	17,708,330
	17,708,330

Subsequent to the above date, there has been no change in authorised, issued, subscribed and paid up share capital of the Transferor Company. The Transferor Company is a 70.59% subsidiary of GPL, while the balance shareholding of 29.41% is held by AMP Capital Finance Mauritius Limited. There is a definitive agreement in place between GPL and AMP Capital Finance Mauritius Limited for the acquisition of the balance shareholding in the Transferor Company. Pursuant to the share purchase, Transferor Company would become a wholly-owned subsidiary of GPL.



5.3 The share capital structure of SMTL as on 31 March, 2016 was as follows:

PARTICULARS	AMT. IN RUPEES
Authorized	
15,000,000 Equity Shares of Rs. 10/- each	150,000,000
	<hr/>
	150,000,000
Issued, Subscribed and Paid-up	
10,000,843 equity shares of Rs. 10/- each	100,008,430
	<hr/>
	100,008,430

Subsequent to the above date, there has been no change in authorised, issued, subscribed and paid up share capital of SMTL. The entire share capital of SMTL is held by the Demerged Company

5.4 The share capital structure of GDPL as on 31st March, 2016 was as follows:

PARTICULARS	AMT. IN RUPEES
Authorized	
1,000,000 Equity Shares of Rs. 10/- each	10,000,000
	<hr/>
	10,000,000
Issued, Subscribed and Paid-up	
20,000 equity shares of Rs. 10/- each	200,000
	<hr/>
	200,000

Subsequent to the above date, there has been no change in authorised, issued, subscribed and paid up share capital of GDPL. The entire share capital of GDPL is held by the Demerged Company.

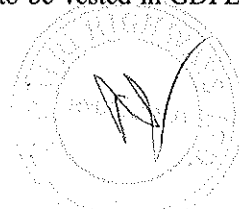
6. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out therein in its present form or with any modification (s) approved or imposed or directed by the High Court, shall be effective from the Appointed Date but shall be operative from the Effective Date.

PART B – TRANSFER OF INVESTMENTS IN SAI MAATARINI TOLLWAYS LIMITED (“SMTL”) BY GAYATRI PROJECTS LIMITED (“GPL”) TO GAYATRI DOMICILE PRIVATE LIMITED (“GDPL”)

7. TRANSFER OF INVESTMENTS IN SMTL

7.1 The investments held by GPL in SMTL shall be transferred for a lumpsum consideration to GDPL, as detailed in Clause 6 of the Scheme. Upon the coming into effect of this Scheme, all claims, rights, title and interest in the investments in SMTL shall stand transferred to and vested in or deemed to be vested in GDPL by way of transfer, without any further act, deed, matter or thing in the following manner:



7.2 It is hereby provided that the transfer of investments under this Clause shall become operative on the Scheme being effective by virtue of the fact that the shareholders of the GPL and GDPL, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act and shall not be required to pass separate resolutions as required under the Act. The approval of this Scheme by the shareholders of GPL and GDPL under Sections 391-394 of the Act shall be deemed to be the approvals under Section 180 of the Companies Act, 2013 and other applicable provisions of the Act

8. **CONSIDERATION**

8.1 Subject to the terms and conditions of this Scheme, in consideration of the transfer of the investments in SMTL by GPL to GDPL upon the terms of this Scheme, GDPL shall be required to pay a lump sum consideration to GPL of Rs. 180,16,03,000 (Rupees One Hundred and Eighty Crores Sixteen Lacs Three Thousand only) in the form of 1,24,60,000 (One Crore Twenty-Four Lacs Sixty Thousand) equity shares of Rs. 10 each and 16,77,00,300 (Sixteen Crore Seventy-Seven Lacs Three Hundred) redeemable preference shares of Rs. 10 each, issued and redeemable at par. ("Consideration"), based on the book value of SMTL Investments appearing in the books of GPL as approved by the Audit Committee and Board of Directors of GPL and the Board of Directors of GDPL

9. **ACCOUNTING TREATMENT**

9.1 **IN THE BOOKS OF GPL**

Upon the Scheme becoming effective, GPL shall account for the transfer of investments, with effect from the Appointed Date in the following manner:

- (a) The amount representing the investments in SMTL shall stand reduced / closed on transfer to the Resulting in accordance with Clause 5
- (b) Any difference between the items mentioned in Clause 7.1(a) above and Consideration as detailed in Clause 6 shall be credited / debited to the Profit & Loss Account

9.2 **IN THE BOOKS OF GDPL**

Upon the Scheme becoming effective, GDPL shall account for the transfer of investments, with effect from the Appointed Date in the following manner:

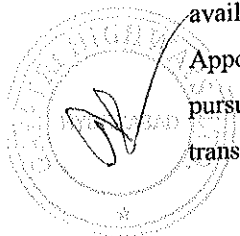
- (a) GDPL shall record the investments in SMTL as per the fair value attributable to it based on the reports obtained from the Independent Valuers.
- (b) The excess, if any, of the balances as recorded under Clause 7.2(a) over the Consideration as detailed in Clause 6 shall be recorded and credited as Capital Reserve in the books of GDPL. The shortfall, if any, shall be recorded as Goodwill in the books of GDPL.



PART C – AMALGAMATION OF GAYATRI INFRA VENTURES LIMITED (“GIVL”) WITH GAYATRI PROJECTS LIMITED (“GPL”)

10. TRANSFER AND VESTING

- 10.1 Upon the coming into effect of this Scheme and with effect from the opening of business as on the Appointed Date, the Undertaking of the Transferor Company, shall, pursuant to Section 394 (2) of the Act, without any further act, instrument or deed, but subject to the Liabilities, be and stand transferred to and vested in and/or be in the Transferee Company (Amalgamated Company) as a going concern so as to become as and from the Appointed Date, estate, assets, rights, title, interest, and authorities of the Transferee Company under the provisions of Sections 391 and 394 of the Act.
- 10.2 Without prejudice to clause 8.1 above, in respect of such of the Assets as are moveable assets or incorporeal property of the Transferor Company, unless they are capable of being transferred otherwise, shall be physically handed over by manual delivery or by endorsement and/or delivery to the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, rights, title and interest and authorities of the Transferee Company.
- 10.3 In respect of such assets and movables other than those referred to above in 8.2 i.e. sundry debtors, outstanding loans, all advances recoverable in cash or in kind or for value to be received, bank balances and deposits with Government, Semi-Government, local and other authorities and bodies, etc., the same shall, without any further act, deed or instrument, be transferred to and vested in and/or be deemed to be transferred and vested in the Transferee Company as and from the Appointed Date.
- 10.4 With effect from the Appointed Date, all the Liabilities shall, without any further act, instrument or deed, stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company so as to become the debts, liabilities, duties, and obligations of the Transferee Company as and from the Appointed Date and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to effect the provisions of this clause. Provided always that, the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed by the Transferor Company, and the Transferee Company shall not be obliged to create any further or additional security therefore after the Effective Date.
- 10.5 It is hereby clarified that all inter party transactions between the Transferor Company and the Transferee Company shall be considered as intra party transactions for all purposes from the Appointed Date and the same shall stand cancelled post the approval of the scheme. No interest on Inter Corporate deposit will be provided.
- 10.6 All assets, estate, rights, title, interest, licences and authorities acquired by or permits, quotas, approvals, permissions, incentives, sales tax deferrals, loans or benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes and other assets, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and/or all rights and benefits that have accrued or which may accrue to the Transferor Company after the Appointed Date and prior to the Effective Date in connection with or in relation to the operation of the Undertaking shall, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed, be and hereby stand transferred to and vested or deemed to have been transferred to and vested in the Transferee Company.



- 10.7 All loans, raised and utilized and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company in relation to or in connection with the Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed, be and stand transferred to or vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- 10.8 The resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall be continued to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be added and shall constitute the aggregate of the said limits in the Transferee Company.
- 10.9 This Scheme shall not, in any manner, affect the rights of any of the Creditors of the Transferor Company.
- 10.10 The Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever upto the Effective Date, the provisions of the said Section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

11. **CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS**

- 11.1 Without any further acts or deeds, upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, incentives, licenses, engagements, registrations, benefits, exemptions, entitlements, arrangements and other instruments of whatsoever nature, including all the bids and tenders which have been submitted and/or accepted, in relation to the Transferor Company to which the Transferor Company are the party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto without the requirement of obtaining or seeking consent or approval of any third party.
- 11.2 The transfer of the Undertaking of the Transferor Company from the Appointed Date under clause 8.1 and the continuance of proceedings by or against the Transferee Company under clause 10.1 shall not affect any transaction or proceedings already concluded by the Transferor Company on and after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company and the Transferor Company shall be deemed to have carried on and to be carrying on its business on behalf of the Transferee Company until such time this Scheme takes effect.



12. LEGAL PROCEEDINGS

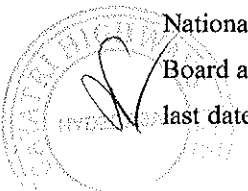
- 12.1 Upon the coming into effect of this Scheme, all suits, actions and proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been pending and/or arising by or against the Transferor Company.
- 12.2 The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in clause 10.1 above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

13. OPERATIVE DATE OF THE SCHEME

The Scheme shall become operative from the Appointed Date, but the same shall become effective on and from the Effective Date.

14. CONDUCT OF BUSINESS BY THE TRANSFEROR AND TRANSFEE COMPANY TILL EFFECTIVE DATE

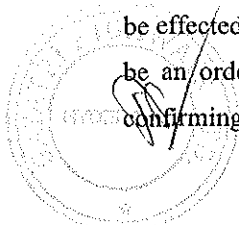
- 14.1 With effect from the Appointed Date and upto the Effective Date, the Transferor Company:
- (a) Shall carry on and be deemed to carry on all the business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for the Transferee Company and all the profits or losses arising or incurred by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or losses of the Transferee Company as the case may be.
- (b) shall carry on its business and activities with reasonable diligence and business prudence and shall not, undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its subsidiaries or group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal with the Undertaking save and except in each case in the following circumstances:
- (i) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with Court; or
- (ii) if the same is expressly permitted by this Scheme; or
- (iii) if written consent of the Transferee Company has been obtained.
- (c) With effect from the Effective Date, Transferee Company shall commence and carry on and shall be authorised to carry on the businesses carried on by the Transferor Company. For this purpose, upon the Scheme coming into effect, the Transferee Company and/or the Transferor Company shall apply for transition of all licenses, registrations, approvals, consents, permits, and quotas of or relating to the Transferor Company, including but not limited to registrations, licences, etc, with the National Highways Authority of India, municipal authorities, excise, service tax and VAT authorities, Pollution Control Board and any other statutory or other authorities required for the businesses. The period between the Effective Date and the last date on which the transfer of all such aforementioned registrations, licenses, etc. have occurred is hereinafter referred to



as Transition Period. With a view to avoiding any disruption to the businesses and to ensure continuity of operations, the Transferee Company may, during the Transition Period and a period not exceeding 180 days thereafter, continue to procure or use or manufacture or despatch or sell, all materials and products including the packing materials, make payment of appropriate taxes and avail tax credits, and generally carry on the businesses of the Transferor Company in the name and form / format of the Transferor Company.

15. TREATMENT OF THE SCHEME IN THE ACCOUNTS, TAXES AND DIVIDEND

- 15.1 The Transferee Company shall follow the current accounting standard / Ind AS 103, as applicable, subject to the following:
- 15.2 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Assets and Liabilities (subject to Clause 13.3 and 13.4 below) of the Transferor Company shall be recorded in the books of the Transferee Company at their respective book values as recorded in the books of the Transferor Company subject to such corrections and adjustments, if any, as may in the opinion of the Board of Directors of the Transferee Company be necessary or required and to the extent permissible in law.
- 15.3 It is clarified that the debit balance in the Profit and Loss Account of the Transferor Company as on the Appointed Date, shall be adjusted with the balance in the Securities Premium Account in the books of the Transferee Company
- 15.4 It is clarified that the balances in the Reserve account of the Transferor Company as on the Appointed Date, excluding balances in Profit and Loss Account, shall be transferred to and aggregated with the corresponding Reserves in the books of the Transferee Company. It is further clarified that identity of Reserves of the Transferor Company shall be preserved upon transfer thereof to the Transferee Company.
- 15.5 In case of any difference in the accounting policy of the Transferor Company and that of the Transferee Company, the impact thereof shall be quantified and adjusted in the Reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of the consistent accounting policy.
- 15.6 Upon coming into effect of this Scheme, to the extent that there are inter-company investments, loans, advances, investment, deposit balances or other obligations as between the Transferor Company and the Transferee Company, except for the advance amounting to Rs.55,16,67,704 (Rupees Fifty-five Crores Sixteen Lacs Sixty-Seven Thousand Seven Hundred and Four Only) as on 31st March, 2016, given by GPL to GIVL which is considered a part of Infrastructure Road BOT Assets Business for the purposes of Part D of the Scheme, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.
- 15.7 The excess of, or deficit, in the value of the assets over the value of the liabilities of the Transferor Company vested in the Transferee Company pursuant to this Scheme as recorded in the books of account of the Transferee Company as per Clause 13.2, 13.3 and 13.4 shall be adjusted in the Reserves in the books of the Transferee Company.
- 15.8 The application and consequential reduction of the securities premium account, in accordance with Clause 13.3 above, shall be effected as an integral part of the Scheme and the order of the Company Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Companies Act, 1956 (or the relevant provisions of the Companies Act, 2013) confirming the reduction in the Securities Premium Account of the Transferee Company. The proposed reduction does not



involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital. The Transferee Company shall not be required to add the phrase "and reduced" as a suffix to the name.

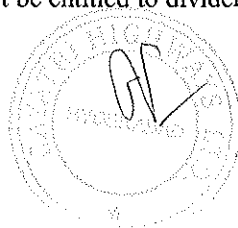
- 15.9 The approval granted by the shareholders and creditors of the Transferee Company to this Scheme shall be deemed to be approval for the purposes of Sections 100-104 of the Companies Act, 1956. The Transferee Company shall not be obliged to call for a separate meeting of its shareholders/creditors for obtaining their approval sanctioning the reduction of Securities Premium Account under this Scheme.
- 15.10 Notwithstanding the method of accounting adopted by the Transferee Company, the losses /depreciation of the Transferor Company will be allowed to be taken over by the Transferee Company as it is for the purpose of computing "book profit" as per the provisions of section 115JB of the Income tax Act, 1961 or any other applicable provisions introduced by any Finance Act.
- 15.11 Notwithstanding the above, the Transferor Company and the Transferee Company, in consultation with their statutory auditors, are authorized to account for this Scheme and effect thereof in any manner whatsoever as may be deemed fit.

16. **TREATMENT OF TAXES**

- 16.1 Any tax liabilities under the Income-tax Act, 1961, Wealth Tax Act, 1957, Customs Act, 1962, Central Excise Act, 1944, Central Sales Tax Act, 1956, any other State Sales Tax / Value Added Tax laws, Service Tax, stamp laws or other applicable laws/ regulations [hereinafter in this Clause referred to as "Tax Laws"] dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the Accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company.
- 16.2 All taxes (including income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.
- 16.3 Any refund under the Tax Laws received by / due to Transferor Company consequent to the assessments made on Transferor Company subsequent to the appointed Date and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 16.4 Without prejudice to the generality of the above, all benefits including under the income tax, sales tax, excise duty, customs duty, service tax, VAT, etc., to which the Transferor Company is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Transferee Company.

17. **DECLARATION OF DIVIDEND**

- 17.1 With effect from the date of filing of this Scheme with the High Court and up to and including the Effective Date, the Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective equity shareholders as on the respective record dates for the purpose of dividend. Provided that the Transferor Company shall declare a dividend only after obtaining the prior permission of the Transferee Company and the shareholders of the Transferor Company shall not be entitled to dividends, if any, declared by the Transferee Company prior to the "Effective Date".



17.2 Until the coming into effect of this Scheme, the holder of equity shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Article of Association including their right to receive dividend.

17.3 It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Board of Directors of the Transferor Company and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and the Transferee Company, respectively.

18. COMPANY STAFF, WORKMEN AND EMPLOYEES

18.1 All the employees of the Transferor Company in service on the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration not less favourable than those subsisting with reference to the Transferor Company as on the said date. It is clarified that the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies, and shall not be entitled to avail of any schemes and benefits that are applicable and available to any of the employees of the Transferee Company, unless otherwise determined by the Transferee Company.

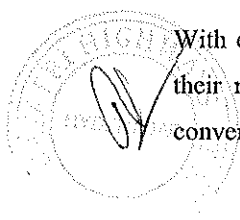
18.2 As far as the provident fund, gratuity fund or any other special fund or schemes existing for the benefit of the employees of the Transferor Company are concerned upon the coming into effect of this Scheme, the Transferee Company shall be substituted and / or transferred for the Transferor Company for all purposes whatsoever related to the administration/operation of such funds or schemes or in relation to the obligation to make contribution to the said funds or schemes in accordance with provisions of such funds or schemes according to the terms provided in the respective trust deeds or other documents and till such time shall be maintained separately. All the rights, duties, powers and obligations of the Transferor Company in relation to such funds or Schemes shall become those of the Transferee Company and the services of the employees will be treated as being continuous for the purpose of the aforesaid funds or schemes

19. CANCELLATION OF SHARES OF THE TRANSFEROR COMPANY

As explained in Clause 1.3, there is a share purchase agreement in place pursuant to which the Transferor Company would become a 100% subsidiary of the Transferee Company and its entire equity share capital would be held by the Transferor Company in its own name and jointly with its nominees under Section 49 of the Companies Act 1956 (corresponding Section 187 of the Companies Act, 2013). Accordingly, there would be no issue of equity shares of the Transferee Company to the shareholders (including those holding the shares as nominees of the Transferee Company) of the Transferor Company. Pursuant to the merger of the Transferor Company with the Transferee Company, the investment in the equity shares of the Transferor Company, appearing in the books of account of the Transferee Company will stand cancelled.

20. RESTRICTION ON CHANGE OF CAPITAL STRUCTURE

With effect from the Appointed Date and upto the Effective Date, the Transferor Company shall not make any change in their respective capital structure either by any increase, (by issue of equity or shares on a rights basis, bonus shares, convertible debentures or otherwise) decrease, reduction, re-classification, sub-division or consolidation, re-organisation, or



in any other manner except by mutual consent of the Board of Directors of the Transferee Company or except as may be expressly permitted under this Scheme.

21. WINDING UP

On the Scheme becoming effective, Transferor Company shall be dissolved without being wound up.

PART D – DEMERGER OF INFRASTRUCTURE ROAD BOT ASSETS BUSINESS OF GAYATRI PROJECTS LIMITED (“GPL”) INTO GAYATRI DOMICILE PRIVATE LIMITED (“GDPL”)

TRANSFER OF BUSINESS

22. TRANSFER OF INFRASTRUCTURE ROAD BOT ASSETS BUSINESS

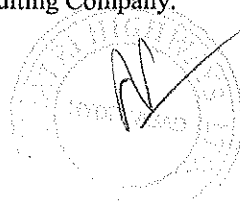
22.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme the entire Infrastructure Road BOT Assets Business shall, pursuant to the provisions of section 391 to 394 and other relevant provisions of the Act, without any further act, instrument or deed, be transferred to and vest in or be deemed to be transferred to and vested in the Resulting Company, as a going concern, so as to vest in Resulting Company all the rights, title and interest of Demerged Company therein, subject to subsisting charges and pledges, if any.

22.2 All assets acquired by the Demerged Company after the Appointed Date and prior to the Effective Date for operation of the Infrastructure Road BOT Assets Business or pertaining to the Infrastructure Road BOT Assets Business shall also stand transferred to and vested in the Resulting Company upon the coming into effect of the Scheme.

22.3 In respect of such of the assets of the Infrastructure Road BOT Assets Business (mentioned in Clause 20.1 and Clause 20.2 above) as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same may be so delivered, paid over, or endorsed and delivered, by the Demerged Company and shall become the property of the Resulting Company as an integral part of the Infrastructure Road BOT Assets Business transferred to it. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of the Demerged Company and the Board of Directors of the Resulting Company.

22.4 In respect of such of the assets of the Infrastructure Road BOT Assets Business other than those referred to in Clause 20.3 above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company on the Appointed Date pursuant to the provisions of Section 394 of the Act or other provisions of law as applicable.

22.5 In so far as assets comprised in the Infrastructure Road BOT Assets Business are concerned, the security, existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof or charge over such assets relating to any loans or borrowings of the Remaining Business of the Demerged Company shall, without any further act or deed, be released and discharged from the same and shall no longer be available as security in relation to those liabilities of the Demerged Company which are not transferred to the Resulting Company.



- 22.6 In so far as the assets of the Remaining Business of the Demerged Company are concerned, the security over such assets, to the extent they relate to the Infrastructure Road BOT Assets Business shall, without any further act, instrument or deed be released and discharged from such security. The absence of any formal amendment which may be required by a lender or third party in order to effect such release shall not affect the operation of the foregoing sentence. Without prejudice to the foregoing and with effect from the Effective Date, the Demerged Company and the Resulting Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Telangana to give formal effect to the above provisions, if required.
- 22.7 Upon the coming into effect of this Scheme, insofar as the security in respect of the liabilities of the Demerged Company as on the Appointed Date is concerned, it is hereby clarified that the Demerged Company and the Resulting Company shall, subject to confirmation by the concerned creditor(s), mutually agree upon and arrange for such security as may be considered necessary to secure such liabilities, and obtain such consents under law as may be prescribed.
- 22.8 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licenses, certificates, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of the Demerged Company, and the rights and benefits under the same shall, insofar as they relate to the Infrastructure Road BOT Assets Business and all quality certifications and approvals, trademarks, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual property and all other interests relating to the goods or services being dealt with by the Infrastructure Road BOT Assets Business, be transferred to and vested in the Resulting Company.
- Insofar as the various incentives, service tax benefits, subsidies (including applications for subsidies), rehabilitation Schemes, grants, special status, income tax holiday / benefit and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Demerged Company are concerned, the same shall, without any further act or deed, in so far as they relate to the Infrastructure Road BOT Assets Business, vest with and be available to the Resulting Company on the same terms and conditions.
- 22.9 In so far as loans and borrowings of the Demerged Company are concerned, the loans and borrowings and such amounts pertaining to the general or multipurpose loans, and liabilities which are to be transferred to the Resulting Company in terms of Clause 2.1.5 being a part of the Infrastructure Road BOT Assets Business shall, without any further act or deed, become loans and borrowings of the Resulting Company, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against the Resulting Company as if it had entered into such loans and incurred such borrowings.

Thus, the primary obligation to redeem or repay such liabilities shall be that of the Resulting Company. However, without prejudice to such transfer of proportionate liability amount, where considered necessary for the sake of convenience and towards facilitating single point creditor discharge, the Resulting Company may discharge such liability (including accretions thereto) by making payments on the respective due dates to the Demerged Company, which in turn shall make payments to the respective creditors.



- 22.10 Subject to Clause 20.9, from the Effective Date, the Resulting Company alone shall be liable to perform all obligations in respect of the liabilities of the Infrastructure Road BOT Assets Business as the borrower/issuer thereof, and the Demerged Company shall not have any obligations in respect of the said liabilities.
- 22.11 Where any of the liabilities and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company, and all loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Infrastructure Road BOT Assets Business after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Resulting Company and shall become the liabilities and obligations of the Resulting Company which shall meet, discharge and satisfy the same.
- 22.12 It is hereby clarified that the rest of the assets and liabilities (other than those forming part of the Infrastructure Road BOT Assets Business or otherwise specified in this Scheme), if any, of the Demerged Company shall continue to vest in the Demerged Company.
- 22.13 The provisions of this Clause insofar as they relate to the transfer of liabilities to the Resulting Company shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/or superseded by the foregoing provisions.
- 22.14 It is hereby clarified that all assets and liabilities of the Infrastructure Road BOT Assets Business shall be transferred at values appearing in the books of account of the Demerged Company as on the Appointed Date which are set forth in the closing balance sheet of the Demerged Company as of the close of business hours on the date immediately preceding the Appointed Date.

23. INCREASE IN AUTHORIZED SHARE CAPITAL AND AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE RESULTING COMPANY

- 23.1 As an integral part of the Scheme, and, upon coming into effect of the Scheme, the authorized share capital of the Resulting Company, as on the Effective Date, shall be increased to Rs. 2,300,000,000 (Rupees Two Hundred and Thirty Crores) only divided into 50,000,000 equity shares of Rs.10 (Rupees Ten only) each and 180,000,000 redeemable preference shares of Rs. 10 (Rupees Ten only) each. The increase in authorized share capital shall take place without any further act or deed and by payment of the relevant stamp duty or the registration fees and Clause V of the Memorandum of Association of the Resulting Company shall be altered accordingly
- 23.2 The Resulting Company shall, before allotment of the equity shares to the shareholders of the Demerged Company, without following the procedure laid down under applicable provisions of the Act, alter the Clause V relating to the authorised share capital, in the Memorandum of Association of the Resulting Company, by-

"The Authorised Share Capital of the Company is Rs. 2,300,000,000 (Rupees Two Hundred and Thirty Crores) only divided into 50,000,000 equity shares of Rs.10 (Rupees Ten only) each and 180,000,000 redeemable preference shares of Rs. 10 (Rupees Ten only) each with rights, privileges and conditions attaching thereto as are provided by the Articles of Association

of the Company for the time being with power to increase and reduce the capital of the Company and to divide the shares in capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 2013, or provided by the Articles of Association of the Company for the time being."

- 23.3 The Resulting Company shall, before allotment of the equity shares to the shareholders of the Demerged Company, without following the procedure laid down under applicable provisions of the Act, alter Article 3 relating to the authorised share capital in the Articles of Association of the Company, by substituting the existing Article with the following Article-
"The authorised share capital of the Company is Rs. 2,300,000,000 (Rupees Two Hundred and Thirty Crores) only divided into 50,000,000 equity shares of Rs.10 (Rupees Ten only) each and 180,000,000 redeemable preference shares of Rs. 10 (Rupees Ten only) each. The Company shall have the power to increase, consolidate, subdivide, realise or otherwise alter its share capital subject to the provisions of the Act."
- 23.4 Pursuant to this Scheme, the Resulting Company shall file the requisite forms with the Registrar of Companies for alteration of its authorized share capital.
- 23.5 It is hereby provided that the amendment under this Clause shall become operative on the Scheme being effective by virtue of the fact that the shareholders of the Resulting Company, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act and shall not be required to pass separate resolutions as required under the Act. The approval of this Scheme by the shareholders of the Resulting Company and Demerged Company under Sections 391-394 of the Act shall be deemed to be the approvals under Section 13 and 61 of the Companies Act 2013 and other applicable provisions of the Act

24. LEGAL PROCEEDINGS

- 24.1 From the Effective Date, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) ("Proceedings") by or against the Demerged Company under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the Infrastructure Road BOT Assets Business shall be continued and enforced by or against the Resulting Company after the Effective Date, to the extent legally permissible. To the extent, such Proceedings cannot be taken over by the Resulting Company; the Proceedings shall be pursued by the Demerged Company as per the instructions of and entirely at the costs and expenses of the Resulting Company.
- 24.2 If the Proceedings are taken against the Demerged Company in respect of the matters referred to in Clause 24.1 above, it shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the latter shall reimburse and indemnify and hold harmless the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 24.3 Any legal or other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged

Company, which shall keep the Resulting Company fully indemnified in that regard. The Resulting Company shall in no event be responsible or liable in relation to any such legal or other proceeding against the Demerged Company.

25. **CONTRACTS, LICENSES, APPROVALS & PERMITS**

25.1 With effect from the Effective Date and subject to the provisions of this Scheme, all licenses whether Government or otherwise, contracts, deeds, bonds, agreements, Schemes, arrangements and other instruments of whatsoever nature in relation to the Infrastructure Road BOT Assets Business to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto.

25.2 Without prejudice to the other provisions of the Scheme and notwithstanding that the vesting of the Infrastructure Road BOT Assets Business with the Resulting Company occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Demerged Company will, if necessary, also be a party to the above. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.

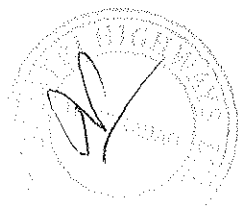
25.3 It is hereby clarified that if any contract, deeds, bonds, agreements, Schemes, arrangements or other instruments of whatsoever nature in relation to the Infrastructure Road BOT Assets Business to which the Demerged Company is a party to, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such contract, deeds, bonds, agreements, Schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company.

26. **CONSIDERATION**

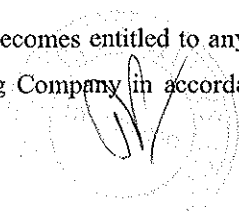
26.1 Upon this Scheme coming into effect, the Resulting Company shall, without any further application or deed, issue and allot to every member of the Demerged Company, holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company on the Record Date, in the following ratio (the "Share Exchange Ratio"):

- In respect of every 1 (One) equity shares of Rs.10/- each fully paid up held by such member in the Demerged Company, 1 (One) equity share in the Resulting Company of Rs 10/- each credited as fully paid up.

26.2 The equity shares to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of the Resulting Company;



- 26.3 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors of the Resulting Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the Demerged or Resulting of equity shares in the Demerged Company, after the effectiveness of this Scheme. The New Equity Shares to be issued by the Resulting Company pursuant to this Scheme in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Resulting Company.
- 26.4 Where New Equity Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Demerged Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Resulting Company.
- 26.5 New Equity Shares issued in terms of the Scheme shall, in compliance with the applicable regulations, be listed and/ or admitted to trading on the relevant stock exchange(s) in India where the equity shares of Demerged Company are listed and admitted to trading. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of such stock exchanges where the shares / securities of the Resulting Company are listed. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant stock exchanges.
- 26.6 In so far as New Equity Shares are concerned, the same will be distributed in dematerialized form to the equity shareholders of Demerged Company, provided all details relating to the account with the depository participant are available to Resulting Company. All those equity shareholders who hold equity shares of Demerged Company and do not provide their details relating to the account with the depository participant will be distributed New Equity Shares in the physical/certificate form unless otherwise communicated in writing by the shareholders on or before such date as may be determined by the Board of Directors of Resulting Company or committee thereof.
- 26.7 Upon the coming into effect of the Scheme, the New Equity Shares of Resulting Company to be issued and allotted to the members of the Demerged Company as provided in the Scheme shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company and the New Equity Shares shall rank pari passu from the date of allotment in all respects with the existing equity shares of Resulting Company including entitlement in respect of dividends. The issue and allotment of New Equity Shares by the Resulting Company to the members of the Demerged Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out pursuant to the Act.
- 26.8 Approval of the Scheme by the shareholders of Resulting Company shall be deemed to be due compliance with the provisions of Section 62 of the Companies Act, 2013 and other relevant and applicable provisions of the Act for the issue and allotment of shares by Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.
- 26.9 If any shareholder of the Demerged Company becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of equity shares by the Resulting Company in accordance with Clause 24.1 of this Scheme, the Board of



Directors of the Resulting Company shall consolidate all such fractional entitlements and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Resulting Company (the "Trustee"), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times, as the Trustee who shall hold the same as a trustee for and on behalf of such shareholders of Demerged Company, and shall dispose of the same and distribute the proceeds thereof to such shareholders in proportion to and in lieu of their respective fractional entitlements.

26.10 The Resulting Company shall, if necessary and to the extent required, increase / alter its Authorized Share Capital to facilitate issue of New Equity Shares under this Scheme.

27. ACCOUNTING TREATMENT

27.1 Treatment in the books of Demerged Company :

27.1.1 The book values of assets & liabilities relating to the Infrastructure Road BOT Assets Business transferred pursuant to the Scheme from the Demerged Company to the Resulting Company shall be reduced from the total book value of assets & liabilities as appearing in the books of the Demerged Company at the close of business of the day immediately preceding the Appointed Date ;

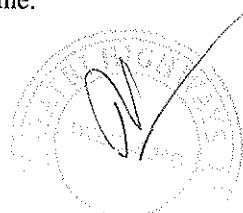
27.1.2 The excess of book value of assets over liabilities of the Infrastructure Road BOT Assets Business, if any, shall be adjusted against the balance in the Securities Premium / Capital Reserve / General Reserve / Balance in the statement of profit or loss of the Demerged Company. In case of a shortfall of book value of assets over book value of liabilities, if any, shall be credited to the Capital Reserve Account of the Demerged Company.

27.1.3 The expenses pertaining to the demerger, except those mentioned in Clause 25.2.3 shall be debited to the Securities Premium Account.

27.1.4 The application and consequential reduction of the securities premium account, in accordance with Clause 25.1.3 above, shall be effected as an integral part of the Scheme and the order of the Company Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Companies Act, 1956 (or the relevant provisions of the Companies Act, 2013) confirming the reduction in the Securities Premium Account of the Demerged Company. The proposed reduction does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital. The Demerged Company shall not be required to add the phrase "and reduced" as a suffix to the name.

27.1.5 The approval granted by the shareholders and creditors of the Demerged Company to this Scheme shall be deemed to be approval for the purposes of Sections 100-104 of the Companies Act, 1956. The Demerged Company shall not be obliged to call for a separate meeting of its shareholders/creditors for obtaining their approval sanctioning the reduction of Securities Premium Account under this Scheme.

27.2 Treatment in the books of the Resulting Company:



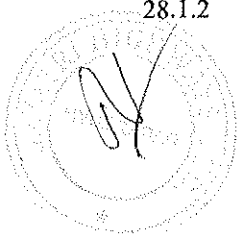
- 27.2.1 GDPL shall, upon the Scheme becoming operative, record the transfer of assets and liabilities of the Infrastructure Road BOT Assets Business pursuant to this Scheme, at their book values as appearing in the books of GPL.
- 27.2.2 GDPL shall credit its share capital account with the aggregate face value of the GDPL equity shares issued by it to the members of GPL pursuant to this Scheme.
- 27.2.3 The excess or deficit, if any, remaining after recording the aforesaid entries in clause 25.2.1 and clause 25.2.2, shall be debited as Goodwill or credited by Resulting Company to the respective reserves and surpluses (including the securities premium account), in the same proportion as debited in the books of the Demerged Company pursuant to Clause 25.1.2 above. The costs in relation to transfer of assets pertaining to Infrastructure Road BOT Assets Business to GDPL such as stamp duty, registration charges, etc. shall be debited to the Securities Premium Account of the Resulting Company.
- 27.2.4 In case the Resulting Company is required to follow accounting policies that are different from that of the Demerged Company for any regulatory reasons, the effect of the difference in the accounting policies between the Demerged Company and the Resulting Company, will be quantified and adjusted in the opening reserve (other than the Securities Premium Account), to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policy.
- 27.2.5 After recording the assets of the Infrastructure Road BOT Assets Business at their respective book values, the Board of Directors shall make appropriate adjustments to their values in order to present them at their fair values. The excess or deficit, if any, after the aforesaid adjustments shall be debited or credited to the Securities Premium Account or credited to Capital Reserve, as the case may be.
- 27.3 It is hereby clarified that pursuant to the provisions of Clause 28, all transactions during the period between the Appointed Date and Effective Date relating to the Infrastructure Road BOT Assets Business would be duly reflected in the financial statements of the Resulting Company upon the Scheme coming into effect.

28. EMPLOYEES

28.1 With effect from the Effective Date:

28.1.1 All the employees of the Demerged Company who are part of the Infrastructure Road BOT Assets Business shall stand transferred to the Resulting Company on the same terms and conditions on which they are engaged by the Demerged Company, (including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and any other retirement benefits) without any interruption in service as a result of transfer of the Infrastructure Road BOT Assets Business of the Demerged Company to the Resulting Company.

