



**GAYATRI**



# **GAYATRI HIGHWAYS LIMITED**

**(Formerly Gayatri Highways Private Limited  
erstwhile Gayatri Domicile Private Limited)**

**13<sup>th</sup> Annual Report  
2018-19**



▶ Cyberabad Expressways Limited



Hyderabad Expressways Limited ◀



▶ Gayatri Jhansi Roadways Limited

Gayatri Lalitpur Roadways Limited ◀



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. M.V. Narasimha Rao	Independent Director
Mr. G. Jagannadha Rao	Independent Director
Ms. P. Laxmi	Independent Director

### KEY MANAGERIAL PERSONNEL

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

### AUDIT COMMITTEE

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

### NOMINATION AND REMUNERATION COMMITTEE

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

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

### RISK MANAGEMENT COMMITTEE

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

### CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

**REGISTERED & CORPORATE OFFICE**

1st Floor, 6-3-1090, TSR Towers,  
Rajbhavan Road, Somajiguda,  
Hyderabad – 500 082, Telangana.  
Email: cs@gayatrihighways.com  
Website: www.gayatrihighways.com  
CIN: L45100TG2006PLC052146

**STATUTORY AUDITORS**

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

**INTERNAL AUDITORS**

Mr. Raju Poojari  
(Represented by Shalang Advisory Services (OPC) Pvt. Ltd.)  
Chartered Accountant  
1-7-1, Level 1, TSR Complex,  
Park Lane, Sardar Patel Road,  
Secunderabad – 500003

**SECRETARIAL AUDITORS**

DVM & Associates, LLP.  
Company Secretaries,  
Flat No. 303, 3rd Floor,  
Royal Majestic, 6-3-154 to 159,  
Near Banjara Hills Care Hospital,  
Prem Nagar, Khairatabad  
Hyderabad - 500004, Telangana

**REGISTRAR AND SHARE TRANSFER AGENT**

Karvy Fintech Private Limited,  
Karvy Selenium Tower No.B,  
Plot No.31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad - 500 032, Telangana.  
Tel: +91 040 67161591  
Fax: +91 040 2300 1153  
Email: einward.ris@karvy.com  
Website: www.karvyfintech.com

**BANKERS**

Canara Bank,  
Somajiguda Branch  
Hyderabad - 500082,  
Telangana

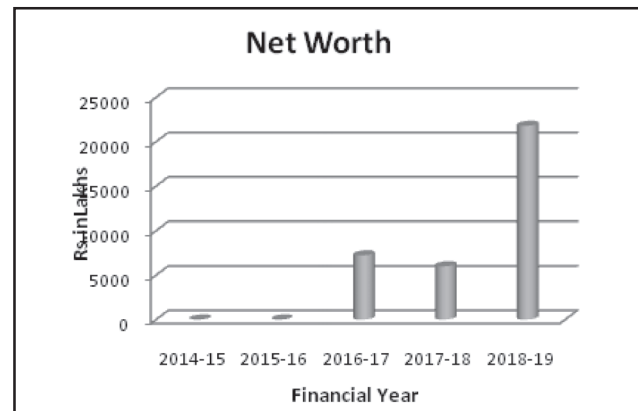
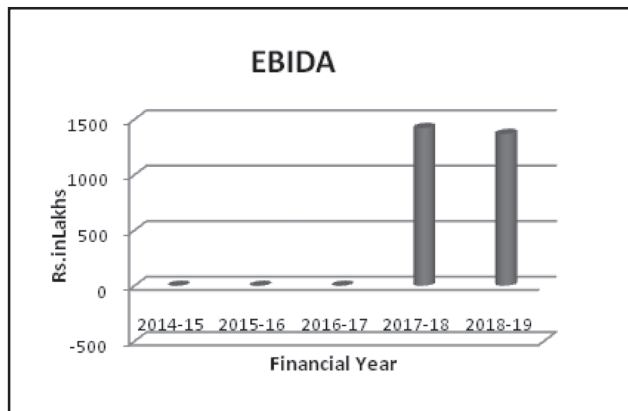
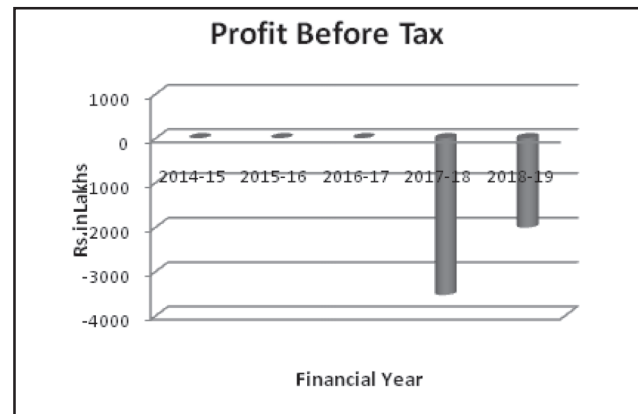
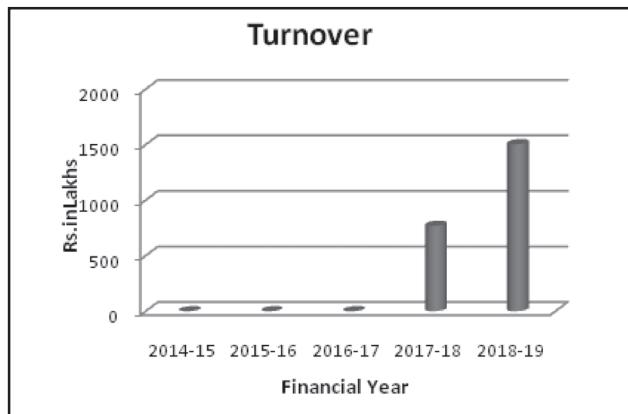


## Key Financial Indicators

(Amount in ₹)

DESCRIPTION	2018-19	2017-18	2016-17	2015-16	2014-15
Turnover	15,04,23,716	7,69,27,595	–	–	–
Profit Before Tax	(20,12,99,137)	(35,32,78,344)	(23,592)	(32,171)	(19,241)
Profit After Tax	(20,12,99,137)	(35,32,78,344)	(23,592)	(32,171)	(19,241)
EBIDA	13,68,21,972	14,21,64,414	(23,592)	(32,171)	(19,241)
Equity Capital	47,93,03,800	47,93,03,800	47,93,03,800	2,00,000	2,00,000
Reserves & Surplus	(8,83,91,372)	12,04,62,958	24,34,31,787	(70,126)	(37,955)
Net Worth	217,76,63,317	59,97,66,758	72,27,35,587	1,29,874	1,62,045
Gross Block	21,36,308	11,03,538	11,03,538	–	–
Net Block	9,28,734	–	–	–	–
Book Value (Rs.) Per Share of ₹ 2/- each	9.10	2.50	15.08	6.49	8.10
EPS (Rs.) Basic	(0.84)	(1.47)	(0.00)	(1.61)	(0.96)

Note: Book Value per share and EPS per share of ₹ 2/- each only for FY 2018-19 and FY 2017-18 and for all other years per share of ₹ 10/- each.



## NOTICE

Notice is hereby given that the 13<sup>th</sup> Annual General Meeting of the Members of M/s. Gayatri Highways Limited will be held on Friday the 27<sup>th</sup> September, 2019 at 3.30 P.M at KLN Prasad Auditorium, The Federation of Telangana Chambers of Commerce & Industry (FTCCI), Red Hills, Hyderabad - 500 004, Telangana State, India to transact the following business:

### ORDINARY BUSINESS:

1. **To receive, consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the year ended 31<sup>st</sup> March, 2019 and the Board's Report and Auditor's report thereon.**

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

**P. Raj Kumar**  
Company Secretary  
Membership No. A23289

Place: Hyderabad  
Date: 13<sup>th</sup> August, 2019

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM IS ENCLOSED. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE EFFECTIVE SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send the Company a certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. The Company's Equity shares are listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 and National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 and the Company has paid the Listing Fees to the said Stock Exchanges.
4. The Register of Members and Share Transfer Books of the Company will be closed from 21<sup>st</sup> September, 2019 to 27<sup>th</sup> September, 2019 (both days inclusive).
5. The Shareholders/ Proxies are requested to produce at the Registration Counter(s) the attendance slip duly completed and signed, for admission to the meeting hall.
6. Members/ proxies should bring their copy of the Annual Report for reference at the meeting.
7. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
8. Members seeking any information with regard to the Accounts are requested to write to the Company at least seven days before the meeting, so as to enable the Management to keep the information ready at the meeting.
9. Shareholders are requested to furnish their e-mail IDs to enable the Company to forward all the requisite information in electronic mode and support the green initiative. In case of the Shareholders holding shares in demat form the email IDs of the shareholders registered with DP and made available to the Company shall be the registered email IDs unless communication is received to the contrary.
10. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market for transaction of transfer, transmission/transposition and deletion of name of deceased holder. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agents, Karvy Computershare Private Limited.
11. The Company's Registrar & Share Transfer Agent (RTA) is Karvy Fintech Private Limited.



12. Members are requested to send all communication relating to shares (Physical and Electronic) to the Company's Registrar and Share Transfer Agent at M/s Karvy Fintech Private Limited (Unit: Gayatri Highways Limited) Karvy Selenium Tower B, Plot No 31&32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032, Telangana State, India.
13. Register of Directors and their shareholding Under Section 170 of the Companies Act, 2013 and the rules made thereunder and Register of Contracts maintained under Section 189 of the Companies Act, 2013 and the rules made thereunder are available for inspection at the registered office of the Company.
14. Members are requested to notify immediately any change of address and change in bank details etc :
- i) To their DP in respect of Shares held in dematerialized form
  - ii) To RTA i.e. M/s. Karvy Fintech Private Limited in respect of their physical shares, if any, quoting their folio number.
15. The notice of the AGM along with the Annual Report for the financial year 2018-19 is being sent by electronic mode to those members whose e-mails addresses are registered with the company/ depositories unless any member has requested for the physical copy of the same.
16. The Annual Report is also available at the Company's Website <http://www.gayatrihighways.com/annual-report.html>.
17. Road map showing directions to reach the venue of the AGM is given at the end of this notice.
18. **Voting through electronic means**  
 In terms of the provisions of Section 108 and 109 of the Companies Act, 2013 (the Act) read with Rule 20 and 21 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this Section of the Notice) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system and poll to members holding shares as on 20<sup>th</sup> September, 2019 (End of Day) being the Cut-off date fixed for determining voting rights of members, entitled to participate in the e-voting process and poll.
19. **The instructions for voting are as under:**
- A. The procedure and instructions for remote e-voting are as under:**
- a) Open your web browser during the voting period by typing the URL: <https://evoting.karvy.com>
  - b) Enter the login credentials (i.e. User ID and password mentioned in the email forwarding the Notice of AGM or mentioned on the attendance sheet accompanying the Notice of AGM in case email id is not registered and physical copy of the Annual Report is being received by you. **The said login credentials shall be valid only in case you continue to hold the shares on the cut-off date**). Your Folio No./DP ID Client ID will be your User ID. However, if you hold shares in demat form and you are already registered with Karvy for remote e-voting, you shall use your existing User ID and password for casting your vote.
  - c) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as on the cut-off date i.e. 20<sup>th</sup> September, 2019, may obtain the User id and password in the manner as mentioned below:
    - a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : MYEPWD <space> Event number+Folio No. or DP ID Client ID to 9212993399
 

Example for NSDL : MYEPWD <SPACE> IN12345612345678

Example for CDSL : MYEPWD <SPACE> 1402345612345678

Example for Physical : MYEPWD <SPACE> XXXX1234567



- b. If e-mail or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click “forgot password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
- c. Member may call Karvy’s toll free number 1-800-3454-001.
- d. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com)

If the member is already registered with Karvy for remote e-voting, he can use his existing User ID and password for casting the vote without any need for obtaining any new User ID and password.

- d) After entering these details appropriately, click on “LOGIN”.
- e) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You will also be required to enter a secret question and answer of your choice to enable you to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
- f) You need to login again with the new credentials.
- g) On successful login, the system will prompt you to select the Event Number for ***Gayatri Highways Limited***.
- h) On the voting page you will see the Resolution Description and the options “FOR/AGAINST/ABSTAIN” for voting. Enter the number of shares (which represents the number of votes) as on the cut-off date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed your total shareholding as on the cut-off date, as mentioned above. You may also choose the option “ABSTAIN” in case you do not want to cast vote.
- i) You may then cast your vote by selecting an appropriate option and click on “Submit”.
- j) A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- k) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
  - 1. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail id: [kranthisarkar369@gmail.com](mailto:kranthisarkar369@gmail.com) with a copy to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format “Corporate Name\_EVENT NO.”
- l) Once the vote on a resolution is casted by a Member, the Member shall not be allowed to change it subsequently. **Further, the Members who have casted their vote through remote e-voting shall not be allowed to vote again at the Meeting.**
- m) In case of any query pertaining to e-voting, please contact Karvy’s toll free no. 1-800-34-54-001 or visit the FAQ’s section available at Karvy’s website <https://evoting.karvy.com>.
- n) In case of grievances connected to the remote e-voting, please contact Mr. Anandan K, Manager at Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 at email id [Anandan.k@karvy.com](mailto:Anandan.k@karvy.com) Contact no. 040-67161591.

**B. General Instructions**

- (i) Members holding shares either in demat or physical mode who are in receipt of Notice in physical form, may cast their votes through e-voting.
  - (ii) Members opting for e-voting, for which the USER ID and initial password are provided in a separate sheet. Please follow steps from Sl. No.(19) under heading 'A' above to vote through e-voting platform.
  - (iii) The e-voting period commences from 9.00 a.m. (IST) on 23<sup>rd</sup> September, 2019 and ends on 5.00 p.m. (IST) on 26<sup>th</sup> September, 2019. During this period, the members of the Company, holding shares either in physical form or in demat form, as on the cut-off date of 20<sup>th</sup> September, 2019 may cast their vote electronically. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
  - (iv) The Company has appointed C.N.Kranthi Kumar, Practicing Company Secretary (Membership No FCS No.9255 , CP No. 13889), having address at Flat No. 402, 4th Floor, Maruti Raghavendra Nilayam, H.No: 1-8-7/3, Street No.13, Chikkadpally, Hyderabad-500 020, Telangana., India as the Scrutinizer to the voting process (e-voting and poll) in a fair and transparent manner.
  - (v) The Scrutinizer shall, within a period not exceeding 48 hours from the conclusion of the Annual General meeting unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any and submit the Report to the Chairman of the Company.
  - (vi) In the event of a poll, please note that the members who have exercised their right to vote by electronic means as above shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under Poll taken together with the votes cast through e-voting shall be counted for the purpose of passing of resolution(s).
  - (vii) Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 13<sup>th</sup> Annual General Meeting of the Company scheduled to be held on 27<sup>th</sup> September, 2019, the results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.gayatrihighways.com](http://www.gayatrihighways.com) and on the website of Karvy, [www.evoting.karvy.com](http://www.evoting.karvy.com) , within 48 hours of conclusion of Annual General Meeting.
  - (viii) That the members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
  - (ix) To receive communications through electronic means, including annual reports and notices, members are requested to kindly register/ update their email address with their respective depository participant, where shares are held in electronic form. However, if shares are held in physical form, members are advised to register their e-mail address with Karvy Fintech Private Limited on [Anandan.k@karvy.com](mailto:Anandan.k@karvy.com) or contact Mr. Anandan K, Manager, Contact No. 040-67161591, at [Unit: Gayatri Highways Limited] Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Telangana, India.
20. The Company is not providing Video Conferencing facility for this meeting.
21. The Company has implemented the "Green Initiative" in terms of Section 101 of the Companies Act, 2013 to enable electronic delivery of notices/ documents and annual reports to shareholders. The e-mail addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL/ CDSL will be deemed to be your registered e-mail address for serving notices/ documents including those covered under Section 101 of the Companies Act, 2013. The Notice of AGM and the copies of audited financial statements, Board's Report, Auditors' Report etc. will also be displayed on the website [www.gayatrihighways.com](http://www.gayatrihighways.com) of the Company. Members holding shares in electronic mode are, therefore, requested to ensure to keep their e-mail addresses updated with the Depository Participant. Members holding shares in physical mode are also requested to update their e-mail addresses by writing to the Company at Company's e-mail address at [cs@gayatrihighways.com](mailto:cs@gayatrihighways.com) quoting their folio number(s). In case any member desire to get hard copy of Annual Report, they can write to Company at registered office address or email at [cs@gayatrihighways.com](mailto:cs@gayatrihighways.com) OR [anandan.k@karvy.com](mailto:anandan.k@karvy.com).