28.1.2 The Resulting Company agrees that the services of all such employees (as mentioned in Clause 26.1.1 above) with the Demerged Company prior to the transfer, as aforesaid, shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including in relation to the level of remuneration and contractual and



statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and any other retirement benefits and accordingly, shall be reckoned therefore from the date of their respective appointment in the Demerged Company.

28.1.3 The existing provident fund, superannuation fund and gratuity fund, if any, of which the aforesaid employees of the Demerged Company, being transferred under Clause 28.1.1 above to the Resulting Company, are members or beneficiaries along with all accumulated contributions therein till the Effective Date, shall, with the approval of the concerned authorities, be transferred to and continued without any break, to be administered by the Resulting Company for the benefit of such employees on the same terms and conditions. Accordingly, the provident fund, superannuation fund and gratuity fund dues, if any, of the said employees of the Demerged Company would be continued to be deposited in the transferred provident fund, superannuation fund and gratuity fund account by the Resulting Company. In case, necessary approvals are not received by the Effective Date and there is delay, all such amounts shall continue to be administered by the Demerged Company as trustee from the Effective Date till the date of actual transfer and, on receiving the approvals all the accumulated amounts till such date, shall be transferred to the respective Funds of the Resulting Company [*suo motu*].

29. SAVING OF CONCLUDED TRANSACTIONS

29.1 The transfer and vesting of the assets, liabilities and obligations of the Infrastructure Road BOT Assets Business as per this Scheme and the continuance of the Proceedings by or against the Resulting Company under Clause 22 hereof shall not affect any transaction or proceedings already completed by the Demerged Company on or after the Appointed Date but before the Effective Date and intent that the Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company as acts deeds and things done and executed by and on behalf of the Resulting Company.

30. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

30.1 With effect from the Appointed Date and up to and including the Effective Date, the Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Infrastructure Road BOT Assets Business for and on account of and in trust for the Resulting Company.

30.2 All profits accruing to the Demerged Company or losses including tax losses, arising or incurred by the Demerged Company in relation to the Infrastructure Road BOT Assets Business for the period commencing from the Appointed Date to the Effective Date shall, for all purposes, be treated as the profits or losses, as the case may be, of the Resulting Company.

30.3 The Demerged Company hereby confirms that it has, and shall continue up to the Effective Date, to preserve and carry on the Infrastructure Road BOT Assets Business with due diligence, prudence and that it will not, without the prior consultation with the Resulting Company, alienate, charge or otherwise deal with or dispose of the Infrastructure Road BOT Assets Business or any part thereof or recruit any new employees (in each case except in the ordinary course of business) or conclude settlements with unions or employees or undertake substantial expansion of the Infrastructure Road BOT Assets Business, other than expansions which have already commenced prior to the Appointed Date.



PART E – GENERAL TERMS & CONDITIONS

31. APPLICATIONS TO THE HIGH COURT

- 31.1 The Demerged Company and the Resulting Company shall, with all reasonable dispatch, make applications to the High Court, where the registered offices of the Demerged Company and the Resulting Company are situated, for sanctioning this Scheme under Sections 391 to 394 of the Act for an order or orders thereof for carrying this Scheme into effect.

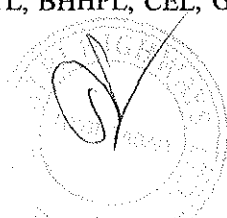
32. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 32.1 Subject to approval of High Court, the Demerged Company and the Resulting Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, may make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them, provided however, the Demerged Company and the Resulting Company or such other person or persons, as the respective Board of Directors may authorize (including any committee or sub-committee thereof) shall not make and/or consent to any modifications/ amendments to the condition set out at Clause 31.4 of this Scheme and this Scheme shall always be conditional upon completion of the condition as set out at Clause 31.4 of this Scheme. The Demerged Company and the Resulting Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.
- 32.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate of the Resulting Company may give and are hereby authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

33. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

This Scheme is conditional upon and subject to:

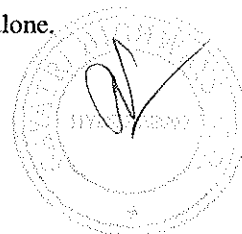
- 33.1 Requisite approvals, clearances or permissions that may be required to be obtained under applicable laws, or where applicable, the waiting periods or time periods for approval of the Reserve Bank of India, rules and regulations having expired or been terminated.
- 33.2 Requisite approvals from National Highway Authority of India (“NHAI”) and other relevant regulatory authorities, regarding change in ownership of SMTL, BHHPL, CEL, GJRL, GLRL, HEL, HKRRL, IDTL, as per the terms of their respective Concession Agreement.



- 33.3 The Scheme being approved by the requisite majorities in number and value of such classes of shareholders and / or creditors of the Demerged Company and Resulting Company as may be directed by the High Court;
- 33.4 The share purchase agreement between GPL and AMP Capital Finance Mauritius Limited for the acquisition of the 29.41% shareholding in GIVL by GPL, being completed and given effect.
- 33.5 The Scheme being sanctioned by the High Court;
- 33.6 Approval of the Scheme, by the Stock Exchange, pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), 2015
- 33.7 Approval of the Scheme by majority of the public shareholders through postal ballot and e-voting as per the requirements of Clause 9 of SEBI Circular CIR/CFD/CMD/16/2015 dated 30th November, 2015
- 33.8 Approval of the Scheme by SEBI in terms of SEBI Circulars
- 33.9 Any other approvals and sanctions from a Governmental Authority as may be required by Law in respect of the Scheme being obtained;
- 33.10 This Scheme, although to come into operation with effect from the Appointed Date, shall not become effective until the last of the following dates, namely:
- 33.10.1 Date on which the last of the aforesaid consents, approvals, permissions, resolutions and orders as mentioned in Clause 31 shall be obtained or passed; or
- 33.10.2 The certified copy of the order(s) of the High Court sanctioning the Scheme being filed with the Registrar of Companies having jurisdiction by the Demerged Company and the Resulting Company.
- The last of the dates mentioned in Clause 31.10.1 or 31.10.2 shall be the “Effective Date” for the purpose of Clause 31.10 of this Scheme.

34. COSTS

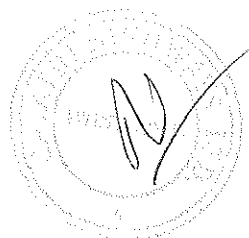
- 34.1 All costs, charges, expenses, taxes duties (including stamp duty, if any, applicable in relation to this Scheme) levied in connection with Part B of the Scheme and for carrying out and completing the terms and provisions of Part B the Scheme and/or incidental to the completion of transfer of investments in SMTL by GPL to the Resulting Company shall be borne and paid by the Resulting Company alone.
- 34.2 All costs, charges, expenses, taxes duties (including stamp duty, if any, applicable in relation to this Scheme) levied in connection with Part C of the Scheme and for carrying out and completing the terms and provisions of Part C the Scheme and/or incidental to the completion of amalgamation of the said Undertaking of the Transferor Company into the Transferee Company shall be borne and paid by the Transferee Company alone.



- 34.3 All costs, charges and expenses incidental to Part D of this Scheme or in relation to or in connection with negotiations leading upto Part D of the Scheme and of carrying out and implementing the terms and provisions of Part D of this Scheme (excluding stamp duty and registration fees) and incidental to the completion of arrangement in pursuance of this Scheme shall be borne and paid by the Demerged Company.
- 34.4 All costs in relation to transfer of assets pertaining to Infrastructure Road BOT Assets Business to GDPL such as stamp duty, registration charges, etc. shall be borne and paid by the Resulting Company.

35. **REVOCATION OF THE SCHEME**

- 35.1 In the event of any of the said sanctions and approvals referred to in Clause 16 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the High Court and/or order or orders not being passed as aforesaid before 31st December 2017 or such other date as may be mutually agreed upon by the respective Board of Directors of the Demerged Company and the Resulting Company (who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)), this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* between the Demerged Company and the Resulting Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each party shall bear its own costs unless otherwise mutually agreed.



STATEMENT OF TAX BENEFITS

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible tax benefits available to the Company and its shareholders under the direct tax laws in force in India (*i.e.* applicable for the Financial Year 2017-18 relevant to the assessment year 2018-19). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the possible tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may or may not choose to fulfil.

UNDER THE INCOME TAX ACT, 1961 ("THE ACT")

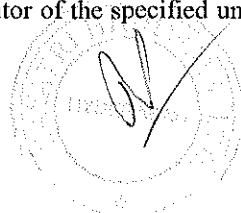
BENEFITS TO THE COMPANY UNDER THE ACT:

a) Minimum Alternate Tax (MAT) Credit

- As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax (MAT) paid for any assessment year commencing on or after April 1, 2006 against normal income-tax payable in subsequent assessment years. The amount of credit available shall be the difference between MAT payable under section 115JB of the Act and taxes payable on total income computed under other provisions of the Act.
- MAT credit shall be allowed to be carried forward for any assessment year to the extent of difference between the tax paid under Section 115JB and the tax payable as per the normal provisions of the Act for that assessment year. Such MAT credit is available for set-off up to 15 years succeeding the assessment year in which the MAT credit arises.

b) Dividends

- As per the provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. However, as per Section 94(7) of the Act, losses arising from purchase and sale of securities, where such securities are bought or acquired within a period of three months prior to the record date and such securities are sold or transferred within three months from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt, if any.
- Any amount declared, distributed or paid by the Company to shareholders by way of dividends on or after 1 April 2003, whether out of current or accumulated profits, shall be charged to additional income tax at the rate of 15 percent (plus applicable surcharge and cess) under Section 115-O of the Act. In view of the amendment brought in by Finance (No.2) Act, 2014, for the purpose of determining the tax on distributed profits payable in accordance with Section 115-O of the Act, the amount of dividends on or after 1 April 2003 needs to be increased to such amount as would, after reduction of tax on such increased amount at the specified rate, be equal to the net distributed profits.
- Further, if the company being a holding company, has received any dividend from its subsidiary on which dividend distribution tax has been paid by such subsidiary, then company will not be required to pay dividend distribution tax to the extent the same has been paid by such subsidiary company.
- As per the provisions of Section 115BBD of the Act, dividend received by Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess) up to March 31, 2014. As per Finance Act, 2014, the benefit of lower rate of 15% is extended without limiting it to a particular assessment year.
- For removing the cascading effect of dividend distribution tax, while computing the amount of dividend distribution tax payable by a Domestic Company, the dividend received from a foreign subsidiary on which income-tax has been paid by the Domestic Company under Section 115BBD of the Act shall be reduced.
- Any income received from distribution made by any mutual fund specified under Section 10(23D) of the Act or from the administrator of the specified undertaking or from the units of specified company



referred to in Section 10(35) of the Act, is exempt from tax in the hands of the Company under Section 10(35) of the Act. However, as per Section 94(7) of the Act, losses arising from the sale/ redemption of units purchased within three months prior to the record date (for entitlement to receive income) and sold within nine months from the record date, will be disallowed to the extent of the amount of income claimed exempt, if any.

As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

c) Carry forward and set off of losses

- As per the provisions of Section 72(1) of the Act, if the net result of the computation of income from business is a loss to the Company, not being a loss sustained in a speculation business, such loss can be set off against any other income and the balance loss, if any, can be carried forward for eight consecutive assessment years immediately succeeding the assessment year for which the loss was first computed and shall be set off against business income.
- As per the provisions of Section 72A of the Act, pursuant to business re-organisations such as demerger, etc., the successor company shall be allowed to carry forward any accumulated tax losses/ unabsorbed depreciation of the predecessor company, subject to fulfilment of prescribed conditions.

d) Capital gains

- As per the provisions of section 2(29A) of the IT Act, read with section 2(42A) of the I.T. Act, a listed equity share is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer..
- Long Term Capital Gain (LTCG) arising on transfer of equity shares of a company or units of an equity oriented fund which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of a business trust as defined in Section 2(13A), is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.
- Book Income on transfer of investment in a company is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if tax on long term capital gain resulting on sale of listed securities (other than a unit) or zero coupon bond, calculated at the rate of 20% with indexation benefit exceeds the tax calculated at the rate of 10% without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10% (plus applicable surcharge and education cess).
- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of a business trust, are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on sale of equity shares or units of equity oriented mutual fund as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D), where such transaction is not chargeable to STT is taxable at the normal rate of 30%(plus applicable surcharge and cess).
- As per Section 50 of the Act, where a capital asset is forming part of a block of assets in respect of which depreciation has been allowed under the Act, capital gains shall be computed in the following manner:
 - where full value of consideration on account of transfer of any asset forming part of block of asset, as reduced by expenditure incurred wholly or exclusively in connection with transfer, exceeds the written down value of block of assets and actual cost of assets acquired during the year, such excess shall be deemed to be short term capital gains and taxed accordingly.



- where any block of assets ceases to exist, for the reason that all the assets in that block are transferred, the difference between the consideration arising on result of transfer and the written down value of block of assets and the actual cost of assets acquired during the year, shall be deemed to be short term capital gains/ (losses) and taxed accordingly.
- As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long – term capital gains arising during subsequent eight assessment years.

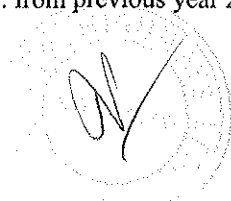
As per the provisions of section 54D of the Act and subject to the conditions to the extent specified therein, capital gains arising on compulsory acquisition of land & building or any right therein used by an industrial undertaking, will be exempt from tax if the capital gains are invested in —land, building, or any right therein within 3 years from the date of compulsory acquisition for the purpose of shifting / re-establishing/ setting up another industrial undertaking subject to lower of Capital Gain or the Cost of acquisition of new land and building

- In accordance with and subject to the conditions and to the extent specified in section 54EC of the Act, the company would be entitled to exemption from tax on gains arising from transfer of the long term capital asset (not covered by section 10(36) and 10(38)) if such capital gain is invested within a period of six months from the date of transfer in bonds redeemable after three years and issued by:
 - National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
 - Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.

The maximum investment in the specified long term asset cannot exceed ₹ 5,000,000 during any financial year as well as capital gain arising from transfer of one or more original assets. Where the long term specified assets is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified assets is transferred or converted into money.

c) Other

- As per provisions of Section 35 (1) (ii) of the Act, in respect of sum paid to a research association which has as its object the undertaking of scientific research or to a university, college or other institution to be used for scientific research to the extent of a sum equal to one and three fourth times the sum so paid.
- As per provisions of Section 35 (1) (iii) of the Act, in respect of any sum paid to a scientific research association which has as its object the undertaking of scientific research, or to any approved university, College or other institution to be used for scientific research or for research in social sciences or statistical scientific research to the extent of a sum equal to one and one fourth times the sum so paid.
- Under Section 35 (1) (iia) of the Act, any sum paid to a company, which is registered in India and which has as its main object the scientific research and development, and being approved by the prescribed authority and such other conditions as may be prescribed, shall also qualify for a deduction of one and one fourth times the amount so paid. .
- In respect of deduction under section 35(1)(iia) and 35(1)(iii), the deduction shall be restricted to 100 per cent with effect from 01.04.2017 (i.e. from previous year 2017-18 and subsequent years). In regard to deduction under section 35(1)(ii) of the Act, weighted deduction shall be restricted to 150 per cent from 01.04.2017 to 31.03.2020 (i.e. from previous year 2017-18 to previous year 2019-20) and



deduction shall be restricted to 100 per cent from 01.04.2020 (i.e. from previous year 2020-21 onwards).

- As per provisions of Section 35(2AA) of the Act, any contribution made Notified Institutions i.e. National Laboratory, University, Indian Institute of Technology, specified persons as approved by the prescribed authority, is available to the extent of two times of such payment made. However, the deduction under above sub-section shall be restricted to the amount so paid, if payment is made on or after 1 April 2020.
- However, weighted deduction u/s 35(2AB) of the Act shall be restricted to 150 per cent with effect from 01.04.2017 to 31.03.2020 (i.e. from previous year 2017-18 to previous year 2019-20). Deduction shall be restricted to 100 per cent from 01.04.2020 (i.e. from previous year 2020-21 onwards).
- As per section 35D of the Act, the Company is entitled to amortise certain preliminary expenditure, specified under Section 35D(2) of the Act, subject to the limit specified in Section 35D(3). The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive assessment years beginning with the assessment year in which the extension of the unit is completed or the unit/ business commences production or operation
- As per the provisions of Section 35DD of the Act, any expenditure incurred by an Indian Company, on or after 1 April 1999, wholly and exclusively for the purpose of amalgamation or demerger of an undertaking, shall be allowed a deduction of an amount equal to one-fifth of such expenditure for each of five successive financial years beginning with the financial year in which the amalgamation or demerger takes place.
- As per the provisions of Section 35DDA of the Act, if a Company incurs any expenditure in any financial year by way of payment of any sum to an employee in connection with his voluntary retirement, in accordance with any scheme or schemes of voluntary retirement, the Company would be eligible to claim a deduction for one-fifth of the amount so paid in computing the profits and gains of the business for that financial year, and the balance shall be deducted in equal installments for each of the four immediately succeeding financial years.
- As per the provisions of Section 35CCD of the Act, if a Company incurs any expenditure (not being in the nature of cost of any land or building) on any skill development project notified by the Central Board of Direct Taxes in this behalf in accordance with the guidelines as may be prescribed, then, the Company shall be allowed a deduction of sum equal to one and one-half times of such expenditure. However, the deduction shall be restricted to 100 per cent from 01.04.2020 (i.e. from previous year 2020-21 onwards).
- As per section 115U of the Act, any income received by a person out of investments made in a venture capital company (VCC) or venture capital fund (VCF) shall be chargeable to income-tax in the same manner as if it were the income received by such person had he made investments directly in the venture capital undertaking (VCU).
- As per Section 80JJAA, Where the gross total income of an assessee to whom section 44AB applies, includes any profits and gains derived from business, there shall, subject to the conditions specified in sub-section (2), be allowed a deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.
- As per the provisions of section 90, for taxes on income paid in Foreign Countries with which India has entered into Double Taxation Avoidance Agreements (Tax Treaties from projects/activities undertaken thereat), the Company will be entitled to the deduction from the India Income-tax of a sum calculated on such doubly taxed income to the extent of taxes paid in Foreign Countries. Further, the company as a tax resident of India would be entitled to the benefits of such Tax Treaties in respect of income derived by it in foreign countries. In such cases the provisions of the Income tax Act shall apply to the extent they are more beneficial to the company. Section 91 provides for unilateral relief in respect of taxes paid in foreign countries



- As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of a specified amount in respect of eligible donations, subject to the fulfilment of the conditions specified in that section.

BENEFITS TO THE SHAREHOLDERS OF THE COMPANY UNDER THE ACT

a) Dividends

- As per the provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the members/ shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax on the amount distributed as dividend, if any.

However, the Finance Act 2016 has introduced Section 115BBDA which provides that the aggregate of dividends received by an individual, HUF or a firm resident in India from domestic companies in excess of INR 10 lakh will be taxed at 10 percent on a gross basis and no deduction will be available for any expenditure.

- Also, Section 94(7) of the Act provides that losses arising from the sale/transfer of shares purchased within a period of three months prior to the record date and sold/transferred within three months after such date, will be disallowed to the extent dividend income on such shares is claimed as tax exempt, if any.

b) Capital gains

(i) Computation of capital gains

- Capital assets are to be categorised into short-term capital assets and long-term capital assets based on the period of holding. Equity Shares listed on a recognised stock exchange in India held by an assessee for more than 12 months, immediately preceding the date of transfer, are considered to be long-term capital assets. Capital gains arising from the transfer of such long-term capital assets are termed as Long Term Capital Gains (LTCG).
- Short Term Capital Gains (STCG) means capital gains arising from the transfer of equity shares listed on a recognised stock exchange in India held for 12 months or less, immediately preceding the date of transfer.
- LTCG arising on transfer of a long term capital asset, being an equity share in a company shall be exempt from tax under Section 10(38) of the Act provided that the transaction of sale of such equity share or unit is entered into on or after 1 October 2004 on a recognised stock exchange and such transaction is chargeable to Securities Transaction Tax (STT) and subject to conditions specified in that section.
- Taxable LTCG would arise [if not exempt under Section 10(38) or any other section of the Act] to a resident shareholder where the equity shares are held for a period of more than 12 months prior to the date of transfer of the shares. In accordance with and subject to the provisions of Section 48 of the Act, in order to arrive at the quantum of capital gains, the following amounts would be deductible from the full value of consideration:
 - a) Cost of acquisition/ improvement of the shares as adjusted by the cost inflation index notified by the Central Government; and
 - b) Expenditure incurred wholly and exclusively in connection with the transfer of shares.

Under Section 112 of the Act, taxable LTCG are subject to tax at a rate of 20 percent (plus applicable surcharge and cess) after indexation, as provided in the Second Proviso to Section 48 of the Act. However, in case of listed securities (other than unit), the amount of such tax could be limited to 10 percent (plus applicable surcharge and cess), without indexation, at the option of the shareholder.

- In respect of a non-resident shareholder, as per the First Proviso to Section 48 of the Act, the capital gains arising from the transfer of listed equity shares of an Indian company, shall be



computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the full value of consideration into the same foreign currency as was initially utilised in the purchase of the shares and the capital gains so computed shall be reconverted into Indian currency. Further, the benefit of indexation as provided in Second Proviso to Section 48 is not available to non-resident shareholders.

- As per the provisions of Section 111A of the Act, STCG arising from the transfer of a listed equity share in a Company as specified under Section 10(38) of the Act, is subject to tax at the rate of 15 percent provided that the transaction of sale of such equity share or unit is chargeable to STT. If the provisions of Section 111A are not applicable, the STCG would be taxed at the normal rates of tax (plus applicable surcharge and cess) applicable to resident investor.
- STCG arising from the transfer of a listed equity share in a Company as specified under Section 10(38) of the Act, wherein the transaction is not chargeable to STT, it is subject to tax at the rate as applicable (plus applicable surcharge and cess).
- As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against STCG as well as LTCG. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Further, long term capital loss arising during a year is allowed to be set-off only against LTCG. Balance loss, if any, shall be carried forward and set-off against LTCG arising during subsequent eight assessment years.
- If the shareholder is a company liable to pay tax on book profits under Section 115JB of the Act, the capital gain on transfer of equity shares, if long term shall be exempt in terms of Section 10(38) of the Act but the book gain shall form part of book profits while computing the book profit under Section 115JB of the Act.
- The characterisation of the gain/ losses, arising from sale/ transfer of shares as business income or capital gains would depend on the nature of holding and various other factors. The Central Board of Direct Taxes (CBDT) has vide a circular clarified that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed under the head "Capital Gains" unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income.
- Under section 36(1)(xv) of the Act, STT paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and Gains of Business or Profession".

(ii) Exemption of capital gain from income-tax:

- As per Section 54EC of the Act, LTCG arising on transfer of shares of the company (other than sale referred to in Section 10(38) of the Act) is exempt from capital gains tax to the extent the same is invested within a period of six months after the date of such transfer, in specified bonds issued by NHAI and REC, subject to conditions specified therein.

Where a part of the capital gain is reinvested, the exemption shall be available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed INR 50 lakhs per assessee during any financial year.

Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempt shall be taxable as capital gains in the year of transfer/conversion.

- As per the provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilised within a period of one year before or two years after the date of transfer, for purchase of a new residential house, or for construction of a residential house property, in India, within three years from the date of transfer, subject to conditions and to the extent specified therein.



c) Tax treaty benefits

As per provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial, while deciding taxability in India (subject to furnishing of Tax Residency Certificate & information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013.). However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.

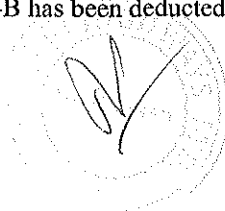
d) Requirement to furnish PAN under the I.T. Act

- Section 139A (5A) requires every person from whose income; tax has been deducted at source under chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deduction of tax at source.
- Section 206AA of the I.T. Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVII-B (deductee) to furnish his PAN to the deductor, failing which tax shall be deducted at the highest of the following rates:
 - (i) at the rate specified in the relevant provision of the I.T. Act; or
 - (ii) at the rate or rates in force; or
 - (iii) at the rate of twenty per cent.
- As per sec 206AA(7), with effect from June 1 2016, the provisions of section 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect of:
 - (i) Payment of interest on long-term bonds as referred to in section 194LC; and
 - (ii) Payment in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset, subject to fulfillment of conditions specified vide Notification no.53/2016 dated 24th June 2016.

e) Non-resident Indian taxation

Special provisions in case of Non-Resident Indian ('NRI') in respect of income/ LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:

- NRI means an individual being a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
- In accordance with section 115E, income from investment or income from LTCG on transfer of assets other than specified asset shall be taxable at the rate of 20 percent (plus applicable cess). Income by way of LTCG in respect of a specified asset (as defined in Section 115C(f) of the Income-tax Act, 1961), shall be chargeable at 10 percent (plus applicable cess). Specified foreign exchange assets include shares of an Indian company which are acquired / purchased/ subscribed by NRI in convertible foreign exchange.
- As per the provisions of Section 115F of the Act, LTCG [not covered under Section 10(38) of the Act] arising to an NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is reinvested in specified assets or in savings certificate referred to in Section 10(4B) of the Act within six months of the date of transfer, subject to the extent and conditions specified in that Section. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently; if the specified assets or saving certificates referred in Section 10(4B) of the Act are transferred or converted into money within three years from the date of their acquisition.
- Under the provisions of Section 115G of the Act, it shall not be necessary for an NRI to furnish his return of income if his only source of income is investment income or LTCG or both and tax deductible at source under provisions of Chapter XVII-B has been deducted from such income.



- Under the provisions of Section 115H of the Act, where a person who is an NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.
- Under the provisions of Section 115-I of the Act, an NRI may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income under Section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and the tax liability arising thereon.

Benefits available to Foreign Institutional Investors ("FIIs") under the Act:

a) Dividends exempt under Section 10(34) of the Act

- As per the provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the shareholder from a domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15 percent (plus applicable surcharge and cess) on the amount distributed as dividend. However, as per Section 94(7) of the Act, losses arising from purchase and sale of securities, where such securities are bought or acquired within a period of three months prior to the record date and such securities are sold or transferred within three months from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt, if any.
- In view of the amendment brought in by Finance (No.2) Act, 2014, for the purpose of determining the tax on distributed profits payable in accordance with Section 115-O of the Act, the amount of dividends needs to be increased to such amount as would, after reduction of tax on such increased amount at the specified rate, be equal to the net distributed profits. Resultantly, the effective rate of tax will be 17.647 percent (plus applicable surcharge & Cess) of the amount of dividends declared, distributed or paid by the Company.

b) Capital gains

- In Finance Act (No.2), 2014 it was provided that any securities held by a FII which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 would be capital asset. Consequently, the income arising to a FII from transactions in securities would always be in the nature of capital gains.
- In accordance with Section 115AD, FIIs will be taxed at 10 percent (plus applicable surcharge and cess) on long-term capital gains (computed without indexation of cost and foreign exchange fluctuation), if STT is not payable on the transfer of the shares.
- LTCG arising to shareholder on transfer of long term capital asset being listed equity shares of the company will be exempt from tax under Section 10(38) of the Act provided that the transaction is entered in on or after 1 October 2004 and STT has been paid on such transfer and subject to conditions specified in that section.
- As per the provisions of Section 111A of the Act, STCG arising on sale of short term capital asset, being listed equity shares in a company, shall be chargeable to tax at the rate of 15 percent (plus applicable surcharge and cess) provided the transaction is chargeable to STT. If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be charged at the rate of 30% (plus applicable surcharge and cess), as applicable.
- As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O of the Act) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20 percent (plus applicable surcharge and cess).
- The benefits of exemption under Section 54EC of the Act mentioned above in case of the Company are also available to FIIs.



- The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the I.T. Act.
- Indirect Transfer Provision u/s 9(1)(i) of the Act - The Central Board of Direct Taxes (CBDT) issued a clarification vide Circular No. 41 of 2016 dated December 23, 2016, stating that if an FPI has more than 50 per cent of its assets in India, with a value greater than ₹ 10 crore, then any investor with a greater than five per cent interest in or contribution to the assets under management (AUM) of the FPI will be covered by the indirect transfer rules and will be subject to Indian tax whenever this investor sells or redeems its shares in the FPI/fund.

After the issue of the aforementioned circular, representations have been received from various FPIs, FIIs and VCFs and other stakeholders. The stakeholders have presented their concerns stating that the circular does not address the issue of possible multiple taxation of the same income. The representations made by the stakeholders are currently under consideration and examination by CBDT. Pending a decision in the matter the operation of the above mentioned circular is kept in abeyance for the time being

c) Tax Treaty benefits

In accordance with the provisions of Section 90 of the Act, FIIs being non-residents will be entitled to choose the provisions of Act or the provisions of tax treaty entered into by India with other foreign countries, whichever are more beneficial, while deciding taxability in India (subject to furnishing of Tax Residency Certificate & information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013.). However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.

d) Computation of book profit under Section 115JB

An explanation has been inserted in Section 115JB stating that, the provisions of Section 115JB shall not be applicable and shall be deemed never to have been applicable to a foreign company if-

- It is a resident of a country or a specified territory with which India has a tax treaty referred to in sub-section (1) of Section 90 and it does not have a permanent establishment in India; or
- It is a resident of a country with which India does not have a tax treaty and it is not required to seek registration under any law for the time being in force relating to companies.

Benefits available to Venture Capital Companies/ Funds under the Act:

In terms of Section 10(23FB) of the Act, all venture capital companies/ fund registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on any income from investment in a venture capital undertaking. Further, the Finance Act, 2015 has inserted a proviso providing that nothing contained in this clause shall apply in respect of any income of a venture capital fund or venture capital company, being an “investment fund” of the previous year relevant to the assessment year beginning on or after 1st April 2016.

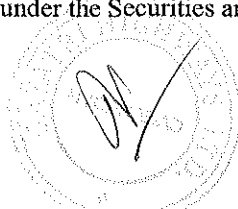
“Investment fund” has been defined under in clause (a) of Explanation 1 to Section 115UB of the Act to mean any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which has been granted a certificate of registration as a Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992.

Benefits available to Investment Fund under the Act:

The Finance Act, 2015 has inserted Chapter XII-FB in the Act which provides for special taxation regime for Category I and Category II Alternative Investment Funds referred to as “investment fund” as per clause (a) of Explanation 1 to Section 115UB of the Act. Further, the said Act has also inserted Section 10(23FBA) in terms of which income of any investment fund other than income chargeable under the head “Profits and gains of business or profession” shall be exempt from income tax.

Benefits available to Mutual Funds under the Act:

- In terms of Section 10(23D) of the Act, all Mutual funds set up by public sector banks or public sector financial institutions or Mutual Funds registered under the Securities and Exchange Board of India Act/ Regulations there



under or Mutual Funds authorised by the Reserve Bank of India, subject to the conditions specified, are eligible for exemption from income taxes on all their income, including income from investment in the shares of the company.

- However, the Mutual Funds would be required to pay tax on distributed income to unit holders as per the provisions of Section 115R of the Act. However, w.e.f. 1 October 2014, for the purpose of determining additional income tax, the amount of distributed income shall be increased to such amount as would after reduction of additional income tax on such increased amount at the rate specified be equal to the amount of income distributed by mutual fund.

Benefits available to SPVs under the Act:

SPVs can avail Deductions in respect of profits and gains from industrial undertakings or enterprises engaged in infrastructure development, etc. under sec. 80IA of the Income Tax Act, 1961. Where in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction of an amount equal to hundred per cent of the profits and gains derived from such business for ten consecutive assessment years.

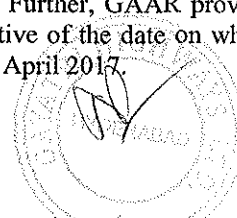
Where the Shareholder is a person located in a Notified Jurisdictional Area (NJA) under section 94A of the I.T. Act

- All parties to such transactions shall be treated as associated enterprises under section 92A of the I.T. Act and the transaction shall be treated as an international transaction resulting in application of transfer pricing regulations including maintenance of documentations, benchmarking, etc.
- No deduction in respect of any payment made to any financial institution in a NJA shall be allowed under the I.T. Act unless the assessee furnishes an authorisation in the prescribed form authorizing the CBDT or any other income-tax authority acting on its behalf to seek relevant information from the said financial institution (Section 94A(3)(a) read with Rule 21AC and Form 10FC).
- No deduction in respect of any expenditure or allowance (including depreciation) arising from the transaction with a person located in a NJA shall be allowed under the I. T. Act unless the assessee maintains such documents and furnishes such information as may be prescribed (Section 94A(3)(b) read with Rule 21AC).
- If any assessee receives any sum from any person located in a NJA, then the onus is on the assessee to satisfactorily explain the source of such money in the hands of such person or in the hands of the beneficial owner, and in case of his failure to do so, the amount shall be deemed to be the income of the assessee (Section 94A(4)).
- Any sum payable to a person located in a NJA shall be liable for withholding tax at the highest of the following rates:
 - (i) at the rate or rates in force;
 - (ii) at the rate specified in the relevant provision of the I.T. Act; or
 - (iii) at the rate of thirty per cent.
- No jurisdiction has been notified as **Notified Jurisdictional Area (NJA)** on the date of issue of the Information Memorandum..

General Anti-Avoidance Rule ('GAAR):

In terms of Chapter XA of the Act, General Anti-Avoidance Rule may be invoked notwithstanding anything contained in the Act. By this Rule, any arrangement entered into by an assessee where the main purpose of the arrangement is to obtain a tax benefit may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be *interalia* denial of tax benefit, applicable w.e.f FY 2017-18.

The Central Board of Direct Taxes (CBDT) vide Notification No. 49/2016, dated 22 June 2016, has amended the GAAR. GAAR provisions are not applicable to any income accruing or arising to, or deemed to accrue or arise to, or received or deemed to be received by, any person from transfer of investment made 1 April 2017. Further, GAAR provisions are applicable to any arrangement (if held as impermissible avoidance agreement), irrespective of the date on which it has been entered into, in respect of the tax benefit obtained from an arrangement on or after 1 April 2017.



UNDER THE WEALTH TAX ACT, 1957

The Finance Act, 2015 has abolished the levy of wealth tax under the Wealth Tax Act, 1957 with effect from 1 April 2016.

UNDER THE GIFT TAX ACT, 1958

Gift made after 1 October 1998 is not liable for any gift tax, and hence, gift of shares of the company would not be liable for any gift tax. However, receipt of the sum of money or any "property" including immovable property (as defined in section 56(2)(x) of the Income Tax Act, 1961) by any person without consideration or for inadequate consideration in excess of ₹ 50,000 shall be chargeable to tax in the hands of the recipient under the head "Income from other sources" to the extent the consideration is less than Fair Market Value or Stamp duty value, as the case may be, unless specifically exempted under the provisions of the Act.

Notes:

- a) All the above benefits are as per the current direct tax laws relevant for the Assessment Year 2018-19 (considering the amendments made by Finance Act, 2017).
- b) The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and does not cover benefits under any other law.
- c) The possible tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.
- d) In view of the individual nature of tax consequences, each investor is advised to consult his/ her own tax advisor with respect to specific tax consequences
- e) The above Statement of Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares
- f) The stated benefits will be available only to the sole/ first named holder in case the shares are held by joint holders.



SECTION IV: ABOUT OUR COMPANY

OUR BUSINESS

In this section "the Company", "our Company", "we", "us" and "our" refers to Gayatri Highways Limited (formerly known as Gayatri Highways Private Limited & erstwhile Gayatri Domicile Private Limited) and its Subsidiaries on a consolidated basis.

Overview

OVERVIEW OF THE INDIAN INFRASTRUCTURE INDUSTRY

The development of the infrastructure industries is vital towards a nation's economic growth, as these industries provide for substantial employment opportunities and also for broader socio-economic development.

Infrastructure

The Indian infrastructure industry is experiencing phenomenal growth which is visible throughout the country in the form of new highways, roads, ports, railways, airports, power systems, townships, offices, houses and urban/rural infrastructure, including water supply, sewerage, drainage, irrigation and agriculture systems.

In order for the Indian economy to preserve its growth momentum, the provision of adequate infrastructure facilities is critical. Unreliable services or a disruption in infrastructure facilities may restrict output or hinder investments in productive capital.

The growth in the infrastructure sector is also being driven by factors such as:

- **Political will:** The Government of India ("GoI") has initiated an ambitious reform programme, involving a shift from a controlled economy to an open market economy. Building further on the initiatives taken by previous governments, the current GoI is undertaking several measures to enhance the quantum of investments in the infrastructure segment.
- **Funding from multilateral agencies:** Multilateral agencies such as the World Bank and the Asian Development Bank ("ADB") are funding various infrastructure projects on a large scale in India. Agencies such as the Japan International Bank for Cooperation ("JIBC"), which funded the Delhi Metro (Underground Railway) Project, are also providing funding to the sector. Various state governments are mobilising funds from these agencies to support rural roads and sanitation projects.

The GoI has made a significant commitment to infrastructure development and has been mandated by the World Bank to invest the bulk of the proposed aid of US\$3 billion in the infrastructure sector. Consequently, apart from augmenting public sector investment into infrastructure, the GoI has introduced a series of reforms to attract private sector participation and foreign direct investment.

TYPES OF CONTRACTS IN THE INFRASTRUCTURE SECTORS

There are different contract models currently being adopted for Public Private Partnerships ("PPP") in India's infrastructure sector which vary in the distribution of risks and responsibility between the public and the private sectors.

Build-Operate-Transfer ("BOT")

Under this type of PPP contract, the Government grants to a contractor a concession to finance, build, operate and maintain a facility for the concession period. During the concession period, the operator collects user fees and applies these to



cover the costs of construction, debt-servicing and operations. At the end of the concession period, the facility is transferred back to the public authority. BOT is the most commonly used approach in relation to new highway projects in India, and is also used in the energy and port sectors. BOT projects can be annuity-based or toll-based, as defined below:

- ***BOT annuity-based projects.*** Under this form, the concessionaire is responsible for constructing and maintaining the project facility. The GoI, usually through the National Highways Authority of India (“NHAI”) in the case of highway projects, pays the concessionaire a semi-annual payment, or annuity. The concession contract is awarded to the bidder which, among other criteria, quotes the lowest annuity amount. Under this approach, the amount of income collected by the concessionaire is not directly related to the usage level of the project. In the context of highway projects, the amount of income is not by direct reference to the number of vehicles using the highway. Instead, the risk that traffic, and consequently user fees, may be lower than expected is borne by the NHAI alone. However, the NHAI retains the right to charge users a toll at any stage of the project and it also retains all rights to property development, advertising at the project site and other revenue-generating activities.
- ***BOT toll-based projects.*** In order to reduce the dependence on its own funds and to promote private sector involvement in developing projects, the NHAI has awarded some highway projects on a toll basis. In this case, the concessionaire is responsible for constructing and maintaining the project as well as being allowed to collect revenues through tolls during the concession period. After the expiry of the concession period, the project is transferred back to the NHAI.

Our Business Lines

We are an infrastructure development company in India with extensive experience in the roads and highways sector and are currently involved in BOOT/ BOT projects in the roads and highways sector.

The Company is primarily a holding company and the assets of the Gayatri Group (belonging to toll collection & highways projects) are held by, and our business operations are conducted through, the various Subsidiaries of the Company. For further information on the structure of the Gayatri Group, see “Business – The Gayatri Group” below.

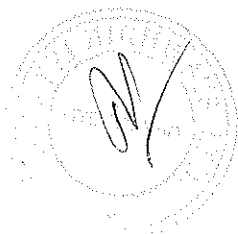
Our infrastructure development business involves the construction, development and operation of infrastructure development projects. We are an established infrastructure company in the roads sector in India and have a large portfolio of completed and operational BOT projects in the Indian road infrastructure sector. Our construction business complements our infrastructure development business and involves engineering, procurement and construction work for construction projects on a contractual basis, including in the roads sector.

Most of the work in both our infrastructure development business and construction business is won on a competitive bidding basis. Our clients are usually government entities that award project specific contracts to bidders based on certain eligibility requirements; these eligibility requirements generally include project experience, engineering capabilities and financial strength. We may enter into project-specific joint ventures with other companies to meet these requirements or to further enhance our credentials.

The Gayatri Group

Gayatri Highways Limited (formerly known as Gayatri Highways Private Limited & erstwhile Gayatri Domicile Private Limited) is the holding company of the Gayatri Group. The Company was formed to fund Group’s initiatives in the infrastructure sectors.

The following is our existing group structure as at February 28, 2018



Gayatri Highways Limited: Road Assets Rs. 7043 Crs

Gayatri Highways Limited

GJRL* JCE	GLRL*JCE	HEL*JCE	CEL*JCE	IDTL*subsidiary	HKRRL*JCE	SMTL*subsidiary
Shareholding GHL: 51%	Shareholding GHL: 51%	Shareholding GHL: 50.0%	Shareholding GHL: 20%	Shareholding GHL: 100%	Shareholding GHL: 50%	Shareholding GHL: 100%
50 km - annuity road project	50 km - annuity road project	13 km- annuity road project	11.7km annuity road project	45.05 km - Toll road project	207 km - toll road project	166.2 km - toll road project
Yearly Annuity: 59.90 Crs	Yearly Annuity: 47.90 Crs	Yearly Annuity: 60.98 Crs	Yearly Annuity: 79.00 Crs	FY17 Toll Revenues: 40.30Crs	FY17 Toll Revenues: 114.07Crs	Tolling started on 17 th August 2017
TPC: -406.89 Crs	TPC: 297.02 Crs	TPC: -430.96 Crs	TPC: -578.75 Crs	TPC: -826.14 Crs	TPC: -2,209.00 Crs	TPC: -2,306.16 Crs
COD: PCC Obtained 16 Annuities received	COD: PCC Obtained 16 Annuities Received	COD: PCC Obtained 13 Annuities Received	COD: PCC Obtained 10 Annuities Received	COD: 29 May 2015 Tolling Stared on 1 st Sept 2011	COD: 31 May 2014 Tolling Stared on 1 st June 2014	COD: 8 August 2017 Tolling started on 17 th August 2017

* GHL: Gayatri Highways Limited, GJRL: Gayatri Jhansi Roadways Limited, GLRL: Gayatri Lalitpur Roadways Limited, HEL: Hyderabad Expressways Limited, CEL: Cyberabad Expressways Limited, IDTL: Indore Dewas Tollways Limited, HKRRL: HKR Roadways Limited, SMTL: Sai Maatarini Tollways Limited

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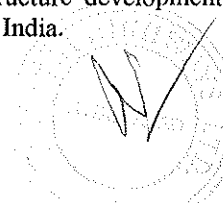
The Company is primarily a holding company. In the past, the Company has not carried out any business activities till date. For further information about the Company and its operations, see the Section “Management’s Discussion and Analysis of Financial Condition and Results of Operations as per Restated Consolidated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations as per Restated Unconsolidated Financial Statements of the Company and Certain Subsidiaries” on pages 37 and 125 of this Information Memorandum.

Our Competitive Strengths

We believe that our historical success and future prospects are directly related to a combination of strengths, including the following:

- Extensive experience and strong track record in infrastructure development and construction projects in the roads and highways sector**

With extensive experience in the infrastructure development and construction business, we have been involved in the Development and operation and maintenance of approximately 00 kilometres of highways and roads in India, as of February 28, 2018. We believe our focus on road infrastructure and our experience gives us an advantage over our competitors when bidding for new large BOT projects and enables us to capitalize on the opportunities available in this growing sector of the Indian economy. Our experience in roads and highway development projects enables us to effectively evaluate new projects. Many of our infrastructure development and construction projects have been completed ahead of their respective scheduled completion dates. Our infrastructure development portfolio includes several large BOT projects in the roads sector, including the Expressway and NH 0 BOT project which was awarded to us and the BOT project for the h to t section of NH which was awarded to us. Our long term commitment to infrastructure development projects in India has enabled us to develop a reputation in the road infrastructure sector in India.



2. *Robust risk management processes*

Management of risk is essential in a highways construction & toll collection business, and we believe we have in place robust mechanisms to manage our risk. Our target customers are generally Central/State Government. c.

3. *Integrated execution capabilities with in-house construction, toll collection and management capabilities*

We are an integrated infrastructure development and construction company. The engineering, procurement and construction activities for our funded construction projects as well as for our BOT projects are all completed within the Group. Similarly, operation and maintenance activities related to our BOT projects, including toll collection, are also executed within the Group. This enables us to not only reduce our dependence on third party sub-contractors and exercise greater control over the quality and timely execution of our construction and operation and maintenance works but also enables us to capture the entire economic value chain in such projects. Equipment asset management is a critical element of timely delivery and quality on infrastructure development and construction projects. We own a large fleet of sophisticated construction equipment and this enables us to be less dependent on third parties when implementing our various projects and efficiently manage our equipment assets. We believe that this also provides us with a competitive advantage over other infrastructure development and construction companies that outsource portions of their operations to external contractors.

Our Key Strategies

Our vision is to be leader and role model in meeting our customers' broad based needs through an integrated financial services platform. We intend to continue increasing our revenues and market share and profitability through the following key strategies:

1. *Continue to pursue growth in what we believe to be our core competency, the road infrastructure sector*

We intend to target specific project segments where we believe there is high potential for growth and where we enjoy competitive advantages. Currently, our strategy is to build upon our competitive strengths in the road infrastructure sector to become a market leader in India. We intend to continue to be active in the Southern & Northern Indian states . It is also our intention to pursue suitable opportunities in other parts of India.

We believe that government spending on the road infrastructure sector will be a key component of India's goal of sustained annual GDP growth. We believe that our expertise and experience in the development, operation and management of road infrastructure projects, as well as our established reputation, will provide us with an advantage in pursuing growth opportunities in this fast-growing sector.

2. *Continue to enhance our project execution capabilities*

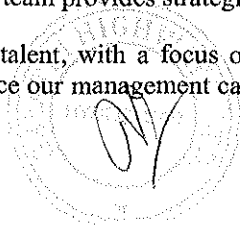
We believe that we have developed a reputation for undertaking challenging infrastructure and construction projects and completing such projects ahead of schedule. We intend to continue to focus on performance and project execution in order to maximize client satisfaction and margins. We leverage technologies, designs and project management tools to increase productivity and maximize asset utilization in capital intensive activities. We continue to optimize operating and overhead costs to maximize our operating margins.

Our ability to effectively manage projects will be crucial to our continued success as a recognised infrastructure company. We believe that we are able to distinguish ourselves from our competitors because of our management strength and in-house development, construction, operation and maintenance capabilities. We intend to continuously strengthen our execution capabilities by adding to our existing pool of talented managers, attracting new graduates from engineering colleges in India, and facilitating continuous learning with in-house and external training opportunities. We also continue to focus on our health, safety and environmental management and quality management standards as we believe that these elements of performance measurement have become important competition differentiators and key criteria for prequalification of contractors by potential clients.

3. *Continue to attract and develop talent*

We currently have access to a talent pool of experienced professionals across our various businesses, who have significant experience across multiple industry sectors. Our senior management personnel in key businesses have over 20 years' experience in financial services. The quality of our leadership team has been instrumental in our growth story and we believe that the leadership team provides strategic direction towards growth and profitability.

We will seek to actively recruit and develop talent, with a focus on training and retention of key personnel. We believe that these steps will enable us to enhance our management capabilities and build bench strength in the longer



term, while improving efficiency and profitability in the near term as well.

Our BOT Infrastructure Development Business

Overview of BOT Infrastructure Development Projects

Infrastructure development projects in India are typically “build, operate and transfer (“BOT”)” projects.

Our infrastructure development business, principally focused on the roads and highways sector, typically involves “BOT” projects which are characterised by three distinct phases:

- **Build** – we contract with a government entity for the construction of an infrastructure project and secure financing to construct the project.
- **Operate** – we are the operators of the infrastructure asset during an agreed concession period and we maintain and manage the asset for the agreed concession period and earn revenues through charges, fees, tolls or annuities generated from the asset.
- **Transfer** – after the expiration of the agreed concession period, we transfer ownership of the infrastructure asset to a government entity.

Phases of Development in our BOT Infrastructure Development Projects

Our BOT infrastructure development projects may be broadly classified under the following four development phases

(a) operational, (b) under construction, (c) under development and (d) under award.

Operational

Our projects are classified as operational when the engineering, procurement and construction phases have been completed or substantially completed, a completion certificate has been issued, and the project company is earning revenues from operations, or when concession agreements have been executed to earn revenues. We currently have 11 projects in the operational phase.

Under Construction

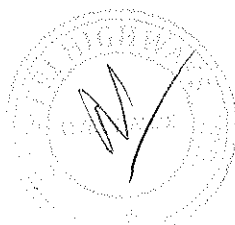
Our projects are classified as being under construction when financial closure has been achieved or when services in connection with engineering and construction, commissioning, and operation and maintenance of the infrastructure projects are in progress. We typically execute the construction phase under EPC contracts with one of our Subsidiaries having an engineering and construction arm. Financial closure refers to the date on which the financing documents providing for funding by the banks have become effective, all conditions precedent to the initial availability of funds under the financing documents are satisfied to the extent they have not been waived, and funds can be drawn down under the financing documents. We currently have one project, the Bharuch – Surat BOT project, in the “under construction” phase.

Under Development

Our projects under development include the projects where the principal project agreements (such as a concession agreement) have been entered into but where financial closure has not been achieved but is expected to be achieved in the near future. Our efforts also include appointing independent consultants, and, if applicable, signing joint venture agreements with a consortium, joint venture partners or co-sponsors. We currently have no projects in the “development” stage.

Under Award

We classify our projects as being under award where we have received letters of intent from clients awarding the projects to us, or, where we have signed memorandums of understanding. Our projects under award are in the preliminary stage and are classified as such prior to achieving financial closure and executing concession agreements or receiving permits, licences, clearances or approvals from the relevant government authorities. Our efforts during this phase are primarily focused on preliminary matters, including identifying and entering into agreements with joint venture partners or co-sponsors. We currently have no projects in the award phase.



Toll Collection Arrangements

Following a successful project bid and the completion of the construction phase of our BOT projects, we assume the role of the operator of the relevant infrastructure asset during a predetermined concession period. During the concession period, we maintain and manage the asset and earn revenues through charges, fees, tolls or annuities generated from the asset. The levels of charges, fees, tolls, or annuities that may be generated from any particular project are usually enumerated in the relevant project agreements that we enter into with government entities or in certain notifications provided to us by government entities. The terms on which we may collect toll revenues is decided by the government entity that has granted the relevant BOT concession to us at the bidding stage itself, and we are not permitted to amend such tolling rates without the prior written consent of such government entity. Further, with respect to certain of our BOT projects, the relevant government entity is entitled to at any one time during our concession period, effect a reduction in the prevailing tolling rates by up to 10%. The tolling rates set by government entities in consultation with us, depend on the nature of vehicles that use the roads that comprise our BOT projects. In setting toll rates that apply to such vehicles, government entities may give greater consideration to various socio-economic goals of the government, rather than to the efficiencies of our business. Although business circumstances may materially change over the life of one or more of our infrastructure projects, we may not have the ability to modify our agreements with government entities to reflect these changes or negotiate satisfactory alternate arrangements. As a result, the relevant Project SPVs are prevented from increasing or discounting the toll as the prevailing circumstances may necessitate or require.

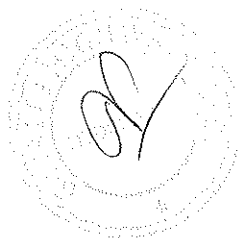
Operation and Maintenance Agreements

After construction has been completed on our BOT infrastructure development projects, and during the concession period that has been granted to us, we are generally responsible for carrying our operations and maintenance activities at our BOT project sites. The scope of our operations and maintenance activities is usually defined in the relevant BOT project agreements. Within the scope of our operations and maintenance obligations, we may be required to undertake routine maintenance of project roads, maintain and comply with safety standards to ensure smooth and safe traffic movement, deploy adequate human resources for incident management, maintain proper medical and sanitary

arrangements for personnel deployed at the site, prevent any unauthorized entry to and exit from the project.

Our BOT Infrastructure Development Projects

As of the date of this Information Memorandum, we have been involved in BOT infrastructure development projects in India, all in the roads sector. These projects are briefly discussed below.



General Agreement Provisions

The summaries of our BOT project agreements provided above are not meant to be exhaustive. Certain of our project agreements include provisions that could provide third parties with rights that, if exercised, would adversely affect our business operations and financial conditions. Such rights include: the right of government entities to take over our BOT project facilities after providing us with the appropriate compensation; the right of government entities to control the levels of tolls that we are authorized to charge at our projects; the rights of third parties to be indemnified by us under certain circumstances; and, "step-in" and substitution rights possessed by certain lenders with respect to our project assets.

Counterparties to most of our infrastructure development are government entities, and we have only a limited ability to negotiate the standard terms of government contracts which means that many terms in the agreement tend to favour the client. For example, it is not always clear whether design review and approval by a client releases us from design and engineering liability, in particular latent defects. There are generally no caps on our liability as a contractor, and it is not always clear whether we can be liable for consequential and/or economic loss to a client. Further, infrastructure contracts awarded by the Government of India and state governments may include provisions which enable the client to terminate the contract without cause following provision of notice. Performance guarantees are also common features of our contracts and are typically unconditional and payable on demand, and can be invoked by the client in accordance with the terms of such contracts.

Recent Developments:

Financing and Security Arrangements for our BOT Infrastructure Development Projects

As noted above, with respect to many of our projects, we have entered into bank facilities with certain lenders. The security package under these loan facilities typically includes a combination of one or more of the following:

- a first priority security interest over all existing and future moveable and immovable assets as well as intangible assets, including rights, title, interest, benefits, claims and demands under the concession agreements and all other project agreements; all receivables, revenue and insurance proceeds; and cash in all accounts including the debt service reserve account;
- a share pledge of a significant proportion of (existing and future) equity shares in the project company. The pledge may also provide for a floating charge over any dividends or other distributions, in cash or otherwise, received in connection with the pledged shares which crystallises in an event of default (as defined in the respective loan facilities);
- on a joint and several basis, a deed of undertaking from the project's sponsors not to transfer or cause to be transferred any equity shares or preference shares in a project company without the prior written consent of the lenders so long as amounts are outstanding under the loan facility;
- an agreement from the project's sponsors in favour of the project company and the lenders that they are jointly and severally liable for the completion of the entire project;
- on a joint and several basis a deed of undertaking from the project's sponsors to cover any cost over runs necessary to complete the project;
- on a joint and several basis, a deed of undertaking from the project's sponsors for start-up expenses up to a specified amount and any overruns in operations and maintenance in excess of budgeted expenses and/or reduction in annuity;
- a deed of undertaking from the project's sponsors to meet any shortfalls in the debt service reserve account during the first year of commercial operation and thereafter, on demand of lenders, to meet any shortfalls in this account for interest payments;
- establishment of an escrow account;
- a limited recourse guarantee by us guaranteeing all payment obligations of a project company under the bank facilities;
- conversion of principal and unpaid interest amounts owed to lenders into equity; and
- on a joint and several basis, a deed of undertaking from the project's sponsors to meet any shortfall between the amount outstanding under the bank facilities and the termination payment paid by a government entity in case of an event of a default by the project company.

If the financing arrangements include subordinated loans, the security package is similar to the senior loans except that it ranks



in priority behind the security package for the senior loans.

The bank facilities include customary affirmative and negative covenants and financial covenants. In addition, the project companies are typically not permitted to make certain restricted payments (including payment of any dividends or other distributions) unless, among other things, a completion certificate has been issued, the debt service coverage ratio has been satisfied, and the debt service reserve accounts are sufficiently funded as prescribed under the bank facilities. The bank facilities also include a restriction on the transfer of shares by the sponsors except with the consent of the lenders. As part of the financial arrangements with the lenders, and in addition to accelerating repayment of all monies due and outstanding under the bank facilities and other financing documents, the lenders may have 'step-in' rights on the occurrence of an event of default. Step-in rights entitle the lenders to enforce their security interests by (i) entering and taking possession of all of the secured assets and collateral of the project company, (ii) transferring the assets by way of lease, licence or sale, and (iii) substituting themselves or any nominee for the project company under any of the project documents (including the concession agreement) and the project company's residual interest in a collection account into which, among other things, all project revenue, insurance proceeds, equity payments, termination payments are deposited.

A default under, or an acceleration of the loans outstanding under the financing arrangements may also cause cross- defaults under our concession agreements.

Our Funded Construction Business

Although our engineering construction capabilities are integral to the success of our BOT infrastructure development business, we also undertake funded construction projects in the roads sector that are independent of our BOT infrastructure development business. Since inception, we have been involved in the construction or operation and maintenance of approximately 1,200 kilometres of highways and roads in India. We have participated in projects funded by state governments, the International Bank for Reconstruction and Development, the Asian Development Bank as well the NHAI.

The funded construction projects that we work typically fall into one or more combinations of the following categories:

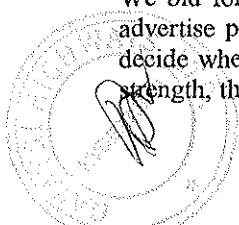
- Lump sum or turnkey contracts provide for a single price for the total amount of work, subject to variations pursuant to changes in the client's project requirements. In lump sum contracts, the client supplies all the information relating to the project, such as designs and drawings. Based on such information, we are required to estimate the quantities of various items, such as raw materials, and the amount of work that would be needed to complete the project, and then prepare a bill of quantities ("BOQ") to arrive at the price to be quoted. We are responsible for the execution of the project based on the information provided and technical stipulations laid down by the client at our quoted price.
- Item-rate contracts are contracts where we need to quote the price of each item presented in a BOQ furnished by the client. In item-rate contracts the client supplies all the information such as the design, drawings and a BOQ. We are responsible for the execution of the project based on the information provided and technical stipulations laid down by the client at our quoted rates for each respective item.
- Percentage rate contracts require us to quote a percentage above, below or at par with the estimated cost furnished by the client. In percentage rate contracts, the client supplies all the information such as design, drawings and BOQ with the estimated rates for each item of the BOQ. We are responsible for the execution of the project based on the information provided and technical stipulations laid down by the client at our quoted rates, which are arrived at by adding or subtracting the percentage quoted by us above or below the estimated cost furnished by the client.

Contracts, irrespective of their type (i.e., lump sum, item-rate or percentage rate), typically contain price variation or escalation clauses that provide for either reimbursement by the client in the event of a variation in the prices of key raw materials (for example, cement) or a formula that splits the contract into pre-defined components for materials, labour and fuel and links the escalation in amounts payable by the client to pre-defined price indices published periodically by the RBI or the government. Some contracts do not include such price variation or escalation clauses. In those instances, we face the risk that the price of key raw materials and other inputs will increase during the project execution period and we may be unable to pass on the increases in such costs to the client.

Project Lifecycle of BOT Infrastructure Development and Funded Construction Projects

The project life cycle for our BOT infrastructure development and funded construction business is generally similar and is discussed below:

We bid for infrastructure projects primarily through a competitive bidding process. Governments and other clients typically advertise proposed projects in leading national newspapers or on their websites. We evaluate available bid opportunities and decide whether we should pursue a particular project based on various factors, including the client's reputation and financial strength, the geographic location of the project and the degree of difficulty in executing the project in such location, our current



and projected workload, the likelihood of additional work, the project's cost and profitability estimates and our competitive advantage relative to other likely bidders. Once we have identified projects that meet our criteria, we submit an application to the client according to the procedures set forth in the relevant advertisement.

We have a centralised tender department that is responsible for applying for all pre-qualifications and tenders. The tender department evaluates our credentials based on the stipulated eligibility criteria. We endeavour to qualify on our own for projects in which we propose to bid. In the event that we do not qualify for a project in which we are interested due to eligibility requirements relating to the size of the project, technical know-how, financial resources or other reasons, we may seek to form strategic alliances or project-specific joint ventures with other experienced and qualified contractors. By using the combined credentials of the cooperating companies our chances of pre-qualifying and winning the bid for the project are strengthened. We believe that by centralising our tender monitoring and preparation functions, we are able to streamline our bidding processes while effectively managing our current and future resource allocations.

Prequalification

In selecting contractors for major projects, clients generally limit the tender to contractors they have pre-qualified based on several criteria including experience, technological capacity and performance, reputation for quality, safety record, financial strength and bonding capacity and size of previous contracts in similar projects, although price competitiveness of the bid is generally the most important selection criterion. Pre-qualification is key to our winning major projects and we continue to develop on our pre-qualification status through concentrated marketing efforts aimed at infrastructure development agencies and entities. We cannot predict with any degree of certainty the frequency, timing or location of new contract awards. Our marketing and contracts teams are responsible for our marketing activities. Until the final selection, negotiations continue with the client on matters such as specific engineering and performance parameters, the construction schedule and financial and other contractual terms and conditions.

Submitting a Bid

If we pre-qualify for a project, the next step is to submit a financial bid. Prior to submitting a financial bid, we carry out a detailed study of the proposed project, including performing a detailed study of the technical and commercial conditions and requirements of the tender followed by a site visit. A site visit enables us to determine the site conditions by studying the terrain and access to the site. Thereafter, a local market survey is conducted to assess the availability, rates and prices of key construction materials and the availability of labour and specialist sub-contractors in that particular region. Sources of key materials are also visited to assess the availability and quality of such material. For projects in the roads and highways sectors, traffic surveys are also conducted to assess the traffic density that exists at the project site.

We attend the pre-bid meetings convened by the clients, during which any ambiguities or inconsistencies in the document issued by the client are brought to the attention of the client for further clarification. We seek quotations from suppliers and other sub-contractors for various items or activities in respect of the tender. This data supplements the data gathered by the market survey. The information gathered is then analysed to arrive at the cost of items. We use sophisticated estimation systems to evaluate the costs and benefits of being involved in any specific project. If such benefits outweigh costs, we will submit a formal financial bid estimate to the client. The bid estimate forms the basis of a project budget against which performance is tracked through a project cost system, enabling management to monitor projects continuously.

Equipment

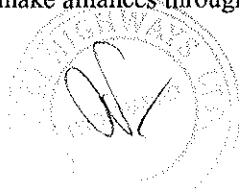
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Key Processes and Technology

Our clients typically specify the technology and processes for the implementation of the project in the relevant tender documents. These technologies and processes generally include conventional technologies and methods; however, as new technologies and processes come to market, our clients may require us to utilize such new technologies and processes in the construction of our projects. We continue to upgrade the technologies and processes that we utilize to comply with client specifications.

Joint Venture Arrangements

From time to time, for certain larger infrastructure development or construction projects that require resources beyond those available to us, such as financial strength, equipment, manpower or local content resources, or when we wish to share the risk on a particularly large project, we seek to make alliances through the formation of special purpose vehicles or project-specific joint ventures with other firms.



In a project-specific joint venture, each member of the joint venture shares the risks and revenues of the project according to a predetermined agreement. The agreements specifically assign the work to be performed by each party and the responsibilities of each party with respect to the joint venture, including how the joint venture will be managed and the equipment, personnel or other assets that each party will contribute or make available to the joint venture. The profits and losses of the joint venture are shared among the members according to a predetermined ratio. The fixed assets that are acquired by the joint venture are generally transferred to the respective joint venture members upon completion of the joint venture project. The agreements also set forth the manner in which any disputes among the members will be resolved. In a joint venture arrangement, there is typically a joint and several liability on the members. In the event of a default by other members of any joint venture arrangement that we may enter into, we would remain liable for the completion of the project.

Competition

We face competition from both domestic and international entities in the road infrastructure sector, as most of the contracts awarded by the Indian central and state governments are awarded on a competitive bidding basis and satisfaction of other prescribed pre-qualification criteria. While service quality, technological capacity and performance, health and safety records and personnel, as well as reputation and experience, are important considerations in client decisions, price is a major factor in most tender awards. Our ability to bid for and win major infrastructure development projects is also dependent on our ability to show experience in executing large projects, demonstrate that we have strong engineering capabilities in executing technically complex projects, and that we have sufficient financial resources and/or ability to access funds.

In the initial years of our business, we faced competition primarily from Indian construction and infrastructure development companies. However, in more recent years, India has adopted new economic policies which have resulted in greater competition in the infrastructure and construction sectors from international construction and infrastructure companies or their regional operating entities. Other construction and infrastructure development companies active in the road sector include Larsen & Toubro Limited, Reliance Energy, Gammon India Limited, GMR Infra, P u n j Lloyd Limited, and Infrastructure Leasing and Financial Services Limited and Nagarjuna Construction Company Limited. We expect competition in the Indian construction and infrastructure market to remain high, given that the Indian construction sector is becoming increasingly attractive due to ongoing liberalisation, rising government expenditure on infrastructure and various policy initiatives for development of infrastructure. While we believe that the liberalisation of the Indian economy creates attractive business opportunities for us, we also anticipate that competition from both Indian and foreign companies will increase.

Some of our competitors are larger than us and have greater financial resources. They may also benefit from greater economies of scale and operating efficiencies. Competitors may, whether through consolidation or growth, present more credible integrated and/or lower cost solutions than we do, causing us to win fewer tenders. Our competitors with greater financial resources and greater economies of scale than us may also be able to pre-qualify in their own right and/or attract a joint venture partner more easily than us.

We do not face significant competition with respect to the operation of our existing BOT projects, as currently there are no competing routes with respect to the road and highway stretches covered under our BOT projects. With respect to some of our BOT road projects, we enjoy the benefits of non-compete arrangements that we have entered into with certain government entities.

Governmental Regulation

The infrastructure sector in India, particularly in relation to the highway and road sectors, is highly regulated. Our businesses are regulated by various authorities and state governments, including the Ministry of Shipping, Road Transport and Highways, the NHAI, state governments and the Government of India. To conduct our infrastructure development and construction business, we must obtain various licences, permits and approvals. Generally, each of the states in which we work typically requires separate registration of contractors under various departments, such as the relevant public works department, public health engineering department, water resource department, state electricity board, and roads and bridges department. Upon registration with the relevant departments, contractors are generally classified according to their credentials, and that classification is then used to define the value of projects which can be undertaken. Even when we obtain the required licences, permits and approvals, our operations are subject to continued review and the governing regulations and their implementation are subject to change. There can be no assurance that we will be able to obtain and comply with all necessary licences, permits and approvals required for our infrastructure development and construction projects, or that any change in the governing regulations or the methods of implementation will not occur.



Property

We either own or lease various commercial premises in connection with our corporate, administrative or project-related functions. We typically lease various premises across India to facilitate our work at various project sites. These leases usually expire upon completion of the relevant project. Most of our owned properties are mortgaged and security (in the form of charges) is usually created in favour of our lenders. The following table sets forth certain information with respect to our owned properties.

Insurance

Our principal types of insurance coverage include all risk insurance policies, fire insurance, personal accident coverage insurance, money insurance, plant and machinery insurance as well as transit insurance. We also maintain workmen's compensation policies. Our insurance policies may not be sufficient to cover our economic losses. Our operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, work accidents, fire, earthquake, flood and other *force majeure* events. This includes hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage. Not all risks associated with our business and operations may be insurable, on commercially reasonable terms, or at all. Although we believe that the amount of insurance presently maintained by us and our group companies represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India, such insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage. For further details, see section "Risk Factors" beginning on page 16 of this Information Memorandum.

Insurance during the construction phase typically includes the following:

- Comprehensive all risk policy for construction activities during the construction period covering all risks associated with construction;
- A medical claims policy and a personal accident policy;
- Third party liability insurance;
- Workmen's compensation and employer's liability insurance;
- Plant and equipment insurance including transit insurance;
- Professional indemnity insurance; and
- Motor own damage and liability insurance.

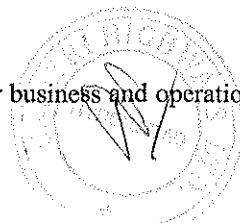
Human Resources

Our principal corporate office is located in Hyderabad from which we conduct all our administrative and reporting activities. We believe that a motivated and empowered employee base is key to our operations and business strategy. We are dedicated to the development of the expertise and know-how of our employees. Our personnel policies are aimed towards recruiting the talent which we need, to facilitate their integration, to encourage the development of their skills in order to accompany the growth in our operations. Our workforce has increased significantly in recent years. Our employees are currently not represented by any labour union. While we consider our current labour relations to be good, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

We are also dependent on the availability of a sufficient pool of contract labour to execute our infrastructure development and construction projects. The number of contract labourers employed by us varies from time to time based on the nature and extent of work contracted to independent contractors. We enter into contracts with independent contractors to complete specified assignments. Some of our contracts provide that a significant percentage of the aggregate number of unskilled labour employed for the relevant project must be sourced from within the district in which the work site is located. If the requisite number of contract labour is not available within such district, we may employ the rest from outside the district, with the permission of the relevant government entity. All contract labourers engaged at our projects are assured minimum wages that are fixed by the relevant state governments.

Legal Proceedings

We are involved from time to time in litigation incidental to our business and operations. While we cannot predict the outcome



of any pending or future litigation, examination or investigation, based on the amounts sought in pending actions against us and our history of resolving litigation, as well as the advice of legal counsel, we do not believe that any pending legal matter will have a material adverse effect on our business, financial condition or results of operations. For details of the outstanding legal proceedings to which we are a party, see the section "Outstanding Litigation and Material Developments" beginning on page 144 of this Information Memorandum.

Health, Safety and Environment

We believe that we are in compliance, in all material respects, with applicable health, safety and environmental regulations and other requirements in our operations and also maintain adequate workmen's compensation, group medical insurance and personal accident insurance policies. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to management, employees and sub-contractors. Project managers appointed by us for a project are principally responsible for ensuring that safety standards are met at the relevant project sites.

In addition, as an infrastructure development and construction company, we are also required to comply with various laws and regulations relating to the environment. For example, India has a number of pollution control statutes which empower state regulatory authorities to establish and enforce effluent standards with respect to the discharge of pollutants or effluents into water or the air. In addition, there are various regulations in relation to using hazardous processes in manufacturing and construction. The Ministry of Environment and Forests, New Delhi in India has confirmed to the Ministry of Surface Transport, New Delhi and Ministry of Surface Transport and Highways, New Delhi that environmental clearance is generally not required for the expansion of roads from two lanes to four lanes or from four lanes to six lanes. We believe we are in compliance, in all material respects, with applicable health, safety and environmental laws and regulations.

KEY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of the relevant regulations and policies currently in force in India that are applicable to our business, as prescribed by the Government of India and other regulatory bodies. The information detailed below has been obtained from various legislations, including rules and regulations and their descriptions promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations set below may not be exhaustive, are intended only to provide general information to the investors and are neither designed as nor intended to substitute for professional legal advice. Also, see "Government and Other Approvals" beginning on page 53. Except as otherwise specified in this Information Memorandum, taxation statutes including the Income Tax Act, 1961, Central Sales Tax Act, 1956, Central Excise Act, 1944, Service Tax under the Finance Act, 1994, applicable local sales tax statutes and other miscellaneous regulations and statutes apply to us as they do to any other Indian company. With effect from July 1, 2017, Goods and Services Tax Laws (including Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, States Goods and Services Tax Act, 2017 and Union Territory Goods and Services Tax Act, 2017) are applicable to our Company. The statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Set forth below are certain significant Indian legislations and regulations which are generally adhered to by the industry that we operate in.