**BOARD'S REPORT**

To  
The Members,

Your Directors have immense pleasure in presenting the 13<sup>th</sup> Annual Report and the Audited Financial Statements for the Financial Year ended 31st March 2019.

**FINANCIAL SUMMARY:****A) STANDALONE**

The standalone financial results of your company for the year ended 31st March 2019 are as follows:

<b>Particulars</b>	<b>For the year ended 31.03.2019 (₹)</b>	<b>For the year ended 31.03.2018 (₹)</b>
<b>1) INCOME</b>		
Revenue from operations	15,04,23,716	7,69,27,595
Other income	10,57,50,563	11,26,11,970
<b>TOTAL</b>	<b>25,61,74,279</b>	<b>18,95,39,565</b>
<b>2) EXPENDITURE</b>		
Operations & Maintenance Expenses	10,89,50,777	1,68,92,429
Employee Benefits Expense	-	20,40,577
Finance Costs	34,42,67,073	50,28,17,758
Depreciation & Amortization expense	1,04,036	-
Other Expenses	41,51,530	2,10,67,145
<b>TOTAL</b>	<b>45,74,73,416</b>	<b>54,28,17,909</b>
<b>3) Loss before tax from continuing operations</b>	<b>(20,12,99,137)</b>	<b>(35,32,78,344)</b>
Current Tax	-	-
<b>4) Loss for the year</b>	<b>(20,12,99,137)</b>	<b>(35,32,78,344)</b>
Earnings (Loss) per Share – Basic & Diluted	(0.84)	(1.47)

**B) CONSOLIDATED**

The consolidated financial results of your company for the year ended 31st March 2019 are as follows:

Particulars	For the year ended 31.03.2019 (₹)	For the year ended 31.03.2018 (₹)
<b>1) INCOME</b>		
Revenue from operations	129,82,54,168	86,10,96,475
Other income	9,01,77,242	9,93,47,586
Construction income	-	193,00,29,848
<b>TOTAL</b>	<b>138,84,31,410</b>	<b>289,04,73,909</b>
<b>2) EXPENDITURE</b>		
Construction Expenses	-	192,99,15,369
Operations & Maintenance Expenses	16,17,60,462	5,68,64,909
Employee Benefits Expense	2,61,94,965	2,33,51,166
Finance Costs	343,55,58,302	246,70,02,653
Depreciation & Amortization expense	18,16,44,201	12,34,75,055
Other Expenses	18,23,26,936	13,55,48,292
<b>TOTAL</b>	<b>398,74,84,866</b>	<b>473,61,57,444</b>
3) Loss before tax from continuing operations	(259,90,53,456)	(184,56,83,535)
- Current Tax	-	-
4) Loss for the year	(259,90,53,456)	(184,56,83,535)
Other comprehensive income-		
Re-measurement of the defined benefit plans	(1,40,216)	7,10,821
Share of profits/ (losses) in the Jointly controlled entities	(27,50,11,310)	18,84,27,095
5) Total comprehensive loss for the year	(287,42,04,982)	(165,65,45,619)
Earnings (Loss) per Share – Basic & Diluted	(11.99)	(6.91)

**STATE OF COMPANY'S AFFAIR :**

During the year, the Company achieved revenue of ₹ 25.62 Crs and net loss of ₹ 20.13 Crs on a Standalone basis and the Consolidated revenue was ₹ 138.84 Crs and net loss after non controlling interests was ₹ 287.42 Crs. Further the Company is exploring new opportunities.

**THE YEAR IN RETROSPECT**

During the year under review, the Equity Shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited with effect from 28th June, 2018 and are open for trading.

**FUTURE OUTLOOK**

The Government of India is taking every possible initiative to boost the infrastructure sector. The sector is highly responsible for propelling India's overall development and enjoys intense focus from the Government. The present Projects and the opportunities in the Indian infrastructure sector provides good visibility towards a sustainable and profitable growth going forward.

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.



The traction that the country's infrastructure development has seen in the last few years will, to our minds, continue in the future. Retail (CPI) inflation, projected by the RBI to remain below 4% up to end-2019, should facilitate a soft monetary policy in FY20. Additionally, the decisive market interventions of the central bank, the recent recapitalization of public sector banks and the ongoing resolution of chronic stressed asset cases through IBC give us reason for a broadly positive outlook.

Your company is steadfast in adopting modern technologies for better execution and improving the margins going forward.

### CHANGE IN THE NATURE OF BUSINESS

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

### EXTRACT OF ANNUAL RETURN

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

### BOARD MEETINGS

During the year ended 31st March, 2019, six Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The dates on which the Board meetings were held are 7th April, 2018, 20th June, 2018, 23rd July, 2018, 13th August, 2018, 9th November, 2018 and 13th February, 2019.

### Attendance of Directors at the meetings:

The details of the attendance of the Directors at the Board meetings held during the year ended 31st March, 2019.

Name of the Director	Number of Board Meetings	
	Held	Attended
Mr. P. Purnachander Rao*	4	4
Mr. M.V. Narasimha Rao	6	6
Mr. G. Jagannadha Rao	6	5
Ms. P. Laxmi	6	6

\* Mr. P. Purnachander Rao resigned as the Director of the Company with effect from 5th October, 2018.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- that in the preparation of the annual financial statements for the year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies and applied them consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;

- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### **BUSINESS RESPONSIBILITY REPORT**

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

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. M.V. Narasimha Rao was regularized as a Director in the category of Independent Director of the Company in the 12th AGM held on 28th September, 2018.

Mr. G. Jagannadha Rao was regularized as a Director in the category of Independent Director of the Company in the 12th AGM held on 28th September, 2018.

Ms. P. Laxmi was regularized as a Director in the category of Independent (woman) Director of the Company in the 12th AGM held on 28th September, 2018.

Mr. P. Purnachander Rao was resigned as the Director of the Company with effect from 5th October, 2018.

#### **RETIREMENT BY ROTATION**

Directors are not required to retire by rotation.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

The Independent Directors have submitted the declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section(6).

#### **POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Nomination and Remuneration (N&R) Committee discusses and decides the appointment of the Board of Directors and Key Managerial Personnel and their remuneration. The committee was constituted on 7th February, 2018.

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

During the financial year ended 31st March, 2019, one meeting was held by the Nomination and Remuneration Committee on 7th April, 2018.

The Nomination, Remuneration & Evaluation Policy is enclosed as an Annexure-II.

#### **AUDITORS REPORT**

There are no qualifications in the Auditors Report.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The company has not entered into any Contract or arrangements with the Related Parties as on 31st March, 2019. Accordingly, Form AOC-2 is not applicable to your Company.

#### **TRANSFER OF AMOUNT TO RESERVES**

The Company has not made any profits for the Financial Year ended 31st March, 2019. Therefore it has not transferred any amount to reserves.

**DIVIDEND**

The Board of Directors does not recommend any dividend on the Equity Shares or Preference Shares for the financial year ended 31st March, 2019.

**MATERIAL CHANGES AND COMMITMENTS**

During the year under review, the Equity Shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited with effect from 28th June, 2018 and are open for trading.

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

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

**B. TECHNOLOGY ABSORPTION: Not Applicable**

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

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO: Not Applicable**

Total Foreign Exchange Earned: Nil

Total Foreign Exchange Outgo: Nil

**STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY**

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

The Company has implemented a risk management policy and has constituted a Corporate Risk Management Committee to comply the provisions of the Companies Act, 2013.

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

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

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

The Company has constituted Corporate Social Responsibility Committee to comply the provisions of the Section 135 of the Companies Act, 2013.



The Corporate Social Responsibility committee was constituted as follows:

Mr. M.V. Narasimha Rao – Chairman

Mr. G. Jagannadha Rao – Member

Ms. P. Laxmi – Member

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

Since there are no profits in the Company for the preceding 3 years, the company has not spent any amount towards Corporate Social Responsibility.

The Corporate Social responsibility policy of the Company is annexed herewith as Annexure-III.

### **BOARD EVALUATION**

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

### **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with Indian Accounting Standards Ind AS – 110, Ind AS – 28 and Ind AS 31 issued by the Institute of Chartered Accountants of India and specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014; your Directors have pleasure in attaching the Consolidated Financial Statements for the financial year ended 31st March 2019, which forms part of the Annual Report and accounts.

As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited accounts of its subsidiaries on its website [www.gayatrihighways.com](http://www.gayatrihighways.com) and a copy of separate audited financial statements of its subsidiaries will be provided to shareholders upon their request.

### **SUBSIDIARY COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATE COMPANIES**

During the Financial Year ended 31st March 2019, your Company has four subsidiaries, one associate Company and three joint venture companies.

We would like to inform you that our wholly owned subsidiary M/s. Sai Maatarini Tollways Limited has terminated its Concession agreement with National Highways Authority of India (NHAI) due to the Force Majeure (Political event).

The Concession agreement was made to construct four-laning road of Panikoili-Rimuli section of NH-215 from Km 0.00 to Km 163.00 (Design length 166.173 km) in the state of Odisha under NHDP phase-III as BOT (Toll) on DBFOT pattern.

**The names of companies which have become the Company's Subsidiaries, joint ventures or associate companies during the year are as follows:**

#### **Subsidiaries:**

Indore Dewas Tollways Limited

Sai Maatarini Tollways Limited

Gayatri Jhansi Roadways Limited

Gayatri Lalitpur Roadways Limited

#### **Associates:**

Balaji Highway Holdings Private Limited

**Jointly Controlled Entities:**

Hyderabad Expressways Limited

Cyberabad Expressways Limited

HKR Roadways Limited

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

During the Financial Year, no company is ceased to be the Company's Subsidiary, joint venture or associate company.

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

As per Rule 8 of Company's (Accounts) Rules, 2014 a Report on the financial performance of subsidiaries, associates and joint venture companies along with their contribution to the overall performance of the Company during the Financial Year ended 31st March, 2019 is enclosed as Annexure-V.

**DEPOSITS**

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

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

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

**STATUTORY AUDITORS**

M/s G.S. Sai Babu & Associates, Chartered Accountants, bearing ICAI Regd. No. 014207S, were appointed as statutory auditors of the Company to hold office from the conclusion of 11th Annual General Meeting till the conclusion of the 16th Annual General Meeting.

**PARTICULARS OF EMPLOYEES**

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

Your Company has ensured that appropriate policies and procedures are adopted for ensuring orderly and efficient conduct of the business, including adherence to Company's policies, the safeguarding of its assets, prevention and detection of fraud and error, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information. The Company has Internal Financial Controls with reference to the Financial Statements commensurate with the size of the operations of the Company and adequate and operating efficiently.

**SHARE CAPITAL**

The Paid-up Share Capital of the Company as on 31st March, 2019 is Rs. 2,156,306,800 divided into 239,651,900 Equity Shares of Rs.2/- each fully paid up and 167,700,300 9% Non convertible Cumulative Redeemable Preference shares (NCRPS) of Rs. 10/- each.

**MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis forms an integral part of this Report and provides details of the overall industry structure, developments, performance and state of affairs of the Company's various businesses

viz., infrastructure BOT, Annuity projects and their adequacy, Risk Management Systems and other material developments during the financial year. The Management Discussion and Analysis Report for the financial year under review, as stipulated under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, is enclosed as Annexure-VI.

#### **CEO AND CFO CERTIFICATION**

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

#### **SECRETARIAL AUDITORS REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed DVM & Associates LLP, Practicing Company Secretaries as Secretarial Auditors to conduct Secretarial Audit of the Company for the Financial year ended 31st March, 2019.

The Secretarial Audit Report issued by DVM & Associates LLP, Practicing Company Secretaries in Form MR-3 is enclosed as Annexure-VII.

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

#### **BOARD'S RESPONSE ON AUDITOR'S QUALIFICATION, RESERVATION OR ADVERSE REMARKS OR DISCLAIMER MADE**

There are no qualifications, reservations or adverse remarks made by the statutory auditors in their report or by the Practicing Company Secretary in the Secretarial Audit Report for the year.

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

#### **INTERNAL AUDITORS**

The Board of Directors of the Company has appointed Mr. Raju Poojari, Chartered Accountant (Rep. by Shalang Advisory Services (OPC) Pvt. Ltd.) as an Internal Auditor in the Board meeting held on 20th June, 2018 with effect from 1st April, 2018 to conduct Internal Audit of the Company.

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

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

#### **AUDIT COMMITTEE**

The Audit Committee consists of the following Directors:

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

During the financial year ended 31st March, 2019, 4 meetings were held by the Audit Committee on 20th June, 2018, 13th August, 2018, 9th November, 2018 and 13th February, 2019.

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

#### **CORPORATE GOVERNANCE REPORT**

A separate report on Corporate Governance is enclosed as Annexure-VIII as a part of the Annual Report along with the certificate from the Practicing Company Secretary on its compliance.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

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

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

**MEETING OF INDEPENDENT DIRECTORS**

In accordance with the provisions of schedule IV (Code for Independent Directors) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, a meeting of the Independent Directors of the Company was held in the financial year on 13th February, 2019, without the attendance of Non-Independence Directors and members of the management.

**DISCLOSURE AS PER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The provisions of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 is not applicable to the Company.

**ENVIRONMENT, HEALTH AND SAFETY**

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

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

**INDIAN ACCOUNTING STANDARDS (IND AS)**

The Company has adopted Indian Accounting Standards (Ind AS) with effect from the Financial Year 2016-17 pursuant to Ministry of Corporate Affairs' notification of the Companies (Indian Accounting Standards) Rules, 2015.

**COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

Your Company lays emphasis on competence and commitment of its human capital recognizing its pivotal role for organizational growth. During the year, the Company maintained a record of peaceful employee relations.

Your Directors wish to place on record their appreciation for the commitment shown by the employees throughout the year.

**LISTING WITH STOCK EXCHANGES**

The Equity Shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited with effect from 28th June, 2018 and are open for trading.