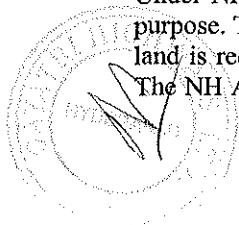
Highways Related Laws

National Highways Act, 1956

The GoI is responsible for the development and maintenance of 'National Highways' under the National Highways Act (the "NH Act") and may delegate any function relating to development or maintenance of 'National Highways' to the relevant state government in whose jurisdiction the 'National Highway' falls, or to any officer or authority subordinate to the central or the concerned state government.

The GoI may also enter into an agreement with any person in relation to the development and maintenance of the whole or any part of a National Highway. Such person would have the right to collect and retain fees at such rates as may be notified by the GoI and will also have the power to regulate and control the traffic for proper management of the highway in accordance with the provisions of the Motor Vehicles Act, 1988.

Under NH Act, the GoI is vested with the power to declare a highway as a national highway and also to acquire land for this purpose. The GoI may, by notification, declare its intention to acquire any land when it is satisfied that for a public purpose such land is required to be acquired for the building, maintenance, management or operation of a national highway or part thereof. The NH Act prescribes the procedure for such land acquisition which among other things includes entering and inspecting such



land, hearing of objections, declaration of acquisition and the mode of taking possession. The NH Act also provides for payment of compensation to owners and any other person whose right of enjoyment in that land has been affected.

National Highways Fee (Determination of Rates and Collection) Rules, 2008

The National Highways Fee (Determination of Rates and Collection) Rules, 2008 (the “NH Fee Rules”) regulate the collection of fee for the use of a national highway. Pursuant to the NH Fee Rules, GoI may, by a notification, levy fee for use of any section of a national highway, permanent bridge, bypass or tunnel forming part of a national highway, as the case may be. However, the GoI may, by notification, exempt any section of a national highway, permanent bridge, bypass or tunnel constructed through a public funded project from levy of fees. The NH Fee Rules do not apply to the concession agreements executed or bids invited prior to the publication of such rules i.e. December 5, 2008.

The collection of fee in case of a public funded project shall commence within 45 days from the date of completion of the project. In case of a private investment project, the collection of such fee shall be made in accordance with the terms of the agreement entered into by the concessionaire. The NH Fee Rules further provide for the base rate of fees applicable for the use of a section of the national highway, permanent bridge, bypass or tunnel for different categories of vehicles.

National Highways Authority of India Act, 1988

The National Highways Authority of India Act, 1988 (the “NHAI Act”) provides for the constitution of an authority for the development, maintenance and management of National Highways. Pursuant to the same, the National Highways Authority of India (“NHAI”), was constituted as an autonomous body in 1989 and operationalised in 1995. Under the NHAI Act, GoI carries out development and maintenance of the national highways system, through NHAI. The NHAI has the power to enter into and perform any contract necessary for the discharge of its functions under the NHAI Act.

The NHAI Act prescribes a limit in relation to the value of the contracts that may be entered into by NHAI. However, the NHAI may enter into contracts exceeding the value so specified, on obtaining prior approval of the GoI. NHAI Act provides that the contracts for acquisition, sale or lease of immovable property on behalf of the NHAI cannot exceed a term of 30 years unless previously approved by the GoI. The National Highways Authority of India (Amendment) Act, 2013 which received the assent of the President on September 10, 2013, aimed at increasing the institutional capacity of NHAI to help execute the powers delegated to it.

National Highways Development Project

The GoI, under the Central Road Fund Act, 2000 created a dedicated fund for NHDP. Certain sources for financing of NHDP are through securitization of cess as well as involving the private sector and encouraging Public Private Partnership (“PPP”). The NHDP is also being financed through long-term external loans from the World Bank, the ADB and the JBIC as well as through tolling of roads.

Private Participation in NHDP

In an effort to attract private sector participation in the NHDP, the NHAI has formulated model concession agreements where a private entity (the “Concessionaire”) is awarded a concession to build, operate and collect toll on a road for a specified period of time, which is usually up to 30 years.

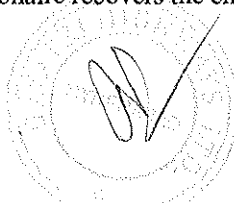
The bidding for the projects takes place in two stages as per the process provided below:

in the pre-qualification stage, NHAI selects certain bidders on the basis of technical and financial expertise, prior experience in implementing similar projects and previous track record; and

in the second stage, NHAI invites commercial bids from the pre-qualified bidders on the basis of which the right to develop the project is awarded.

In a BOT project, the Concessionaire meets the up-front cost and expenditure on annual maintenance and recovers the entire cost along with the interest from toll collections during the concession period. To increase the viability of the projects, a capital grant is provided by the NHAI/GoI on a case to case basis. The Concessionaire at the end of the concession period transfers the road back to the Government. The Concessionaire’s investment in the road is recovered directly through user fees by way of tolls.

In annuity projects, the private entity is required to meet the entire upfront cost (no grant is paid by NHAI/GoI) and the expenditure on annual maintenance. The Concessionaire recovers the entire investment and predetermined return on investments through annuity payments by NHAI/GoI.



The NHAI also forms SPVs for funding road projects. This method of private participation involves very less cash support from the NHAI in the form of equity/debt. Most of the funds come from ports/financial institutions/beneficiary organisations in the form of equity/debt. The amount spent on developments of roads/highways is to be recovered in the prescribed concession period by way of collection of toll fee by the SPV.

In 2015, the Government of India, through the Cabinet Committee on Economic Affairs approved HAM as one of the modes of delivery for implementing the Highway Projects.

Under this model,

40% of the project cost is to be provided by the Government as construction support to the private developer during the construction period; and

the balance 60% is to be funded by the private player as annuity payments over the concession period along with interest at market linked rates on outstanding amount to the concessionaire.

Under HAM, there is no toll right for the developer and revenue collection is the responsibility of NHAI.

Tax incentives which are being provided to the private entity are eligible for 100% exemption for any consecutive 10 years out of the first 20 years after completion of a project. The Government has also allowed duty free import of specified modern high capacity equipment for highway construction.

Control of National Highways (Land and Traffic) Act, 2002

The Control of National Highways (Land and Traffic) Act, 2002 (the “Control of NH Act”) provides for control of land within national highways, right of way and traffic moving on national highways and also for removal of unauthorised occupation thereon.

In accordance with the provisions of the Control of NH Act, the Central Government has established Highway Administrations. Under the Control of NH Act, all land that forms part of a highway which vests in the Central Government, or that which does not already vest in the Central Government but has been acquired for the purpose of highways shall be deemed to be the property of the Central Government. The Control of NH Act prohibits any person from occupying any highway land or discharging any material through on such land without the permission of the Highway Administration. The Control of NH Act permits the grant of lease and license for use of highway land for temporary use.

Indian Tolls Act, 1851

Pursuant to the Indian Tolls Act, 1851, (the “Tolls Act”) the State Governments have been vested with the power to levy tolls at such rates as they deem fit, to be levied upon any road or bridge, made or repaired at the expense of the GoI or any State Government. The tolls levied under the Tolls Act, are deemed to be ‘public revenue’. The collection of tolls can be placed under any person as the state governments deem fit under the Tolls Act, and they are enjoined with the same responsibilities as if they were employed in the collection of land revenue. Further, all police officers are bound to assist the toll collectors in the implementation of the Tolls Act. The Tolls Act further gives power for recovery of toll and exempts certain category of people from payment of toll.

Provisions under the Constitution of India and other legislations on collection of toll

Entry 59, List II of Schedule VII read with Article 246 of the Constitution of India vests the State Government with the power to levy tolls. Pursuant to the Indian Tolls Act, 1851, the State Governments have been vested with the power to levy tolls at such rates as they deem fit.

Other legislations relevant to the road sector

In addition to the above, there are also certain other legislations that are relevant to the road sector which include the Road Transport Corporation Act, 1950, National Highways Rules, 1957, National Highways (Temporary Bridges) Rules, 1964, National Highways (Fees for the Use of National Highways Section and Permanent Bridge Public Funded Project) Rules, 1997, National Highways (Rate of Fee) Rules, 1997, National Highways Tribunal (Procedure) Rules, 2003, Central Road Fund Act, 2000, Central Road Fund (State Roads) Rules 2007 and Green Highways (Plantation, Transplantation, Beautification & Maintenance) Policy, 2015.

Environmental Laws



The major statutes in India which seek to regulate and protect the environment against pollution related activities in India are the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986 and the rules and regulations thereunder and the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008. Pollution Control Boards (“PCBs”), which are vested with diverse powers to deal with water and air pollution, have been set up in each state to control and prevent pollution. The PCBs are responsible for setting the standards for the maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. All industries and factories are required to obtain consent orders from the PCBs, and these orders are required to be renewed annually.

Labour Related Laws

As part of its business, our Company is required to comply with certain laws in relation to the employment of labour. The following is an indicative list of labour laws applicable to our operations:

Contract Labour (Regulation and Abolition) Act, 1970;

Employees’ Compensation Act, 1923;

Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;

Employees’ State Insurance Act, 1948; Industrial Disputes Act, 1947;

Industrial Employment (Standing orders) Act 1946;

Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996; Child Labour (Prohibition and Regulation) Act, 1986;

Maternity Benefit Act, 1961; Minimum Wages Act, 1948; Payment of Bonus Act, 1965; Apprentices Act, 1961;

Payment of Gratuity Act, 1972;

Payment of Wages Act, 1936; and Equal Remuneration Act, 1976.

Other laws

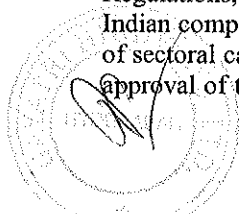
In addition to the above, our Company is also required to, among other thing, comply with the provisions of the Public Liability Insurance Act, 1991, Factories Act, 1948, the Shops and Establishments Legislations of the relevant State, Petroleum Rules, 2002, Explosives Rules, 2008, the Electricity Act, 2003 and the Bureau of Indian Standards Act, 1986.

Investment by Foreign Institutional Investors

Foreign Institutional Investors (“FIIs”) including institutions such as pension funds, mutual funds, investment trusts, insurance and reinsurance companies, international or multilateral organisations or their agencies, foreign governmental agencies, foreign central banks, asset management companies, investment managers or advisors, nominee companies and institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended. The initial registration and the RBI’s general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received from the sale or renunciation of rights issues of shares.

Ownership restrictions of FIIs

Under Schedule II of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended the (“FEMA Regulations”), the total holding of all FIIs together with their sub- accounts in an Indian company is subject to a cap of 24% of the paid-up capital of the company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution. The aggregate FII limit for the Company is currently 24%



of its issued and paid-up share capital and it has not obtained Board or shareholder approval to increase such limit to the maximum of 100%. The total holding by each FII, or in case an FII is investing on behalf of its sub-account, each sub-account, should not exceed 10% of the total paid-up capital of that company.

HISTORY AND CERTAIN CORPORATE MATTERS

The Company

The Company was incorporated as a private limited company, "Gayatri Domicile Private Limited" on 28th December, 2006 under the Companies Act. The Company was primarily formed to fund the capital requirement of the Group's initiatives in the infrastructure and construction sectors.

In the past, the Company has not carried on any business activities since incorporation till the date of filing of Information Memorandum, however its group Companies has build; developed; maintained & collecting toll . Subsequently, pursuant to the Scheme of Demerger approved by NCLT in the fiscal year 2017-18, the Company became the holding company of the 7 BOT Projects.

The name of the Company was changed to "Gayatri Highways Private Limited" on 7th August, 2017 & further changed to "Gayatri Highways Limited" on 16th January, 2018. The Company has changed its object clause in the AGM/EGM held on 29th July, 2017, 09.01.2018 & its present main object as detailed below. The Company has not created any charges as on date. The Company has sub-divided its face value from Rs. 10/- each to Rs. 2/- per share on 12.12.2017.

Changes in Registered Office: Not applicable as the Company has not changed its Registered Office since from the Incorporation.

Major events

The table below sets forth the key events in the history of our Company:

Fiscal year	Particulars
2006	Gayatri Highways Limited ((Formerly known as Gayatri Highways Private Limited erstwhile Gayatri Domicile Private Limited)_is incorporated on 28 th December, 2006
2017	On 7 th August, 2017 the name of the Company has changed to Gayatri Highways Pvt Ltd
2018	On 16 th January,2018 the Company has converted into Limited Company and accordingly the name of the Company after the conversion into Public Limited Company has changed to Gayatri Highways Limited
2018	On 9 th February, 2018 the company got connectivity from CDSL and NSDL.

Our Main Objects

The main objects for which our Company has been established and as contained in the Memorandum of Association are set out hereunder:

- To carry on in India or elsewhere the trade or business of service contractors and engineers in any branch of industry as also builders and contractors of every type and description and to own, control, manage or to erect, construct, maintain, alter, repair, pull down and restore either alone or jointly or in collaboration with any other or others, works of all descriptions in particular gas pipe line, barrages, dams, sluices, locks, embankments, quarries, breakwaters, docks, quays, harbours, piers, wharves, canals, tanks, bridges, aqueducts, reservoirs, irrigation, reclamation, improvement, river works of all kinds, airports, highways, railways, waterways, ports, irrigation projects, roads, bridges, warehouses, offices, factories, mills, engines, industrial plants, power plants, mines, minerals, gas works, drainage and sewerage works, entertainment complexes/parks, information technology centers, convention centers, exhibition complexes, special economic zones (SEZs), hotels, motels, buildings, either on engineering procurement construction (EPC) basis or on built operate transfer (BOT), built own operate and transfer (BOOT) built operate lease transfer (BOLT) or in any manner and to invest in company or companies which are engaged in the same or similar businesses.
- To carry on the trade or business of consultants, technicians, service contractors and engineers in any branch of industry, including mining, metallurgical, chemical, electrical, sanitary, water works, industrial, civil, mechanical and structural and to supply and furnish pursuant to such contractual or other arrangements as may be entered into

professional, technical, sales and other services in and outside the union of India to any person, firm or corporation in connection with the setting up, establishment, working and operation of any industry and for all or any of the purposes aforesaid.

3. To construct, let out, furnish and carry on all or any of the functions of proprietors of flats, maisonettes, dwelling houses, shops, offices and for these purposes, to purchases, take on lease, or otherwise acquire and hold any lands and prepare layout thereon or buildings of any tenure or description wherever situate, or rights or interests therein or connected therewith: to lay-out, prepare buildings sites, and to construct, reconstruct, repair, pull down, alter, improve, decorate, furnish and maintain flats, maisonettes, dwelling-houses, shops, offices, buildings, works and sanitary conveniences of all kinds, to lay - out roads, drainage pipes, water pipes and electric installations and to set apart land for pleasure gardens and recreations, grounds or otherwise improve land or any part thereof and to invest in company or companies which are engaged in the same or similar businesses.
4. To carry on the trade or business of service contractors and engineers in any branch of industry as also manufacturers; builders and contractors of every type and description and to own, control, manage or to erect, construct, maintain, alter, repair, pull down and restore either alone or jointly or in collaboration with any other or others, works of all descriptions in particular Gas pipe line, barrages, dams, sluices, locks, embankments, quarries breakwaters, docks, quays, harbours, piers, wharves, canals, tanks, bridges, aqueducts, reservoirs, irrigation, reclamation, improvement, river works of all kinds, railways, waterways, waterworks, roads, bridges, warehouses, offices, factories, mills, engines, steel plant, machinery and equipment of every descriptions, gas works drainage and sewerage works and buildings of every description in and outside the union of India.
5. To carry on the trade or business of consultants, technicians, service contractors and engineers in any branch of industry, including mining, metallurgical, chemical, electrical, sanitary, water works, industrial, civil, mechanical and structural and to supply and furnish pursuant to such contractual or other arrangements as may be entered into professional, technical, sales and other services in and outside the union of India to any person, firm or corporation in connection with the setting up, establishment, working and operation of any industry and for all or any of the purposes aforesaid.
6. To construct, let out, furnish and carry on all or any of the functions of proprietors of flats, maisonettes, dwelling houses, shops, offices and for these purposes, to purchases, take on lease, or otherwise acquire and hold any lands and prepare layout thereon or buildings of any tenure or description wherever situate, or rights or interests therein or connected therewith: to lay-out, prepare buildings sites, and to construct, reconstruct, repair, pull down, alter, improve, decorate, furnish and maintain flats, maisonettes, dwelling-houses, shops, offices, buildings, works and sanitary conveniences of all kinds, to lay - out roads, drainage pipes, water pipes and electric installations and to set apart land for pleasure gardens and recreations, grounds or otherwise improve land or any part thereof.

Amendments to our Memorandum of Association

Date of the Resolution	Particulars
29.07.2017.	Addition of objects no. 4,5 and 6 in Clause III A of the Memorandum of Association of the Company.
09.01.2018	Replacing the existing objects No. 1,2,3, with the existing objects No. 4,5,6 and adding the following objects in the place of existing objects No. 4,5,6 in Clause III A of the Memorandum of Association of the Company

Changes in the activities of our Company during the preceding five years

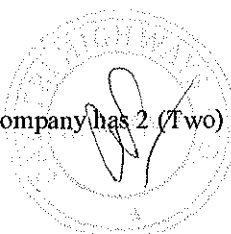
There have been no changes in the activities of our Company during the preceding five years preceding the date of the Information Memorandum, which may have a material adverse effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

Injunctions or restraining orders against our Company

There are no significant or material orders passed by any Regulators or Tribunals or Hon'ble Courts against our Company.

Subsidiary Companies

As of the date of this Information Memorandum, our Company has 2 (Two) Subsidiaries. Please see the section entitled



“Our Subsidiaries” on page 125 for details in relation to the Subsidiary Companies.

Details of subsidiaries Companies – name/business activities/ date of incorporation/ shareholding at the time of incorporation & present shareholding pattern /Board of Directors/ last 5 years financial performance:

1. Name of the Company: Sai Maatarini Tollways Limited

Date of Incorporation: 08/09/2011

Business activities: The main objects contained in the Memorandum of Association of Company are as follows:

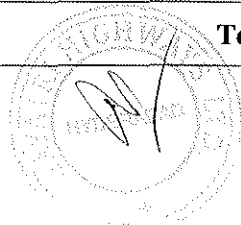
“To carry on the business of Four laning of Panikoili-Rimuli section of (Km 0.000 to Km 163.00) NH 215 (Design length 166.173) in state of Orissa under NHDP Phase-III as BOT (Toll) basis on DBFOT pattern and to collect toll, charges and fees from the users of the said project in accordance with the terms of the concession agreement to be entered in to with the National Highway Authority of India”.

Shareholding at the time of incorporation:

S. No.	Name of shareholder	Number of equity shares of Rs. 10	As a percentage of the total paid-up capital (%)
1.	Gayatri Projects Limited	49,994	99.988
2.	T. V. Sandeep Kumar Reddy	1	0.002
3.	K. G. Naidu	1	0.002
4.	R. Tulasi Mahalakshmi	1	0.002
5.	K. Venkata Mohan	1	0.002
6.	U.Prashant Shenoy	1	0.002
7.	K. Mani Raju	1	0.002
Total		50,000	100.00

The present shareholding pattern:

S. No.	Name of shareholder	Number of equity shares of Rs. 10	As a percentage of the total paid-up capital (%)
1.	Gayatri Highways Limited	1,00,00,837	99.99994
2.	T. V. Sandeep Kumar Reddy (Nominee of Gayatri Highways Limited)	1	0.00001
3.	K. G. Naidu (Nominee of Gayatri Highways Limited)	1	0.00001
4.	Ramamohanraju Chinda (Nominee of Gayatri Highways Limited)	1	0.00001
5.	K. Venkata Mohan (Nominee of Gayatri Highways Limited)	1	0.00001
6.	U. Prashant Shenoy (Nominee of Gayatri Highways Limited)	1	0.00001
7.	K. Mani Raju (Nominee of Gayatri Highways Limited)	1	0.00001
Total		1,00,00,843	100.00



Board of Directors:

S. No.	DIN	Full Name	Designation	Residential Address
1	00005573	Tikkavarapu Sandeep Kumar Reddy	Director	8-2-331/2/A, Road No 3, Banjara Hills, Hyderabad, 500034.
2	00009906	Indira Subbaramireddy Tikkavarapu	Director	6-3-249/5/A, Road No 1, Banjara Hills, Hyderabad 500034.
3	00017122	Tikkavarapu Sarita Reddy	Director	Plot No 845-A, Door No 8-2-331/2/A Road No 3, Banjara Hills Hyderabad 500034
4	06859435	Rajiv Reddy Tikkavarapu	Managing Director	8-2-331/A/2 Plot No. 179, Road No.3, Banjara Hills Khairathabad Hyderabad 500034
5	00012970	Harivithalrao Venkateshwarrao Chintalapati	Independent Director	Plot No. 24, Phase - I, Kamalapuri Colony, Srinagar Colony, Hyderabad, 500073.
6	06761474	Venkata Narasimha Rao Mysore	Independent Director	H.No.12-13-1246, Street No.8, Tarnaka, Secunderabad, 500017.

SAI MAATARINI TOLLWAYS LIMITED**Financial Information**

The operating results for the last five fiscal years are as follows:

(in // Cr., except per share data)

Particulars	Financial Year ended					
	Dec 31, 2017 ¹	March 31, 2017 ¹	March 31, 2016 ¹	March 31, 2015	March 31, 2014	March 31, 2013
Equity capital	10.00	10.00	10.00	10.00	10.00	0.05
Reserves and surplus (excluding revaluation reserve)	103.72	169.36	169.40	169.48	169.69	(0.03)
Sales and Other Income	183.19	676.23	535.22	0.002	0.002	0.003
Profit/(Loss) after tax	(65.65)	(0.0365)	(0.0827)	(0.20)	(0.43)	(0.008)
Book Value per share (//)	113.71	169.35	169.39	169.47	169.67	(1.79)

2. Name of the Company: Indore Dewas Tollways Limited

Date of Incorporation: 04/05/2010

Business activities: The main objects contained in the Memorandum of Association of Company are as follows:

"To carry on the business regarding, six laning of Indore Dewas section of NH-3 from Km 577.550 to Km 610.000 and Km 0.0000 to Km 12.600 (Approximate Length -45.05 Km) in the state of Madhya Pradesh as Build, Operate and Transfer (TOLL) project on Design, Build, Finance, Operate and Transfer (DBFOT) pattern under National Highway Development Project (NHDP) phase -V and to collect toll, charges and fees from the users of the said project in accordance with the terms of the concession agreement to be

entered in to with the National Highway Authority of India”.

Shareholding at the time of incorporation:

S. No.	Name of shareholder	Number of equity shares of Rs. 10	As a percentage of the total paid-up capital (%)
1.	Gayatri Projects Limited	16,660	33.32
2.	Gayatri Infra Ventures Limited	16,660	33.32
3.	Mr. T. V. Sandeep Kumar Reddy	5	0.01
4.	Mr. J. Brij Mohan Reddy	5	0.01
5.	Mr. K. G. Naidu	5	0.01
6.	Mr. G. N. Mallikarjuna Rao	5	0.01
7.	Balaji Highways Holding Private Limited	16,660	33.32
Total		50,000	100

The present shareholding pattern:

S. No.	Name of shareholder	Number of equity shares of Rs. 10	As a percentage of the total paid-up capital (%)
1.	Gayatri Highways Limited	33,320	66.64
2.	Mr. T. V. Sandeep Kumar Reddy	5	0.01
3.	Mr. J. Brij Mohan Reddy	5	0.01
4.	Mr. K. G. Naidu	5	0.01
5.	Balaji Highways Holding Private Limited	16,660	33.32
6.	Mr. T. Rajiv Reddy	3	0.01
7.	Ms. T. Indira Reddy	2	0.01
Total		50,000	100

Board of Directors:

S. No.	DIN	Full Name	Designation	Residential Address
1	00005573	Tikkavarapu Sandeep Kumar Reddy	Director	8-2-331/2/A, Road No 3, Banjara Hills, Hyderabad, 500034.
2	00012927	Jenna Brijmohan Reddy	Director	H.No. 8-2-618, Road No. 11, Banjara Hills,, Hyderabad, 500034.
3	00012970	Harivithalrao Venkateshwarrao Chintalapati	Independent Director	Plot No. 24, Phase - I, Kamalapuri Colony, Srinagar Colony,



			r	Hyderabad, 500073.
4	06761474	Venkata Narasimha Rao Mysore	Independent Director	H.No.12-13-1246, Street No.8, Tarnaka, Secunderabad, 500017.

INDORE DEWAS TOLLWAYS LIMITED

Financial Information

The operating results of IDTL for the last Five fiscal years are as follows:

(Rs in Crs, except per share data)

Particulars	Financial Year ended					
	Dec 31, 2017 (provisional)	March 31, 2017	March 31, 2016 ¹	March 31, 2015	March 31, 2014	March 31, 2013
Equity capital	0.050	0.050	0.050	0.050	0.050	0.050
Reserves and surplus (excluding revaluation reserve)	(158.09)	(114.39)	(52.83)	0.02	0.02	0.03
Sales and Other Income	44.45	51.73	48.97	0.003	0	0
Profit/(Loss) after tax	(43.70)	(61.56)	(52.92)	(0.005)	(0.006)	(0.010)
Book Value per share (₹)	(31,618)	(22,878)	(10,565)	3.65	4.62	5.75

Details of acquisition by the Company of equity shares of Private Limited since the date it became a subsidiary of the Company:

Sai Maatarini Tollways Limited and Indore Dewas Tollways Ltd were become subsidiaries of the Company pursuant to Scheme of Arrangement as approved by the NCLT, Hyderabad.

Joint Ventures

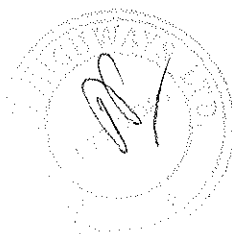
The Company does not have any operational joint ventures but there are Jointly Controlled entities as detailed below:

1. Gayatri Jhansi Roadways Limited
2. Gayatri Lalitpur Roadways Limited
3. Hyderabad Expressways Limited
4. Cyberabad Expressways Limited
5. HKR Roadways Limited
6. Balaji Highways Holding Private Limited

Holding Company:

The company is not a subsidiary to any company.

Material Agreements: There are no Material Agreements

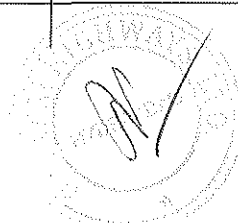


OUR MANAGEMENT

As per our Articles of Association, our Company is required to have not less than three (3) and not more than Fifteen (15) Directors. As on the date of this Information Memorandum, our Company has Four (4) Directors out of which Three (3) are Independent Directors.

The following table sets forth details of our Board of Directors as on the date of this Information Memorandum:

Name, Designation, Address, Nationality, Term and DIN	Age (in years)	Other Directorships/Partnerships
<p>Mr. M. V. Narasimha Rao</p> <p>Designation: Independent Director</p> <p>Address: H.No.12-13-1246, Street No.8, Tarnaka, Secenderabad – 500017, Telangana</p> <p>Nationality: Indian</p> <p>Term:</p> <p>DIN: 06761474</p>	<p>61 Ye ars</p>	<p>Sai Maatarini Tollways Limited</p> <p>Gayatri Jhansi Roadways Limited</p> <p>Gayatri Lalitpur Roadways Limited</p> <p>Indore Dewas Tollways Limited</p> <p>Hyderabad Expressways Limited</p> <p>Cyberabad Expressways Limited</p> <p>Gayatri Energy Ventures Pvt. Ltd.</p> <p>HKR Roadways Limited</p> <p>Axis Wind Farms (Anantapur) Private Limited</p> <p>Axis Wind Farms (Rayalaseema) Private Limited</p> <p>Axis EPC Private Limited</p>
<p>Mr. G. Jagannadha Rao</p> <p>Designation: Independent Director</p> <p>Address: F 504, R V Devakinandan Apartments, 3-4-695, Narayanguda, Hyderabad- 500029, Telangana.</p> <p>Nationality: Indian</p> <p>Term:</p> <p>DIN: 01059819</p>	<p>60 Ye ars</p>	<p>HKR Roadways Limited</p>
<p>Mr. P. Purnachander Rao</p> <p>Designation: Non-Executive Director</p> <p>Address: 1-11-226/2/301, Shamlal Building, Begumpet, Hyderabad-500016, Telangana.</p>	<p>68 Ye ars</p>	<p>Cosmo Chemagro Agencies Pvt Ltd</p> <p>Rajiv Realtors Pvt Ltd</p> <p>Sucheer Infra Projects Pvt Ltd</p> <p>Tycoon Infratech Pvt Ltd</p> <p>Deep Land Holdings Pvt Ltd</p> <p>Sivadevi Urban Properties Pvt Ltd</p> <p>Chamundeswari Builders Pvt Ltd</p> <p>Gayatri Hotels and Theatres Pvt Ltd</p> <p>Idealistic Infrabuild Pvt Ltd</p> <p>Okay Infrasys Pvt Ltd</p> <p>Infraways Engineering Company Pvt Ltd</p> <p>Gayatri Fin-Holdings Pvt Ltd</p> <p>Indira Constructions Private Limited</p> <p>Maheswari Film Productions Private Ltd</p> <p>Indira Publications Private Limited</p> <p>Bhandara Thermal Power Corporation Limited</p>
<p>Mrs. Laxmi Pamarthy</p>	<p>63 Years</p>	<p><i>NII</i></p>



Designation: Independent Director

Address: 10-2-270/8, 1-2 Essar Apartments,
West Marredpally, Secunderabad,
Hyderabad- 500026, Telangana.

Nationality: Indian

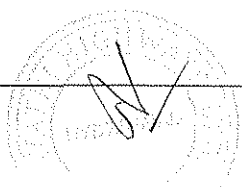
Term:

DIN: 08051632

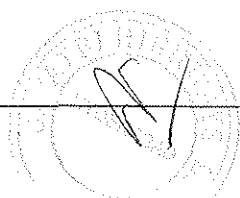
Relationship between our Directors

None of our Directors are related to each other.

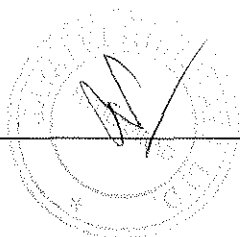
<p>Brief Biographies of Directors1</p>	<p>Sri. M. V. Narasimha Rao S/o. Prakasa Rao Mysore Date of Birth: 12th December, 1956</p>	<p>Educational qualification: ME (Structural Engineering), MBA (Finance) and PG Diploma in Alternative Dispute Resolution.</p> <p>Work Experience: at present he is the chairman in the Dispute Board of AP Road Development Corporation and Sr. Director in Sheladia Associates Inc. He has also worked as a Resident Engineer for Louis Berger Inc. Afghanistan, General Manager for National Highways Authority of India and Executive Engineer for Roads & Buildings Department, Andhra Pradesh.</p> <p>Membership in Professional Associations and Publications: Life Fellow, Institution of Engineers (India), Life Member, Indian Road Congress and Life Member, Indian Geotechnical Society</p> <p>EDUCATION:</p> <p>B. Tech, Civil Engineering, J.N.T.U College of Engineering, Kakinada, India, 1978 – Passed in First Class with Distinction</p> <p>M.E. (Structural Engineering), Osmania University, Hyderabad, India, 1986– Passed in First Class with Distinction</p> <p>M.B.A (Finance), Madras University, India, 2009 - Passed in First Class</p> <p>Post Graduate Diploma, Alternative Dispute Resolution, ICADR, NALSAR, India, 2012- Passed in First Division</p>
<p>2</p>	<p>Sri. Mr G. JagannadhaRao S/o G. S. N. Murthy Date of Birth: 16th August, 1957</p>	<p>Educational qualification:</p> <p>B.Tech in civil Engineering from College of Engineering, Kakinada, J. N. T. University during 1973-78 and M. Tech, Structural Engineering from J. N. T. University, Hyderabad in 1984.</p> <p>Work Experience:</p> <ol style="list-style-type: none"> 1. Joined R&B Department as Junior Engineer on 18 May 1978, immediately upon graduation. 2. Worked as Junior Engineer/Assistant Executive Engineer for 4 years- one year in Designs wing, two years in Investigation Division and one



- year in Road Research Station, Hyderabad.
3. Appeared for Direct recruit Dy Executive Engineers examination conducted by APPSC in 1981 and secured 25th rank.
 4. Joined as Direct recruit Dy Executive Engineer on 16 August 1982.
 5. Worked as DEE in NH Designs wing, Hyderabad from 1982 to 1988.
 6. Worked as DEE, West Sub- Division, Kakinada from 1988 to 1991.
 7. Worked as Resident Engineer (Executive Engineer cadre) in ADB Project at Visakhapatnam and completed the first four lane Project in AP from Visakhapatnam to Gajuwaka.
 8. Worked as EE, NH Division, Visakhapatnam from from 1996 to 1999 and looked after Maintenance and improvement of NHs in Visakhapatnam, Vizianagaram and Srikakulam districts.
 9. Joined National Highways Authority of India on deputation as Dy General Manager in 1999 and worked as Project Director, PIUs at Guntur and Rajahmundry for 5 years. Completed 300 km length of four laning of NH5(currently NH16) from Chilakaluripet to Vijayawada and Gundugolanu to Tuni.
 10. Promoted as Superintending Engineer in R&B Department in June 2003. Continued as General Manager and Project Director in NHA1 upto Feb 2004.
 11. Joined as SE, Electrical on repatriation from NHA1 and worked for 3months in Hyderabad. Joined as SE NH Hyderabad in May 2004 and continued upto Feb 2006. Instrumental in maintenance and improvement of NHs in Telangana region of AP.
 12. Joined Hyderabad Growth Corridor Limited, an SPV created by Govt. of AP for implementation of 158km long Nehru Outer Ring Road around Hyderabad city and Radial roads in the city in the cadre of Chief Engineer on deputation. Total Project cost: Rs 6000cr. The ORR Project is first of it's kind in India and also abroad as it is constructed as an eight Lane access controlled Expressway and two Lane Service roads on either side, with provision of 25m width for future transport corridor. Worked for 5years since inception and completed procurement for all 13 packages and completed about 75% of the same.
 13. On repatriation from HGCL joined as Chief Engineer PPP& LWE from May 2011 to Feb 2013. Implemented two mega road projects taken up on PPP mode as BoT-Toll contracts, covering a length of about 420km on State Highways. Viz., Rajiv rahadari from Hyderabad to Manchiryal via Karimnagar and Narketpally-Addanki- Madarametla road. Initiated preparation of Techno- economic Feasibility Reports for 12 State Highways covering a length of about 2800km, by engaging Consultants.



		<p>14. Joined as Chief Engineer R&B CRN & Managing Director, APRDC in Feb 2013. Implemented AP Road Sector Project taken up with loan Assistance of World Bank to the tune of 265 million USD. Responsible for maintenance and improvement of State Highways with State budget. Undertaken preparation of Detailed Project Reports for development of 11 State Highway corridors as four Lane roads under Visakhapatnam- Chennai Industrial Corridor Project taken up with loan assistance of Asian Development Bank. DPRs are completed and procurement for one Road Project from Samalkot to Rajanagaram in E.G. District is now in progress.</p> <p>15. Took charge as Engineer in Chief R&B Admn., SH and MD, APRDC in May 2017 and continued till retirement.</p>
3	<p>Sri. Ms. Laxmi Pamarthy, Father Name: Venkata Ramana Rao Pamarthy Date of Birth: 11th February, 1955</p>	<p>Educational qualification:</p> <ul style="list-style-type: none"> • M. Tech (Structural Engineering) (1982) from P.G. School of Continuing Technological Education, Jawaharlal Nehru Technological University, Hyderabad, Andhra Pradesh. • Post Graduate Diploma, Alternative Dispute Resolution, ICADR, NALSAR, India, 2014 • B. E. Civil Engineering (1977) College of Engineering, Osmania University, Hyderabad, Andhra Pradesh. <p>Work Experience:</p> <p>Mrs. Laxmi Pamarthy is a Civil Engineer with Post Graduation in Structural Engineering has over 40 years of rich professional experience in the design, construction supervision and Contract Management of large number and various types of road and bridge projects, particularly on 4-lane roads and Expressways. She is fully conversant with the IRC & ASHTO Specifications and ASTM Standards as well as Indian Road Congress Standard design procedures and Indian Ministry of Surface Transport Specifications involved in the design and execution of Caissons, Wells and Pile foundations with Reinforced Cement Concrete and Prestressed Concrete Superstructure bridges as well as Highways using modern state of the art construction equipment and specifications. She has excellent knowledge and hands on experience in BOT Projects over 5 Years, Construction Supervision of different components of highways and bridges, organization, elaboration of reports and handling of contractor's Monthly statements; Management and Planning, allocation of resources as well as costing and cost control. She also has experience in Quality Assurance systems and Quality Control procedures. She is well versed with Project Management and Contract Administration of projects and is updated with modern technology. She is well conversant with FIDIC conditions of contract and can handle contract related correspondence and arbitration matters with ease. She has knowledge on all three aspects of a construction project Client, Consultant and Concessionaire /</p>



		Contractor.
4	Sri. Mr. P. Purnachander Rao, Father Name: Sri. P. Anjaneya Sastry Date of Birth: 10th June, 1949.	Educational qualification: Matriculation. Work Experience: Having 48 years of experience in the following Companies: 1. Worked as Chief Cashier from 1970-75 in Srinivasa Films Distributions at Hyderabad. 2. Worked as Chief cashier from 1975-80 in Hotel Ashoka at Hyderabad. 3. Worked as an Assistant Manager from 1981-91 in M/s. Gayatri Hotels and Theaters Pvt. Ltd, Kachiguda Mall and Multiplex at Hyderabad. 4. Worked as Chief Cashier from 1992-2015 in Gayatri Projects Limited at Hyderabad.

Shareholding of Directors in our Company

None of our Directors hold any Equity Shares in the Company except as set forth in the table below:

Name of Director	Designation	Number of Equity Shares Held
Gavara Jagannadha Rao	Independent Director	Nil
P Purnachander Rao	Non-executive Director	75
Venkata Narasimha Rao Mysore	Independent Director	Nil
Laxmi Pamarthy	Independent Director	Nil

Our Articles of Association do not require our Directors to hold any qualification shares.

Changes in our Board in the last three years

Name	Date of appointment/ change/ cessation	Reason
Gavara Jagannadha Rao	07.02.2018	Appointed as an Additional (Independent) Director
Venkata Narasimha Rao Mysore	07.02.2018	Appointed as an Additional (Independent) Director
Laxmi Pamarthy	07.02.2018	Appointed as an Additional (Independent) Director
S.S. Raju	05.12.2017	Appointed as Additional Director
T. Sarita Reddy	07.02.2018	Resigned as Director
S.S. Raju	07.02.2018	Resigned as Director

Borrowing Powers of Board

Our Articles, subject to the provisions of the Companies Act, authorize our Board, at its discretion, to generally raise or borrow or secure the payment of any sum or sums of money for the purposes of our Company. Our Board has been authorized to borrow money from banks, financial institutions or any other lending institutions or persons or such other corporates or entities as the Board may deem fit, notwithstanding that the money to be borrowed, together with the money already borrowed by our Company will exceed aggregate of its paid up share capital and free reserves, apart from temporary loans obtained from our Company's bankers in the ordinary course of business, up to a limit not exceeding in the aggregate Rs.5,00,00,00,000 (Rupees Five Hundred Cores Only).

Corporate Governance

The provisions of the SEBI Listing Regulations and the Equity Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. In respect of corporate governance, we are in compliance with the requirements of the applicable laws including the SEBI Listing Regulations, the Equity Listing Agreement with the Stock Exchanges, the Companies Act, and the rules made thereunder. The corporate governance framework of our Company is based on an effective and independent Board, separation of the Board's supervisory role from the executive management team, and constitution of the Board Committees, as required under applicable laws.

Our Board has been constituted in compliance with the SEBI Listing Regulations, the Companies Act and the Equity Listing Agreement. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

Currently, our Board has . Directors. In compliance with the requirements of the SEBI Listing Regulations, we have o Non-Executive Non-Independent Directors and o Non- Executive Independent Directors, on our Board.

Committees of the Board

In addition to the committees of the Board detailed below, our Board of Directors may, from time to time, constitute committees for various functions.

Audit Committee

The members of our Audit Committee are:

Name of the Member	Status	Date of Appointment
Mr. M.V. Narasimha Rao	Chairman	07/02/2018
Mr. P. Purnachander Rao	Member	07/02/2018
Ms. P. Laxmi	Member	07/02/2018

The scope and function of our Audit Committee is in accordance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations and its terms of reference include the following:

Objectives:

The primary objective of our Audit Committee shall be to oversee and provide effective supervision of our management's financial reporting process with a view to ensure accurate and proper disclosures, with the highest levels of transparency, integrity and quality of financial reporting. It shall advise, guide and suggest measures to add value and improve the organisation's operations, robust internal audit system, and strengthening governance processes. It shall give directions to our management in the areas that need to be strengthened.

Our Audit Committee shall, while acting as a catalyst in helping the organization to achieve its objectives, also assist the board of directors in overseeing and reviewing:

- work carried out in the financial reporting process by our management, our internal auditor(s) and the statutory auditor(s) and processes and safeguards employed by them;
- audit(s) of our Company's financial statements, appointment(s), independence and performance of our internal and statutory auditors;
- quality and integrity of the accounting, internal and external auditing and reporting practices of our Company and adequacy and reliability of the internal control system;
- Monitor and review the risk management plan and review the risk assessment process;
- overall compliance by our Company with the legal and regulatory requirements;
- any other area that our Board may mandate or direct our Audit Committee to take up; and
- transactions with related parties including omnibus approval.



Roles and Responsibilities:

Review of Financial Statements:

- To oversee our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement(s) are correct, sufficient and credible.
- Review with our management:
 - The annual financial statements and the Auditors' Report thereon before submission to the Board for approval, with particular reference to
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions and all related party transactions shall require prior approval of the Audit Committee;
 - Modified opinion(s) in the draft audit report;
 - Quarterly financial statements before submission to the Board for approval including:
 - i. Financial performance of the Company for the period under review including variance analysis with the plan and previous periods and IGAAP or Ind AS related adjustments, if any;
 - ii. Analysis of capital expenditure and working capital management for the period under review;
 - Management discussion and analysis of financial condition and results of operations;
 - Annual operating budgets and CAPEX budget;
 - Approval or any subsequent modification of transactions of the Company with related parties;
 - Scrutiny of inter-corporate loans and investments;
 - Statement of significant related party transactions, submitted by management;
 - Disclosure of contingent liabilities;
 - Valuation of undertaking or assets of the Company, wherever it is necessary;
 - Where a valuation is required to be made in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets (herein referred to as the assets) or net worth of a company or its liabilities under the provisions of the Companies Act, it shall be valued by a person having such qualification and experience and registered as valuer in such manner, on such terms and condition as may be prescribed and appointment by the Audit Committee;
 - Management letters or letters of internal control weaknesses issued by the Statutory Auditors;
 - Review of CFO/CEO Certificates certifying that the financial statements are prepared in accordance with Uniform Accounting Policies, Accounting Standards, Provisions of the Companies Act;
 - Statement of use/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;



- On an annual basis, review the statement of funds utilized by the Company for purposes other than those stated in the offer document, prospectus or notice. Where the company has appointed a monitoring agency to monitor the utilisation of proceeds of a public or rights issue, review the monitoring report of such appointed agency;
- Half -yearly performance update;
- Approval of appointment of CFO (i.e. the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
- Statement of deviations:
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
 - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

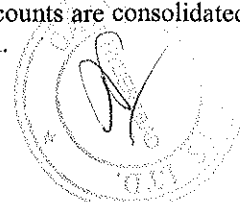
Related Party Transactions:

- All related party transactions shall require prior approval of the Audit Committee;
- The Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to the following conditions, namely:
 - The criteria for granting the omnibus approval shall be specified which shall be in line with the Company's policy on related party transactions and such approval shall be based on the factors namely repetitiveness of the transactions (in past or in future) and the justification for the need of omnibus approval;
 - The Audit Committee shall satisfy itself on the need for omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company;
 - Such omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.
- The omnibus approval shall specify:
 - the name(s) of the related party, nature of transaction, period of transaction, maximum value of transactions that shall be entered into and the value of transactions, in aggregate, which can be allowed under the omnibus route in a year;
 - the extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - the indicative base price or current contracted price and the formula for variation in the price if any; and
 - such other conditions as the Audit Committee may deem fit.

Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, committee may grant omnibus approval for such transactions subject to their value not exceeding 10 million per transaction;

- The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of such financial year:

However such prior and omnibus approval shall not be required in case of the transactions entered into between the company and its wholly owned subsidiary / subsidiaries whose accounts are consolidated with the company and placed before the shareholders at the General Meeting for approval.



External Audit:

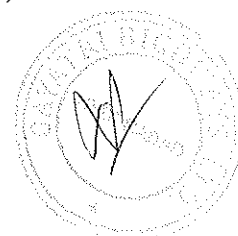
- To recommend
 - the appointment, re-appointment , terms of appointment and, if required, the replacement or removal of the statutory auditor and recommend the audit fees of the statutory and cost auditors to our Board;
 - the appointment and remuneration of the cost auditors and also to ensure that the cost auditors are not disqualified at the time of their appointment or during their tenure;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Conduct pre-audit discussions with the statutory auditor(s) about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Approve engagement and payment to statutory auditors or connected entities or firms of statutory auditor for any other services rendered by them to the Company or its Subsidiaries;
- Review with external auditor, any audit problems or difficulties and management's response;
- Review and monitor the auditors' independence and performance and effectiveness of audit process;
- Resolve any disagreements of the external auditor with the management's response;
- Any qualification in the Auditor's report and management response thereto;
- Review with the external auditors, certain information relating to the auditors' judgments about the quality, not just the acceptability , of the Company's accounting principles as applied to its financial reporting and discussion would generally include:
 - such matters as the consistency of the application of the Company's accounting policies, and the clarity and completeness of the Company's financial statements , which include related disclosures;
 - such items that have a significant impact on the authenticity, accuracy, fairness and neutrality of the accounting information included in the financial statements.

Internal Audit:

- Review on a regular basis the adequacy of internal audit function, including the internal audit charter, the structure of the internal audit department, staffing and seniority of the official heading the department, approval of the audit plan and its execution, reporting structure, coverage and frequency of the internal audit;
- Review the regular internal reports to management prepared by the internal audit department as well as management response thereto;
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of material nature and reporting the matter to the Board;
- Review internal audit reports relating to internal control weaknesses;
- Review with the management, external and internal auditors, and the adequacy of internal control systems including computerized information system, controls and security and ensure adherence thereto;
- Review the appointment, removal and terms of remuneration of the Chief Internal Auditor;
- Evaluation of internal financial controls and risk management systems;
- Discussion with internal auditors of any significant findings and follow up thereon;
- Performance of internal auditors.

Subsidiary Companies:

- Review the financial statements of the subsidiary companies in general and the material subsidiary Company, in



particular;

- Review of investments made by the unlisted subsidiary companies.

Compliances:

- Review the effectiveness of the system for monitoring compliance with laws and regulations;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Review :
 - Any show cause, demand, prosecution and penalty notices against the Company or its Directors which are materially important including any correspondence with regulators or government agencies and any published reports which raise material issues regarding the company's financial statements or accounting policies.
 - Any material default in financial obligations by the Company.
 - Any significant or important matters affecting the business of the Company.

Nomination, Remuneration and Compensation Committee

The members of our Nomination, Remuneration and Compensation Committee are:

Name of the member	Status	Date of Appointment
Mr. M.V. Narasimha Rao	Chairman	07.02.2018
Ms. P. Laxmi	Member	07.02.2018
Mr. P. Purnachander Rao	Member	07.02.2018

The scope and function of our Nomination, Remuneration and Compensation Committee is in accordance with Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations. The terms of reference of our Nomination, Remuneration and Compensation Committee include the following:

Purpose

Formulating and recommending to the Board:

- Our Company's policies relating to the remuneration of the directors, key managerial personnel and other employees; and
- Criteria for determining the qualifications, positive attributes and independence of current and proposed directors.

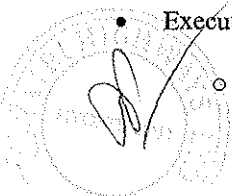
Roles and Responsibilities

The primary responsibilities of our Nomination, Remuneration and Compensation Committee are set forth below:

- Executive remuneration:
 - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and senior managers of the quality required to run our Company successfully;
 - The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - The remuneration provided to directors and senior managers includes a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of our Company and its goals.

- Executive talent:

- Formulate appropriate policies and institute processes which enable the identification of individuals who are qualified to become directors and who may be appointed in senior management and



recommend to our Board their appointment and removal from time to time;

- Review and implement succession and development plans for managing director, executive directors and senior managers;
- Devise a policy on our Board's diversity; and
- Formulate the criteria for determining qualifications, positive attributes and independence of directors.
- Board performance and rewards:
 - Establish evaluation criteria and conduct the process of performance evaluation of each director in a structured manner;
 - Establish evaluation criteria of our Board its committees; and
 - Review and make recommendations to our Board with respect to any incentive-based compensation and equity-based plans that are subject to approval of our Board or our shareholders (including broad-based plans).
- Disclosures:
 - Our Nomination, Remuneration and Compensation Committee shall review and discuss with management the disclosures required to be included in the Directors' report, as specified in the Companies Act and the rules framed there under.

Corporate Social Responsibility Committee

The members of our Corporate Social Responsibility Committee are:

Name of the member	Status	Date of Appointment
Mr. M.V. Narasimha Rao	Chairman	07.02.2018
Ms. P. Laxmi	Member	07.02.2018
Mr. P. Purnachander Rao	Member	07.02.2018

The scope and function of our Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act. The terms of reference of our Corporate Social Responsibility Committee include the following:

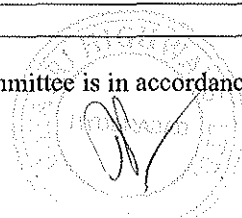
- To formulate and recommend to our Board, a Corporate Social Responsibility ("CSR") policy which shall indicate the activities to be undertaken by our Company as per the Companies Act;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by our Company under the CSR Policy;
- To monitor the CSR policy of our Company from time to time;
- Ensure adherence to the applicable provisions of the Companies Act and the rules made there under;
- Carrying out any other function as specified SEBI Listing Regulations, as amended; and
- To perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by our Corporate Social Responsibility Committee and as delegated by our Board to it, from time to time.

Stakeholders Relationship Committee

The members of our Stakeholders Relationship Committee are:

Name of the member	Status	Date of Appointment
Ms. P. Laxmi	Chairman	07/02/2018
Mr. P. Purnachander Rao	Member	07/02/2018
Mr. M.V. Narasimha Rao	Member	07/02/2018

The scope and function of our Stakeholders Relationship Committee is in accordance with Section 178 of the Companies



Act and Regulation 20 of the SEBI Listing Regulations. The terms of reference of our Stakeholders Relationship Committee include the following:

- To consider and resolve stakeholders and investors grievances;
- It shall consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends;
- To approve allotment of shares, debentures and other securities as per the authority conferred to the Stakeholders Relationship Committee by the Board of Directors, from time to time:
 - To approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name/address etc. in respect of shares, debentures and securities, which are above 2,500 in numbers in each individual case per transfer deed/per application received by the Company;
 - To authorize the officers of the Company to approve the requests for transfer, transposition, deletion, consolidation, sub-division, change of name etc. of shares, debentures and securities, up to 1000 in numbers in each individual case per transfer deed/per application received by the Company;
- To review or address the complaints received by the Company from investors, SEBI, the Stock Exchanges, Ministry of Corporate Affairs, etc. and the action taken for redressal of the same and to suggest resolution of long pending complaints;
- To approve and ratify the action taken by the authorized officers of the Company in compliance investors for issues of duplicate/replacement/consolidation/sub-division and other purposes for the shares, debentures and securities of the Company;
- To monitor and expedite the status and process of dematerialisation and dematerialization of shares, debentures and securities of the Company;
- To give directions for monitoring the stock of blank stationery and for printing of stationery required by the secretarial department of the Company, from time to time, for issuance of share certificates, debenture certificates, allotment letters, warrants, pay orders, cheques and other related stationery;
- To review the status of unpaid dividend and undelivered share certificates and measures taken by the Company to resolve or reduce them;
- To ensure compliance of transfer of unpaid dividend to IEPF on or before due date;
- To authorize officers of the Company to operate the , Unclaimed Suspense Account and to monitor the progress of release and clearance of the shares;
- To monitor the progress of release of unpaid dividend and process of dissemination of these records in accordance with the prescribed guidelines, rules and regulations;
- To review the results of any investigation or audit conducted by any statutory authority.

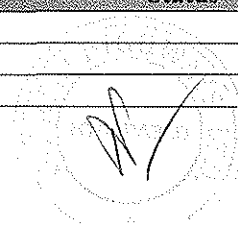
Compliances:

- Review the effectiveness of the system for monitoring compliance with laws and regulations.
- Review the mechanism of handling investor's complaints and the status of any pending complaints which remain unresolved or unattended.
- Any significant or important matters affecting the interest of the Company.

Risk Management Committee

The members of our Risk Management Committee are:

Name of the member	Status	Date of Appointment
Mr. M.V. Narasimha Rao		07/02/2018
Mr. G. Jagannadha Rao		07/02/2018
Mr. P. Purnachander Rao		07/02/2018



Our Risk Management Committee is responsible for governing the risk identification, assessment, measurement and reporting process of the business risks faced by our Company and its Subsidiaries. Our Risk Management Committee is responsible for assisting our management with implementation of the enterprise risk management framework of our Company in accordance with our risk management policy and carry out the following responsibilities:

- Risk identification;
- Risk assessment;
- Risk response and risk management strategy; and
- Risk monitoring, communication and reporting.

Our Senior Management

Brief Biographies of our Senior Management:

Mr. K. G. Naidu, Chief Executive Officer

He is a Fellow Member of Institute of Chartered Accountants of India. He has overall experience of 31 years plus in the field of Finance and Accounting, out of which 11 years of experience in construction and infrastructure Sector.

Mr. P. Raj Kumar, Company Secretary

He is a post graduate from Andhra University and Associate Member of Institute of Company Secretaries of India. He has an experience of 10 years plus in the field of Secretarial and Legal.

Mr. P. K. Sahoo, Chief Financial Officer

He has an experience of 10 years in the field of finance and accounting in the infrastructure sector.

OUR SUBSIDIARIES

Unless otherwise specified, all information in this section is as of the date of the filing of the Information Memorandum. Our Company has the following Subsidiaries:

1. Sai Maatarini Tollways Limited
2. Indore Dewas Tollways Limited

Shareholding of the Key Managerial Personnel

As of the date of this Information Memorandum, none of the key managerial personnel of the Company holds any Equity Shares in the Company.

Bonus or Profit Sharing Plan for the Key Managerial Personnel

There is no bonus or profit sharing plan for key managerial personnel of the Company.

ESOP

The Company does not have an ESOP.



OUR PROMOTER, PROMOTER GROUP AND GROUP COMPANIES

Our Promoter

Gayatri Projects Limited is the Promoter of our Company.

Details of our Promoter:

Gayatri Projects Limited was incorporated as Andhra Coastal Constructions Private Limited on 15th September, 1989 in the then State of Andhra Pradesh under the provisions of the Companies Act, 1956. The name of the Company was changed to Gayatri Projects Private Limited on 31st March, 1994 & it was converted into public limited Company on 2nd December, 1994. The CIN of the Company is L99999TG1989PLC057289. The Company came out with public issue of 1000000 equity shares of Rs. 10/- each at Rs.295 & shares were allotted on 10th October, 2006.

Registered and Corporate Office:

B1, 6-3-1090, TSR Towers
Rajbhavan Road,
Somajiguda, Hyderabad 500 082
Tel.: 91 40 2331 0330 / 4284 / 4296
Fax: 91 91 40 040 23398435
E-mail: cs@gayatri.co.in
Website: www.gayatri.co.in

The Company is engaged in the business of executing road and irrigation projects. The equity shares of GPL are listed on BSE and NSE.

Board of Directors of GPL:

The following table sets forth details of the board of directors of GPLs on the date of this Information Memorandum:

S. No.	Name of the Director	Designation
1.	T. Indira Subbarami Reddy	Non-Executive Director- Chairperson
2.	T. V. Sandeep Kumar Reddy	Managing Director
3.	J. Brij Mohan Reddy	Executive Vice-Chairman
4.	Siva Kumar Reddy Gunupati	Independent Director
5.	V. L. Moorthy	Independent Director
6.	CH. Hari Vittal Rao	Independent Director
7.	J. N. Karamchetti	Independent Director
8.	Birendra Kumar	Non-Executive Director- Nominee Director

Shareholding Pattern of GPL

As on the date of this Information Memorandum, the authorized share capital of Gayatri Projects Limited is Rs.80,00,00,000 divided into 40,00,00,000 Equity Shares of Rs.2 each.

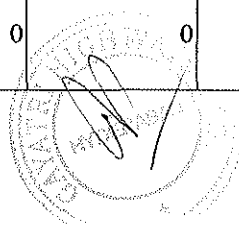


The shareholding pattern of GPL as on 19th April, 2018 was as follows:

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
						No. (a)	As a % of total Shares held (b)	
(A) Promoter & Promoter Group	5	84154710	0	84154710	44.95	78803225	93.64	84154710
(B) Public	12039	103043975		103043975	55.05	NA		103043725
(C1) Shares underlying DRs	0	0	0	0	0	0	0	0
(C2) Shares held by Employee Trusts	0	0	0	0	0		0	0
(C) Non Promoter-Non Public	0	0	0	0	0.00	0	0.00	0
Grand Total	12044	187198685	0	187198635	100.00	78803225	93.64	187198435

The shareholding pattern of GPL prior to the consummation of the Scheme was as follows:

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
						No. (a)	As a % of total Shares held (b)	
(A) Promoter & Promoter Group	5	84154710	0	84154710	47.48	78374310	93.13	84154710
(B) Public	8853	93097190	0	93097190	52.52	NA	0	93096895
(C1) Shares underlying DRs	0	0	0	0	0	0	0	0
(C2) Shares held by Employee Trusts	0	0	0	0	0	0	0	0
(C) Non Promoter-Non Public	0	0	0	0	0.00	0	0.00	0



Grand Total	8853	177251		17725190	100.00	78374310	44.21	177251605
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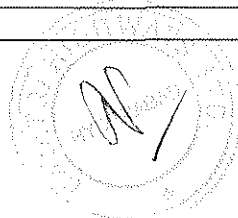
The shareholding pattern of GPL as on the date of filing this Information Memorandum is as follows:

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
						No. (a)	As a % of total Shares held (b)	
(A) Promoter & Promoter Group	5	84154710	0	84154710	44.95	78803225	93.64	84154710
(B) Public	12039	103043975		103043975	55.05	NA		103043725
(C1) Shares underlying DRs	0	0	0	0	0	0	0	0
(C2) Shares held by Employee Trusts	0	0	0	0	0		0	0
(C) Non Promoter-Non Public	0	0	0	0	0.00	0	0.00	0
Grand Total	12044	187198685	0	187198685	100.00	78803225	93.64	187198435

Financial Performance of GPL

The following table sets forth details of the brief audited financial results of GPL for the fiscal year 2017, fiscal year 2016 and fiscal year 2015:

Profit & Loss Account	(Rs. in Lakhs)		
	2016-17	2015-16	2014-15
	2,14,593.39	1,81,920.94	1,60,553.37
Revenue from Operations (Net)	35,400.05	26,733.53	21,196.12
PBIDT	20,138.18	16,017.56	14,867.18
Interest	15,261.87	10,715.97	6,328.94
Gross Profit (PBDT)	4,315.54	3,747.47	2,820.08
Depreciation	10,946.33	6,968.50	3,508.86
Profit before Tax, Exceptional	(1,538.65)	-	-
Exceptional Items (EI)	9,407.68	6,968.50	3,508.86
Profit before Tax	2,365.16	1,167.04	1,303.54
Total Tax Expense	2,14,593.39	1,81,920.94	1,60,553.37



Profit & Loss Account	2016-17	2015-16	2014-15
Net Profit	7,042.52	5,801.46	2,205.32
Equity Dividend (including CTD)	853.35	395.80	353.64

₹ in Crore

Balance Sheet ¹	2016-17	15-16	14-15
Net Fixed Assets (incl. CWIP and Capital Advance)	1,89,970.85	1,91,933.1	1,88,385.68
Long-Term Loans & Advances (Excluding Capital Advances)	17,594.33	15,071.16	14,084.64
Investments (Non-Current and Current)	-	-	71.79
Current Assets (excluding Current Investments)	2,40,246.40	1,81,718.02	1,48,679.47
Share Capital	3,545.04	3,545.04	3,022.7
Reserves & Surplus	70,555.34	81,056.66	65,588.72
Net Worth	74,100.38	84,601.70	68,611.42
Deferred Tax Liability (Net)	2,320.22	2,243.8	2,876.25
Long Term Liabilities & Provisions	93,370.11	63,606.22	50,415.82
Total Loan Funds ¹	96,777.30	97,197.13	92,715.38
Current Liabilities ¹	1,81,243.57	1,41,073.43	1,36,602.71

Ratios & Statistics		2016-17	15-16	14-15
PBIDT Margin	(%)	16.50	14.70	13.20
Net Margin	(%)	3.28	3.19	1.37
Interest Cover (PBIDT- Current Tax/Total Interest)	(x)	1.64	1.60	1.34
Total Debt to Equity Ratio	(x)	2.57	1.90	2.09
Net Debt to Equity Ratio ²	(x)	2.80	2.45	2.95
Dividend per Share	₹ / Share	0.00	2.00	1.00
Basic Earnings per Share (before EI/EO)	₹ / Share	3.97	3.46	7.30
Book Value per Share	₹ / Share	41.81	238.65	226.99
No. of Equity Shareholders	No.	7669	7272	8959

Share Price Information

The following table sets forth details of the highest and lowest price of GPL's shares on BSE during the preceding six months:

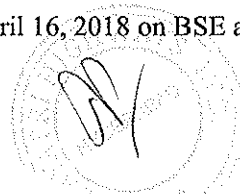
(in Rs)

Sr. No.	Month	Quantum of equity shares traded	Monthly high	Monthly low
1.	March, 2018	855872	210.70	182.60
2.	February, 2018	1035383	223.85	192.05
3.	January, 2018	19678929	228.10	207.65
4.	December, 2017	932015	226.40	205.45
5.	November, 2017	1315931	215.90	191.45
6.	October, 2017	2112151	195.70	186.10

The following table sets forth details of the highest and lowest price of GPL's shares on NSE during the preceding six months:

Sr. No.	Month	Quantum of equity shares traded	Monthly high	Monthly low
1.	March, 2018	10488529	211.55	184.00
2.	February, 2018	5710920	223.40	190.80
3.	January, 2018	19117537	227.45	209.20
4.	December, 2017	3803567	226.15	205.15
5.	November, 2017	3363110	216.00	191.40
6.	October, 2017	3789656	195.90	186.30

The closing equity share prices of GPL as on April 16, 2018 on BSE and NSE were Rs.200.15 and Rs.200.30 respectively.



Promoters of GPL

1. T.V. Sandeep Kumar Reddy

2. T. Indira Subbarami Reddy

Our Promoter Group

Entities forming part of our promoter group in accordance with SEBI ICDR Regulations are:

S. No.	Name
1.	Gayatri Tissue and Papers Limited
2.	Gayatri Hi-Tech Hotels Limited
3.	Gayatri Hotels and Theatres Private Limited
4.	TSR Holdings Private Limited
5.	Gayatri Fin-Holdings Private Limited
6.	onstructions Private Limited
7.	Gayatri Leasefin Private Limited
8.	T. Rajeev Reddy Real Estate Developers Private Limited
9.	Parameswari land holdings Private Limited
10.	Indira Energy Holdings Private Limited
11.	Gayatri Hotel Ventures Private Limited
12.	Gayatri Capital Limited
13.	Gayatri Projects Limited
14.	Gayatri Sugars Limited
15.	Gayatri Bio-Organics Limited
16.	Maheswari Township Private Limited
17.	Indira Publications Private Limited
18.	Gayatri Property Ventures Private Limited
19.	Indira Constructions Private Limited
20.	Gayatri Hotel Ventures Private Limited
21.	Maheswari Hotels and Theatres Private Limited
22.	Indira Energy Holdings Private Limited
23.	Deep Corporation Private Limited
24.	T. Gayatri Engg. Co. Private Limited
25.	Maheswari Film Productions Private Limited
26.	Deep Land Holdings Private Limited
27.	Flynt Electric Private Limited
28.	Rajiv Realtors Private Limited
29.	Sivadevi Urban Properties Private Limited
30.	Chamundeswari Builders Private Limited
31.	Gayatri Hotels (Vizag) Private Limited
32.	Balaji Highways Holding Private Limited
33.	Gayatri Energy Ventures Private Limited
34.	Bhandara Thermal Power Corporation Limited
35.	Indore Dewas Tollways Limited
36.	HKR Roadways Limited



Group Companies

In accordance with the SEBI ICDR Regulations and the applicable accounting standard, i.e., Accounting Standard 18 issued by the Institute of Chartered Accountants of India ("AS 18"), the following are our Group Companies:

1. Name of the Company: Gayatri Jhansi Roadways Limited

Date of Incorporation: 07/07/2006

Business activities: The main objects contained in the Memorandum of Association of Company are as follows:

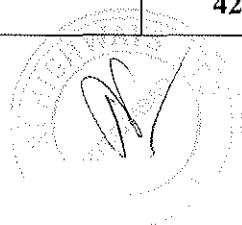
"Design, Construction, Development, Finance, Operation and Maintenance of Km. 0.000 to Km. 49.700 on National Highway No. 25/26 (NH – 25/26) in the state of Uttar Pradesh under North – South Corridor (NHDP Phase – II) on Build Operate and Transfer (BOT) (Annuity) Basis – Package No. NS-1/BOT/UP-2".

Shareholding at the time of incorporation:

S. No.	Name of shareholder	Number of equity shares of Rs. 10	As a percentage of the total paid-up capital (%)
1.	Gayatri Projects Ltd	50,000	99.988
2.	T. V. Sandeep Kumar Reddy	1	0.002
3.	K. Mani Raju	1	0.002
4.	T. Indira Reddy	1	0.002
5.	P. Maruthi Babu	1	0.002
6.	P. Sreedhar Babu	1	0.002
7.	V. V. Chandra Sekhar	1	0.002
	Total	50,006	100.00

The present shareholding pattern:

S. No.	Name of shareholder	Number of equity shares of Rs. 10	As a percentage of the total paid-up capital (%)
1.	T. V. Sandeep Kumar Reddy	1	0.000002
2.	K. Mani Raju	1	0.000002
3.	T. Indira Reddy	1	0.000002
4.	P. Maruthi Babu	1	0.000002
5.	P. Sreedhar Babu	1	0.000002
6.	V. V. Chandra Sekhar	1	0.000002
7.	Infrastructure Development Finance Company Ltd	4,240,000	10.000000
8.	Gayatri Highways Ltd	21,619,994	50.99055
9.	India Infrastructure Fund (Trustee: IDFC Trustee Co. Ltd.)	16,540,000	39.009433
	Total	42,400,000	100.00



Board of Directors:

S. No.	DIN	Name of the Director	Designation	Residential Address
1	00012927	Jenna Brij Mohan Reddy	Director	H. No. 8-2-618, Road No. 11, Banjara Hills, Hyderabad, 500034, Telangana.
2	01181852	Sachin Satish Johri	Nominee Director	237, Arcadia Road, #05-03, Blk B, Arcadia Garden Singapore-289844, Singapore.
3	06761474	Venkata Narasimha Rao Mysore	Independent Director	H.No.12-13-1246, Street No.8, Tarnaka, Secunderabad, 500017, Telangana.
4	07175777	Bajrang Lal Gupta	Independent Director	A-41, Sector-26 Nodia, Gautam Budh Nagar Nodia-201301,UP,India

GAYATRI JHANSI ROADWAYS LIMITED**Financial Information**

The operating results for the last five fiscal years are as follows:

(in ₹ Cr., except per share data)

Particulars	Financial Year ended					
	Dec 31, 2017 [#]	March 31, 2017 [#]	March 31, 2016 [#]	March 31, 2015	March 31, 2014	March 31, 2013
Equity capital	42.40	42.40	42.40	42.40	42.40	42.40
Reserves and surplus (excluding revaluation reserve)	(40.11)	(38.17)	(37.93)	(24.79)	(19.00)	(18.50)
Sales and Other Income	32.50	45.39	72.06	60.84	61.08	60.86
Profit/(Loss) after tax	(1.94)	(0.24)	(3.26)	(5.78)	(0.50)	(3.63)
Book Value per share (₹)	0.54	1.00	1.05	4.15	5.52	5.63

2. **Name of the Company:** Gayatri Lalitpur Roadways Limited

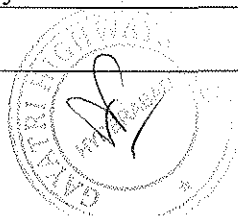
Date of Incorporation: 07/07/2006

Business activities: The main objects contained in the Memorandum of Association of Company are as follows:

“Design, Construction, Development, Finance, Operation and Maintenance of Km. 49.000 to Km. 99.005 on National Highway No. 26 (NH – 26) in the state of Uttar Pradesh under North – South Corridor (NHDP Phase – II) on Build Operate and Transfer (BOT) (Annuity) Basis – Package No. NS-1/BOT/UP-3”.

Shareholding at the time of incorporation:

S. No.	Name of shareholder	Number of equity shares of Rs. 10	As a percentage of the total paid-up capital (%)
1.	Gayatri Projects Ltd	50,000	99.988
2.	T. V. Sandeep Kumar Reddy	1	0.002
3.	K. Mani Raju	1	0.002



4.	T. Indira Reddy	1	0.002
5.	P. Maruthi Babu	1	0.002
6.	P. Sreedhar Babu	1	0.002
7.	V. V. Chandra Sekhar	1	0.002
Total		50,006	100.00

The present shareholding pattern:

S. No.	Name of shareholder	Number of equity shares of Rs. 10	As a percentage of the total paid-up capital (%)
1.	T. V. Sandeep Kumar Reddy	1	0.000003
2.	K. Mani Raju	1	0.000003
3.	T. Indira Reddy	1	0.000003
4.	P. Maruthi Babu	1	0.000003
5.	P. Sreedhar Babu	1	0.000003
6.	V. V. Chandra Sekhar	1	0.000003
7.	Infrastructure Development Finance Company Ltd	3,180,000	10.000600
8.	Gayatri Highways Limited	16,218,000	51.002900
9.	India Infrastructure Fund (Trustee: IDFC Trustee Co. Ltd.)	12,400,000	38.996200
Total		31,798,006	100.0000

Board of Directors:

S. No.	DIN	Name of the Director	Designation	Residential Address
1	00012927	Jenna Brij Mohan Reddy	Director	H. No. 8-2-618, Road No. 11, Banjara Hills, Hyderabad, 500034, Telangana.
2	01181852	Sachin Satish Johri	Nominee Director	237, Arcadia Road, #05-03, Blk B, Arcadia Garden Singapore-289844, Singapore.
3	06761474	Venkata Narasimha Rao Mysore	Independent Director	H.No.12-13-1246, Street No.8, Tarnaka, Secunderabad, 500017, Telangana.
4	07175777	Bajrang Lal Gupta	Independent Director	A-41, Sector-26 Nodia, Gautam Budh Nagar Nodia-201301,UP,India



GAYATRI LALITPUR ROADWAYS LIMITED

Financial Information

The operating results of U for the last three fiscal years are as follows:

(in ₹ Cr., except per share data)

Particulars	Financial Year ended					
	Dec 31, 2017 [#]	March 31, 2017 [#]	March 31, 2016 [#]	March 31, 2015	March 31, 2014	March 31, 2013
Equity capital	31.80	31.80	31.80	31.80	31.80	31.80
Reserves and surplus (excluding revaluation reserve)	(12.90)	(13.38)	(15.27)	(18.75)	(16.49)	(16.28)
Sales and Other Income	26.94	37.91	65.37	49.52	49.26	48.71
Profit/(Loss) after tax	0.49	1.89	(1.33)	(2.26)	(0.21)	(2.61)
Book Value per share (₹)	5.94	5.79	5.19	4.10	4.81	4.88

3. Name of the Company: HKR Roadways Limited

Date of Incorporation: 09/08/2010

Business activities: The main objects contained in the Memorandum of Association of Company are as follows:

“To carry on the business regarding, four laning of HYDERABAD – KARIMNAGAR –RAMAGUNDAM Road (SH-1) from Km 28.200 to Km 235.058 in the state of Andhra Pradesh under Public Private Partnership (PPP) as Build, Operate and Transfer (BOT) basis and to collect toll, charges and fees from the users of the said project in accordance with the terms of the concession agreement to be entered in to with **The Governor of Andhra Pradesh** represented by Chief Engineer (R&B)-Core Road Network and Managing Director, A.P. Road Development Corporation”.