**ACKNOWLEDGEMENTS**

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

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

**For and on behalf of the Board**

Place: Hyderabad  
Date: 13th August, 2019

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

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



**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**

**as on the financial year ended 31.03.2019**

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L45100TG2006PLC052146
Registration Date	28/12/2006
Name of the Company	Gayatri Highways Limited (Formerly Gayatri Domicile Private Limited)
Category / Sub-Category of the Company	Company Limited by Shares / Indian Non Government Company
Address of the Registered Office and contact details	1st Floor, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana. E Mail:cs@gayatrihighways.com Website:www.gayatrihighways.com Tel: 040-23310330 Fax: 040-23398435
Whether listed company	Listed
Name, address and contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited, Karvy Selenium Tower No. B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Telangana. Tel: +91 040 67162222 Fax: +91 40 2300 1153 Email: einward.ris@karvy.com Website: www.karvyfintech.com

**II. Principal Business Activities of the Company**

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Construction and maintenance of motorways, streets, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways	412101	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	<b>Sai Maatarini Tollways Limited,</b> 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana.	U45400TG2011PLC076396	Subsidiary	100	2(87)
2	<b>Indore Dewas Tollways Limited,</b> 6-3-1090, B1, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana.	U45200TG2010PLC068238	Subsidiary	66.64	2(87)
3.	<b>Gayatri Jhansi Roadways Limited,</b> 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana.	U50403TG2006PLC050569	Subsidiary	51	2(87)
4.	<b>Gayatri Lalitpur Roadways Limited,</b> 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana.	U45203TG2006PLC050554	Subsidiary	51	2(87)
5	<b>Balaji Highways Holding Private Limited,</b> 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana.	U45400TG2010PTC068181	Associate	48.99	2(6)

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year 1st April, 2018				No. of Shares held at the end of the year 31st March, 2019				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	8,41,54,710	-	-	35.11	8,41,54,710	-	-	35.11	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	6,23,00,000	1,00,000	6,24,00,000	26.04	6,24,00,000	-	6,24,00,000	26.04	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other (Relatives)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1):</b>	<b>14,64,54,710</b>	<b>1,00,000</b>	<b>14,65,54,710</b>	<b>61.15</b>	<b>14,65,54,710</b>	<b>-</b>	<b>14,65,54,710</b>	<b>61.15</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>14,64,54,710</b>	<b>1,00,000</b>	<b>14,65,54,710</b>	<b>61.15</b>	<b>14,65,54,710</b>	<b>-</b>	<b>14,65,54,710</b>	<b>61.15</b>	
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds / UTI	3,00,000	-	3,00,000	0.13	-	-	-	-	-0.13
b) Banks/ FI/ NBFC	8,773	-	8,773	0.00	-	-	-	-	-0.00
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	46,31,649	-	46,31,649	1.93	46,31,649	-	46,31,649	1.93	
g) FIs	6,61,37,592	-	6,61,37,592	27.60	4,81,95,118	-	4,81,95,118	20.11	-7.49
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):</b>	<b>7,10,78,014</b>	<b>-</b>	<b>7,10,78,014</b>	<b>29.66</b>	<b>5,28,26,767</b>	<b>-</b>	<b>5,28,26,767</b>	<b>22.04</b>	<b>-7.62</b>
<b>(2) Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	83,17,312	-	83,17,312	3.47	1,26,77,112	-	1,26,77,112	5.29	1.82
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	54,95,430	2411	54,97,841	2.29	1,22,95,934	2281	1,22,98,215	5.13	2.84
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	19,20,847	-	19,20,847	0.80	90,23,273	-	90,23,273	3.77	2.96
c) Others (NRI's + Non Repatriation)	62,83,176	-	62,83,176	2.62	62,71,823	-	62,71,823	2.62	
<b>Sub-Total (B)(2):</b>	<b>2,20,16,765</b>	<b>2411</b>	<b>2,20,19,176</b>	<b>9.19</b>	<b>4,02,68,142</b>	<b>2281</b>	<b>4,02,70,423</b>	<b>16.80</b>	<b>7.62</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>9,30,94,779</b>	<b>2411</b>	<b>9,30,97,190</b>	<b>38.85</b>	<b>9,30,94,909</b>	<b>2281</b>	<b>9,30,97,190</b>	<b>38.85</b>	<b>-</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>23,95,49,489</b>	<b>1,02,411</b>	<b>23,96,51,900</b>	<b>100</b>	<b>23,96,49,619</b>	<b>2,281</b>	<b>23,96,51,900</b>	<b>100</b>	<b>-</b>



## ii) Shareholding of Promoters

S. No.	Shareholders Name	Shareholding at the beginning of the year 1st April, 2018			Shareholding at the end of the year 31st March, 2019			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Mr. T. V. Sandeep Kumar Reddy	2,70,19,810	11.27	-	2,70,19,810	11.27	100	0.00
2	Ms. T. Indira Subbarami Reddy	5,71,29,500	23.84	-	5,71,29,500	23.84	100	0.00
3	Ms. T. Sarita Reddy	800	0.00	-	800	0.00	-	0.00
4	M/s. Gayatri Projects Limited	6,24,00,000	26.04	-	6,24,00,000	26.04	99.83	0.00
5	Mr. J. Brijmohan Reddy	2250	0.00	-	2250	0.00	-	0.00
6	Ms. G. Sulochanamma	2350	0.00	-	2350	0.00	-	0.00
	<b>Total</b>	<b>14,65,54,710</b>	<b>61.15</b>	<b>-</b>	<b>14,65,54,710</b>	<b>61.15</b>	<b>99.92</b>	<b>0.00</b>

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

S. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	14,65,54,710	61.15	14,65,54,710	61.15
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/ bonus/sweat equity etc):	—	—	—	—
	At the end of the year	14,65,54,710	61.15	14,65,54,710	61.15



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

S. No.	Name of the Shareholder	Shareholding at the beginning of the year		Increase/Decrease in Shareholding			Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	Date	No. of Shares	Reason	No. of Shares	% of total shares of the Company
1	GMO Emerging Markets Fund, a Series of GMO Trust	16,772,852	7.00	31.03.2018	-	-	16,772,852	7.00
				16.11.2018	-14,92,325	Sale	1,52,80,527	6.38
				23.11.2018	-83,795	Sale	1,51,96,732	6.34
				30.11.2018	-5,02,975	Sale	1,46,93,757	6.13
				7.12.2018	-50,000	Sale	1,46,43,757	6.11
				14.12.2018	-3,50,000	Sale	1,42,93,757	5.96
				21.12.2018	-13,68,131	Sale	1,29,25,626	5.39
				11.01.2019	-59,000	Sale	1,28,66,626	5.37
				01.02.2019	-25,000	Sale	1,28,41,626	5.36
				01.03.2019	-58,100	Sale	1,27,83,526	5.33
				08.03.2019	-26,904	Sale	1,27,56,622	5.32
				22.03.2019	-30,329	Sale	1,24,53,413	5.20
				31.03.2019			1,24,53,413	5.20
2	GMO Emerging Domestic Opportunities Fund, A Series	10,683,040	4.46	-	-	-	10,683,040	4.46
3	Government of Singapore-E	8,812,233	3.39	31.03.2018	-	-	8,812,233	3.39
				20.07.2018	-178	Sale	88,12,055	3.68
				24.08.2018	-1,47,954	Sale	86,64,101	3.62
				31.08.2018	-1,26,499	Sale	85,37,602	3.56
				07.09.2018	-5,47,259	Sale	79,90,343	3.33
				21.09.2018	-24,167	Sale	79,66,176	3.32
				02.11.2018	-31,295	Sale	79,34,881	3.31
				09.11.2018	-6,17,918	Sale	73,16,963	3.05
				16.11.2018	-1,04,154	Sale	72,12,809	3.01
				30.11.2018	-1,23,988	Sale	70,88,821	2.96
				07.12.2018	-91,299	Sale	69,97,522	2.92
				14.12.2018	-30,814	Sale	69,66,708	2.91
				21.12.2018	-4,39,695	Sale	65,27,013	2.72
				28.12.2018	-3,89,714	Sale	61,37,299	2.56

				31.12.2018	-2,95,108	Sale	58,41,391	2.44
				04.01.2019	-1,05,710	Sale	57,35,681	2.39
				11.01.2019	-33,678	Sale	57,02,003	2.38
				18.01.2019	-29,255	Sale	56,72,748	2.37
				25.01.2019	-8,082	Sale	56,64,666	2.36
				01.02.2019	-1,259	Sale	56,63,407	2.36
				01.03.2019	-87,785	Sale	55,75,622	2.33
				08.03.2019	-2,69,119	Sale	53,06,503	2.21
				15.03.2019	-14,796	Sale	52,91,707	2.21
				22.03.2019	-2,675	Sale	52,89,032	2.21
				31.03.2019			52,89,032	2.21
4	Mentor Capital Limited	5,669,188	2.37	31.03.2018	-	-	5,669,188	2.37
				24.08.2018	1076999	Purchase	6,746,187	2.81
				31.08.2018	749406	Purchase	7,495,593	3.13
				21.12.2018	337832	Purchase	7,833,425	3.27
				29.03.2019	7976007	Purchase	15,809,432	6.60
				29.03.2019	-7833425	Sale	79,76,007	3.33
				31.03.2019			79,76,007	3.33
5	Stichting Depository APG Emerging Markets Equity P	5,265,666	2.20	-	-	-	5,265,666	2.20
6	Satpal Khattar	5,179,335	2.16	-	-	-	5,179,335	2.16
7	Bajaj Allianz Life Insurance Company Ltd.	4,631,649	1.93	-	-	-	4,631,649	1.93
8	Afrin Dia	3,000,000	1.25	-	-	-	3,000,000	1.25
9	Monetary Authority of Singapore	2,860,339	1.19	-	-	-	2,860,339	1.19
				20.07.2018	-62	Sale	28,60,277	1.19
				24.08.2018	-52,046	Sale	28,08,231	1.17
				31.08.2018	-44,500	Sale	27,63,731	1.15
				07.09.2018	-1,92,512	Sale	25,71,219	1.07
				21.09.2018	-8,501	Sale	25,62,718	1.07
				02.11.2018	-11,009	Sale	25,51,709	1.06
				09.11.2018	-2,17,365	Sale	23,34,344	0.97
				16.11.2018	-36,638	Sale	22,97,706	0.96
				30.11.2018	-43,615	Sale	22,54,091	0.94
				07.12.2018	-32,118	Sale	22,21,973	0.93
				14.12.2018	-10,839	Sale	22,11,134	0.92
				21.12.2018	-1,54,672	Sale	20,56,462	0.86
				28.12.2018	-1,37,092	Sale	19,19,370	0.80
				31.12.2018	-1,04,092	Sale	18,15,278	0.76
				04.01.2019	-37,186	Sale	17,78,092	0.74
				11.01.2019	-11,847	Sale	17,66,245	0.74
				18.01.2019	-10,292	Sale	17,55,953	0.73



				25.01.2019	-2,843	Sale	17,53,110	0.73
				01.02.2019	-443	Sale	17,52,667	0.73
				01.03.2019	-30,878	Sale	17,21,789	0.72
				08.03.2019	-94,667	Sale	16,27,122	0.68
				15.03.2019	-5,204	Sale	16,21,918	0.68
				22.03.2019	-941	Sale	16,20,977	0.68
				31.03.2019			16,20,977	0.68
10	Societe Generale	2,694,992	1.12	-	-	-	2,694,992	1.12
				03.08.2018	-3,79,859	Sale	23,15,133	0.97
				24.08.2018	-19,27,487	Sale	3,87,646	0.16
				31.08.2018	-1,64,107	Sale	2,23,539	0.09
				07.09.2018	-1,58,354	Sale	65,185	0.03
				14.09.2018	-23,378	Sale	41,807	0.02
				04.01.2019	-41,807	Sale	0	0.00
				31.03.2019			0	0.00
11	Sparrow Asia Diversified Opportunities Fund	26,05,980	1.09	31.03.2018			26,05,980	1.09
				09.11.2018	26,05,980	Purchase	52,11,960	2.17
				09.11.2018	-26,05,980	Sale	26,05,980	1.09
				30.03.2019			26,05,980	1.09
12	Leman Diversified Fund	20,40,105	0.85	-	-	-	20,40,105	0.85

**(v) Shareholding of Directors and Key Managerial Personnel:**

S. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	75*	0.00	75*	—
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	—	—	—	—
	At the End of the year	0.00	0.00	—	—

\*Mr. P. Purnachander Rao resigned as the Director of the Company w.e.f 5th October, 2018.

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	327,73,23,126	-	327,73,23,126
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	34,71,01,737	-	34,71,01,737
<b>Total (i+ii+iii)</b>	-	<b>362,44,24,863</b>	-	<b>362,44,24,863</b>
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
Addition	-	8,72,28,593	-	8,72,28,593
Reduction	-	-	-	-
<b>Net Change</b>	-	<b>8,72,28,593</b>	-	<b>8,72,28,593</b>
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
i) Principal Amount	-	309,01,12,642	-	309,01,12,642
ii) Interest due but not paid	-	16,87,50,002	-	16,87,50,002
iii) Interest accrued but not due	-	45,27,90,812	-	45,27,90,812
<b>Total (i+ii+iii)</b>	-	<b>371,16,53,456</b>	-	<b>371,16,53,456</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

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

**B. Remuneration to other directors:****1. Independent Directors**

Sl. No.	Particulars of Remuneration	Name of Director			Total Amount
		M.V. Narasimha Rao	G.Jagannadha Rao	P. Laxmi	
	-Fee for attending Board/ Committee Meetings	2,80,000	1,80,000	2,60,000	7,20,000
	-Commission	-	-	-	-
	- Others, please specify	-	-	-	-
	<b>Total (B)(1)</b>	<b>2,80,000</b>	<b>1,80,000</b>	<b>2,60,000</b>	<b>7,20,000</b>

**2. Other Non Executive Directors**

Sl. No.	Particulars of Remuneration	P. Purnachander Rao	Total Amount
	-Fee for attending Board/ Committee Meetings	1,60,000	1,60,000
	-Commission	-	-
	- Others, please specify	-	-
	<b>Total (B)(2)</b>	<b>1,60,000</b>	<b>1,60,000</b>
	<b>Total (B)= (B)(1)+ (B)(2)</b>	<b>8,80,000</b>	<b>8,80,000</b>

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

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

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

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

For and on behalf of the Board

Place: Hyderabad  
Date: 13th August, 2019

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

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



## NOMINATION, REMUNERATION & EVALUATION POLICY GAYATRI HIGHWAYS LIMITED

### I. PREAMBLE

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

### II. OBJECTIVE

The Key Objectives of the Committee would be:

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

### III. DEFINITIONS

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



- “Nomination and Remuneration Committee” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- “Policy or This Policy” means, “Nomination, Remuneration & Evaluation Policy.”
- “Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- “Senior management” shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

#### **IV. INTERPRETATION**

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

#### **V. GUIDING PRINCIPLES**

The Policy ensures that:

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

#### **VI. ROLE OF THE COMMITTEE**

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

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down in this policy.
- To carry out evaluation of every Director’s performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

#### **VII. MEMBERSHIP**

- The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.



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

#### VIII. CHAIRMAN

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

#### IX. FREQUENCY OF MEETINGS

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

#### X. COMMITTEE MEMBERS' INTERESTS

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

#### XI. VOTING

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

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

- Appointment criteria and qualifications:
  1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
  2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
  3. The Company shall not appoint or continue the employment of any person as Managing Director/ Whole-time Director/Manager who has attained the age of seventy years.

Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

4. The Company shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is

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

- Term / Tenure:

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

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

2. Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a special resolution by the Company and on the basis of the report of performance evaluation of independent directors and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

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

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

- Evaluation:

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

- Removal:

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

- Retirement:

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

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

#### **General:**

1. The remuneration / compensation / commission etc. to Managerial Person, will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the of the Company, wherever required.



2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

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

1. Fixed pay:

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

2. Minimum Remuneration:

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

3. Provisions for excess remuneration:

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

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

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

1. Remuneration / Commission:

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

2. Sitting Fees:

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

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

3. Limit of Remuneration / Commission:

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

4. Stock Options:

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

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

(a) Qualifications of Non-Independent Director:

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

(b) Positive attributes of Non-Independent Directors:

A Non-Independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively, exercise his responsibilities in a bonafide manner in the interest of the company, devote sufficient time and attention to his obligations as Director, for informed and balanced decision making and assist the company in implementing the best Corporate governance practices.

(c) Independence of Independent Directors:

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

**XV. MINUTES OF COMMITTEE MEETING**

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

**XVI. DEVIATIONS FROM THIS POLICY**

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

## Corporate Social Responsibility Policy

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

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

1. Composition of CSR Committee:

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

2. Average Net profit for the preceding three Financial Years for the purpose of computation of CSR : NIL
3. Prescribed CSR expenditure (2% of Average Net Profit) : NIL
4. Details of CSR spend for the financial year
- a. Total amount Spent during the financial year 2018-19 : NIL
  - b. Amount unspent, if any : NIL
  - c. Manner in which the amount spent during the financial year is detailed below: **Not Applicable.**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs sub heads:  (1) Direct expenditure on projects or programs  (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or thorough implementing agency
	—	—	—	—	—	—	—
<b>Total</b>					—	—	—

5. We hereby confirm that the Implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

**For and on behalf of Corporate Social Responsibility Committee**

Place: Hyderabad  
Date: 13<sup>th</sup> August, 2019

**M.V. Narasimha Rao**  
Chairman  
DIN: 06761474

**G. Jagannadha Rao**  
Member  
DIN:01059819

**Form AOC-I**

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

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

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Name of the subsidiary	1 Sai Maatarini Tollways Limited	2 Indore Dewas Tollways Limited	3 Gayatri Jhansi Roadways Limited	4 Gayatri Lalitpur Roadways Limited
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees
3.	Share capital	10,00,08,430	5,00,000	42,40,00,000	31,79,80,060
4.	Reserves & surplus	(100,63,76,202)	(229,81,71,937)	(3,60,85,312)	12,71,90,520
5.	Total assets	1814,97,49,083	818,75,40,768	285,56,90,602	228,05,67,543
6.	Total Liabilities	1905,61,16,855	1048,52,12,705	246,77,75,914	183,53,96,963
7.	Investments	-	-	-	-
8.	Turnover	55,11,72,703	59,66,57,749	42,54,25,463	35,41,70,730
9.	Profit / (Loss) before taxation	(179,89,86,873)	(58,24,19,599)	(23,74,99,884)	(90,26,998)
10.	Provision for taxation	-	-	-	-
11.	Profit / (Loss) after taxation	(179,89,86,873)	(58,24,19,599)	(23,74,99,884)	(90,26,998)
12.	Proposed Dividend	-	-	-	-
13.	% of shareholding	100%	66.64%	51%	51%

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

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



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

Sl. No.	Name of the Associates/ Joint Ventures	Hyderabad Expressways Limited (Jointly Controlled - Entity)	Cyberabad Expressways Limited (Jointly Controlled- Entity)	HKR Roadways Limited (Jointly Controlled- Entity)	Balaji Highways Holding Private Limited (Associate)
1.	Latest audited Balance Sheet Date	31st March 2019	31st March 2019	31st March 2019	31st March 2019
2.	Shares of Associate/Joint Ventures held by the company on the year end				
	No.	9,90,000	3,96,000	17,17,642	49,000
	Amount of Investment in Associates/Joint Venture	Rs.99,00,000/-	Rs.39,60,000/-	Rs.1,71,76,420/-	Rs.4,90,000/-
	Extent of Holding %	50%	20%	37%	49%
3.	Description of how there is significant influence	Voting Power above 20%	Voting Power above 20%	Voting Power above 20%	Voting Power above 20%
4.	Reason why the associate/joint venture is not consolidated	N.A	N.A	N.A	N.A
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	(4,41,24,321)	(22,23,81,578)	(36,25,53,832)	(8,59,444)
6.	Profit / (Loss) for the year				
	i. Considered in Consolidation	1,82,59,850	(25,55,599)	(16,19,29,489)	1,91,676
	ii. Not Considered in Consolidation	-	-	-	-

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

**For and on behalf of the Board**

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

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

**G Jagannadha Rao**  
Director  
DIN: 01059819

**Satya Sai Babu Gurram**  
Proprietor  
Membership No: 208341  
Firm Reg No: 014207S

**K.G. NAIDU**  
Chief Executive Officer

**P.K. SAHOO**  
Chief Financial Officer

**P. RAJ KUMAR**  
Company Secretary

Date: 13<sup>th</sup> August, 2019  
Place: Hyderabad



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

Part-A-Subsidiaries		Name of the Subsidiary			Rs.
Sl. No.		Sai Maatarini Tolways Ltd.	Indore Dewas Tollways Ltd	Gayatri Jhansi Roadwas Ltd	Gayatri Lalitpur Roadwas Ltd
1.	The date since when subsidiary was acquired	01-04-2016	31-03-2017	31-03-2017	31-03-2017
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A	N.A	N.A
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A	N.A	N.A
4.	Share Capital	10,00,08,430	5,00,000	42,40,00,000	31,79,80,060
5.	Other Equity	(100,63,76,202)	(229,81,71,937)	(3,60,85,312)	12,71,90,520
6.	Total Assets	1814,97,49,083	818,75,40,768	285,56,90,602	228,05,67,543
7.	Total Liabilities	1905,61,16,855	1048,52,12,705	246,77,75,914	183,53,96,963
8.	Investments (Refer Note 4 below)	-	-	-	-
9.	Turnover	55,11,72,703	59,66,57,749	42,54,25,463	35,41,70,730
10.	Profit/ (Loss) before Taxation	(179,89,86,873)	(58,24,19,599)	(23,74,99,884)	(90,26,998)
11.	Tax Expense/ (Benefit)	-	-	-	-
12.	Profit/ (Loss) after Taxation	(179,89,86,873)	(58,24,19,599)	(23,74,99,884)	(90,26,998)
13.	Other Comprehensive Income	-	(1,40,216)	56,552	33,992
14.	Total Comprehensive Income	(179,89,86,873)	(58,25,59,815)	(23,75,56,436)	(90,60,990)
15.	Proposed Dividend	-	-	-	-
16.	% of shareholding	100%	66.64%	51%	51%

Notes:

**1. Names of subsidiaries which have been liquidated or sold during the year:**

S. No.	Name of the Company	Address
NIL		

S.No.	Name of Associates/Joint Ventures	Date on which the Associate or Joint Ventures was associated or acquired	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit/Loss for the year		Rs.
				No.	Amount of Investment in Associate/ Joint Venture	Extend of Holding %				i. Considered in Consolidation	ii. Not Considered in Consolidation	
1	Hyderabad Expressways Ltd.	31-03-2017	31-03-2019	9,99,000	Rs.99,90,000	50%	Voting power above 20%	N.A.	(4,41,24,321)	1,82,59,850	-	
2	Cyberabad Expressways Ltd.	31-03-2017	31-03-2019	3,96,000	Rs.39,60,000	20%	Voting power above 20%	N.A.	(22,23,81,578)	(25,55,599)	-	
3	HKR Roadways Ltd	31-03-2017	31-03-2019	17,17,642	Rs.1,71,76,420	37%	Voting power above 20%	N.A.	(36,25,53,832)	(16,19,29,489)	-	
4	Balaji Highways Holding Pvt. Ltd.	31-03-2017	31-03-2019	49,000	Rs.4,90,000	49%	Voting power above 20%	N.A.	(8,59,444)	1,91,676	-	



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

S. No.	Name of the Company	Address
NIL		

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

S. No.	Name of the Company	Address
NIL		

**For and on behalf of the Board of Directors**

**For Gayatri Highways Limited**

Place: Hyderabad  
Date: 13<sup>th</sup> August, 2019

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

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



## MANAGEMENT DISCUSSION AND ANALYSIS

### COMPANY'S OVERVIEW

Gayatri Highways Limited - GHL ("the Company") (Formerly Gayatri Domicile Private Limited - GDPL) was incorporated during the year 2006 in accordance with the provisions of Companies Act, 1956. The Company on its own and through its jointly controlled entities is in the business of construction, operations and maintenance of carriageways on toll and annuity basis pursuant to the development agreements with the National and State Governments and makes investments in companies engaged in the construction, operations and maintenance of roads, highways, vehicle bridges and tunnels and toll roads. The registered office of the Company is located at 1st Floor, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad-500082, Telangana.

### Industry Analysis:

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. In 2016, India jumped 19 places in World Bank's Logistics Performance Index (LPI) 2016, to rank 35th amongst 160 countries.

According to data released by Department of Industrial Policy and Promotion (DIPP), the construction development sector in India has received Foreign Direct Investment (FDI) equity inflows to the tune of US\$ 24.28 billion in the period April 2000-December 2016. The housing sector alone contributes 5-6 per cent to the country's Gross Domestic Product (GDP).

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.

The Government of India is taking every possible initiative to boost the infrastructure sector.

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.

### Opportunities and Threats

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

### 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.

**Business outlook:**

The Government of India is taking every possible initiative to boost the infrastructure sector. The sector is highly responsible for propelling India's overall development and enjoys intense focus from the Government. The present Projects and the opportunities in the Indian infrastructure sector provides good visibility towards a sustainable and profitable growth going forward.

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.

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.

Your company is steadfast in adopting modern technologies for better execution and improving the margins going forward.

**RISKS AND CONCERNS**

Inadequate risk management is a primary cause of concern indicated by most organizations in India. To be in a position to have fully identified all risks associated with a project and have a response plan for each; that is clearly a benchmark most organizations acknowledge, nevertheless, do little about it. Risk Management by its very nature is flawed because it only identifies the things project managers know; it fails to appreciate the "unknown", "unknowns", the "un-controllable". That said, the more risks identified and planned for, the better position the project team is in to deliver a successful project. Risk Management has been identified as a best practice by most respondents. Moreover, there is a growing concern among Organizations about inaccurate risk identification. The project will yield continuous flow of revenue for the Company.

**INTERNAL CONTROL SYSTEM AND ITS ADEQUACY**

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

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

**FINANCIAL PERFORMANCE & OPERATIONAL PERFORMANCE:**
**A. FINANCIAL CONDITION:**
**Capital Structure:**

The Paid-up Share Capital of the Company as on 31st March, 2019 is Rs. 2,156,306,800 divided into 239,651,900 Equity Shares of Rs.2/- each fully paid up and 167,700,300 9% Non convertible Cumulative Redeemable Preference shares (NCRPS) of Rs. 10/- each.

**Other Equity:**

The retained earnings in other equity of the company as on 31st March, 2019 stand at Rs. (55,46,71,199) as compared to Rs. (35,33,72,062) in the previous year. The major share of increase in loss is due to the borrowing cost on 9% Non-convertible cumulative redeemable preference shares amounting to Rs.15,09,30,272/- which is provided for the FY 2018-19.

The capital reserve in other equity of the company is decreased as on 31st March, 2019 is Rs. 46,62,79,827/- when compared to previous year as on 31st March 2018 is Rs.47,38,35,020/-. These changes in capital reserve are due to the Goodwill has been adjusted to Capital Reserve, which derived from the result of application of Composite Scheme of Arrangement.

**Fixed Assets:**

During the financial year 2018-19, the Company purchased DG-Set Machinery Rs. 5,60,170/- and Computers Rs. 4,72,600/-.

**Sundry Debtors:**

Sundry debtors decreased to Rs.5,96,79,959/- as on 31st March, 2019 as against Rs.7,11,96,687/- debtors in the previous year. These debtors are considered good and realizable.

**Cash and Bank Balances:**

Cash and Bank balances with Scheduled Banks stood to Rs.1,59,51,334/- as against Rs.31,18,487/- in the previous years.

**Loans and Advances:**

Long Term Loans and Advances is Rs.24,60,61,237/- as against Rs.27,25,06,083/- in the previous year. Short Term Loans and Advances is Rs.29,51,39,995/- as against Rs. 25,47,95,407/- in the previous year.

**Current Liabilities:**

Current Liabilities as on 31st March, 2019 is Rs. 382,28,02,225/- as against Rs.374,96,02,244/- in the previous Year.

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

During the financial year 2018-19 the turnover of the Company was Rs.15,04,23,716/- and income from other sources as on 31st March, 2019 was Rs.10,57,50,563/-, compared to the turnover of the company was Rs.7,69,27,595/- and income from other sources was Rs.11,26,11,970/- in the previous financial year.

**Depreciation:**

The Company has provided for depreciation of Rs.1,04,036/- during the financial year 2018-19 whereas no depreciation provided in the previous financial year as all the assets of the company were fully depreciated in the previous years.

**Provision for Tax:**

The Company has not provided for tax in the financial year 2018-19 and in the previous financial year since there were no profits.

**Net Profit:**

The Net loss of the Company after tax is Rs.20,12,99,137/- as against Rs.35,32,78,344/- in the previous year.

**Earnings per Share:**

The Earnings (Losses) per Share of the Company as on 31st March,2019 is Rs. (0.84) per share for Face Value of Rs.2/- as against Rs. (1.47) per share for Face Value of Rs.2/- in the previous year.

**HUMAN RESOURCE DEVELOPMENT AND INDUSTRIALRELATIONS:**

The Company believes that the Company's growth and future success depend largely on the skills of the Company's workforce, including executives and officers, as well as the designers and engineers and the attraction of critical skills. The loss of the services of one or more of these employees could impair the Company's ability to continue to implement its business strategy. The Company's success also depends on its continued ability to attract and retain experienced and qualified employees. The Company is committed to building the competencies of its employees and improving their performance through training and development. The Company focus is on identifying gaps in its employees' competencies and preparing employees for changes in competitive environments, as well as to meet organizational challenges. Some of the focus areas in training in the last year centered on leadership, innovation management and internationalization besides other training programmes to drive a change in the Company's employees' outlook as it continues to develop as a global competitor.

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

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

Ratio	FY 2018-19	FY 2017-18	Change	Note
Debtor Turnover (days)	93.24	68.55	(36.01%)	A
Interest Coverage Ratio	0.40	0.29	(40.96%)	B
Current Ratio	0.24	0.63	62.01%	C
Debit Equity Ratio	1.70	6.04	71.82%	D
Operating Profit margin %	0.53	0.75	28.85%	E
Net profit margin %	(0.79)	(1.86)	57.84%	F
Return on Net Worth	(0.42)	(0.74)	43.02%	G

- A. As there are no opening debtors for the FY 2017-18, the change is reflecting more than 25%.
- B. Except as detailed in the Standalone balance sheet note no. 21, there is no much impact for this ratio.
- C. The term loan of IL & FS is payable within the next 13 months, hence it has been classified as current liability and hence the current ratio is decreased (refer note no. 13)
- D. During the current financial year, GPL has transferred investments in SPVs to GHL in the form of Investments entirely equity in nature. This increased the total equity and hence debt equity ratio is decreased.
- E. During the current financial year, the company has executed a contract which resulted in small margin, which affected the overall operating profit (refer note no. 33)
- F. As detailed in note no. 21, the finance cost affected the overall net profit for the previous financial year.
- G. As the loss for the current financial year is reduced due to the finance cost (refer note no. 21), the overall return (loss) on Net worth is improved.



**CAUTIONARY STATEMENT:**

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

Place: Hyderabad  
Date: 13<sup>th</sup> August, 2019

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

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

**SECRETARIAL AUDIT REPORT**

For The Financial Year Ended 31st March, 2019

**FORM NO MR 3**

Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To

The Members,

**M/s. Gayatri Highways Limited**

(formerly known as Gayatri Domicile Private Limited)

Hyderabad.

We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Gayatri Highways Limited (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on 31st March 2019 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended 31st March 2019 ("Audit Period") according to the provisions of:
  - 1.1. The Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (the Act) and the Rules made thereunder;
  - 1.2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
  - 1.3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - 1.4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - 1.5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
    - 1.5.1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - 1.5.2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - 1.5.3. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - 1.5.4. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
    - 1.5.5. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - 1.6. The Secretarial Standards on the Meetings of the Board of Directors, Committees and General Meetings issued by the Institute of Company Secretaries of India.
2. We report that during the period under review the Company has substantially complied with Secretarial Standards on Board Meeting issued by the Institute of Company Secretaries of India.