Shareholding at the time of incorporation:

#	Name of shareholder	Number of equity shares of Rs. 10	As a percentage of the total paid-up capital (%)
1.	Gayatri Projects Limited	36,995	73.99%
2.	Mr. T. V. Sandeep Kumar Reddy (Nominee of M/s. Gayatri Projects Limited)	1	0.002%
3.	DLF Infra Holdings Limited	13,000	26.00%
4.	Mr. M.V. Narasimha Rao (Nominee of M/s. Gayatri Projects Limited)	1	0.002%
5.	Mr. K. G. Naidu (Nominee of M/s. Gayatri Projects Limited)	1	0.002%
6.	Mr. G. N. Mallikarjuna Rao (Nominee of M/s. Gayatri Projects Limited)	1	0.002%
7.	Mr. K. Venkata Mohan (Nominee of M/s. Gayatri Projects Limited)	1	0.002%
Total		50,000	100.00%



The present shareholding pattern:

#	Name of shareholder	Number of equity shares of Rs. 10	As a percentage of the total paid-up capital (%)
1.	Gayatri Highways Limited	17,17,642	37.00%
2.	DLF & Associates	12,06,995	26.00%
3.	Megha Engineering & Infrastructures Limited	17,17,647	37.00%
4.	Mr. T. V. Sandeep Kumar Reddy (Nominee of M/s. Gayatri Highways Limited)	1	0.00%
5.	Mr. M.V. Narasimha Rao (Nominee of M/s. Gayatri Highways Limited)	1	0.00%
6.	Mr. K. G. Naidu (Nominee of M/s. Gayatri Highways Limited)	1	0.00%
7.	Mr. G. N. Mallikarjuna Rao (Nominee of M/s. Gayatri Highways Limited)	1	0.00%
8.	Mr. K. Venkata Mohan (Nominee of M/s. Gayatri Highways Limited)	1	0.00%
Total		46,42,289	100.00%

Board of Directors:

S. No.	DIN	Name of the Director	Designation	Address
1	00005573	Sandeep Kumar Reddy Tikkavarapu	Director	8-2-331/2/A, Road No 3, Banjara Hills, Hyderabad-500034, Telanagna.
2	01059819	Gavara Jagannadha Rao	Independent Director	F-504, Rv Devakinandan Apts, 3-4-695, Reddy College Lane, Narayan Guda Hyderabad 500029
3	01815061	Venkata Krishna Reddy Puritipati	Director	H.No.8-2-293/82/A/295, Road No.25, Jubilee hills, Hyderabad-500033, Telangana.
4	03560382	Chakka Peda Subbaiah	Director	C-6, Vora Towers Madhuranagar, Ameerpet, Hyderabad, 500038, Telangana.
5	06761474	Venkata Narasimha Rao Mysore	Independent Director	H.No.12-13-1246 Street No.8, Tarnaka, Secunderabad-500017, Telangana.

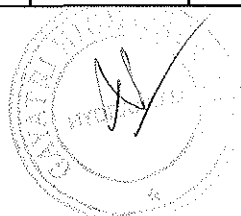
HKR ROADWAYS LIMITED

Financial Information

The operating results of U for the last three fiscal years are as follows:

(in ₹ Cr., except per share data)

Particulars	Financial Year ended					
	Dec 31, 2017 [#]	March 31, 2017 [#]	March 31, 2016 [#]	March 31, 2015	March 31, 2014	March 31, 2013
Equity capital	4.64	4.64	4.64	4.64	0.14	0.14



Reserves and surplus (excluding revaluation reserve)	(227.25)	(197.79)	(121.04)	(59.86)	(0.05)	
Sales and Other Income	116.23	120.35	131.55	95.31	-	-
Profit/(Loss) after tax	(29.46)	(76.74)	(63.31)	(59.80)	(0.01)	(0.02)
Book Value per share (₹)	(479.53)	(416.07)	(260.74)	(128.96)	(4.02)	(2.78)

4. Name of the Company: Hyderabad Expressways Limited

Date of Incorporation: 02/08/2007

Business activities: The main objects contained in the Memorandum of Association of Company are as follows:

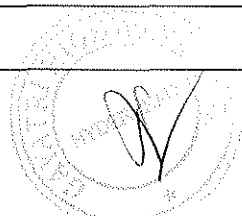
“To Design, Construction, Development, Operation and Maintenance of Eight lane access controlled Expressway under Phase II A programme as an extension of Phase I of Outer Ring Road (ORR) to Hyderabad City, in the state of Andhra Pradesh, India, for the package from Bonglur to Tukkuguda from Km. 108.00 to Km 121.70 (Project Reference No. ORR/PH-IIA/BOT/AP4) on Build, Operate and Transfer (BOT) (Annuity) Basis”.

Shareholding at the time of incorporation:

#	Name of shareholder	Number of equity shares of Rs. 10	As a percentage of the total paid-up capital (%)
1.	Gayatri Projects Limited	1,00,000	50.00
2.	Maytas Infra Limited	1,00,000	50.00
Total		2,00,000	100.00

The present shareholding pattern:

#	Name of shareholder	Number of equity shares of Rs. 10	As a percentage of the total paid-up capital (%)
1.	Gayatri Highways Limited	727,452	36.7399
2.	Gayatri Projects Limited (Beneficial Interest - Gayatri Highways Limited)	262,548	13.2600
3.	IL & FS Engineering & Construction Co. Ltd.	845,658	42.7098
4.	Terra Projects Private Limited	144,342	7.2900
5.	T V Sandeep Kumar Reddy	1	0.00005
6.	J. Brij Mohan Reddy	1	0.00005
7.	S. Mohan Gurunath	1	0.00005
8.	K.G. Naidu	1	0.00005
9.	Akash Sharma	1	0.00005
10.	Puja Gupta	1	0.00005
Total		1,980,006	100.00



Board of Directors:

S. No.	DIN	Full Name	Designation	Residential Address
1	06859435	Rajiv Reddy Tikkavarapu	Director	8-2-331/A/2 Plot No. 179, Road No.3, Banjara Hills Khairathabad Hyderabad 500034
2	00266777	Murli Dhar Khattar	Director	C/703, Runwal Centre, Govandi Stn. Road Near Lakme, Deonar, Mumbai-400088 MH
3	00012970	Harivithalrao Venkateshwarrao Chintalapati	Independent Director	Plot No. 24, Phase - I, Kamalapuri Colony, Srinagar Colony, Hyderabad, 500073.
4	06761474	Venkata Narasimha Rao Mysore	Independent Director	H.No.12-13-1246, Street No.8, Tarnaka, Secunderabad, 500017.
5	07978210	Anil Kumar Gupta	Additional Director	Jagat Tower, Flat No 201, Tilak Nagar, Amravati Road, Nagpur-440010 MH

HYDERABAD EXPRESSWAYS LIMITED**Financial Information**

The operating results for the last five fiscal years are as follows:

(in ₹ Cr., except per share data)

Particulars	Financial Year ended					
	December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Equity capital	1.98	1.98	1.98	1.98	1.98	1.98
Reserves and surplus (excluding revaluation reserve)	-16.58	-17.56	-21.28	-24.52	-14.58	-16.70
Sales and Other Income	31.27	50.55	46.20	64.59	64.79	64.07
Profit/(Loss) after tax	0.98	2.53	3.25	0.74	1.81	-1.90
Book Value per share (₹)	-73.72	-78.69	-97.45	-57.37	-63.65	-74.32

5. Name of the Company: Cyberabad Expressways Limited

Date of Incorporation: 03/08/2007

Business activities: The main objects contained in the Memorandum of Association of Company are as follows:

“To Design, Construction, Development, Operation and Maintenance of Eight lane access controlled Expressway under Phase II A programme as an extension of Phase I of Outer Ring Road (ORR) to Hyderabad City, in the state of Andhra Pradesh, India, for the package from Kollur to Patancheru from Km. 12.00 to Km 23.70 (Project Reference No. ORR/PH-IIA/BOT/AP2) on Build, Operate and Transfer (BOT) (Annuity) Basis”.



Shareholding at the time of incorporation:

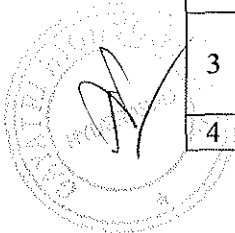
#	Name of shareholder	Number of equity shares of Rs. 10	As a percentage of the total paid-up capital (%)
1.	Gayatri Projects Limited	1,00,000	50.00
2.	Maytas Infra Limited	1,00,000	50.00
Total		2,00,000	100.00

The present shareholding pattern:

S. No.	Name of shareholder	Number of equity shares of Rs. 10	As a percentage of the total paid-up capital (%)
1.	Gayatri Highways Limited	1,33,452	6.7399
2.	Gayatri Projects Limited (Beneficial Interest - Gayatri Highways Limited)	2,62,548	13.2600
3.	IL & FS Engineering & Construction Co. Ltd.	3,56,400	17.9999
4.	Terra Projects Private Limited	6,33,600	31.9999
5.	AMP Capital Finance Mauritius Limited	5,94,000	29.9999
6.	T. V. Sandeep Kumar Reddy	1	0.00005
7.	J. Brij Mohan Reddy	1	0.00005
8.	S. Mohan Gurunath	1	0.00005
9.	K.G. Naidu	1	0.00005
10.	Akash Sharma	1	0.00005
11.	Puja Gupta	1	0.00005
Total		1,980,006	100.00

Board of Directors:

S. No.	DIN	Full Name	Designation	Residential Address
1	06859435	Rajiv Reddy Tikkavarapu	Director	8-2-331/A/2 Plot No. 179, Road No.3, Banjara Hills Khairathabad Hyderabad 500034
2	00266777	Murli Dhar Khattar	Director	C/703, Runwal Centre, Govandi Stn. Road Near Lakme, Deonar, Mumbai-400088 MH
3	05118373	Sharat Goyal	Director	F No-1355, Pkt B C, Sect A, Vasant Kunj, New Delhi, 110070, Delhi.
4	00012970	Harivithalrao	Independent	Plot No. 24, Phase - I,



		Venkateshwarrao Chintalapati	Director	Kamalapuri Colony, Srinagar Colony, Hyderabad, 500073.
5	06761474	Venkata Narasimha Rao Mysore	Independent Director	H.No.12-13-1246, Street No.8, Tarnaka, Secunderabad, 500017.
6	07978210	Anil Kumar Gupta	Additional Director	Jagat Tower, Flat No 201, Tilak Nagar, Amravati Road, Nagpur-440010 MH

CYBERABAD EXPRESSWAYS LIMITED

Financial Information

The operating results for the last fiscal years are as follows:

(in ₹ Cr., except per share data)

Particulars	Financial Year ended					
	December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Equity capital	1.98	1.98	1.98	1.98	1.98	1.98
Reserves and surplus (excluding revaluation reserve)	-112.43	-107.59	-101.85	-57.35	-39.32	-21.66
Sales and Other Income	35.47	48.11	56.72	79.33	80.16	80.21
Profit/(Loss) after tax	-4.84	-5.74	-4.04	-18.02	-17.67	-22.40
Book Value per share (₹)	-557.84	-533.37	-504.38	-279.65	-188.63	-99.38

6. Name of the Company: Balaji Highways Holding Private Limited

Date of Incorporation: 29/04/2010

Business activities: The main objects contained in the Memorandum of Association of Company are as follows:

- 1) To promote special purpose companies whether in India or abroad for undertaking infrastructure projects such as State and National Highways, Auto Bahns, Flyovers, Elevated Roads, Toll Roads, Expressways, Road Over Roads (ROR) Airport Runways, Light Rail Transit Systems (IRTS), Mass Rapid Transit Systems (MRTS), Railways, Via Ducts, Metro Railways (underground); Sea Ports & Airports; Power Plants, construct Transmission Lines, and take over distribution of power, trading, purchase power from generators and distribute to consumes over the distribution network, own and/or operate Power Plants, Telecommunication systems, Hotels, Software technology & industrial parks; Water Supply, Sewerage and Public Health Schemes; Pipeline Projects; underwater/underground tunnels; Irrigation schemes; Railway and Road Over Bridges; Fuel Terminals; sports stadium; warehouse complexes and such projects which are associated with infrastructural facilities, on Build, Own, Operate (BOD), Build, Own and Transfer (BOT), Build, Own, Operate & Transfer (BOOT), Build, Operate, Lease & Transfer (BOLT), Build, Own, Operate, Share & Transfer (BOOST).
- 2) To carry on the trade or business of consultants, technicians, service contractors and engineers in any branch of industry, including mining, metallurgical, chemical, electrical, sanitary, water works, industrial, civil, mechanical and structural and to supply and furnish pursuant to such contractual or other arrangements as may be entered into professional, technical, sales and other services in and out side the union of India to any person, firm or corporation in connection with the setting up, establishment, working and operation of any industry and for all or any of the purposes aforesaid.
- 3) To construct, let out, furnish and carry on all or any of the functions of proprietors of flats, maisonettes, dwelling houses, shops, offices and for these purposes, to purchases, take on lease, or otherwise acquire and hold any lands and prepare layout thereon or buildings of any tenure or description wherever situate, or rights or interests therein or connected therewith: to lay-out, prepare buildings sites, and to construct, reconstruct, repair, pull down, alter, improve, decorate, furnish and maintain flats, maisonettes, dwelling-houses, shops, offices, buildings, works and sanitary conveniences of all kinds, to lay - out roads, drainage pipes, water

pipes and electric installations and to set apart land for pleasure gardens and recreations, grounds or otherwise improve land or any part thereof and to invest in company or companies which are engaged in the same or similar businesses.

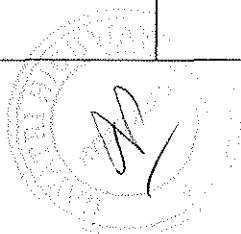
- 4) To carry on in India or elsewhere the trade or business of service contractors and engineers in any branch of industry as also builders and contractors of every type and description and to own, control, manage or to erect, construct, maintain, alter, repair, pull down and restore either alone or jointly or in collaboration with any other or others, works of all descriptions in particular gas pipe line, barrages, dams, sluices, locks, embankments, quarries, breakwaters, docks, quays, harbours, piers, wharves, canals, tanks, bridges, aqueducts, reservoirs, irrigation, reclamation, improvement, river works of all kinds, airports, highways, railways, waterways, ports, irrigation projects, roads, bridges, warehouses, offices, factories, mills, engines, industrial plants, power plants, mines, minerals, gas works, drainage and sewerage works, entertainment complexes/parks, information technology centers, convention centers, exhibition complexes, special economic zones (SEZs), hotels, motels, buildings, either on engineering procurement construction (EPC) basis or on built operate transfer (BOT), built own operate and transfer (BOOT) built operate lease transfer (BOLT) or in any manner and to invest in company or companies which are engaged in the same or similar businesses.

Shareholding at the time of incorporation:

S. No.	Name of shareholder	Number of equity shares of Rs. 10	As a percentage of the total paid-up capital (%)
1.	Gayatri Projects Limited	48,995	48.995
2.	Mr. T. V. Sandeep Kumar Reddy	01	0.001
3.	Mr. K. G. Naidu	01	0.001
4.	Mr. G. N. Mallikarjuna Rao	01	0.001
5.	Mr. K. Mani Raju	01	0.001
6.	Mr. K. Venkata Mohan	01	0.001
7.	DLF Infra Holdings Limited	51,000	51.00
Total		1,00,000	100.00

The present shareholding pattern:

S. No.	Name of shareholder	Number of equity shares of Rs. 10	As a percentage of the total paid-up capital (%)
1.	Gayatri Highways Limited	48,995	48.995
2.	Mr. T. V. Sandeep Kumar Reddy	01	0.001
3.	Mr. K. G. Naidu	01	0.001
4.	Mr. G. N. Mallikarjuna Rao	01	0.001
5.	Mr. K. Mani Raju	01	0.001
6.	Mr. K. Venkata Mohan	01	0.001
7.	DLF Home Developers Limited	51,000	51.00
Total		1,00,000	100.00



Board of Directors:

S. No.	DIN	Full Name	Designation	Residential Address
1	00009906	Indira Subbaramireddy Tikkavarapu	Director	6-3-249/5/A, Road No 1, Banjara Hills, Hyderabad 500034.
2	00012927	Jenna Brij Mohan Reddy	Director	H. No. 8-2-618, Road No. 11, Banjara Hills, Hyderabad, 500034, Telangana.
3	06859435	Rajiv Reddy Tikkavarapu	Director	8-2-331/A/2 Plot No. 179, Road No.3, Banjara Hills Khairathabad Hyderabad 500034

BALAJI HIGHWAYS PRIVATE LIMITED**Financial Information**

The operating results of U for the last three fiscal years are as follows:

(in ₹ Cr., except per share data)

Particulars	Financial Year ended					
	Dec 31, 2017 [#]	March 31, 2017 [#]	March 31, 2016 [#]	March 31, 2015	March 31, 2014	March 31, 2013
Equity capital	0.10	0.10	0.10	0.10	0.10	0.10
Reserves and surplus (excluding revaluation reserve)	(0.16)	(0.15)	(0.13)	(0.12)	(0.10)	(0.10)
Sales and Other Income	-	-	-	-	-	-
Profit/(Loss) after tax	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.03)
Book Value per share (₹)	(15.45)	(15.44)	(13.71)	(11.90)	(10.13)	(8.35)



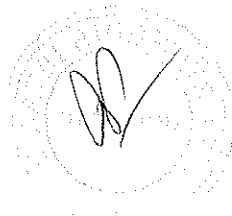
DIVIDENDS

In the last five fiscal years, our Company has not paid any dividend. The amounts of dividends in the past are not indicative of our Company's dividend policy or dividend amounts, if any, in future.

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the following:

- stability of earnings of our Company;
- cash flow position from our operations;
- future capital expenditure, inorganic growth plans and reinvestment opportunities of our Company;
- industry outlook and stage of business cycle for our underlying businesses;
- leverage profile and capital adequacy metrics;
- overall economic and regulatory environment;
- contingent liabilities of our Company; and
- capital requirements of our Subsidiaries.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to fund requirements for our business activities.



SECTION V: FINANCIAL INFORMATION
FINANCIAL STATEMENTS

PLEASE SEE PAGES F- 37 TO F- 41

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SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except for any outstanding (i) criminal proceedings, (ii) regulatory proceedings, (iii) tax related matters against our Company and its Subsidiaries, for the purpose of disclosure in this Information Memorandum, our Board has considered as material each such case involving our Company and Subsidiaries, where the aggregate amount involved individually exceeds 7.00 million (*being 0.10% of the Consolidated Revenue of our Company for Financial Year 2017*)

A. Litigation involving our Company

Civil Cases

There are no pending legal proceedings by our Company.

Criminal Proceedings

There are no pending legal proceedings against our Company.

Tax Proceedings

Regulatory actions in the last five years against our Company

No regulatory actions were taken against our Company in the last five years.

Material Frauds against our Company

There have been no material frauds committed against our Company in the five years preceding the date of this information memorandum.

Small Scale Industries

Our Company does not owe any small scale undertakings any amounts which is outstanding for more than 30 days. There are no disputes with such entities in relation to payments to be made to them.

Statutory Dues

As of the date of this Information Memorandum, there have been no: (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) overdues to companies or financial institutions by our Company, or (iii) defaults against companies or financial institutions by our Company.

B. Outstanding Litigations of Subsidiary Companies: Nil

C. *Disciplinary action which has been taken by the stock exchanges on our promoter group companies in the Past:*

1. Gayatri Capital Limited:

Gayatri Capital Limited, one of the company under same management, having membership with National Stock Exchange of India Limited received show cause notice from NSE regarding complaints received by them in respect of non-payment of dues, non-receipt of funds on sale of securities and non receipt of securities for its clients and for violation of regulation in respect of dealing on behalf of unregistered intermediary for which NSE imposed penalty of Rs. 25,000/- on the company and the same was paid by the company.

2. Gayatri Tissues and Paper Limited:

In connection with Gayatri Tissues & Paper Limited, SEBI vide their letter dated July 21, 2004 alleged violations to the reporting requirements under regulations 6(2) and 6(4) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("Takeover Code") for the year 1997 and under regulation 8(3) of the Takeover Code for the years 1998, 1999, 2000, 2001 & 2002. This letter of the SEBI also referred to the appointment of an adjudicating officer under provisions of the SEBI Act to adjudicate and enquire into such alleged violations. In the said letter, SEBI also stated that it has decided to consider request for a consent order under provisions of section 15 T (2) (b) of the SEBI Act if the company was willing to pay an amount of Rs.1,75,000 as penalty for the alleged violations. The company has in its response dated August 4, 2004 denied the alleged

violations and also showed its inability to pay the said amount. The aforesaid company has not received any further communication from SEBI in relation to this matter.

Trading of the equity shares of Gayatri Tissue and Papers Limited, ("GTPL") was suspended by the BSE with effect from December 21, 2004, for non payment of annual listing fees and the attendant non compliance with Clause 38 (Payment of Annual Listing Fees) of the Listing Agreement, non-filing of periodic returns as required under the listing agreement like secretarial audit reports, non compliance with disclosure requirement under Regulation 8(3) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, failure on intimation of book-closure and certificate from the company secretary.

Upon compliance with the listing requirements and submissions of responses to the requests made by BSE, the above mentioned suspensions against GTPL were revoked by the BSE with effect from April 26, 2010 and subsequently the trading in securities of the above mentioned company resumed on BSE.

3. Gayatri Bio-Organics Limited:

Trading of the equity shares of Gayatri Bio-Organics Limited, ("GBL"), was suspended by the BSE pursuant to a notice dated September 3, 2001 on account of non payment of annual listing fees and the attendant non compliance with Clause 38 (Payment of Annual Listing Fees) of the Listing Agreement. Subsequently, GBL received a letter dated September 20, 2001 from BSE wherein BSE had requested GBL to comply with the following provisions of the listing agreement and confirm to the Listing Department of the BSE: (a) Clause 15/16 - Intimation of Book Closure/Record Date, (b) Clause 31(a)- Annual Reports to be Submitted, (c) Clause 35- Shareholding Pattern should be submitted in the prescribed format, (d) Clause 38 - The Annual Listing Fee of ` 30,000 for the year 2001-2002 should be paid, (e) Clause 41 - Quarterly Results to be Submitted and (f) Clause 47 - Details of Compliance Officer.

Upon compliance with the listing requirements and submissions of responses to the requests made by BSE, the above mentioned suspensions against GBL were revoked by the BSE with effect from December 30, 2008 respectively, and subsequently the trading in securities of the above mentioned companies resumed on BSE.

4. Gayatri Sugars Limited:

In connection with Gayatri Sugars Limited, SEBI vide their letter dated November 29, 2004 alleged violations to the reporting requirements under regulations 8(3) of the Takeover Code for the years 1999, 2000, 2001 & 2002. This letter of the SEBI also referred to the appointment of an adjudicating officer under provisions of the SEBI Act to adjudicate and enquire into such alleged violations. In the said letter, SEBI also stated that it has decided to consider request for a consent order under provisions of section 15 T (2) (b) of the SEBI Act if the company was willing to pay an amount of Rs. 1,00,000 as penalty for the alleged violations. The aforesaid company has in its response vide its letter dated December 29, 2004 stated that there has not been a per se violation of the regulations as there has been no change in the shareholding from 1999-2002. The aforesaid company has not received any further communication from SEBI.

D. Outstanding Litigations of our Promoter

1. GAYATRI PORJECTS LIMITED (PROMOTER)

Proceedings Initiated By Gayatri Projects Limited (GPL)

Criminal Proceedings: GPL has initiated one proceeding against Saibhya Oceanics Private Limited, before the IIIrd Additional Chief Metropolitan Magistrate, Nampally, Hyderabad, (CC No.1121 of 2013), in connection with payments made to the Company, where the relevant cheque/s were not cleared. The aggregate amount involved in this proceeding is approximately Rs. 6.32 Million. The matters are pending hearing and final disposal.

Tax Proceedings (direct tax and indirect tax):

GPL has initiated 17 proceedings in connecting with tax demands that aggregate to Rs. 616.00 million. These matters are pending hearing and final disposal.

GPL has also initiated four appellate tax proceedings in connection with the computation of taxable income. The aggregate amount involved in these proceedings is Rs.225.80 Million. These matters are pending hearing and final disposal.

Civil and Arbitral proceedings:

GPL has initiated proceedings against the State of Andhra Pradesh and others, ("Defendants"), before the Hon'ble Principal District Judge at Kurnool, (O.S.No.78/2017). In these proceedings GPL has sought the following reliefs: (a) for the suit amount of ₹ 70.00 million directing the Defendants to pay the said amount with interest @18% per annum thereon. The matter is pending final hearing and disposal.

GPL has initiated proceedings against the State of Andhra Pradesh and others, ("Defendants"), before the Hon'ble Principal District Judge, Kurnool, (O.S. No. 81/2017). In these proceedings GPL has inter-alia, sought the following reliefs: (a) That

Decree be passed against the Defendants, directing them to pay Rs.150.00 million, (along with @12% interest per annum), in connection with Agreement No. 2/SE/99-2000, dated 03/03/2000. The matter is pending final hearing and disposal.

GPL has initiated proceedings against the State of Andhra Pradesh and others, (“**Defendants**”), before the Hon’ble Principal District Judge, Kurnool, (O.S.No.82/2017). In these proceedings GPL has inter-alia sought the following relief, namely that a Decree be passed against the Defendants, directing them to pay Rs. 50.00 million (along with interest at @12% per annum), in connection with Agreement No. 3/SE/99-2000, dated 03/03/2000. The matter is pending final hearing and disposal.

GPL has initiated proceedings against the State of Andhra Pradesh, and others, (“**Defendants**”), before the Hon’ble. II Additional District Judge at Jagtial, (O.S. No. 2/2007). In these proceedings GPL has sought, inter alia, the following relief, namely that a Decree be passed against the Defendants, directing them to pay ₹ 140.00 million (along with interest at @12% per annum), in connection with an Agreement dated May 15, 1998. The matter is pending final hearing and disposal.

GPL has initiated proceedings against the State of Andhra Pradesh, and others, (“**Defendants**”), before the Hon’ble. III Additional District Judge, at Karimnagar, (O.S. No. 2/2007). In these proceedings GPL has sought, inter alia, the following relief, namely that a Decree be passed against the Defendants, directing them to pay ₹ 110 Million (along with interest at @12% per annum), in connection with an Agreement June 18, 1999. The matter is pending final hearing and disposal.

GPL has initiated proceedings against the State of Andhra Pradesh and others, (“**Defendants**”), before the Hon’ble. III Additional District Court, Karimnagar, (O.S. No. 21/2007). In these proceedings GPL has sought, inter alia, the following relief, namely that a Decree be passed against the Defendants, directing them to pay ₹ 50 Million (along with interest at @12% per annum), in connection with Agreement April 06, 2000. The matter is pending final hearing and disposal.

GPL has initiated proceedings against the State of Andhra Pradesh and others, (“**Defendants**”), before the Hon’ble. II Additional District Court, Jagtial, (O.S. No. 7/2007). In these proceedings GPL has sought, inter alia, the following relief, namely that a Decree be passed against the Defendants, directing them to pay Rs. 50.00 million (along with interest at @12% per annum), in connection with Agreement July 05, 1999. The matter is pending final hearing and disposal.

GPL has initiated recovery proceedings against M/s. Saibhya Oceanics Private Limited, (“**Defendants**”), before the Hon’ble Chief Judge, City Civil Court, Hyderabad, (O.S.No.432/2016), in connection with the dishonor of cheque/s amounting to ₹ 8.60 Million. GPL simultaneously initiated winding up proceedings, (CP 183/2016), against M/s. Saibhya Oceanics Private Limited, before the High Court, Hyderabad. These proceedings have been initiated in connection with outstanding payment of ₹ 8.60 Million along with interest at 18% p.a.

GPL has initiated proceedings against M/s. Tecpro Systems Limited and others, (“**Defendants**”), before the Hon’ble High Court of New Delhi, (CS. NO. 293/2016). In these proceedings GPL has inter alia, sought the following reliefs: (a) A decree of permanent injunction restraining the 1st Defendant from encashing Bank Guarantees issued by the 2nd Defendant, and or if the bank guarantees have been encashed, then an order directing the 1st Defendant to re-transfer to the 2nd Defendant the monies as paid to the 1st Defendant; (b) A decree of permanent injunction restraining the 2nd Defendant from making any payment under certain Bank Guarantees and/or, if the bank guarantees have been encashed, then an order directing the 1st Defendant to re-transfer to the 2nd Defendant the monies paid under the bank guarantees in dispute; and, (c) other similar orders. The amount involved in these proceedings is Rs. 66.40 Million. The matter is pending final hearing and disposal.

GPL has initiated proceedings against the State of Andhra Pradesh and others, (“**Respondents**”), before the Hon’ble High Court at Hyderabad, (W.P. NO. 37202/2012). In these proceedings GPL has sought, inter alia, the following reliefs: (a) To issue a Writ/Order/direction in the nature of Writ of Mandamus, declaring that the actions of the Respondents in not releasing the retention amount of ₹ 9.28 million against the Bank Guarantee is arbitrary and illegal; and (b) to issue a direction to the Respondents to release the said Retention Amount to GPL. The matter is pending final hearing and disposal.

GPL has initiated appellate proceedings against the Superintending Engineer, R & B, Kakinada, and others, (“**Defendants**”), before the Hon’ble High Court, Hyderabad, (AS. 519/2011). In these proceedings GPL has sought the following reliefs: that the Court set aside, the impugned Judgment and Decree dated 30/05/2011 as passed in O.S. No. 26 of 2006, by the VIIIth Additional District Judge at Kakinada, in connection with the recovery of dues from GPL; the attempted imposition of liquidated damages on GPL; and, the associated price adjustment. The amount claimed by GPL is approximately ₹ 16.00 million. This appeal is pending final hearing and disposal.

GPL has initiated proceedings against M/S. ENSEFT Bituminous Products Private Limited and others, (“**Defendants**”), before the Hon’ble High Court of Delhi, (CS (O.S.) NO.1825/2009). In these proceedings GPL has: (a) sought various reliefs in connection so as to prevent the Defendants from encashing or making payments pursuant to a Bank Guarantee, and, (b) sought to set aside and/or to stay the operation of, an impugned demand notice of the 1st Respondent dated April 06, 2011. The amount involved in these proceedings is Rs.12.46 million. The matter is pending final hearing and disposal.

GPL has initiated proceedings against the Hon’ble Minister for Mines and Geology, Government of Andhra Pradesh, (“**Respondent**”), before the Ministry of Mines and Minerals, (Mines and Minerals Case File No. 4802/M11 (1) of 2012). In these

proceedings GPL has sought the following reliefs, namely to set aside and/or stay the operations of an impugned demand notice dated April 06, 2011 of the Respondent. The amount involved in these proceedings is Rs. 133.38 Million. The matter is pending final hearing and disposal.

In relation to the decree dated 04.08.2011, (see proceedings initiated against GPL), GPL has filed an execution petition, (E.P. No.58/2014), against the Department of Water Resources, Government of Orissa, and another, (collectively referred to as "DoW"), before Hon'ble District and Sessions Court, Berhampur for execution of Award dated January 31, 2005. The matter is pending hearing and final disposal.

Proceedings Initiated Against GPL:

Tax Proceedings (direct tax and indirect tax): The income Tax department has initiated 8 proceeding in connection tax demands that aggregate to Rs. 452.98 Million. These matters are pending for hearing and final disposal.

Civil and Arbitral proceedings:

GPL had initiated recovery proceedings against the State of Andhra Pradesh, and others, ("Appellant"), before the Hon'ble First Additional District Court at Karimnagar, (O.S. No. 52/2006). On September 14, 2012, the Court passed a Judgment and Decree in favour of GPL for an amount of Rs.116.07 Million along with 12% interest p.a. Aggrieved by the said Judgment and Decree, the Appellants preferred an Appeal before the Hon'ble High Court at Hyderabad, (Appeal Number 268/2013), wherein they sought for and obtained a conditional stay of the proceedings in the lower Court i.e. subject to the Appellants depositing 50% of the decretal amount. This Appeal is pending hearing and final disposal.

GPL had initiated recovery proceedings against the State of Andhra Pradesh, and others, ("Appellant"), before the Hon'ble First Additional District Court at Karimnagar, (O.S. No. 57/2006). On September 28, 2012, the Court passed a Judgment and Decree in favour of GPL for an amount of Rs. 97.31 Million along with 12% interest p.a. Aggrieved by the said Judgment and Decree, the Appellants preferred an Appeal before the Hon'ble High Court at Hyderabad, (Appeal Number 286/2013), wherein they sought for and obtained a conditional stay of the proceedings in the lower Court i.e. subject to the Appellants depositing 50% of the decretal amount. This Appeal is pending hearing and final disposal.

GPL had initiated recovery proceedings against the State of Andhra Pradesh, and others, ("Appellant"), before the Hon'ble First Additional District Court at Karimnagar, (O.S. No. 58/2006). On September 14, 2012, the Court passed a Judgment and Decree in favour of GPL for an amount of Rs. 90.00 million along with 12% interest p.a. Aggrieved by the said Judgment and Decree, the Appellants preferred an Appeal before the Hon'ble High Court at Hyderabad, (Appeal Number 285/2013), wherein they sought for and obtained a conditional stay of the proceedings in the lower Court i.e. subject to the Appellants depositing 50% of the decretal amount. This Appeal is pending hearing and final disposal.

Proceedings have been initiated against GPL, by the Oriental Insurance Company Limited, ("OICL"), before the Hon'ble High Court at Hyderabad, (MACMA No. 2041/2015 In MVOP No. 883/2012). The Motor Accidents Claims Tribunal (Principal District Judge) West Godawari District, Eluru, pronounced the Judgment dated 28.08.2014 against OICL, instructing OICL to pay an amount of Rs.7.52 million to one D. Srilakshmi and others, in connection with a car accident related claim. OICL has challenged the said Judgment in these proceedings. The Court has granted an interim stay on condition that OICL deposit 50% of the amount in question together with interest and costs within a period of six weeks. This matter is pending for adjudication and final disposal.