3. The Company is presently carrying only O & M Activities with the group Companies. As per management view, there are no Industry Specific Acts applicable to the Company. However Company has investments in companies engaged in the construction, operations and maintenance of roads, highways, vehicle bridges and tunnels and toll roads.
4. We further report that:
  - 4.1 The Board of Directors of the Company is constituted with all Independent Directors including a Women Director. With regard to the optimum combination of Executive and Non-Executive Director as specified in the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 company has received letter from Stock Exchange and reply has been made accordingly.
  - 4.2 Mr. Raj Kumar Pragallapati, Company Secretary & Compliance Officer of the Company is also holding the position of Company Secretary in the subsidiary Company M/s Gayatri Jhansi Roadways Limited under Section 203 of the Companies Act 2013
  - 4.3 Adequate Notice along with agenda and detailed notes on agenda is given to all the Directors by e-mail / physically to schedule the Board Meetings.
  - 4.4 There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
  - 4.5 Upon Scheme of Arrangement is approved by the Hon'ble National Company Law Tribunal (NCLT) the Composite Scheme of Arrangement between Gayatri Highways Limited (GHL), Gayatri Projects Limited and Gayatri Infra Ventures Limited and their respective shareholders and creditors, the Infrastructure Road BOT Assets Business of Gayatri Projects Limited (GPL) has been transferred to the Company effective from 31st March 2017 and has implemented the directions of the NCLT and thereafter the Equity Shares of the Company have been issued and are listed on BSE Limited and National Stock Exchange of India Limited with effect from 28th June 2018 and the company followed the bankers directions relating to creation of security on promoter shares issued pursuant to the scheme of arrangement.
  - 4.6 Decisions at the meetings of the Board of Directors of the Company were taken unanimously. It is to be noted that for the Audit Period the following regulations are not applicable:
    - i. SEBI (Issue and Listing of Debt Securities) Regulations, 2008.
    - ii. SEBI (Delisting of Equity Shares) Regulations, 2009.
    - iii. SEBI (Buyback of Securities) Regulations, 1998.
    - iv. SEBI (Issue of capital and disclosure requirements) Regulations, 2009
  - 4.7 There exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and advised the company to ensure the compliance of Secretarial Standards with true spirit.
5. We further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc except as stated above and in the Audit Report.

Place:Hyderabad  
Date:13.08.2019

**For DVM & Associates LLP**

Company Secretaries  
L2017KR002100

**Ansu Thomas**

Partner  
M No: F 8994  
CP No: 16696

Note: This letter is to be read with our letter of even date, which is annexed, and form an integral part of this report.



## ANNEXURE

To  
The Members,  
M/s. Gayatri Highways Limited  
(formerly known as Gayatri Domicile Private Limited)  
Hyderabad.

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

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

Place: Hyderabad  
Date: 13.08.2019

**For DVM & Associates LLP**  
Company Secretaries  
L2017KR002100

**Ansu Thomas**  
Partner  
M No: F 8994  
CP No: 16696

## REPORT ON CORPORATE GOVERNANCE

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

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

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

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

### 2. BOARD OF DIRECTORS:

#### a) Composition and Category of Directors:

The Company endeavors to have an optimum combination of Executive and Non-Executive Directors to maintain the independence of the Board and separate the functions of Governance and Management through Board and Committees. As at 31st March, 2019, the Board of Directors ("Board") comprises of three Directors and all are Non-Executive Directors. The Company has three Independent Directors. The composition and category of the Board of Directors is as follows:

Sl. No	Name of Director	Designation	Category
1.	Mr. M.V. Narasimha Rao	Director	Independent Director
2.	Mr. G. Jagannadha Rao	Director	Independent Director
3.	Ms. P. Laxmi	Director	Independent Director
4.	#Mr. P. Purnachander Rao	Director	Non- Executive Director

# Resigned from the Board with effect from 5th October, 2018.

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

The particulars of attendance of Board Meetings and Annual General Meeting by Directors for the financial year ended 31st March, 2019 has been set out here below:



Sl. No	Name of Director	No. of Board Meetings		Attendance at last AGM on 28.09.2018
		Held	Attended	
1.	Mr. M.V. Narasimha Rao	6	6	Present
2.	Mr. G. Jagannadha Rao	6	5	Present
3.	Ms. P. Laxmi	6	6	Present
4.	Mr. P. Purnachander Rao#	4	4	Present

# Resigned from the Board with effect from 5th October, 2018.

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

Sl. No.	Name of the Director	Other Directorships	Committee Membership	Committee Chairmanship
1	Mr. M.V. Narasimha Rao	11	10	4
2	Mr. G. Jagannadha Rao	1	4	1
3	Ms. P. Laxmi	-	2	1
4	Mr. P. Purnachander Rao*	16	-	-

The Directors of Gayatri Highways Limited do not hold Directorships in any other listed entities.

\*Resigned from the Board with effect from 5th October, 2018.

- The number of total directorships is in accordance with Section 165 of the Companies Act, 2013.
- The Number of Directorships, Committee memberships and Chairmanships of all listed and unlisted companies are within the limits as per Regulation 26 of SEBI (LODR) Regulations, 2015

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

In terms of compliance with the requirement of Regulation 17(2) of SEBI (LODR) Regulations, 2015, six Board Meetings were held during the financial year ended 31st March, 2019, as against the minimum requirement of four meetings. The maximum time gap between any of two consecutive meetings did not exceed One Hundred and Twenty days.

The dates on which the Board meetings were held are 7th April, 2018, 20th June, 2018, 23rd July, 2018, 13th August, 2018, 9th November, 2018 and 13th February, 2019.

**e) Disclosure of relationship between directors inter-se**

None of the Directors are related to any other Director.

**f) Shares held by Non-Executive Directors**

The number of equity shares of the Company held by the non-executive directors, as on 31st March, 2019 are as follows:

Sl. No	Name of the Director	No of Equity Shares
1	Mr. M.V. Narasimha Rao	Nil
2	Mr. G. Jagannadha Rao	Nil
3	Ms. P. Laxmi	Nil

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

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

business and performance, long term strategy, initiatives and risksinvolved. The framework on familiarisation programme has been posted in the website of the Company. The details of familiarization programme is available on the website: <http://www.gayatrihighways.com>.

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

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

- i) The Board of Directors be and hereby confirm that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.
- j) No Independent Director has resigned from the Directorship of the Company before the expiry of their term of appointment during the Financial Year ended 31st March, 2019.

### COMMITTEES OF THE BOARD

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

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

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

#### 1. AUDIT COMMITTEE:

##### (a) Brief description of terms of reference:

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

1. Review of financial reporting systems;
2. Ensuring compliance with regulatory guidelines;
3. Reviewing the quarterly, half yearly and annual financial results;
4. Approval of annual internal audit plan;
5. Review and approval of related party transactions;



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

Further the Audit Committee also mandatorily reviews the following information:

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

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

**(b) Composition, Name of members and Chairman:**

As on 31st March, 2019, the Audit Committee of the Board comprises of three (3) Non Executive Directors being Independent Directors. The Chairperson of the Audit Committee is an Independent Director. The composition of the Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations:

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

\* Resigned with effect from 5th October, 2018

**(c) Meetings and attendance during the year:**

During the Financial year 4 Audit committee meetings were conducted on 20th June, 2018, 13th August, 2018, 9th November, 2018 and 13th February, 2019.



**Attendance at the Audit Committee Meetings:**

Sl. No	Name of Director	Designation	Number of Meetings	
			Held	Attended
1.	Mr. M.V. Narasimha Rao	Chairman	4	4
2.	Mr. G. Jagannadha Rao*	Member	2	2
3.	Ms. P. Laxmi	Member	4	4
4.	Mr. P. Purnachander Rao#	Member	2	2

#Resigned with effect from 5th October, 2018.

\* Appointed as the member of the Audit Committee with effect from 31st October, 2018.

**2. NOMINATION & REMUNERATION COMMITTEE:**
**a. Brief description of terms of reference**

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Identify persons who are qualified to become Directors and who may be appointed in Senior management in accordance with the criteria laid down in this policy.
- To carry out evaluation of every Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

**b. Composition, Name of members and Chairman:**

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

The following is the composition of the Board

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

#Resigned with effect from 5th October, 2018

**c. Nomination and Remuneration Committee meetings & Attendance**

During the Financial year 1 Nomination and Remuneration Committee meeting was held on 7th April, 2018.

**Attendance at the Nomination and Remuneration Committee Meetings:**

Sl. No	Name of Director	Designation	Number of Meetings	
			Held	Attended
1.	Mr. G. Jagannadha Rao*	Chairman	0	0
2.	Mr. M.V. Narasimha Rao	Member	1	1
3.	Ms. P. Laxmi	Member	1	1
4.	Mr. P. Purnachander Rao#	Member	1	1

#Resigned with effect from 5th October, 2018

\*Re constituted the Nomination and Remuneration Committee on 9th November, 2018.

**d. Nomination and Remuneration policy**

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

**e. Performance evaluation of Directors.**

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

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

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

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

Performance evaluation was done by the respective bodies on 13th February, 2019.

**INDEPENDENT DIRECTORS' MEETING:**

In accordance with the provisions of schedule IV (Code for Independent Directors) of the Companies Act, 2013 and SEBI Listing Regulations, 2015, one meeting of the Independent Directors of the Company was held in the financial year on 13th February, 2019, without the attendance of Non-Independent Directors and members of the management.

**5. Remuneration of Directors****(a) Details of Remuneration of Non – Executive Directors:**

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

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

S. No.	Name of Director	Sitting Fees paid (Rs.)
1.	Mr. P. Purnachander Rao*	1,60,000
2.	Mr. M.V. Narasimha Rao	2,80,000
3.	Mr. G. Jagannadha Rao	1,80,000
4.	Ms. P. Laxmi	2,60,000

\*Resigned with effect from 5th October, 2018.

**(b) Details of Remuneration of Executive Directors: N.A**

#### 6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

**(a) Brief description of terms of reference:**

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

**(b) Composition:**

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

**(c) Name and Designation of Compliance Officer:**

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

**(d) Number of Shareholders complaints received so far.**

During the financial year ended 31st March, 2019, the Company received and resolved 4 complaints from the shareholders.

**(e) Number of complaints not resolved to the satisfaction of shareholders is NIL.**

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

**7. GENERAL BODY MEETINGS:****i) Location and Time, where last three Annual General Meetings held:**

Year	Locations	Date	Time
12 <sup>th</sup> AGM (2017-18)	KLN Prasad Auditorum, The Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry (FTAPCCI), Red Hills, Hyderabad-500004, Telangana	28 <sup>th</sup> September, 2018	2.30 P.M
11 <sup>th</sup> AGM (2016-17)	Registered office 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad-50082, TS.	12 <sup>th</sup> December, 2017	11.00 A.M
10 <sup>th</sup> AGM (2015-16)	Registered office 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad-50082, TS.	28 <sup>th</sup> September, 2016	11.00 A.M

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

**2017-18:** The Company did not pass any special resolutions in the 12th AGM held on 28th September, 2018.

**2016-17:** In the 11th AGM held on 12th December, 2017 the Company has passed Special Resolutions as follows:

- i) Alteration of Articles of Association.
- ii) Conversion of Company in to a Public Limited Company.
- iii) Adoption of New Set of Memorandum of Association (MOA) and Articles of Association (AOA) of the Company.

**2015-16:** The Company did not pass any special resolutions in the 10th AGM held on 28th September, 2016.

**iii. Resolution passed through postal ballot during the year 2018-19:**

There was no resolution was passed through Postal Ballot during the financial year 2018-19. Further there is nospecial resolution proposed to be passed through postal ballot.

**8. MEANS OF COMMUNICATION:**

**(a) Financial / Quarterly Results:** The quarterly Financial Results of the Company are published in accordance with the requirements of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015.

**(b) Newspapers wherein results were normally published:** The financial results were published in an English language daily newspaper having India wide circulation viz. Business Standard and a daily newspaper in Telugu language viz. Andhra Prabha.

**(c) Any website, where displayed**

The yearly Audited Financial results and the un-audited financial results of the Company are published on the Company's website: [www.gayatrihighways.com](http://www.gayatrihighways.com)

**(d) Displays official news releases : NA**

**(e) Presentation made to institutional investors or to the analysts : NA**

**(f) Website:**

The website [www.gayatrihighways.com](http://www.gayatrihighways.com) contains a separate dedicated section "Investor" for the Company's investors where shareholders' information is available. The full Annual Report, shareholding pattern etc.

**9. GENERAL SHAREHOLDER INFORMATION:**

<b>Annual General Meeting</b>	<b>Date : 27th September, 2019</b> <b>Time : 3.30 P.M.</b> <b>Venue : KLN Prasad Auditorium, The Federation of Telangana Chambers of Commerce &amp; Industry (FTCCI), Red Hills, Hyderabad - 500 004, Telangana State, India</b>
<b>Financial Year</b>	1st April, 2018 to 31st March, 2019
<b>Date of Book Closure</b>	21st September, 2019 to 27th September, 2019 (both days inclusive)
<b>Dividend Payment Date</b>	Not Applicable
<b>Name and address of the Stock Exchange where the Company is listed</b>	<b>BSE Limited:</b> Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001
	<b>National Stock Exchange of India Limited:</b> 5th Floor, Exchange Plaza, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051
<b>Listing on Stock Exchanges BSE Ltd &amp; NSE Ltd</b>	28th June, 2018
<b>Scrip/Stock Code</b>	BSE Scrip Code: 541546 NSE Scrip Id: GAYAHWS
<b>ISIN Number for NSDL &amp; CDSL</b>	INE287Z01012

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

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

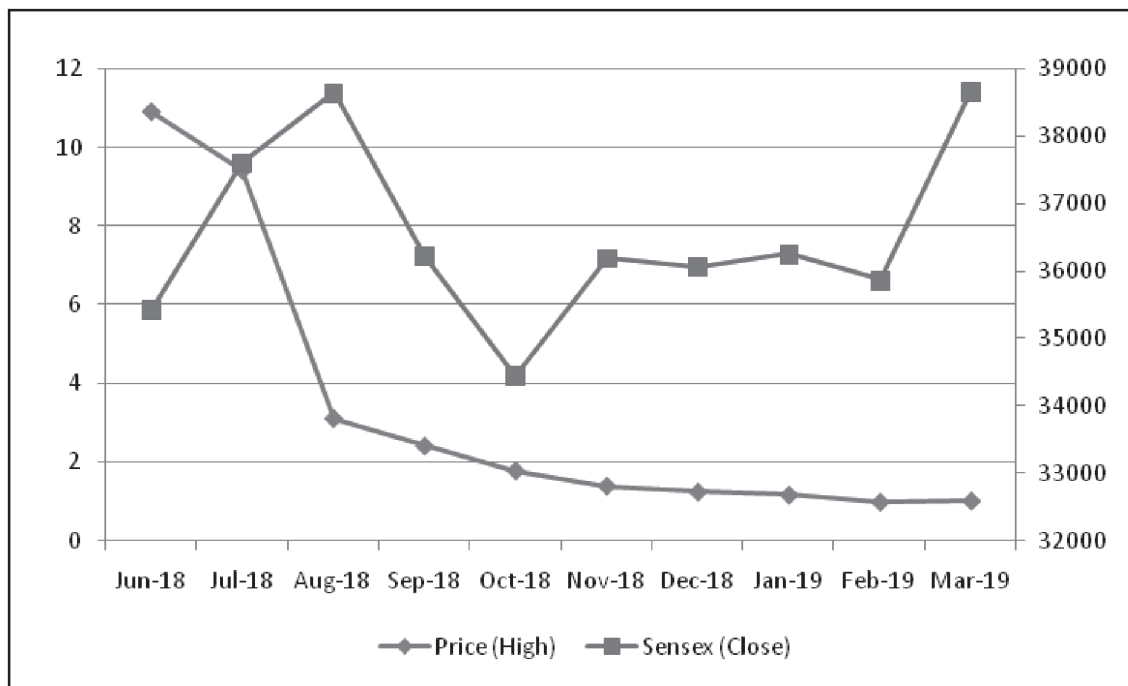
Sl.No.	Month	High during the month	Low during the month
1.	June, 2018	10.90	9.90
2.	July, 2018	9.41	3.26
3.	August, 2018	3.10	1.72
4.	September, 2018	2.40	1.80
5.	October, 2018	1.77	1.03
6.	November, 2018	1.38	1.00
7.	December, 2018	1.23	0.77
8.	January, 2019	1.15	0.95
9.	February, 2019	0.97	0.68
10.	March, 2019	1.00	0.74

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

Sl.No.	Month	High during the month	Low during the month
1.	June, 2018	10.90	9.90
2.	July, 2018	9.45	3.50
3.	August, 2018	3.35	1.95
4.	September, 2018	2.40	1.75
5.	October, 2018	1.70	1.00
6.	November, 2018	1.40	1.00
7.	December, 2018	1.20	0.75
8.	January, 2019	1.10	0.85
9.	February, 2019	0.95	0.65
10.	March, 2019	1.00	0.75

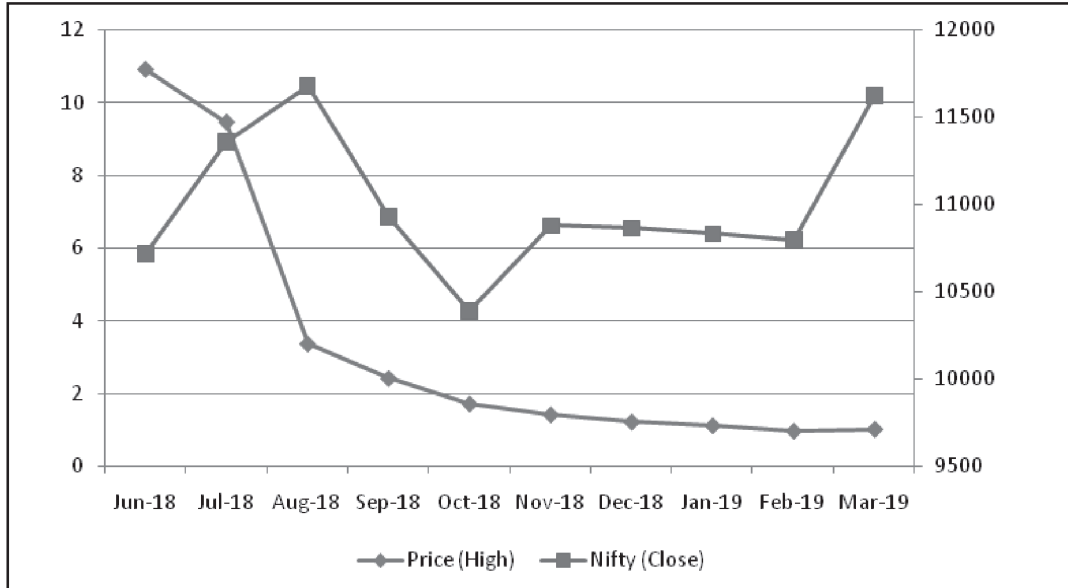
**(c) Performance in comparison to broad - based indices of BSE SENSEX :**

Comparison between the Share price - High and Sensex index close price.