Proceedings have been initiated against GPL, by M.P. Road Development Corporation Limited, ("MPRDCL"), before the Hon'ble XI Addl., District Judge, (Fast Track Court), Bhopal, (A.C. No. 48/2011). GPL had sought to recover certain additional costs from MPRDCL, pursuant to an agreement dated December 12, 2005. The said costs aggregating Rs.10.36 million were awarded to GPL pursuant to an arbitral Award. MPRDCL initiated these proceedings as they were aggrieved by the said Arbitral Award. The amount involved in these proceedings is Rs. 10.36 Million. The matter is pending final hearing and disposal.

Proceedings have been initiated against GPL, by the Chief Engineer, Kakinada Port, ("CEKP"), before the High Court, Hyderabad, for the State of Telangana and for the State of Andhra Pradesh, (CMA No.1653/2004, and, CRP No. 2949/2004). Various contractual disputes arose between the parties which were referred to arbitration. The arbitral tribunal heard the matter and passed an award in favor of GPL. Aggrieved by the said award, CEKP challenged the same before the Principal Civil Judge, Kakinada, who upheld the said Award. Subsequently, CEKP initiated further proceedings by way of the present Civil Revision Petition. The amount involved in these proceedings is Rs.57.87 Million. The matter is pending final hearing and disposal.

Proceedings have been initiated against GPL, by M/s. Sai Krishna Constructions Private Limited, ("SKC"), before the Hon'ble XXIV Additional Chief Judge, City Civil Court, Hyderabad, (A. O. No. 1300/2015). These proceedings are in connection with a claim by SKC, a sub-contractor, for work allegedly performed, which claim was resolved vide arbitral proceedings. Aggrieved by the findings and order/s of the arbitral tribunal, SKC initiated the present proceedings so as to challenge the same. The amount involved in these proceedings is Rs. 22.80 million. The matter is pending final hearing and disposal.

Proceedings have been initiated against GPL, by Ondeo Degrement Limited, Bangalore, ("ODL"), before the Delhi High Court, (OMP No.600/2012). These proceedings are in connection with a claim by ODL, for work allegedly performed, which claim was resolved vide arbitration. Aggrieved by the findings and order/s of the arbitral tribunal, ODL initiated the present proceedings so

as to challenge the same. The amount involved in these proceedings is Rs. 21.78 million. The matter is pending final hearing and disposal.

Proceedings have been initiated against GPL, by the National Aluminum Company Limited, (“NALCO”), before the Hon’ble High Court at Orissa, Cuttack, (A.No.4/2010). Disputes and differences arose between NALCO and GPL, which were referred to arbitration. Aggrieved by the findings of the arbitral tribunal, NALCO initiated proceedings before the District Court, which proceedings were dismissed. In the present proceedings, NALCO has challenged the said dismissal. The amount involved in these proceedings is Rs. 24.85 million. The matter is pending final hearing and disposal.

Proceedings have been initiated against GPL, by the Department of Water Resources, Government of Orissa, and another, (collectively referred to as “DoW”), as detailed hereinafter. GPL had, in connection with an agreement dated August 24, 1996, raised certain claims by way of arbitral proceedings, which proceedings were concluded in favor of GPL. DoW challenged the award as rendered in these arbitral proceedings, before the District Court, Berhampur, Orissa, but the said challenge was dismissed vide a decree dated August 04, 2011. The dismissal order of the District Court, Berhampur, was challenged by DOW before the Hon’ble High Court of Odisha, (A.No. 3/2012). The High Court of Orissa subsequently directed DoW to deposit Rs. 20.00 Million in the District Court, Berhampur, Orissa, (in execution proceedings (EW.P. 58/2014)). The amount involved in these proceedings is ₹ 36.68 million. The matter is pending final hearing and disposal.

Legal Notices and Other Threatened Legal Proceedings: IL&FS Financial Services Limited, (“ILFS”), has sent a legal notice dated December 28, 2017, to GPL. In the said notice, ILFS has alleged that various sums of money are due IL&FS by GPL, in connection with a term loan of Rs. 1250.00 million and the associated invocation of a Corporate Guarantee. In the said notice legal proceedings have been threatened against GPL if GPL fails to pay an amount of Rs. 48.88 million. The Company has not yet provided any written response to the said notice. No further communication has been received by GPL in this regard.

2. T.V. Sandeep Kumar Reddy (Promoter):

Civil and Arbitral proceedings:

One Mr. R. Hanumantha Reddy, (“Appellant”), has initiated proceedings against our Promoter, (Mr. Sandeep Kumar Reddy), vide a second appeal, before the Hyderabad High Court, (No. 852/16). The present proceedings are in connection with the title to certain immovable property at Medchal Village, (“Suit Property”). One Mr. R. Hanumantha Reddy, (“Appellant”), had initiated other proceedings, (O.S. 1653/6), wherein he sought and obtained, a declaration of ownership, in his favor, in connection with the Suit Property. Consequently, the Appellant initiated further execution proceedings, (E.P. 66/2007), to execute the said Decree in O.S. 1653/6, wherein our Managing Director and Promoter, (Mr. Sandeep Kumar Reddy), was made a party to the said proceedings. Our Promoter, (Mr. Sandeep Kumar Reddy), initiated certain proceedings in connection with the title to the said suit property, (EA 320/2009), which was dismissed vide order dated 31.12.2015. Aggrieved by the said dismissal, Mr. Sandeep Kumar Reddy appealed the same in the Appellate Court, Vth Additional District and Sessions Judge, Rangareddy District, L.B. Nagar, (AS No.33/2016), and the said appeal was admitted and allowed. Aggrieved by the order that allowed the said appeal being admitted and allowed, the Appellant has initiated the present proceedings. The matter does not involve any monetary claim, and, is pending hearing and final disposal. The outcome of these proceedings can in no way adversely impact the operations and/or profitability of our Company as our Company has no claim and/or interest in connection with the same.

3. Sugars Limited, (Company Promoted by the Promoters)

Proceedings Initiated by Gayatri Sugars Limited, (“GSL”):

BIFR Proceedings:

Based on its audited balance sheet of March 31, 2015, proceedings were initiated by GSL, before the erstwhile Board for Industrial and Financial Reconstruction, (“BIFR”). A hearing was held by the BIFR Bench on October 19, 2016, and the record of the said proceedings shows the following: The reference was taken up by the BIFR for consideration so as to determine the status of GSLs sickness in connection with which the BIFR Bench had issued, inter alia, the following direction, namely that GSL is restrained from alienating or transferring or otherwise creating any third party rights or disposing off in any manner, in respect of the immovable assets of the company, without the prior approval of the BIFR. The BIFR Bench observed that: (1) except for one party, no secured creditor had any objection if the company was declared sick; (2) the promoters of GSL, had already brought funds for revival of the company; (3) since secured creditors comprising about 98% had no objection towards declaring the company sick, it was a fit case to go ahead with the rehabilitation proposal of the company. Accordingly, the BIFR Bench appointed an Operating Agency, (“OA”), with directions to prepare a viability study report and revival scheme for the company, if feasible. The BIFR Bench also issued, inter alia, the following directions: (A) GSL to submit the draft rehabilitation proposal to the OA; and, (B) GSL is restrained from alienating or transferring or otherwise creating any third party rights or disposing off in any manner, in respect of their immovable assets of the company, without the prior approval of the BIFR. The date of the next hearing was fixed for December 27, 2016. By an official notification, the Government of India dissolved the

BIFR, (from December 1, 2016), and proceedings before the erstwhile BIFR, were to be referred to the National Company Law Tribunal and the National Company Law Appellate Tribunal, (“NCLT” and “NCLAT” respectively). The aforesaid proceedings before the erstwhile BIFR, have not been referred to the NCLT/NCLAT, by either the borrower (GSL), or the Lender/s. The management of GSL does not anticipate any further proceedings against GSL in this regard.

Tax Proceedings (direct tax and indirect tax): GSL has initiated two appellate proceedings against the Commissioner of Customs, Central Excise & Service Tax, Hyderabad-I, Commissionerate, before the Customs, Excise and Service Tax Appellate Tribunal South Zone Bench, Bangalore, (Appeal No. E/2109/2012 and Appeal No. E/21297/2014-DB). In these proceedings, GSL has prayed for a stay of the Orders dated May 15, 2012 and May 25, 2014, in connection with a tax related demands, including penalties, aggregating approximately ₹ 27.62 Million. These matters are pending final hearing and disposal.

Proceedings Initiated Against Gayatri Sugars Limited, (“GSL”):

Proceedings initiated by statutory and/or regulatory authorities:

The Government of Telangana, Electrical Inspectorate, has issued two notices on GSL, in connection with a claim for the payment of certain sums of money. GSL had appealed these claims vide Special Leave Petitions, before the Supreme Court of India, (SLP(C) Nos. 18556 and 18562). The aggregate amount involved in these proceedings is approximately INR 28.4 Million. The Supreme Court ruled that since matters are pending before Board for Industrial and Financial Reconstruction (BIFR), they were not inclined to entertain these petitions without payment being made by the petitioners. Accordingly, they were dismissed. However, liberty was granted to petitioners to revive the petitions after the decision was given by BIFR. For details of the BIFR related proceedings, see above (“Proceedings Initiated by GSL: BIFR Proceedings”). Till date, no further action has been taken against GSL in this regard.

4. Proceedings Involving Gayatri BioOrganics Limited, (Company promoted by the promoters of the Company):

Tax Proceedings (direct tax and indirect tax):

Three indirect tax proceedings have been initiated against Gayatri BioOrganics Limited. The aggregate amount involved in these proceedings is approximately Rs. 96.97 Million. These matters are pending final hearing and disposal.

E. Outstanding Litigations of our Group Companies

A. Details of disciplinary action which has been taken by the stock exchanges and regulatory authorities : Nil

B. Details of litigations against Group or any of its subsidiary companies with amount involved of 5 Crore and above

1. Gayatri Lalitpur Roadways Limited:

S.No.	Initiated against:	Forum along with the Suit etc. Number (if any):	Details of the relief/prayers/claims along with details of any orders/decrees/directions as passed, (including any interim relief granted and/or applied for):	Amount
1.	NHAI	Indian Council of Arbitration, Case No. AC-2080	Bonus Claim	604.389 Millions
2.	NHAI	Indian Council of Arbitration, Case No.	Cost Overrun	1177.07 Millions



2. Gayatri Jhansi Roadways Limited:

S.	Initiated against:	Forum along with the Suit etc. Number (if any):	Details of the relief/prayers/claims along with details of any orders/decrees/directions as passed, (including any interim relief granted and/or applied for):	Amount
1.	NHAI	Indian Council of Arbitration, Case No.AC-2079	Bonus Claim	755.8013 Millions
2.	NHAI	Indian Council of Arbitration, Case No.	Cost overrun	2025.07Millions

Cyberabad Expressways Limited:

S	Initiated against:	Forum along with the Suit etc. Number (if any):	Details of the relief/prayers/claims along with details of any orders/decrees/directions as passed, (including any interim relief granted and/or applied for):	Amount
1.	HMDA/HGCL	Indian Council of Arbitration, Case No.	CEL V/S HMDA & HGCL	3508.866 Millions



OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for Listing

The National Company Law Tribunal Bench at Hyderabad, vide its order dated 3rd November, 2017 has approved the Composite Scheme of Arrangement between Gayatri Projects Limited, Gayatri Infra Ventures Limited and the Company and their respective shareholders and creditors. Pursuant to the Scheme,

In accordance with the Scheme, the Equity Shares of our Company issued pursuant to the Scheme as well as its existing Equity Shares shall be listed and admitted for trading on BSE and NSE. Such listing and admission for trading is not automatic and will be subject to fulfilment by the Company of the listing criteria of BSE and NSE for such issues and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of the application by our Company seeking listing.

Eligibility Criteria

There being no initial public offering or rights issue, the eligibility criteria in terms of Chapters III and IV of the SEBI ICDR Regulations are not applicable. Pursuant to the SEBI Circular, our Company has obtained an exemption from the strict enforcement of the requirement of Rule 19(2)(b) of the SCRR for the purpose of listing of shares of the Company from SEBI vide letter Ref No. CFD/DIL-1/BNS/SD/20421/2017 dated August 28, 2017 subject to the Company duly complying with the following:

- (a) Part II (A) (1) of Annexure I of SEBI circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.
- (b) There is no variance or deviation from conditions of the scheme sanctioned by the High Court.
- (c) There is no change in the information / facts submitted in the application till the date of listing of the shares of the company.

Our Company has submitted the Draft Information Memorandum dated, containing information about itself, making disclosures in line with the disclosure requirement for the public issues, as applicable, to BSE and NSE for making the said Draft Information Memorandum available to public through their websites www.bseindia.com and www.nseindia.com. The Company has also made the said Draft Information Memorandum available to the public on its website <http://www.gayatrihighways.com>/Our Company has submitted this Information Memorandum, containing information about itself, making disclosures in line with the disclosure requirement for public issues, as applicable, to BSE and NSE for making the said Information Memorandum available to the public through their websites www.bseindia.com and www.nseindia.com. The Company has also made this Information Memorandum available to the public on its website <http://www.gayatrihighways.com>/The Company shall publish, an advertisement in one English and one Hindi newspaper with nationwide circulation and one regional newspaper with wide circulation at the place where the Registered Office of the Company is located, containing its details in accordance with the requirements set out in the SEBI Circular. The advertisement shall draw specific reference to the availability of this Information Memorandum on our Company's website.

Prohibition by SEBI

The Company, its Directors, its Promoter, other companies promoted by the Promoter and companies with which our Directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Identification as wilful defaulter

Our Company, its Promoter or Directors have not been categorised as wilful defaulters by any bank or financial institution or a consortium thereof, in accordance with the guidelines on wilful defaulter issued by RBI.

Disclaimer of BSE

A copy of the Draft Information Memorandum has been submitted to BSE for the purpose of listing of equity shares of the company.

A handwritten signature in black ink is written over a circular stamp. The stamp contains some illegible text and a central emblem, possibly a company logo or official seal.

Disclaimer of NSE

A copy of the Draft Information Memorandum has been submitted to NSE for the purpose of listing of equity shares of the company.

General Disclaimer from the Company

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements published in accordance with legal requirements mentioned in the SEBI Circular or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Listing

An application has been made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares of our Company. The Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the Equity Shares. The Company has taken steps for completion of necessary formalities for listing and commencement of trading at BSE and NSE.

Previous Rights and Public Issues

For details of rights issues by the Company since its incorporation, see the section titled "Capital Structure" on page 44. The Company has not undertaken any public issues.

Outstanding debenture or bonds and redeemable preference shares and other instruments issued by our Company

The Company has issued and allotted 16,77,00,300 (Sixteen Crores Seventy Seven Lakhs Three hundred) 9% Non Convertible Cumulative Redeemable Preference Shares (NCRPS) of Rs. 10/- each pursuant to scheme of arrangement

Stock Market Data for Equity Shares of our Company

The shares of our Company are not listed on any stock exchanges. Through this Information Memorandum, our Company is seeking approval for listing of its Equity Shares on BSE and NSE.

Disposal of Investor Grievances

Karvy Computershare Private Limited are the Registrar and Share Transfer Agent to our Company, who can be contacted at the following email id for addressing investors' grievances: cs@gayatrihighways.com.

Compliance Officer and Company Secretary

Raj Kumar Pragallapati is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

P Raj Kumar
Company Secretary & Chief Compliance Officer
6-3-1090, T.S.R. Towers
Raj Bhavan Road, Somajiguda, Hyderabad – 500 082
Tel: +91 40 2331 0330 Fax: +91 40 2339 8435
Email: cs@gayatrihighways.com



SECTION VII: OTHER INFORMATION

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company.

The main provisions of the Articles of Association of our Company are detailed below:

Share Capital and Variation of Rights:

Article: 4. Share Capital

The Authorised Share Capital of the Company is such amount, as stated, for the time being, or may be varied, from time to time, under the provisions of the Act, in the Clause V of the Memorandum of Association of the Company, divided into such number, classes and descriptions of Shares and into such denominations, as stated therein, and further with such powers to increase the same or otherwise as stated therein. The paid-up Share Capital of the Company shall be, at any time, an amount of not less than Rs.500,000/- (Rupees Five Lakhs) or such other amount, as may, from time to time, be prescribed under the Act.

Article: 12. Variation of Rights

Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the applicable provisions of the Act, be modified, commuted, affected or abrogated, or dealt with by an agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified, in writing, by holders of at least three-fourths in nominal value of the issued Shares of the class or is confirmed by a special resolution passed at a separate general meeting of the holders of Shares of that class and all the provisions hereinafter contained as to general meetings, shall, mutatis mutandis, apply to every such meeting.

Increase, Reduction and Alteration of Capital:

Article: 5. Increase

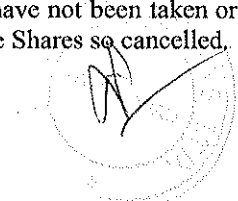
The Company, in general meeting, may, from time to time, increase the capital by the creation of new shares. Such increase in the capital shall be of such aggregate amount and to be divided into such number of Shares of such respective amounts, as the resolution, so passed in that respect, shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting, resolving upon the creation thereof, shall direct, and, if no direction be given, as the Directors shall determine, and, in particular, such Shares may be issued with a preferential, restricted or qualified right to dividends, and in the distribution of assets of the Company, on winding up, and with or without a right of voting at general meetings of the Company, in conformity with and only in the manner prescribed by the provisions of the Act. Whenever capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the applicable provisions of the Act.

Article: 10. Reduction

Subject to Section 100 of the Companies Act, 1956 and Section 66 of the Companies Act, 2013 as and when notified the Company may by special resolution, reduce its capital and any Capital Redemption Reserve Account or Other Premium Account, for the time being, in any manner, authorised by law, and, in particular, without prejudice to the generality of the foregoing powers, the capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power, the Company would have, if it were omitted.

Article: 11. Alteration

Subject to the applicable provisions of the Act, the Company, in general meeting, may, from time to time, sub-divide, reclassify or consolidate its Shares or any of them, and the resolution whereby any Share is sub-divided, may determine that, as between the holders of the Shares resulting from such sub-division, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid, the Company, in general meeting, may also cancel shares, which have not been taken or agreed to be taken by any person, and diminish the amount of its Share capital by the amount of the Shares so cancelled.



Conversion of Shares into Stock:

Article: 67. The Company, by resolution in general meeting, may convert any paid up Shares into stock, or may, at any time, reconvert any stock into paid up Shares of any denomination. When any Shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interests therein, or any part of such interest, in the same manner and, subject to the same regulations as to which Shares in the Company may be transferred or as near thereto as circumstances will admit. But the Directors may, from time to time, if they think fit, fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, but with full power nevertheless, at their discretion, to waive such rules in any particular case. The notice of such conversion of Shares into stock or reconversion of stock into Shares shall be filed with the Registrar of Companies as provided in the Act.

Article: 68. The Stock shall confer on the holders thereof respectively the same privileges and advantages, as regards participation in profits and voting at meetings of the Company and, for other purposes, as would have been conferred by Shares of equal amount in the capital of the Company of the same class as the Shares from which such stock was converted but no such privilege or advantage, except the participation in profits of the Company, or in the assets of the Company on a winding up, shall be conferred by any such aliquot part or, consolidated stock as would not, if existing in Shares, have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or other special privilege attached to the Shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to Shares and the words "Share" and "Shareholder" in these presents shall include "stock" and "stockholder".

Calls on shares:

Article: 19. The money, if any, which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly, in the manner prescribed by the Board.

Article: 20. Every member or his heirs, executors or administrators, shall pay to the Company the portion of the capital represented by his Share or Shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time, in accordance with the Regulations of the Company, require or fix for the payment thereof.

Forfeiture and lien:

Lien:

Article: 40. The Company shall have a first and paramount lien upon all the Shares/Debentures (other than fully paid-up Shares/Debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/Debentures and no equitable interest in any Shares shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in all respect of such Shares/Debentures, Unless otherwise agreed, the registration of a transfer of Shares/Debentures shall operate as a waiver of the Company's lien, if any, on such Shares/Debentures. The Directors may at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions of this clause.

Article: 41. For the purpose of enforcing such lien, the Board may sell the Shares, subject thereto, in such manner, as it shall think fit, and, for that purpose, may cause to be issued a duplicate certificate in respect of such Shares, and may authorise one of their members to execute a transfer thereof, on behalf of and in the name of such manner. No sale shall be made until such period, as aforesaid, shall have arrived and until notice, in writing, of the intention to sell, shall have been served on such member or his representatives and the default, whether express or implied, shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements, for such further days allowed, after the service of such notice, and stated therein.

Article: 42. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount, in respect of which the lien exists, as is presently payable, and the residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the persons entitled to the Shares at the date of the sale.

Article: 43. If any member fails to pay any call or installment of a call on or before the day appointed for the payment of



the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Forfeiture:

Article: 44. The notice shall name a day, not being less than 14 (Fourteen) days from the date of the notice, and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state, that, in the event of the non-payment at or before the time and at the place appointed, the Shares, in respect of which the call was made or instalment is payable, will be liable to be forfeited.

Article: 45. If the requirements of any such notice, as aforesaid, shall not be complied with, every or any Share, in respect of which such notice has been given, may, at any time thereafter, before payment of all calls or instalments, interest and expenses, as may be due in respect thereof, be forfeited by a resolution of the Board to that effect. Subject to the provisions of the Act, such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.

Article: 46. When any Share shall have been so forfeited, notice of the forfeiture shall be given to the member, in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall, forthwith, be made in the Register of Members. But no forfeiture shall be, in any manner, invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

Article: 47. Any Share, so forfeited, shall be deemed to be the property of the Company, and may be sold, reallocated or otherwise disposed off, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

Article: 48. Any member, whose Shares have been forfeited, shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand, all calls, instalments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereof, until payment, at such rate, as the Board may determine, and the Board may enforce the payment thereof, if it thinks fit.

Article: 49. The forfeiture of a Share shall involve extinction, at the time of the forfeiture, of all interests in and all claims and demands against the Company, in respect of such Share and all other rights, incidental to the Share, except only such of those rights as by these presents are expressly saved.

Article: 50. A declaration, in writing, that the declarant is a director or Secretary of the Company and that a Share in the Company has duly been forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Shares.

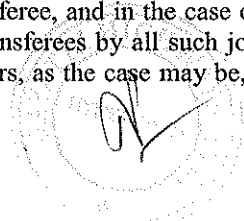
Article: 51. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold, and cause the purchaser's name to be entered in the Register, in respect of the Shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and, after his name has been entered in the Register, in respect of such Shares, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and exclusively against the Company and no one else.

Article: 52. Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued, in respect of the relative Shares, shall, unless the same shall, on demand by the Company, have been previously surrendered to it by the defaulting member, stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates, in respect of the said Shares, to the person or persons entitled thereto.

Transfer and transmission of Shares

Article: 53. The Company shall keep the "Register of Transfers" and therein shall fairly and distinctly enter particulars of every transfer or transmission of any Share.

Article: 54. No transfer shall be registered, unless a proper instrument of transfer has been delivered to the Company. Every instrument of transfer shall be duly stamped, under the relevant provisions of the Law, for the time being, in force, and shall be signed by or on behalf of the transferor and the transferee, and in the case of a Share held by two or more holders or to be transferred to the joint names of two or more transferees by all such joint holders or by all such joint transferees, as the case may be, and the transferor or the transferors, as the case may be, shall be deemed to remain the



holder or holders of such Share, until the name or names of the transferee or the transferees, as the case may be, is or are entered in the Register of Members in respect thereof. Several executors or administrators of a deceased member, proposing to transfer the Share registered in the name of such deceased member, or the nominee or nominees earlier appointed by the said deceased holder of Shares, in pursuance of the Article 75, shall also sign the instrument of transfer in respect of the Share, as if they were the joint holders of the Share.

Article: 55. Shares in the Company may be transferred by an instrument, in writing, in the form, as shall, from time to time, be approved by the Directors provided that, if so required by the provisions of the Act, such instrument of Transfer shall be in the form prescribed thereunder, and shall be duly stamped and delivered to the Company within the prescribed period. All the provisions of Section 56 of the Act 2013 shall be duly complied with in respect of all transfers of Shares and registration thereof:

- a) No fees shall be charged for registration of transfer, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.
- b) Subject to the Stock Exchange Regulations as may be altered from time to time, transfer of shares shall take place in marketable lots

Article: 56. The Board shall have power, on giving 7 (Seven) days' previous notice, by advertisement in some newspaper circulating in the district in which the Registered Office of the Company is, for the time being, situated, to close the transfer books, the Register of Members of Register of Debenture holders, at such time or times and for such periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may seem expedient.

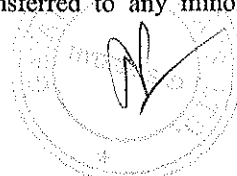
Article: 57. Subject to the provisions of Section 58 and 59 of the Companies Act 2013, these Articles, Section 22A of the Securities Contract (Regulation) Act, 1956 and any other applicable provisions of the Act or any other law for the time being in force, the Board may, refuse, whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a member in, or Debentures of the Company, the Board shall within one month from the date on which the instrument of transfer, or the intimation of such transmission as the case may be, was delivered to the Company, send to the transferee and transferor or to the person giving intimation of such transmission, as the case may be, notice of the refusal to register such transfer, giving reasons for such refusal provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the Shares. Transfer of Shares/Debentures in whatever lot shall not be refused.

Article: 58. An application for the registration of a transfer of Shares in the Company may be made either by the transferor or the transferee, where such application is made by a transferor and relates to partly paid Shares, the Company shall give notice of the application to the transferee. The transferee may, within two weeks from the date of the receipt of the notice and not later, object to the proposed transfer. The notice to the transferee shall be deemed to have been duly given, if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time when it would have been delivered in the ordinary course of post.

Article: 59. In the case of the death of anyone or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him jointly with any other person.

Article: 60. Subject to the provisions of Article 74 hereunder, the executors or administrators or holders of a such Succession Certificate or the legal representative of a deceased member, not being one of two or more joint holders, shall be the only persons recognised by the Company as having any title to the Shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives, unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India, provided that, in cases, the Board may dispense with production of probate or letters of Administration or Succession Certificate upon such terms as to indemnify or otherwise, as the Board, in its absolute discretion, may think necessary, in the circumstances thereof, and, in pursuance of the Article 63 hereinunder, register the name of any person, who claims to be absolutely entitled to the Shares standing in the name of a deceased member, as a member.

Article: 61. No Share shall, in any circumstances, be transferred to any infant, insolvent or person of unsound mind, and that no Share, partly paid up, be issued, allotted or transferred to any minor, whether alone or along with other transferees or allottees, as the case may be.



Article: 62. So long as the director having unlimited liability has not discharged all liabilities, whether present or future, in respect of the period for which he is and continues to be, so long, liable, he shall not be entitled to transfer the Shares held by him or cease to be a member of the Stock Exchange(s) to the end and intent that he shall continue to hold such minimum number of Shares as were held by him prior to his becoming a director with unlimited liability.

Article: 63. Subject to the provisions of Articles 59, 60 and 74 hereof, any person becoming entitled to Shares in consequences of the death, lunacy, bankruptcy or insolvency or any member, or the marriage of any female member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Board, which it shall not be under any obligation to give, upon producing such evidence that he sustains the character in respect of which he proposes to act under the Article or of his title, as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person, nominated by him and approved by the Board, registered as such person, provided, nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein to in these Articles as "The Transmission Article".

Article: 64. Subject to the provisions of the Act, a person entitled to a Share by transmission shall, subject to the right of the Directors to retain such dividend or money as hereinafter provided, be entitled to receive and may be given a discharge for, any dividends or other moneys payable in respect of the Share.

Article: 65. No fees shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar document.

Article: 66. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof, as shown or appearing in the Register of Members, to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting of such transfer, and may have entered such notice, referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

Capitalization of Profits:

Article: 172

- (a) The Company, in general meeting, may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account or in the hands of the Company and available for dividend, or representing premium received on the issue of Shares and standing to the credit of the Share Premium Account, be capitalised and distributed amongst such of the Shareholders as would be entitled to receive the same, if distributed by way of dividend, and in the same proportion on the footing that they become entitled thereto as capital, and that all or any part of such capitalised fund be applied, on behalf of such Shareholders, in paying up in full either at par or at such premium, as the resolution may provide, any unissued Shares or Debentures or Debenture stock of the Company which shall be distributed accordingly on in or towards payment of the uncalled liability on any issued Shares or Debentures, stock and that such distribution or payment shall be accepted by such Shareholders in full satisfaction of their interest in the said capitalised sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied for the paying of any unissued Shares to be issued to members of the Company as, fully paid up, bonus Shares.
- (b) A general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company, not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.
- (c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty, which may arise, in regard to the distribution, as it thinks expedient, and, in particular, may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of value less than Rs.10/- (Rupees Ten Only) may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised funds, as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act and the Board may appoint any person to sign such contract, on behalf of the persons entitled to the

dividend or capitalised fund, and such appointment shall be effective.

Modification of Rights:

Article: 12. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the applicable provisions of the Act, be modified, commuted, affected or abrogated, or dealt with by an agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified, in writing, by holders of at least three-fourths in nominal value of the issued Shares of the class or is confirmed by a special resolution passed at a separate general meeting of the holders of Shares of that class and all the provisions hereinafter contained as to general meetings, shall, mutatis mutandis, apply to every such meeting.

Borrowing Powers:

Article: 132

- (a) Subject to the provisions of the Act, and without prejudice to the power conferred by any other article or articles, the Directors may, from time to time, at their discretion, borrow or secure the payment of any sum or sums of money for the purpose of the company either from any Director or elsewhere on security or otherwise and may secure the repayment or payment of any sum or sums in such manner, and upon such terms and conditions in all respects as they think fit, and in particular by the creation of any mortgage or charge on the undertaking or the whole or any part of the property present or future, or the uncalled Capital of the Company, or by the issue of debenture stock of the company perpetual or redeemable, charged upon the undertaking or all or any part of the property of the company, both present and future including its uncalled capital for the time being and the Directors or any of them may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the company or any interest payable thereon, and shall be entitled to receive such payment as consideration for the giving of any such guarantee as may be determined by the Directors with power to them to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or charge on the undertaking of the company or upon any of its property or assets or otherwise.
- (b) The Directors may at any time by a resolution passed at a Board Meeting delegate to any category of managerial, personnel or any Committee of Directors or any other principal officer of the branch office of the company, the powers specified in sub-clause (a) above provided the resolution delegating powers to such managerial personnel or committee to borrow moneys shall specify the total amount upto which the moneys may be borrowed by him or them.

Provided that the right to conversion of loan or debentures in shares shall not be given with out the sanction of the company in General Meeting.

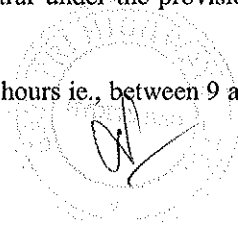
- (c) The Directors shall cause a proper register to be kept in accordance with the provisions of the Act or changes specifically affecting the property of the Company and shall duly comply with the requirements of the Act with regard to the registration of mortgages and charges. The register of charges kept in pursuance of the Act shall be open during business hours, subject to reasonable restrictions as the Company in General Meeting may impose so that not less than two hours in each day are allowed for such inspection to any creditor or member of the Company without fee and to any other person on payment of Re 1/- for each inspection at the Registered Office of the Company.
- (d) Subject to the provisions of the Act and Companies (Acceptance of Deposit) Rules, 2014 the Directors may receive deposits on such terms and bearing interest at such rate as the Directors may decide from time to time. The deposits may be received from any person or person including the Directors and the Shareholders of the Company.

General Meetings:

Article: 76. The Company shall, in each year, hold a general meeting as its Annual General Meeting. Any meeting, other than Annual General Meeting, shall be called Extra-ordinary General Meeting.

Not more than 15 (Fifteen) months or such other period, as may be prescribed, from time to time, under the Act, shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of the Act to extend time within which any Annual General Meeting may be held.

Every Annual General Meeting shall be called for a time during business hours ie., between 9 a.m. and 6 p.m., on a day



that is not a National Holiday, and shall be held at the Office of the Company or at some other place within the city, in which the Office of the Company is situated, as the Board may think fit and determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

Every member of the Company shall be entitled to attend, either in person or by proxy, and by way of a postal ballot whenever and in the manner as may permitted or prescribed under the provisions of the Act, and the Auditors to the Company, who shall have a right to attend and to be heard, at any general meeting which he attends, on any part of the business, which concerns him as the Auditors to the Company, further, the Directors, for the time being, of the Company shall have a right to attend and to be heard, at any general meeting, on any part of the business, which concerns them as the Directors of the Company or generally the management of the Company.

At every Annual General Meeting of the Company, there shall be laid, on the table, the Directors' Report and Audited Statements of Account, Auditors' Report, the proxy Register with forms of proxies, as received by the Company, and the Register of Directors' Share holdings, which Register shall remain open and accessible during the continuance of the meeting, and therefore in terms of the provisions of Section 96 of the Act, the Annual General Meeting shall be held within six months after the expiry of such financial year. The Board of Directors shall prepare the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with the applicable provisions of the Act.

Article: 77. The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting and it shall do so upon a requisition, in writing, by any member or members holding, in aggregate not less than one-tenth or such other proportion or value, as may be prescribed, from time to time, under the Act, of such of the paid-up capital as at that date carries the right of voting in regard to the matter, in respect of which the requisition has been made.

Article: 78. Any valid requisition so made by the members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office, provided that such requisition may consist of several documents, in like form, each of which has been signed by one or more requisitionists.

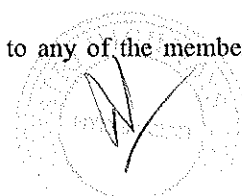
Article:79. Upon receipt of any such requisition, the Board shall forthwith call an Extra-ordinary General Meeting and if they do not proceed within 21 (Twenty-one) days or such other lessor period, as may be prescribed, from time to time, under the Act, from the date of the requisition, being deposited at the office, to cause a meeting to be called on a day not later than 45 (Forty-five) days or such other lessor period, as may be prescribed, from time to time, under the Act, from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid up Share capital held by all of them or not less than one-tenth of such of the paid up Share Capital of the Company as is referred to in Section 100(4) of the Act, whichever is less, may themselves call the meeting, but, in either case, any meeting so called shall be held within 3 (Three) months or such other period, as may be prescribed, from time to time, under the Act, from the date of the delivery of the requisition as aforesaid.

Article: 80. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible as that in which such meetings are to be called by the Board.

Article: 81. At least 21 (Twenty-one) days' notice, of every general meeting, Annual or Extra-ordinary, and by whomsoever called, specifying the day, date, place and hour of meeting, and the general nature of the business to be transacted there at, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company, provided that in the case of an General Meeting, with the consent of members holding not less than 95 per cent of such part of the paid up Share Capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting of the Shareholders of the Company, if any business other than (i) the consideration of the Accounts, Balance Sheet and Reports of the Board and the Auditors thereon, (ii) the declaration of dividend, (iii) appointment of directors in place of those retiring, (iv) the appointment of and fixing the remuneration of, the Auditors, is to be transacted, and in the case of any other meeting, in respect of any item of business, a statement setting out all material facts concerning each such item of business, including, in particular, the nature and extent of the interest, if any, therein of every director and manager, if any, where any such item of special business relates to, or affects any other company, the extent of shareholding interest in that other company or every director and manager, if any, of the Company shall also be set out in the statement if the extent of such Share-holding interest is not less than such percent, as may be prescribed, from time to time, under the Act, of the paid-up Share Capital of that other Company.