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

Comparison between the Share price - High and Nifty index close price.



**(e)** There was no suspension of trading in the Securities of the Company during the Financial Year 2018-19.

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

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

**M/s KARVY FINTECH PRIVATE LIMITED**

Karvy Selenium Tower B, Plot No 31 & 32,  
Gachibowli, Financial District, Nanakramguda,  
Serilingampally, Hyderabad – 500 032  
Tel: +91 040 67161591, Fax: +91 40 2300 1153  
Email ID: einward.ris@karvy.com/anandan.k@karvy.com

**(g) Share Transfer System**

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

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

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

**(f) Distribution of shareholding****(i) Shareholding Pattern as on 31st March, 2019:**

Sl. No	Description	Total Shares	% Equity
1	Promoters & Directors	84,154,710	35.115394
2	Promoter Companies	62,400,000	26.037766
3	Foreign Portfolio Investors	3,57,41,705	14.914009
4	Foreign Institutional Investors	1,24,53,413	5.196459
5	Bodies Corporates	1,26,77,112	5.289802
6	Resident Individuals	2,05,14,164	8.559984
7	Non Resident Indians	59,91,188	2.499954
8	Insurance Companies	46,31,649	1.932657
10	Clearing Members	1,37,323	0.057301
11	H U F	8,07,399	0.336905
12	Non Resident Indian Non repatriable	84,610	0.035305
13	NBFC	55,942	0.023343
15	I E P F	1,560	0.000651
16	Directors And Their Relatives	1,125	0.000469
	<b>Total</b>	<b>239,651,900</b>	<b>100.00</b>

**(ii) Distribution of shareholding as on 31st March, 2019:**

Shares holding of nominal value of	No. of Shareholders	No. of Shares	% of total shares
1 - 5000	12,598	36,28,502	1.514072
5001 - 10000	421	16,88,654	0.704628
10001 - 20000	276	21,91,657	0.914517
20001 - 30000	101	12,60,616	0.52602
30001 - 40000	63	11,30,612	0.471773
40001 - 50000	43	9,94,295	0.414891
50001 - 100000	81	30,82,035	1.286047
100001 & Above	115	22,56,75,529	94.16805
<b>Total</b>	<b>13,698</b>	<b>23,96,51,900</b>	<b>100.00</b>

**(g) Dematerialization of Shares & Liquidity**

The Company's shares are available for dematerialization with both the Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 23,96,49,619 equity shares were dematerialized representing 99.99% of the total paid up equity share capital of the Company as on 31st March, 2019.

**(h)** There are no outstanding Global Depository Receipts/ American Depository Receipts or Warrants or any convertible instruments as on the date of 31st March, 2019.

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

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



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

k) Plant Locations – N.A.

i) Address for correspondence:

Sl. No.	Shareholders Correspondence for	Address
1.	Transfer/Dematerialization/ Consolidation/Split of shares, Issue of Duplicate Share Certificates, Non-receipt of dividend/ Bonus shares, etc., change of address of Members and Beneficial Owners and any other query relating to the shares of the Company.	<b>M/s. Karvy Fintech Pvt Ltd</b> Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032 Tel : +91 040 67162222, Fax: +91 40 2300 1153 Email ID: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> / <a href="mailto:anandan.k@karvy.com">anandan.k@karvy.com</a>
2.	Investor Correspondence / Queries on Annual Report, Revalidation of Dividend Warrants, Sub-Division, etc.	<b>Company Secretary</b> Gayatri Highways Limited 6-3-1090, 1 <sup>st</sup> Floor, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad-500082, Telangana. Tel: +91 40 2331 0330 Fax: +91 40 2339 8435 Email: <a href="mailto:cs@gayatrihighways.com">cs@gayatrihighways.com</a> Website: <a href="http://www.gayatrihighways.com">www.gayatrihighways.com</a>

## 10. OTHER DISCLOSURES

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

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

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

Not applicable

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

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR) Regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The policy is available on the Company website, [www.gayatrihighways.com](http://www.gayatrihighways.com) during the financial year under review, no Complaints were received.

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

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



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

The policy for determining 'material' subsidiaries is available on the website of the Company <http://gayatrihighways.com/corporate-governance.html>

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

The policy on dealing with related party transactions is available on the website of the Company: <http://gayatrihighways.com/corporate-governance.html>

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

**(h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

Not Applicable

**(i) A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.**

The Certificate issued by Mr.C.N.Kranthi Kumar, Practicing Company Secretary is attached to this Report.

**(j) The board has accepted all the recommendations of various committees of the board which is mandatorily required, in the relevant financial year**

**(k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: Rs. 2,50,000**

**(l) disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

- a. number of complaints filed during the financial year -NIL
- b. number of complaints disposed of during the financial year -NA
- c. number of complaints pending as on end of the financial year.-NIL

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

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

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

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

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

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

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

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

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

**15. CEO and CFO Certification**

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

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

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

**17. Unclaimed Dividend:**

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

**18. Proceeds from public issues, rights issues, preferential issues, etc.**

During the year ended 31st March, 2019, there were no proceeds from public issues, rights issues, preferential issues, etc.

**19. The Company has adopted the policy on dissemination of information on the material events to stock exchanges in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available on the website of the Company <http://www.gayatrihighways.com>**



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

**21. Company's Policy on prevention of insider trading:**

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

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

**22. Particulars of Directors, who are seeking appointment/re-appointment at the forthcoming Annual General Meeting:-** Not Applicable.

Name of Director
Expertise in specific functional areas
Date of Birth
Qualification
List of other Companies in which Directorship is held as on 31st March, 2019.
Chairman/Member of the Committees of the Board of other Companies, in which he/she is a Director as on 31st March, 2019.

For and on behalf of the Board

Place: Hyderabad  
Date: 13<sup>th</sup> August, 2019

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

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

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

To

The Members of Gayatri Highways Limited

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management and the same has been placed on the Company's website. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct in respect of the financial year ended 31st March, 2019.

**For Gayatri Highways Limited**

**Place:** Hyderabad  
**Date:** 13<sup>th</sup> August, 2019

**K. G Naidu**  
**Chief Executive Officer**



## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members of  
Gayatri Highways Limited,  
Registered Address: 1st Floor, TSR Towers,  
6-3-1090, Rajbhavan Road, Somajiguda,  
Hyderabad - 500 082, Telangana.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors (hereinafter referred to as 'the documents') of Gayatri Highways Limited having CIN: L45100TG2006PLC052146 and having registered office at 1st Floor, TSR Towers, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad - 500 082, Telangana (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company.

My responsibility is to express an opinion based on verification of the documents.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is addressed and provided to the members of the Company solely and not be used by any other person or for any other purpose.

Place: Hyderabad  
Date: 13<sup>th</sup> August, 2019

**C.N. Karanth Kumar**  
Company Secretary in Practice  
FCS No. 9255 CP. No. 13889

## CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE

Certificate from Company Secretary in Practice on compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To  
The Members of  
Gayatri Highways Limited,

I have examined the relevant records of Gayatri Highways Limited [the "Company"] for the purpose of certifying compliance of the conditions of the Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [the "SEBI Listing Regulations"] including statutory amendments thereof, for the financial year ended on March 31, 2019.

The compliance of the conditions of Corporate Governance is the responsibility of the management including the design, implementation, maintenance, internal controls and procedures adopted.

My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance, and my responsibility is to provide a reasonable assurance as to whether the Company has complied with the conditions of the Corporate Governance.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as specified in the above-mentioned SEBI Listing Regulations.

This certificate of compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is neither an audit nor an expression of opinion on the financial statements of the Company.

This certificate is addressed and provided to the members of the Company solely and not be used by any other person or for any other purpose.

Place: Hyderabad  
Date: 13<sup>th</sup> August, 2019

**C.N. Karanth Kumar**  
Company Secretary in Practice  
FCS No. 9255 CP. No. 13889



## CEO AND CFO CERTIFICATION

To  
The Board of Directors  
Gayatri Highways Limited

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of GAYATRI HIGHWAYS LIMITED ("the Company"), to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2019 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the applicable accounting standards, applicable laws and regulations.
- b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Hyderabad  
Date: 13<sup>th</sup> August, 2019

**K.G. Naidu**  
Chief Executive Officer

**P.K Sahoo**  
Chief Financial Officer



## **INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Standalone IndAS financial statements**

### **Opinion**

We have audited the Standalone Ind AS financial statements of Gayatri Highways Limited (Formerly Gayatri Domicile Private Limited) ("the Company"), which comprise the Balance Sheet as at 31st March 2019 and the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and its loss, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Information Other than the Ind AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company



and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The company does not have any pending litigations which would impact its financial position except those disclosed in financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

Firm's Registration No.: 014207S

**SATYA SAI BABU GURRAM**

Proprietor

Membership No: 208341

Place : Hyderabad

Date : 27<sup>th</sup> May 2019



**Annexure 'A' to the Independent Auditor's Report of GAYATRI HIGHWAYS LIMITED (Formerly GAYATRI DOMICILE PRIVATE LIMITED) for the Year ended as on 31st March 2019**

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

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the Management at regular Intervals and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The company has no immovable property hence paragraph 3(i)(c) of the Order is not applicable to the company.
- (ii) As the company is engaged in the business of infrastructure development, operations and its maintenance and there is no inventory in hand at any point of time, hence paragraph 3(ii) of the Order is not applicable to the company.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable
- (iv) The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the company.
- (v) The Company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. As on 31st March 2019, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they become payable .
- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Amount paid under protest (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	892,926	4,55,023	Financial Year 08-09	Highcourt of Telangana

- (viii) There are no loans or borrowings payable to banks or government and no dues payable to debenture-holders. The Company has not defaulted in any of the payments related to borrowings.
- (ix) Money raised by way of term loans were applied for the purpose for which it was raised. The Company has not raised money by way of initial public offer or further public offer.
- (x) According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during the period under audit.
- (xi) The company has not paid managerial remuneration, hence paragraph 3(xi) of the order is not applicable to the company.
- (xii) The Company is not a Nidhi Company and hence clause 3 (xii) of the Companies (Auditor's Report) Order 2016 is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) On the basis of information and explanations provided to us by the management, read with note 33 to the accompanying financial statements, provisions of Section 45IA of the Reserve Bank of India Act, 1934 is not applicable to the Company. Accordingly, the Company has not got itself registered under the aforesaid provisions as at 31 March 2019.

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

Chartered Accountants

Firm's Registration No.: 014207S

**SATYA SAI BABU GURRAM**

Proprietor

Membership No: 208341

Place : Hyderabad

Date : 27<sup>th</sup> May 2019

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

We have audited the internal financial controls over financial reporting of Gayatri Highways Limited (Formerly Gayatri Domicile Private Limited) ("the Company") as of 31st March 2019 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

Firm's Registration No.: 014207S

**SATYA SAI BABU GURRAM**

Proprietor

Membership No: 208341

Place : Hyderabad

Date : 27<sup>th</sup> May 2019

**Balance Sheet as at 31st March 2019**

(All amounts in ₹ unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	9,28,734	—
Intangible Assets			
- Goodwill	25	—	75,55,193
Financial assets			
- Investments	4	5,37,46,91,823	3,73,29,53,880
- Loans	5	24,60,61,237	27,25,06,083
Tax assets, net	6	1,00,12,460	70,03,985
		<b>5,63,16,94,254</b>	<b>4,02,00,19,141</b>
<b>Current assets</b>			
Financial assets			
- Trade receivables	7	5,96,79,959	7,11,96,687
- Cash and cash equivalents	8	1,59,51,334	31,18,487
- Loans	5	29,51,39,995	25,47,95,407
Other Current Assets	9	—	2,39,280
		<b>37,07,71,288</b>	<b>32,93,49,861</b>
<b>Total assets</b>		<b>6,00,24,65,542</b>	<b>4,34,93,69,002</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	10	47,93,03,800	47,93,03,800
Instruments entirely equity in nature	11	1,78,87,50,889	—
Other equity	12	(8,83,91,372)	12,04,62,958
<b>Total Equity</b>		<b>2,17,96,63,317</b>	<b>59,97,66,758</b>
<b>Non-current Liabilities</b>			
Financial liabilities			
- Borrowings	13	2,27,97,93,812	3,22,88,63,540
<b>Current liabilities</b>			
Financial liabilities			
- Trade Payables	14	3,63,70,474	16,200
- Short-term borrowings	13	1,26,31,09,642	35,03,20,126
- Other financial liabilities	15	23,44,31,635	13,01,12,930
Other current liabilities	16	90,96,662	4,02,89,448
<b>Total liabilities</b>		<b>3,82,28,02,225</b>	<b>3,74,96,02,244</b>
<b>Total equity and liabilities</b>		<b>6,00,24,65,542</b>	<b>4,34,93,69,002</b>

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

For **G.S. Sai Babu & Associates**  
Chartered Accountants  
Firm Regn. No: 014207S

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

**Satya Sai Babu Gurram**  
Proprietor  
M.No.:208341

**M.V.Narasimha Rao**  
Director  
DIN:06761474

**G.Jagannadha Rao**  
Director  
DIN:01059819

Place : Hyderabad  
Date : 27th May 2019

**K.G.Naidu**  
Chief Executive Officer

**P.K.Sahoo**  
Chief Financial Officer

**P.Raj Kumar**  
Company Secretary



## Statement of Profit and Loss for the year ended 31st March 2019

(All amounts in ₹ unless otherwise stated)

	Notes	For the year ended	
		31 March 2019	31 March 2018
Revenue from Operations	17	15,04,23,716	7,69,27,595
Other income	18	10,57,50,563	11,26,11,970
<b>Total income</b>		<b>25,61,74,279</b>	<b>18,95,39,565</b>
<b>Expenses</b>			
Operating & Maintenance Expenses	19	10,89,50,777	1,68,92,429
Employee benefits expense	20	—	20,40,577
Finance costs	21	34,42,67,073	50,28,17,758
Depreciation expense	3	1,04,036	—
Other expenses	22	41,51,530	2,10,67,145
<b>Total expenses</b>		<b>45,74,73,416</b>	<b>54,28,17,909</b>
<b>Loss before tax</b>		<b>(20,12,99,137)</b>	<b>(35,32,78,344)</b>
Current tax		—	—
<b>Loss for the year</b>		<b>(20,12,99,137)</b>	<b>(35,32,78,344)</b>
Other comprehensive income		—	—
<b>Total comprehensive loss for the year</b>		<b>(20,12,99,137)</b>	<b>(35,32,78,344)</b>
<b>Earnings per equity share (EPES)</b>	24		
Basic		(0.84)	(1.47)
Diluted		(0.84)	(1.47)

The accompanying notes form an integral part of the financial statements.  
This is the Statement of Profit and Loss referred to in our report of even date.