Where any item of business consists of the according of approval of the members to any document at the meeting, the time and place, where such document can be inspected, shall be specified in the statement aforesaid.

Article: 82. The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof shall not invalidate any resolution passed at any such meeting.



Article: 83. No general meeting, whether Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

Article: 84. Subject to the provisions of the Act and these Articles, five(5) shareholders shall constitute quorum in Shareholder's Meetings of the Company if number of shareholders as on date of meeting is not more than One Thousand; Fifteen (15) shareholders shall constitute quorum in Shareholder's Meetings of the Company if number of shareholders as on date of meeting is more than One Thousand but not more than Five Thousand; Thirty (30) shareholders shall constitute quorum in Shareholders' Meetings of the Company if number of shareholders as on date of meeting exceeds five thousand.

Article: 85. A body corporate, being a member, shall be deemed to be personally present, if it is represented in accordance with and in the manner as may be prescribed by, the applicable provisions of the Act.

Article: 86. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, then the meeting, if convened by or upon the requisition of members, shall stand dissolved, but in any other case, it shall stand adjourned to such time on the following day or such other day and to such place, as the Board may determine, and, if no such time and place be determined, to the same day in the next week, at the same time and place in the city or town in which the office of the Company is, for the time being, situate, as the Board may determine, and, if at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

Article: 87. The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, whether Annual or Extra-ordinary. If there be no such Chairman, or, if, at any meeting, he shall not be present within 15 (Fifteen) minutes of the time appointed for holding such meeting, then the members present shall elect another director as the Chairman of that meeting, and, if no director be present, or if all the Directors present decline to take the Chair, then the members present shall elect one among them to be the Chairman.

Article: 88. No business shall be discussed at any general meeting, except the election of a Chairman, whilst the Chair is vacant.

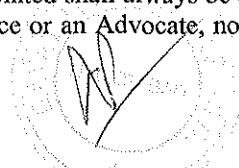
Article: 89. The Chairman, with the consent of the meeting, may adjourn any meeting, from time to time, and from place to place, in the city or town, in which the office of the Company is, for the time being, situate, but no business shall be transacted at any adjourned meeting, other than the business left unfinished, at the meeting, from which the adjournment took place.

Article: 90. At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is demanded, before or on the declaration of the result of the show of hands, by any member or members present in person or by proxy and holding Shares in the Company, which confer a power to vote on the resolution not being less than one-tenth or such other proportion as may statutorily be prescribed, from time to time, under the Act, of the total voting power, in respect of the resolution or on which an aggregate sum of not less than Rs. 500,000/- or such other sum as may statutorily be prescribed, from time to time, under the Act, has been paid up, and unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried unanimously or by a particular majority, or has been lost and an entry to that effect in the minutes book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

Article: 91. In the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll, if any, have a casting vote in addition to the vote of votes, if any, to which he may be entitled as a member, if he is.

Article: 92. If a poll is demanded as aforesaid, the same shall, subject to Article 94 hereinafter, be taken at Hyderabad or, if not desired, then at such other place as may be decided by the Board, at such time not later than 48 (Forty-eight) hours from the time when the demand was made and place in the city or town in which the office of the Company is, for the time being, situate, and, either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the persons, who made the demand.

Article: 93. Where a poll is to be taken, the Chairman of the meeting shall appoint one or, at his discretion, two scrutinizers, who may or may not be members of the Company to scrutinize the votes given on the poll and to report thereon to him, subject to that one of the scrutinizers so appointed shall always be a Chartered Accountant in practice or Cost Accountant in practice or Company Secretary in practice or an Advocate, not being an officer or employee of the

A handwritten signature in black ink is written over a circular stamp. The stamp contains some illegible text and a central emblem. The signature appears to be a stylized name.

Company, present at the meeting, provided that such a member is available and willing to be appointed. The Chairman shall have power, at any time, before the result of the poll is declared, to remove a scrutinizer from office and fill the vacancy so caused in the office of a scrutinizer arising from such removal or from any other cause.

Article: 94. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment of the meeting shall be taken forthwith at the same meeting.

Article: 95. The demand for a poll, except on questions of the election of the Chairman and of an adjournment thereof, shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

Votes and proxies of members:

Article: 96. No member shall be entitled to vote either personally or by proxy at any general meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, or has exercised, any right of lien.

Article: 97. Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions so to voting, for the time being, attached to any class of Shares, for the time being, forming part of the capital of the Company, every member, not disqualified by the last preceding Article shall be entitled to be present, speak and vote at such meeting, and, on a show of hands, every member, present in person, shall have one vote and, upon a poll, the voting right of every member present in person or by proxy shall be in proportion to his Share of the paid-up Equity Share Capital of the Company. Provided, however, if any preference Shareholder be present at any meeting of the Company, subject to the provision of section 47, he shall have a right to vote only on resolutions, placed before the meeting, which directly affect the rights attached to his Preference Shares.

Article:98. On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes, he uses.

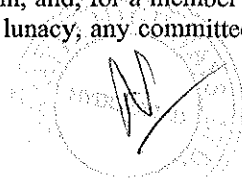
Article: 99. A member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian; and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote, in respect of his Share or Shares, be used by his guardian, or anyone of his guardians, if more than one, to be selected, in the case of dispute, by the Chairman of the meeting.

Article:100. If there be joint registered holders of any Shares, anyone of such persons may vote at any meeting or may appoint another person, whether a member or not, as his proxy, in respect of such Shares, as if he were solely entitled thereto, but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting, then one of the said persons so present, whose name stands higher on the Register, shall alone be entitled to speak and to vote in respect of such Shares, but the other of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name Shares stand shall, for the purpose of these Articles, be deemed joint holders thereof.

Article: 101. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate, being a member, may vote either by a proxy or by a representative, duly authorised, in accordance with the applicable provisions, if any, of the Act, and such representative shall be entitled to exercise the same rights and powers, including the right to vote by proxy, on behalf of the body corporate, which he represents, as that body corporate could exercise, if it were an individual member.

Article: 102. Any person entitled, under the Article 63 hereinabove, to transfer any Share, may vote, at any general meeting, in respect thereof, in the same manner, as if he were the registered holder of such Shares provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to transfer such Shares and give such indemnity, if any, as the Directors may require or the Directors shall have provisionally admitted his right to vote at such meeting in respect thereof.

Article: 103. Every proxy, whether a member or not, shall be appointed, in writing, under the hand of the appointer or his attorney, or if such appointer is a body corporate under the common seal of such corporate, or be signed by an officer or officers or any attorney duly authorised by it or them, and, for a member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, any committee or guardian may appoint such proxy. The



proxy so appointed shall not have a right to speak on any matter at the meeting.

Article: 104. An instrument of Proxy may state the appointment of a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

Article: 105. A member, present by proxy, shall be entitled to vote only on a poll.

Article: 106. The instrument appointing a proxy and a Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the Office not later than 48 (Forty-eight) hours before the time for holding the meeting at which the person named in the Instrument proposes to vote, and, in default, the Instrument of Proxy shall not be treated as valid. No instrument appointing a proxy shall be a valid after the expiration of 12 (Twelve) months or such other period as may be prescribed under the Laws, for the time being, in force, or if there shall be no law, then as may be decided by the Directors, from the date of its execution.

Article: 107. Every Instrument of proxy, whether for a specified meeting or otherwise, shall, as nearly as circumstances thereto will admit, be in any of the forms as may be prescribed from time to time.

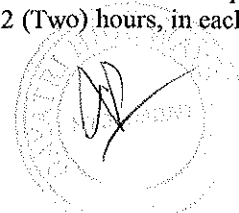
Article: 108. A vote, given in accordance with the terms of an Instrument of Proxy, shall be valid notwithstanding the previous death of insanity of the principal, or revocation of the proxy or of any power of Attorney under which such proxy was signed or the transfer of the Share in respect of which the vote is given, provided that no intimation, in writing, of the death or insanity, revocation or transfer shall have been received at the Office before the meeting.

Article: 109. No objections shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, or not disallowed at such meeting or on a poll, shall be deemed as valid for all purposes of such meeting or a poll whatsoever.

Article: 110. The Chairman, present at the time of taking of a poll, shall be the sole judge of the validity of every vote tendered at such poll.

Article: 111.

- (a) The Company shall cause minutes of all proceeding of every general meeting to be kept by making, within 30 (Thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept, whether manually in the registers or by way of loose leaves bound together, as may be decided by the Board of Directors, for that purpose with their pages consecutively numbered.
- (b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a director duly authorised by the Board for that purpose.
- (c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (d) The minutes of each meeting shall contain a fair and correct summary of the proceedings there at.
- (e) All appointments made at any meeting aforesaid shall be included in the minutes of the meeting.
- (f) Nothing herein contained shall require or to be deemed to require the inclusion, in any such minutes, of any matter, which, in the opinion of the Chairman of the meeting, (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.
- (g) Any such minutes shall be conclusive evidence of the proceedings recorded therein.
- (h) The book containing the minutes of proceedings of general meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than 2 (Two) hours, in each day, as the Directors determine, to the inspection of any member without charge.



Directors:

Article: 112. Until otherwise determined by a general meeting of the Company and, subject to the applicable provisions of the Act, the number of Directors) shall not be less than three nor more than fifteen.

The First Directors of the Company are:

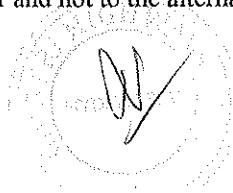
1. Sri. T.V. SANDEEP KUMAR REDDY
2. Smt. T. INDIRA REDDY
3. Smt. T. SARITA REDDY

Article:113.

- (a) Whenever, Directors enter into a contract with any Government, whether central, state or local, bank or financial institution or any person or persons (hereinafter referred to as "the appointer") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever or in case of Promoters of the Company (hereinafter referred as "Promoters"), the Directors shall have, subject to the provisions of Section 152 and other applicable provisions, if any, of the Act, the power to agree that such appointer or Promoters shall have the right to appoint or nominate by a notice, in writing, addressed to the Company, one or more Directors on the Board (hereinafter referred to as "Special Director/Nominee Director") for such period and upon such terms and conditions, as may be mentioned in the agreement if any, and that such Director or Directors may or may not be liable to retire by rotation, nor be required to hold any qualification Shares. The Directors may also agree that any such Director or Directors may be removed, from time to time, by the appointer or Promoter, entitled to appoint or nominate them and the appointer or Promoter may appoint another or others in his or their place and also fill in vacancy, which may occur as a result of any such director or directors ceasing to hold that office for any reasons whatsoever. The directors, appointed or nominated under this Article, shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the directors of the Company including payment of remuneration, sitting fees and travelling expenses to such director or directors, as may be agreed by the Company with the appointer.
- (b) The Special Directors / Nominee Director, appointed under the preceding Article, shall be entitled to hold Office until required by the Government, person, firm, body corporate promoters or financial institution/s who may have appointed them, and will not be bound to retire by rotation or be subject to the Articles hereof. A Special Director/ Nominee Director shall not require to hold any qualification Share(s) in the Company. As and when a Special Director/ Nominee Director vacates Office, whether upon request as aforesaid or by death, resignation or otherwise, the Government, person, firm or body corporate promoters or financial institution, who appointed such Special Director/ Nominee Director, may appoint another director in his place. Every nomination, appointment or removal of a Special Director/Nominee Director or other notification, under this Article, shall be in writing and shall, in the case of the Government, be under the hand of a Secretary or some other responsible and authorised official to such Government, and in the case of a company or financial institution, under the hand of director of such company or institution duly authorised in that behalf by a resolution of the Board of Directors. Subject as aforesaid, a Special Director/ Nominee Director shall be entitled to the same rights and privileges and be subject to the same of obligations as any other director of the Company.

Article: 114. If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any person or persons shall have power to nominate a director of the Company, then in the case of any and every such issue of Debentures, the person or persons having such power may exercise such power, from time to time, and appoint a director accordingly. Any director so appointed is hereinafter referred to as "the Debenture Director". A Debenture Director may be removed from Office, at any time, by the person or persons in whom, for the time being, is vested the power, under which he was appointed, and another director may be appointed in his place. A Debenture Director shall not be required to hold any qualification Share(s) in the Company.

Article: 115. Subject to the provisions of section 161(2) of the Act, 2013, The Board may appoint an alternate director to act for a director (hereinafter called "the Original Director") during his absence for a period of not less than 3 (Three) months or such other period as may be, from time to time, prescribed under the Act, from the India, in which the meetings of Board are ordinarily held. An alternate director appointed, under this Article, shall not hold Office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate Office, if and when the Original Director returns to that State. If the term of Office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic re-appointment of a retiring director, in default of another appointment, shall apply to the original director and not to the alternate director.

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Article: 116. Subject to the provisions of section 161(1) of the Act, 2013, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not, at any time, exceed the maximum fixed under these Articles. Any such Additional Director shall hold Office only up to the date of the next Annual General Meeting.

Article: 117. Subject to the provisions of section 152 and 162 of the Act, 2013, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be a director to fill a casual vacancy. Any person so appointed shall hold Office only up to the date, up to which the director in whose place he is appointed would have held Office if it had not been vacated by him.

Article: 118. A director shall not be required to hold any qualification Share(s) in the Company.

- 118 (i)** Subject to the provisions of section 196, 197 and read with schedule V of the Companies Act, 2013, a Managing Director or Director who is in the Whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, or in any other manner, as may be, from time to time, permitted under the Act or as may be thought fit and proper by the Board or, if prescribed under the Act, by the Company in general meeting.
- (ii) Subject generally to the provisions of the Act, and, in the case of the Managing Director, subject to the provisions of the Articles herein below, as may be applicable, the Board shall have power to pay such remuneration to a director for his services, Whole-time or otherwise, rendered to the Company or for services of professional or other nature rendered by him, as may be determined by the Board. If any director, being willing, shall be called upon to perform extra services or make any special exception in going to or residing at a place other than the place where the director usually resides, or otherwise in or for the Company's business or for any of the purpose of the Company, then, subject to the provisions of the Act, the Board shall have power to pay to such director such remuneration, as may be determined by the Board.
- (iii) Subject to the provisions of the Act, a director, who is neither in the Whole-time employment nor a Managing Director, may be paid remuneration either;
- (a) by way of monthly, quarterly or annual payment with the approval of the Central Government; or
- (b) by way of commission, if the Company, by a special resolution, authorises such payment.
- (iv) The fee payable to a director, excluding a Managing or Whole time Director, if any, for attending a meeting of the Board or Committee thereof shall be such sum, as the Board may, from time to time, determine, but within and subject to the limit prescribed by the Central Government pursuant to the provisions, for the time being, under the Act.

Article: 119. The Board may allow and pay to any director such sum, as the Board may consider fair compensation, tour travelling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified and if any director be called upon to go or reside out of the ordinary place of his residence for the Company's business, he shall be entitled to be repaid and reimbursed of any travelling or other expenses incurred in connection with business of the Company. The Board may also permit the use of the Company's car or other vehicle, telephone(s) or any such other facility, by the director, only for the business of the Company.

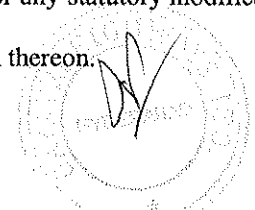
Article: 120. The continuing Directors may act, notwithstanding, any vacancy in their body but if, and so long as their number is not reduced below the minimum number fixed by Article 112 hereof. the continuing Directors, not being less than two, may only act, for the purpose of increasing the number of Directors to that prescribed minimum number or of summoning a general meeting but for no other purpose.

Article: 121. The office of director shall be vacated, pursuant to the provisions of section 164 and section 167 of the Companies Act, 2013. Further, the Director may resign his office by giving notice to the Company pursuant to section 168 of the Companies Act, 2013.

- (a) The company, may by ordinary resolution, remove any ordinary Director other than a Director appointed by the Central Government / Tribunal in pursuance of the Section 242 before the expiry of his period of office and fill up the vacancy thus created in the manner and subject to the provision of Section 169 of the Companies Act, 2013.

The office of a Director shall be vacated:

1. On the happening of any of the conditions provided for in Section 164 and 167 of the Act or any statutory modification thereof.
2. On the contravention of the provision of Section 188 of the Act or any statutory modification thereon.



3. If a person is a Director of more than twenty Companies at a time
4. If he is disqualified under section 164 of the Act or any statutory modification thereof.
5. In case of alternate Directors, on return of the original Director, to the State, under the provisions of Section 161 of the Act or any statutory modification thereof.
6. On resignation of his office by notice in writing

Article: 122. The Company shall keep a Register, in accordance with Section 189(1) of the Act, and within the time as may be prescribed, enter therein such of the particulars, as may be relevant having regard to the application thereto of Section 184 or Section 188 of the Act, as the case may be. The Register aforesaid shall also specify, in relation to each director of the Company, names of the bodies corporate and firms of which notice has been given by him, as per the applicable provisions. The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and the extracts may be taken therefrom and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 189(3) of the Act shall apply accordingly.

Article: 123. A director may be or become a director of any other Company promoted by the Company or in which it may be interested as a vendor, Shareholder or otherwise, and no such director shall be accountable for any benefits received as director or Shareholder of such Company except in so far as the provisions of the Act may be applicable.

Article: 124.

- a. At every Annual General Meeting of the Company, one-third of such of the Directors, for the time being, as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from Office. The Independent, Nominee, Special and Debenture Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of directors to retire, subject to Section 152 and other applicable provisions, if any, of the Act.
- b. Subject to Section 152 of the Act, the directors, liable to retire by rotation, at every annual general meeting, shall be those, who have been longest in Office since their last appointment, but as between the persons, who became Directors on the same day, and those who are liable to retire by rotation, shall, in default of and subject to any agreement among themselves, be determined by lot.

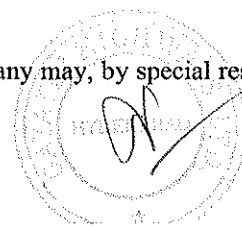
Article: 125. A retiring director shall be eligible for re-election and shall act as a director throughout the meeting at which he retires.

Article: 126. Subject to Section 152 of the Act, the Company, at the general meeting at which a director retires in manner aforesaid, may fill up the vacated Office by electing a person thereto.

Article: 127

- (a) If the place of retiring director is not so filled up and further the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day, which is not a public holiday, at the same time and place.
- (b) If at the adjourned meeting also, the place of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meetings, unless:-
 - (i) at that meeting or at the previous meeting, resolution for the re-appointment of such director has been put to the meeting and lost;
 - (ii) the retiring director has, by a notice, in writing, addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;
 - (iii) he is not qualified, or is disqualified, for appointment
 - (iv) a resolution, whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act; or.
 - (v) Section 162 of the Act is applicable to the case.

Article: 128. Subject to the provisions of Section 149 of the Act, the Company may, by special resolution, from time to



time, increase or reduce the number of directors, and may alter their qualifications and the Company may, subject to the provisions of Section 169 of the Act, remove any director before the expiration of his period of Office and appoint another qualified person in his stead. The person so appointed shall hold Office during such time as the director, in whose place he is appointed, would have held, had he not been removed.

Article: 129

- (a) No person, not being a retiring director, shall be eligible for appointment to the office of director at any general meeting unless he or some member, intending to propose him, has, not less than 14 (Fourteen) days or such other period, as may be prescribed, from time to time, under the Act, before the meeting, left at the Office of the Company, a notice, in writing, under his hand, signifying his candidature for the Office of director or an intention of such member to propose him as a candidate for that office, along with a deposit of Rupees One lakh or such other amount as may be prescribed, from time to time, under the Act" which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution.
- (b) Every person, other than a director retiring by rotation or otherwise or a person who has left at the Office of the Company a notice under Section 160 of the Act signifying his candidature for the Office of a director, proposed as a candidate for the Office of a director shall sign and file with the Company, the consent, in writing, to act as a director, if appointed.
- (c) A person, other than a director re-appointed after retirement by rotation immediately on the expiry of his term of Office, or an Additional or Alternate Director, or a person filling a casual vacancy in the Office of a director under Section 161 of the Act, appointed as a director or reappointed as a director immediately on the expiry of his term of Office, shall not act as a director of the Company, unless he has, within thirty days of his appointment, signed and filed with the Registrar his consent, in writing, to act as such director

Article: 130. The Company shall keep at its Office a Register containing the particulars of its directors and key managerial personnel and their shareholding as mentioned in Section 170 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.

Article: 131. Every director and Key Managerial Personnel within a period of thirty days of his appointment, or relinquishment of his office, as the case may be, disclose to the company the particulars specified in sub-section (1) of section 184 relating to his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association which are required to be included in the register under that section 189 of the Companies Act, 2013.

Proceedings of Directors:

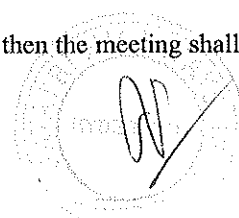
Article: 139. The Directors may meet together as a Board for the dispatch of business, from time to time, and shall so meet at least once in every 3 (Three) months and at least 4 (Four) such meetings shall be held in every year in such a manner that not more than one hundred and twenty days (120) shall intervene between two consecutive meetings of the Board. The Directors may adjourn and otherwise regulate their meetings as they think fit, subject to the provisions of the Act. The Board of directors may participate in a meeting of the Board either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time subject to the rules as may be prescribed.

Article: 140. not less than seven (7) days Notice of every meeting of the Board may be given, in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means.

Subject to the provisions of section 173(3) meeting may be called at shorter notice.

Article: 141. Subject to Section 174 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength, excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one, or two directors, whichever is higher, provided that where, at any time, the number of interested directors exceeds or is equal to two-thirds of the total strength the number of the remaining directors, that is to say, the number of directors who are not interested, present at the meeting, being not less than two, shall be the quorum, during such time.

Article: 142. If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned for 30 minutes in the same day and at same place.



Article: 143. A director may, at any time, or Secretary shall, as and when directed by the any of the Directors to do so, convene a meeting of the Board, by giving a notice, in writing, to every other director.

Article: 144. The Board may, from time to time, elect one of their member to be the Chairman of the Board and determine the period for which he is to hold the office. If at any meeting of the Board, the Chairman is not present at a time appointed for holding the same, the directors present shall choose one of them, being present, to be the Chairman of such meeting.

Article: 145. Subject to the restrictive provisions of any agreement or understanding as entered into by the Company with any other person(s) such as the collaborators, financial institutions, etc., the questions arising at any meeting of the Board shall be decided by a majority of the votes of the directors present there at and, also subject to the foregoing, in the case of an equality of votes, the Chairman shall have a second or casting vote.

Article: 146. A meeting of the Board, at which a quorum is present, shall be competent to exercise all or any of the authorities, powers and discretions, which, by or under the Act or the Articles of the Company, are, for the time being, vested in or exercisable by the Board generally.

Article: 147. Subject to the restrictions contained in Section 179 of the Act 2013 and the rules made thereunder, the Board may delegate any of their powers to the committee of the Board, consisting of such number of its body, as it thinks fit, and it may, from time to time, revoke and discharge any such committee of the Board, either wholly or in part and either as to persons or purposes, but every committee of the Board, so formed, shall, in the exercise of the powers so delegated, conform to any regulations that may, from time to time, be imposed on it by the Board. All acts done by any such committee of the Board, in conformity with such regulations, and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if were done by the Board.

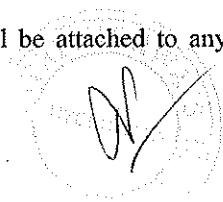
Article: 148. The meetings and proceedings of any meeting of such Committee of the Board, consisting of two or more members, shall be governed by the provisions contained herein for regulating the meetings and proceedings of the meetings of the directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article,

Article: 149. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors or to all the members of the Committee, then in India, not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be, and to all the directors or to all the members of the Committee, at their usual addresses in India and has been approved, in writing, by such of the directors or members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.

Article: 150. All acts done in any meeting of the Board or by a Committee of the Board, or by any person acting as a director shall notwithstanding that it shall, afterwards, be discovered that there was some defect in the appointment of such director or persons acting as aforesaid or that they or any of them were or was, as the case may be, disqualified or had vacated office or that the appointment of any of them was disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had duly been appointed and was qualified to be a director and had not vacated his office or his appointed had not been terminated, provided that nothing in this Article shall be deemed to give validity to any act or acts done by a director or directors after his or their appointment(s) has or have been shown to the Company to be invalid or to have terminated.

Article: 151.

- (a) The Company shall cause minutes of all proceedings of every meeting of the Board and the Committee thereof to be kept by making, within 30 (Thirty) days of the conclusion of each such meeting, entries thereof in books kept, whether manually in the registers or by way of loose leaves bound together, as may be decided by the Board of Directors, for that purpose with their pages consecutively numbered.
- (b) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (c) In no case, the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.



- (d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (e) All appointment made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- (f) The minutes shall also contain :-
 - (i) the names of the Directors present at the meeting; and
 - (ii) in the case of each resolution passed at the meeting, the names of the directors, if any dissenting from or not concurring in the resolution.
- (g) Nothing contained in sub-clauses (a) to (f) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting –
 - (i) is, or could reasonably be regarded as, defamatory of any person;
 - (ii) is irrelevant or immaterial to the proceedings; or
 - (iii) is detrimental to the interests of the Company;.

and that the Chairman shall exercise an absolute discretion with regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in this sub-clause.

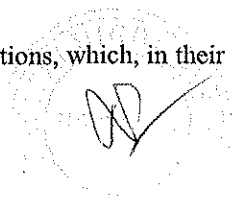
- (h) Minutes of the meetings kept in accordance with the aforesaid provisions shall be an evidence of the proceedings recorded therein.

Article: 152. Without prejudice to the general powers as well as those under the Act, and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles or otherwise, it is hereby declared that the Directors shall have, inter alia, the following powers, that is to say, power –

- (a) to pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company;
- (b) to pay and charge, to the account of the Company, any commission or interest lawfully payable thereon under the provision of the Act;
- (c) subject to the provisions of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges, which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and being in the interests of the Company, and in any such purchase or other acquisition to accept such title or to obtain such right as the directors may believe or may be advised to be reasonably satisfactory;
- (d) at their discretion and subject to the provisions of the Act, to pay for any property, right or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in Shares, Bonds, Debentures, mortgages, or other securities of the Company, and any such Shares may be issued either as fully paid up, with such amount credited as paid up thereon, as may be agreed upon, and any such bonds, Debentures, mortgages or other securities may either be specifically charged upon all or any part of the properties of the Company and its uncalled capital or not so charged;
- (e) to secure the fulfillment of any contracts or engagement entered into by the Company or, in the interests or for the purposes of this Company, by, with or against any other Company, firm or person, by mortgage or charge of all or any of the properties of the Company and its uncalled capital, for the time being, or in such manner and to such extent as they may think fit;
- (f) to accept from any member, as far as may be permissible by law, a surrender of his Shares or any part thereof, whether under buy-back or otherwise, on such terms and conditions as shall be agreed mutually, and as may be permitted, from time to time, under the Act or any other Law or the Regulations, for the time being, in force,
- (g) to appoint any person to accept and hold in trust, for the Company, any property belonging to the Company, in which it is interested, or for any other purposes, and execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;
- (h) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts, due and of any differences to arbitration and observe and perform any awards made thereon;
- (i) to act on behalf of the Company in all matters relating to bankruptcy and insolvents;



- (j) to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company;
- (k) subject to the applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security, not being Shares of this Company, or without security and in such manner, as they may think fit, and from time to time, to vary or realise such investments, save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name;
- (l) to execute, in the name and on behalf of the Company, in favour of any director or other person, who may incur or be about to incur any personal liability whether as principal or surety, for the benefit or purposes of the Company, such mortgages of the Company's property, present and future, as they may think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;
- (m) to determine from time to time, who shall be entitled to sign, on behalf of the Company, bills, invoices, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and or any other document or documents and to give the necessary authority for such purpose, and further to operate the banking or any other kinds of accounts, maintained in the name of and for the business of the Company;
- (n) to distribute, by way of bonus, incentive or otherwise, amongst the employees of the Company, a Share 01' Shares in the profits of the Company, and to give to any staff, officer or others employed by the Company a commission on the profits of any particular business 01' transaction, and to charge any such bonus, incentive or commission paid by the Company as a part of the operational expenditure of the Company;
- (o) to provide for the welfare of directors or ex-directors, Shareholders, for the time being, or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses or dwellings, or grants of moneys, whether as a gift or otherwise, pension, gratuities, allowances, bonus, loyalty bonuses or other payments, also whether by way of monetary payments or otherwise, or by creating and from time to time, subscribing or contributing to provident and other association, institutions, funds or trusts and by providing or subscribing or contributing towards places of worship, instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance, as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects, which shall have any moral or other claim to support or aid by the Company, either by reason of locality or place of operations, or of public and general utility or otherwise;
- (p) before recommending any dividend, to set aside out of the profits of the Company such sums, as the Board may think proper, for depreciation or to a Depreciation Fund, or to an Insurance Fund, a Reserve Fund, Capital Redemption Fund, Dividend Equalisation Fund, Sinking Fund or any Special Fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes, including the purposes referred to in the preceding clause, as the Board may, in their absolute discretion, think conducive to the interests of the Company and, subject to the provisions of the Act, to invest the several sums so set aside or so much thereof, as required to be invested, upon such investments, other than shares of the Company, as they may think fit, and from time to time, to deal with and vary such investments and dispose off and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes, as the Board, in their absolute discretion, think conducive to the interests of the Company, notwithstanding, that the matter, to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended, and to divide the Reserve Fund into such special funds, as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or divisions of a Reserve Fund and with full powers to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase of or repayment of debentures or debenture stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, subject to the provisions of the applicable laws, for the time being, in force.
- (q) to appoint and at their discretion, remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents and servants or other employees, in or for permanent, temporary or special services, as they may, from time to time, think fit, and to determine their powers and duties and to fix their salaries, emoluments or remuneration of such amount, as they may think fit.
- (r) to comply with the requirements of any local laws, Rules or Regulations, which, in their opinion, it shall, in the interests of the Company, be necessary or expedient to comply with.



- (s) at any time, and from time to time, by power of attorney, under the Seal of the Company, to appoint any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions, not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys, and for such period and subject to such conditions as the Board may, from time to time, think fit, and any such appointment may, if the Board thinks fit, be made in favour of the members or in favour of any Company, or the Shareholders, directors, nominees, or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection of convenience of person dealing with such Attorneys, as the Board may think fit, and may contain powers enabling any such delegates all or any of the powers, authorities and discretions, for the time being, vested in them;
- (t) Subject to the provisions of the Act, for or in relation to any of the matters, aforesaid or otherwise, for the purposes of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company, as they may consider expedient;
- (u) from time to time, make, vary and repeal bylaws for the regulation of the business of the Company, its Officers and Servants.

Dividends and reserves:

Article: 158. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles, and further subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid up or credited as paid up to the Shares held by them respectively.

Article: 159. The Company, in general meeting, may declare that dividends be paid to the members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company may, in general meeting, declare a smaller dividend than was recommended by the Board.

Article: 160. Subject to the applicable provisions of the Act, no dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that :-

- (a) if the Company has not provided for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;
- (b) if the Company has incurred any loss in any previous financial year or years the amount of loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid as against the profits of the Company for any financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of schedule II of the Act

Article: 161. The Board may, from time to time, pay to the members such interim dividend, as in their judgment, the position of the Company justifies.

Article: 162. Where capital is paid in advance of calls, such capital may carry interest as may be decided, from time to time, by the Board, but shall not, in respect thereof, confer a right to dividend or to participate in profits.

Article: 163. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during which any portion or portions of the period in respect of which the dividend is paid up; but if any Share is issued on the terms providing that it shall rank for dividend as from a particular date or on such preferred rights, such Share shall rank for dividend accordingly.

Article: 164. The Board may retain the dividends payable upon Shares in respect of which any person is, under the Article 63 hereinabove, entitled to become a member, or which any person under that article is entitled to transfer until such person shall become a member in respect of such Shares, or shall duly transfer the same and until such transfer of Shares has been registered by the Company, notwithstanding anything contained in any other provision of the Act or these Articles, the provisions of Section 206A of the Act or the corresponding section of Act, 2013 as and when notified

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shall apply.

Article: 165. Anyone of several persons, who are registered as joint holders of any Share, may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such Shares.

Article: 166. No member shall be entitled to receive payment of any interest or dividend in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares or otherwise howsoever, either alone or jointly with any other person or persons, and the Board may deduct, from the interest or dividend payable to any member, all sums of money so due from him to the Company.

Article: 167. Subject to the applicable provisions, if any, of the Act, a transfer of Shares shall not pass the right to any dividend declared thereon and made effective from the date prior to the registration of the transfer.

Article: 168. Unless otherwise directed, any dividend may be paid up by cheque or warrant or by a pay-slip sent through the post to the registered address of the member or person entitled, or, in the case of joint holders, to that one of them first named in the Register in respect of the joint holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay-slip lost in transmission or for any dividend lost to the member or person entitled thereto due to or by the forged endorsement of any cheque or warrant or the fraudulent recovery of the dividend by any other means.

Article: 169.

- (a) If the Company has declared a dividend but which has not been paid or claimed within 30 (Thirty) days from the date of declaration the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 (Thirty) days a special account to be opened by the Company in that behalf in any scheduled Bank called "the Unpaid Dividend Account of Limited". The Company shall within a period of ninety days of making any transfer of an amount to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the Company and also on any other website approved by the Central Government, for this purpose. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.
- (b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (Seven) years, from the date of such transfer shall be transferred by the Company to the Fund know as the Investor Education and Protection Fund established under Section 205C of the Act 1956 or the corresponding section of Act, 2013 as and when notified shall apply.

Article: 170. Subject to the provisions of the Act, no unpaid dividend shall bear interest as against the Company.

Article: 171. Any general meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting decides, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls.

Winding up:

Article: 186. The Liquidator, on any winding up, whether voluntary or under supervision or compulsory, may, with the sanction of a special resolution, but subject to the rights attached to any Preference Share Capital, divide among the contributories, in specie, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories, as the liquidators, with the like sanction, shall think fit.

Indemnity:

Article: 187. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.



MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION


Copies of the following documents will be available for inspection at the Registered Office of our Company on any working day (i.e. Monday to Friday and not being a bank holiday in Hyderabad) between 10.00 am and 5.00 pm from the date of filing of the Information Memorandum with the Stock Exchanges until the listing of Equity Shares on the Stock Exchanges:

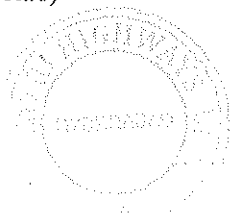
- Memorandum and Articles of Association of the Company, as amended till date.
- Certification of incorporation of our company dated December 28, 2006.
- Audited consolidated financial statements of our Company for the fiscal years ended March 31, 2017 and March 31, 2016.
- Audited standalone financial statements of our Company for the fiscal years ended March 31, 2017, March 31, 2016 and March 31, 2015.
- Composite Scheme of Arrangement.
- Order dated 3rd November, 2017 of the National Company Law Tribunal (NCLT), Hyderabad approving the Composite Scheme of Arrangement.
- Tripartite Agreement with NSDL, Registrar and Transfer Agent and the Company dated 25.01.2018.
- Tripartite Agreement with CDSL, Registrar and Transfer Agent and the Company dated 22.01.2018.
- Consent from the auditors for inclusion of their names as the statutory auditors and of their reports on accounts in the form and context in which they appear in the Information Memorandum.

DECLARATION

We hereby declare that the all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations of guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in the Information Memorandum is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the statements in the Information Memorandum are true and correct.

BY ORDER OF BOARD OF DIRECTORS OF GAYATIR HIGHWAYS LIMITED


(P. Purnachander Rao)
Director
DIN: 02230190



Place: Hyderabad
Date: 20.04.2018