For **G.S. Sai Babu & Associates**  
Chartered Accountants  
Firm Regn. No: 014207S

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

**Satya Sai Babu Gurram**  
Proprietor  
M.No.:208341

**M.V.Narasimha Rao**  
Director  
DIN:06761474

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DIN:01059819

Place : Hyderabad  
Date : 27th May 2019

**K.G.Naidu**  
Chief Executive Officer

**P.K.Sahoo**  
Chief Financial Officer

**P.Raj Kumar**  
Company Secretary

**Statement of Cash Flows for the year ended 31st March 2019**

(All amounts in ₹ unless otherwise stated)

	For the year ended	
	31 March 2019	31 March 2018
<b>Cash flows from operating activities</b>		
Loss before tax	(20,12,99,137)	(35,32,78,344)
<b>Adjustments for:</b>		
Depreciation expense	1,04,036	—
Interest income and financial guarantee income	(4,03,00,617)	(4,37,33,461)
Interest expense	18,70,86,801	19,35,82,218
<b>Operating loss before working capital changes</b>	<b>(5,44,08,917)</b>	<b>(20,34,29,587)</b>
<b>Changes in working capital:</b>		
Increase in trade payables	—	—
(Decrease)/increase in other current liabilities	3,69,69,390	(1,50,13,275)
Increase in other current assets	(27,69,195)	(36,49,604)
Increase in trade receivables	1,15,16,728	(7,11,96,687)
Increase in trade payables	3,63,54,274	16,200
Decrease/(increase) in loans and advances	(1,38,99,742)	63,96,73,748
<b>Cash generated from/(used in) operating activities</b>	<b>1,37,62,538</b>	<b>34,64,00,795</b>
Less: Income taxes refund received /(paid)	—	—
<b>Net cash generated from/(used in) operating activities A</b>	<b>1,37,62,538</b>	<b>34,64,00,795</b>
<b>Cash flows from investing activities</b>		
Interest received	4,03,00,617	4,37,33,461
Purchase of Fixed Assets	(10,32,770)	—
Investments transferred from GPL	(1,64,17,37,943)	(87,98,92,482)
Capital Reserve on Demerger of GPL to GHL	—	23,03,09,515
<b>Net cash used in investing activities B</b>	<b>(1,60,24,70,096)</b>	<b>(60,58,49,506)</b>
<b>Cash flows from financing activities</b>		
Interest paid	—	(19,35,82,218)
Proceeds from short-term borrowings, net	91,27,89,516	13,27,00,623
Proceeds from long-term borrowings	68,87,50,889	31,68,60,540
<b>Net cash (used in)/generated from financing activities C</b>	<b>1,60,15,40,405</b>	<b>25,59,78,945</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>1,28,32,847</b>	<b>(34,69,766)</b>
Cash and cash equivalents at the beginning of the year	31,18,487	65,88,253
<b>Cash and cash equivalents at the end of the year</b>	<b>1,59,51,334</b>	<b>31,18,487</b>
<b>Cash and cash equivalents comprises of:</b>		
Cash on hand	1,91,422	72
Balances with banks in current accounts	1,57,59,912	31,18,415
	<b>1,59,51,334</b>	<b>31,18,487</b>

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

For **G.S. Sai Babu & Associates**  
Chartered Accountants  
Firm Regn. No: 014207S

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

**Satya Sai Babu Gurram**  
Proprietor  
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**M.V.Narasimha Rao**  
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Place : Hyderabad  
Date : 27th May 2019

**K.G.Naidu**  
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**P.K.Sahoo**  
Chief Financial Officer

**P.Raj Kumar**  
Company Secretary

## Statement of Changes in Equity for the year ended 31st March 2019

(All amounts in ₹ unless otherwise stated)

### (a) Share Capital

	Number	Amount
<b>Equity Share Capital</b>		
<b>Equity shares of ₹ 2 each issued, subscribed and fully paid</b>		
At 31 March 2018 (₹2 each)	23,96,51,900	47,93,03,800
At 31 March 2019 (₹ 2 each)	23,96,51,900	47,93,03,800

### (b) Instruments entirely equity in nature

	31st March 2019	31st March 2018
Opening Balance	—	—
Changes during the year (refer note no 26)	1,78,87,50,889	—
Closing Balance	1,78,87,50,889	—

### (c) Other equity

	Capital Reserve	Retained earnings	Total equity
<b>Balance as of 1st April 2017</b>	24,35,25,505	(93,718)	24,34,31,787
Loss for the year	—	(35,32,78,344)	(35,32,78,344)
Changes during the year *	23,03,09,515	—	23,03,09,515
<b>Balance as of 31st March 2018</b>	47,38,35,020	(35,33,72,062)	12,04,62,958
<b>Balance as of 1st April 2018</b>	47,38,35,020	(35,33,72,062)	12,04,62,958
Loss for the year	—	(20,12,99,137)	(20,12,99,137)
Changes during the year#	(75,55,193)	—	(75,55,193)
<b>Balance as of 31st March 2019</b>	46,62,79,827	(55,46,71,199)	(8,83,91,372)

\*These changes represent the value of BOT infrastructure assets acquired from the Transferee Company and subsequent easurement at fair value as per the Composite Scheme of Arrangement. Refer note 25.

# During the financial year 2018-19, the Goodwill has been adjusted to Capital Reserve, which derived from the result of application of Compositite Scheme of Arrangement.

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

For **G.S. Sai Babu & Associates**  
Chartered Accountants  
Firm Regn. No: 014207S

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

**Satya Sai Babu Gurram**  
Proprietor  
M.No.:208341

**M.V.Narasimha Rao**  
Director  
DIN:06761474

**G.Jagannadha Rao**  
Director  
DIN:01059819

Place : Hyderabad  
Date : 27th May 2019

**K.G.Naidu**  
Chief Executive Officer

**P.K.Sahoo**  
Chief Financial Officer

**P.Raj Kumar**  
Company Secretary



## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 1. Nature of operations

**Gayatri Highways Limited - GHIL ("the Company") (Formerly Gayatri Domicile Private Limited - GDPL)** was incorporated during the year 2006 in accordance with the provisions of Companies Act, 1956. The Company on its own and through its jointly controlled entities is in the business of construction, operations and maintenance of carriageways on toll and annuity basis pursuant to the development agreements with the National and State Governments and makes investments in companies engaged in the construction, operations and maintenance of roads, highways, vehicle bridges and tunnels and toll roads. The registered office of the Company is located in 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad-500082.

### 2. Summary of significant accounting policies

#### a) Basis of preparation of standalone financial statements

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

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

#### b) Use of estimates

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

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

#### Significant accounting judgements, estimates and assumptions

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

#### Estimates and assumptions

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

**c) Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is current when it is:

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

All other liabilities are classified as non-current.

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

**d) Revenue recognition**

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

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

**e) Earnings/(loss) per share**

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

**f) Provisions and contingent liabilities**

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



appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**g) Cash and cash equivalents**

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

**h) Taxes**

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

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

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

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

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

**i) Financial instruments**

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

**A) Financial Asset**

**Initial recognition and measurement**

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

**Subsequent measurement**

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)

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

#### **Debt instruments at amortised cost**

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

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

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

#### **Equity investments:**

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

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

#### **Derecognition**

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

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

#### **Impairment of financial assets**

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

### **B) Financial Liability**

#### **Initial recognition and measurement**

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

#### **Subsequent measurement**

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

**Financial liabilities at fair value through profit or loss**

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

**Loans and borrowings**

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

**Financial guarantee contracts**

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

**Derecognition**

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

**Reclassification of financial assets**

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

**j) Fixed assets**

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

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

**k) Depreciation and amortization**

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



**l) Impairment**

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

**m) Borrowings Costs**

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

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

**n) Foreign currency transactions and derivatives**

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

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

**3. Property, Plant and equipment**

	Office Equipment	Machinery	Computer and related equipment	Total
<b>Gross block</b>				
<b>As at 31st March 2017</b>	1,61,999	—	9,41,539	11,03,538
Additions during the year	—	—	—	—
<b>As at 31st March 2018</b>	1,61,999	—	9,41,539	11,03,538
Additions during the year	—	5,60,170	4,72,600	10,32,770
<b>As at 31st March 2019</b>	1,61,999	5,60,170	14,14,139	21,36,308
<b>Accumulated depreciation</b>				
<b>Up to 31st March 2017</b>	1,61,999	—	9,41,539	11,03,538
Charge for the year	—	—	—	—
<b>Up to 31st March 2018</b>	1,61,999	—	9,41,539	11,03,538
Charge for the year	—	1,841	1,02,195	1,04,036
<b>Up to 31st March 2019</b>	1,61,999	1,841	10,43,734	12,07,574
<b>Net block</b>				
<b>As at 31st March 2019</b>	—	5,58,329	3,70,405	9,28,734
As at 31st March 2018	—	—	—	—

## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 4. Investments

	As at 31 March 2019	As at 31 March 2018
<b>Non-current investments</b>		
<b>Unquoted</b>		
<b>Investments carried at cost</b>		
<b>Investments in equity instruments of Subsidiaries</b>		
1,00,00,843 (2018: 1,00,00,843) equity shares of ₹10 each fully paid-up in Sai Maatarini Tollways Limited	1,79,40,47,807	1,79,40,47,807
33,320 (2018: 33,320) equity shares of ₹ 10 each fully paid-up in Indore Dewas Tollways Limited.	3,33,400	3,33,400
48,995 (2018: 48,995) equity shares of ₹ 10 each fully paid-up in Balaji Highways Holding Private Limited.	4,90,000	4,90,000
<b>Sub-Total (A)</b>	<b>1,79,48,71,207</b>	<b>1,79,48,71,207</b>
<b>Investments in equity instruments of jointly controlled entities</b>		
9,90,000 (2018: 9,90,000) equity shares of ₹ 10 each fully paid-up in Hyderabad Expressways Limited.	15,81,36,417	15,81,36,417
3,96,000 (2018: 3,96,000) equity shares of ₹ 10 each fully paid-up in Cyberabad Expressways Limited.	4,22,39,111	4,22,39,111
2,16,19,994 (2018: 2,16,19,994) equity shares of ₹ 10 each fully paid-up in Gayatri Jhansi Roadways Limited.	26,68,94,205	40,13,62,101
1,62,18,000 (2018: 1,62,18,000) equity shares of ₹10 each fully paid-up in Gayatri Lalitpur Roadways Limited.	20,09,45,837	22,22,55,084
17,17,642 (2018: 17,17,642) equity shares of ₹ 10 each fully paid-up in HKR Roadways Limited.	1,71,76,420	1,71,76,420
<b>Sub-Total (B)</b>	<b>68,53,91,990</b>	<b>84,11,69,133</b>
<b>Investments in debentures of jointly controlled entities</b>		
85,50,000 (2018: 85,50,000) 0.001% Optionally Convertible debentures of ₹ 10 each fully paid-up in Cyberabad Expressways Limited.	6,35,40,428	5,47,76,231
<b>Sub-Total (C)</b>	<b>6,35,40,428</b>	<b>5,47,76,231</b>
<b>Investments in Instruments entirely Equity in nature</b>		
- Investments in Subsidiary (Sai Maatarini Tollways Limited)/ (refer note no 26)	1,00,15,99,644	—
- Investments in Subsidiary (Indore Dewas Tollways Limited) (refer note no 26)	70,25,00,000	36,30,00,000
- Investments in Jointly controlled entity (HKR Roadways Limited) (refer note no 26)	1,12,67,88,554	67,91,37,309
<b>Sub-Total (D)</b>	<b>2,83,08,88,198</b>	<b>1,04,21,37,309</b>
<b>Total non-current investments (A+B+C+D)</b>	<b>5,37,46,91,823</b>	<b>3,73,29,53,880</b>
Less: Investments held for sale	—	—
<b>Net value of non-current investments</b>	<b>5,37,46,91,823</b>	<b>3,73,29,53,880</b>
<b>Aggregate amount of unquoted investments</b>	<b>5,37,46,91,823</b>	<b>3,73,29,53,880</b>

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

**5. Loans**

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Non-current</b>		
(Unsecured, considered good)		
Loans to related parties		
- Loans to Subsidiary	—	—
- Loans to jointly controlled entities	24,60,61,237	27,25,06,083
	<u>24,60,61,237</u>	<u>27,25,06,083</u>
<b>Current</b>		
(Unsecured, considered good)		
Loans to related parties		
- Loans to subsidiary	14,44,464	10,69,164
- Loans to jointly controlled entities	29,36,95,531	25,37,26,243
	<u>29,51,39,995</u>	<u>25,47,95,407</u>
<b>Aggregate of Loans and Advances</b>	<b>54,12,01,232</b>	<b>52,73,01,490</b>

**6 Tax assets, net**

Particulars	As at 31 March 2019	As at 31 March 2018
TDS Receivables	1,00,12,460	70,03,985
	<u>1,00,12,460</u>	<u>70,03,985</u>

**7 Trade receivables**

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good)		
- related parties	5,96,79,959	7,11,96,687
	<u>5,96,79,959</u>	<u>7,11,96,687</u>

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

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

**8 Cash and cash equivalents**

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with banks		
- on current accounts	1,57,59,912	31,18,415
Cash on hand	1,91,422	72
	<u>1,59,51,334</u>	<u>31,18,487</u>

**9 Other Current Assets**

Particulars	As at 31 March 2019	As at 31 March 2018
Miscellaneous Expenditure to the extent not written off	—	1,91,200
Pre-operative Expenditure	—	48,080
	<u>—</u>	<u>2,39,280</u>

## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 10 Equity Share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
<b>Authorized Equity Share Capital</b>				
Equity shares of ₹ 2 each	25,00,00,000	50,00,00,000	25,00,00,000	50,00,00,000
	<u>25,00,00,000</u>	<u>50,00,00,000</u>	<u>25,00,00,000</u>	<u>50,00,00,000</u>
<b>Issued, subscribed and fully paid-up Equity Share Capital</b>				
Equity shares of ₹ 2 each	23,96,51,900	47,93,03,800	23,96,51,900	47,93,03,800
	<u>23,96,51,900</u>	<u>47,93,03,800</u>	<u>23,96,51,900</u>	<u>47,93,03,800</u>

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

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
At the beginning of the year	23,96,51,900	47,93,03,800	4,79,30,380	47,93,03,800
Issued during the year*	—	—	19,17,21,520	—
<b>Balance at the end of the year</b>	<u>23,96,51,900</u>	<u>47,93,03,800</u>	<u>23,96,51,900</u>	<u>47,93,03,800</u>

\*During the previous year the company has subdivided the each Equity share having face value of Rs.10 into five Equity shares of face value of Rs. 2 each, hence the number of equity shares has been increased.

#### (b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹2 per share. Earlier the company has one class of equity shares having a par value of ₹10 per share. In the financial year 2017-18, each equity share was subdivided into 5 shares of ₹2 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% of holding	Number of shares	% of holding
<b>Equity shares of ₹ 2 each</b>				
Gayatri Projects Limited	6,24,00,000	26.04%	6,24,00,000	26.04%
Sri T.V. Sandeep Kumar Reddy	2,70,19,810	11.27%	2,70,19,810	11.27%
Smt T. Indira Subbarami Reddy	5,71,29,500	23.84%	5,71,29,500	23.84%

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

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

**11 Instrument entirely equity in nature**

Particulars	As at 31 March 2019	As at 31 March 2018
Loans from Related Party: Gayatri Projects Ltd. (refer note 26)	1,78,87,50,889	—
<b>Total other equity</b>	<b>1,78,87,50,889</b>	<b>—</b>

**12 Other equity**

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Capital Reserve</b>		
Capital Reserve generated on demerger of Infrastructure BOT assets from GPL to GHL (refer note 25)	46,62,79,827	47,38,35,020
<b>Retained earnings</b>		
Balance as per last audited financial statements	(35,33,72,062)	(93,718)
Add: Loss for the year	(20,12,99,137)	(35,32,78,344)
Balance at the end of the year	(55,46,71,199)	(35,33,72,062)
<b>Total other equity</b>	<b>(8,83,91,372)</b>	<b>12,04,62,958</b>

## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 13 Borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
<b>(a) Non-current borrowings</b>		
<b>Term loans</b>		
<b>Unsecured</b>		
From related party -		
9% Non-convertible Cumulative Redeemable Preference shares of ₹ 10 each	1,67,70,03,000	1,67,70,03,000
From others	15,00,00,000	1,25,00,00,000
<b>Sub-Total (A)</b>	<b>1,82,70,03,000</b>	<b>2,92,70,03,000</b>
Cumulative liability on Preferences Shares (B)	45,27,90,812	30,18,60,540
<b>Total Non-Current borrowings (A+B)</b>	<b>2,27,97,93,812</b>	<b>3,22,88,63,540</b>
<b>(b) Short-term borrowings</b>		
<b>Loans repayable on demand</b>		
<b>Unsecured</b>		
From related party	16,29,80,758	35,01,91,242
From Others	1,10,01,28,884	1,28,884
	<b>1,26,31,09,642</b>	<b>35,03,20,126</b>

i) Term loans from others aggregating to ₹ 1,250,000,000 (31 March 2018: 1,250,000,000;) is to be secured by way of; (a) pledge of 1,180,555 equity shares of the company held by M/s. Gayatri Projects Limited and promoters, providing a minimum cover of twice the facility amount; (b) corporate guarantee of Gayatri Projects Limited; (c) personal guarantee of Mr. T V Sandeep Kumar Reddy; and (d) demand promissory note.

ii) Terms of repayment

Particulars	As at 31 March 2019	As at 31 March 2018
<b>(a) Non-current borrowings</b>		
<b>Term loans</b>		
Up to 1 year	1,10,00,00,000	—
2 to 5 years	15,00,00,000	1,25,00,00,000
Above 5 years	—	—
	<b>1,25,00,00,000</b>	<b>1,25,00,00,000</b>

iii) The above facilities carry an annual interest rate of 15% (31st March 2018: 15%).

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

#### v) Settlement Agreement:

- The company entered into a settlement agreement dated 29th March 2019 with Gayatri Projects Limited and IL&FS Financial Services Limited. As per this the financial creditor IL&FS shall waive the DPI as on 30th April 2019, Rs. 16,476,675/- and Additional Interest as on 30th April 2019, Rs.60,533,979/-. Further that all amounts due and outstanding to the Financial Creditor in relation to the GHIL facility shall be paid to it on or before 30th April 2020 and subject to receipt of interest payment as set out in clause 4.1 below.
- As per Clause 4.1, the company, GHIL has to pay the entire overdue interest (upto 30th April 2019) Rs.202,910,958/-, TDS (upto 30th April 2019) Rs. 23,244,029/- and the loan management fee Rs.7,375,000/- on or before 30th April 2019.
- As per Clause 4.2, the company, GHIL has to pay the entire principal outstanding of Rs.1,250,000,000/- in twelve installments commencing from May 2019 payable at the end of every month. The first GHIL installment shall become due and payable on 31st May 2019. The first eleven GHIL installments shall be for an amount of Rs.100

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

- Million and the last i.e. twelfth installment shall be for an amount of Rs. 150 Million to be paid on 30th April 2020. To discharge this liability, Gayatri Projects Limited have given 12 post dated cheques for the 12 installments.
- d) Funds from other sources to be utilized for payment of GHL Principal:
- (i) any amounts realised/ received/ accrued by either the Corporate Debtor and the Company on account of disinvestment/ sale or otherwise any monetization of assets of the Company ("GHL Assets") held by the company and/or
  - (ii) any bonus/ awards/ termination payments paid to the Corporate Debtor and the Company by any person in relation to any of the BOT projects of the Company including but not limited to the assets as set out in Annexure III ("Gayatri BOT Projects") of the Company.
- vi) Short-term borrowing represents interest free loans repayable on demand.
- vi) **Terms of Preference Shares**
- a. The Company has only one class of 9% Non-convertible cumulative redeemable preference shares having a par value of ₹10 per share. Each holder of preference shares is entitled to one vote per share in the matter of preference share holders. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing annual general meeting.
  - b. As per the Indian accounting standard 32, a preference share that provides for mandatory redemption by the issuer for a fixed or determinable amount at a fixed or determinable future date, or gives the holder the right to require the issuer to redeem the instrument at or after a particular date for a fixed or determinable amount, is a financial liability. Accordingly, 9% Non-convertible cumulative redeemable preference shares were treated as a financial liability and the finance cost (as interest) on such liability was also recognised.

**14 Trade Payables**

	As at 31 March 2019	As at 31 March 2018
Trade payables	3,63,70,474	16,200
	<u>3,63,70,474</u>	<u>16,200</u>

The identification of micro, small and medium enterprise suppliers as defined under the provisions of "Micro, Small and Medium Enterprises Act, 2006" is based on Management's knowledge of their status. There are no dues to micro, small and medium enterprises as on 31st March 2019 or 31st March 2018.



## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 15 Other financial liabilities

	As at 31 March 2019	As at 31 March 2018
Interest accrued but not due on borrowings	16,87,50,002	4,52,41,197
Financial guarantee	6,56,81,633	8,48,71,733
	<u>23,44,31,635</u>	<u>13,01,12,930</u>

### 16 Other Current liabilities

	As at 31 March 2019	As at 31 March 2018
Creditors for expenses	9,51,942	2,18,76,134
Statutory liabilities	81,44,720	1,84,13,314
	<u>90,96,662</u>	<u>4,02,89,448</u>

### 17 Revenue from Operations

	For the year ended 31 March 2019	For the year ended 31 March 2018
Operation & Maintenance Income	3,04,13,344	3,19,27,595
Contract Income (refer note no. 33)	10,80,10,372	—
Deputation Income	1,20,00,000	4,50,00,000
	<u>15,04,23,716</u>	<u>7,69,27,595</u>

### 18 Other income

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest on Advances	2,11,10,517	2,11,10,517
Financial interest income	5,09,62,268	5,27,92,475
Financial guarantee income	1,91,90,100	2,26,22,944
Others	1,44,87,679	1,60,86,034
	<u>10,57,50,563</u>	<u>11,26,11,970</u>

### 19 Operating & Maintenance Expenses

	For the year ended 31 March 2019	For the year ended 31 March 2018
O&M Expenses	1,42,56,755	1,68,92,429
Contract Expenses	9,46,94,022	—
	<u>10,89,50,777</u>	<u>1,68,92,429</u>

### 20 Employee benefits expense

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries and wages	—	20,40,577
	<u>—</u>	<u>20,40,577</u>

### 21 Finance costs

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense on borrowings	18,70,86,801	19,35,82,218
Finance cost on Preference Shares	15,09,30,272	30,18,60,540
Other borrowing costs	62,50,000	73,75,000
	<u>34,42,67,073</u>	<u>50,28,17,758</u>

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

Note: As per Indian accounting standard 32, the preference share capital is treated as long term borrowings and the finance cost (as interest) is recognised accordingly. As per the NCLT Order dated 3rd November 2017, the effective date of issue of preference shares was 1st April, 2016. As the date of order was beyond the financial year 2016-17 and the books of account of that year was closed before the given order date, the interest from 1st April, 2016 to 31st March, 2018 was calculated and recognised in the FY 2017-18. The impact of additional interest for the FY 2016-17 Rs.15,09,30,270/- is included in the finance costs on preference shares for the year ended 31st March 2018.

**22 Other expenses**

	For the year ended 31 March 2019	For the year ended 31 March 2018
Rates and taxes	73,628	1,89,65,956
Bank Charges	48,808	23,805
Auditor's remuneration (refer note below)	2,00,000	2,00,000
Advertisement Expenses	1,85,360	30,145
Office Maintenance	4,15,811	18,765
Consultancy and professional charges	19,53,328	16,35,654
Travelling and conveyance	1,55,315	1,42,420
Director's sitting fees	8,80,000	50,400
Miscellaneous Expenditure written off	2,39,280	—
	<u>41,51,530</u>	<u>2,10,67,145</u>
<b>Auditor's remuneration</b>		

	For the year ended 31 March 2019	For the year ended 31 March 2018
-as statutory auditor	2,00,000	2,00,000
-as certification fees (included in consultancy and professional charges)	50,000	—
	<u>2,50,000</u>	<u>2,00,000</u>

**23 Tax expense**

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>A. Tax expense comprises of:</b>		
Current tax	—	—
Deferred tax	—	—
<b>Income tax expense reported in the statement of profit or loss</b>	<u>—</u>	<u>—</u>
<b>B. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate</b>		
The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 26% and the reported tax expense in profit or loss are as follows:		
Accounting loss before tax from continuing operations	(20,12,99,137)	(35,32,78,344)
<b>Accounting profit before income tax</b>	<u>(20,12,99,137)</u>	<u>(35,32,78,344)</u>
At India's statutory income tax rate of 34.608%*	—	—
<b>Income tax expense</b>	<u>—</u>	<u>—</u>

\* Due to losses in current and earlier years, the management has not recognised deferred tax assets

## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 24 Earnings/(loss) per share (EPS)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Weighted average number of shares used to compute EPS	<b>23,96,51,900</b>	23,96,51,900
Add: Dilutive shares	—	—
Weighted average number of shares used to compute diluted EPS	<b>23,96,51,900</b>	23,96,51,900
Net loss after tax attributable to equity shareholders	<b>(20,12,99,137)</b>	(35,32,78,344)
Add: Savings of interest upon conversion of instruments	—	—
Net loss after tax attributable to equity shareholders for calculating diluted earning per share	<b>(20,12,99,137)</b>	(35,32,78,344)
Earnings per share		
Basic (₹)	<b>(0.84)</b>	(1.47)
Diluted (₹)	<b>(0.84)</b>	(1.47)
Nominal value - Rupees (₹) per equity share	<b>2</b>	2



## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 25 Goodwill / Capital Reserve

#### Composite Scheme of Arrangement

- 1 As per the NCLT order dated 3rd November, 2017 and Composite Scheme of Arrangement between Gayatri Projects Ltd ("the Transferee Company" or "the Demerged Company" or "GPL") , Gayatri Infra Ventures Ltd ("the Transferor Company" or "GIVL") and Gayatri Highways Ltd (Formerly Gayatri Domicile Pvt Ltd)("the Resulting Company" or "GHL") , all the Infrastructure Road BOT Assets are merged with GPL, there-after, all the Infrastructure Road BOT Assets are demerged from GPL and transferred to GHL with effect from 24th November, 2017.
  - A. Transfer of investments in SMTL from GPL to GHL, and the consequent discharge of consideration by GHL to GPL (Appointed date 01.04.2016)
  - B. Post transfer of investments mentioned in A above, merger of GIVL with GPL (Appointed date 01.04.2016)
  - C. 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.

#### Salient features of the Scheme are as follows:

### 2 Transfer of Investment in SMTL from GPL to GHL

- A. GHL shall record the investments in SMTL as per the fair value attributable to it based on the reports obtained from the Independent Valuers.
- B. GHL shall be required to pay a consideration to GPL of ₹180,16,03,000 in the form of 1,24,60,000 equity shares of ₹10 each and 16,77,00,300 redeemable preference shares of ₹10 each, issued and redeemable at par.
- C. The excess, if any, of the balances as recorded under point 2(A) over the Consideration as detailed in point 2(B) shall be recorded and credited as Capital Reserve in the books of GHL. The shortfall, if any, shall be recorded as Goodwill in the books of GHL. Refer the amount mentioned in (i) below.

### 3 Transfer of Infrastructure Road BOT Assets Business (as defined in section 2.1.7 of the Scheme) from GPL to GHL by way of demerger

- A. 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
- B. 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, One equity shares of ₹ 2/- each fully paid up held by such member in the Demerged Company, One equity share in the Resulting Company of ₹2/- each credited as fully paid up.
- C. GHL 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. GHL shall credit its share capital account with the aggregate face value of the GHL equity shares issued by it to the members of GPL. The excess or deficit, if any, remaining after recording the aforesaid entries, 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.
- D. 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. Refer the amount mentioned in (ii) below.

## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 25 Goodwill / Capital Reserve (Contd..)

	As at 31 March 2019	As at 31 March 2018
<b>(i) Acquisition of Subsidiaries</b>		
<b>Cost of Investment in SMTL</b>		
(a) Equity Share Capital of GHL issued to GPL	12,46,00,000	12,46,00,000
(b) Preference Share Capital of GHL issued to GPL	167,70,03,000	167,70,03,000
<b>Total (A)</b>	<b>180,16,03,000</b>	<b>180,16,03,000</b>
<b>Value of Investment in SMTL</b>		
(a) Equity Share capital of SMTL	10,00,08,430	10,00,08,430
(b) Securities Premium	170,15,94,153	170,15,94,153
(c) Profit & Loss A/c	(75,54,776)	(75,54,776)
<b>Total (B)</b>	<b>179,40,47,807</b>	<b>179,40,47,807</b>
<b>Goodwill on Acquisition of Subsidiaries (A-B) (I)</b>	<b>75,55,193</b>	<b>75,55,193</b>
<b>(ii) Acquisition of Investments(from Demerger)</b>		
<b>Cost of Investment of BOT Assets</b>		
(a) Equity Share Capital of GHL issued to GPL	35,45,03,800	35,45,03,800
<b>Total (A)</b>	<b>35,45,03,800</b>	<b>35,45,03,800</b>
<b>Value of Assets received from GPL</b>		
Investments in Infrastructure BOT Assets	105,90,13,591	105,90,13,591
Other Net Assets(BOTs) received from GPL	(23,06,74,771)	(23,06,74,771)
<b>Total (B)</b>	<b>82,83,38,820</b>	<b>82,83,38,820</b>
<b>Capital Reserve on Acquisition of Investments (A-B) (II)</b>	<b>(47,38,35,020)</b>	<b>(47,38,35,020)</b>
<b>(iii) Net Amount of Capital Reserve (I-II)</b>	<b>(47,62,79,827)</b>	<b>(47,62,79,827)</b>

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

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

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

Company Name	Amount (Rs.)
Sai Maatarini Tollways Limited	1,00,15,99,644
HKR Roadways Limited	44,76,51,246
Indore Dewas Tollways Limited	33,95,00,000
<b>TOTAL</b>	<b>1,78,87,50,890</b>

## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 27 Financial instruments

#### Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2019 were as follows :

Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair Value
<b>Financial assets:</b>					
4	5,37,46,91,823	—	—	5,37,46,91,823	5,37,46,91,823
7	—	—	5,96,79,959	5,96,79,959	5,96,79,959
5	—	—	54,12,01,232	54,12,01,232	54,12,01,232
8	—	—	1,59,51,334	1,59,51,334	1,59,51,334
	<b>5,37,46,91,823</b>	<b>—</b>	<b>61,68,32,525</b>	<b>5,99,15,24,348</b>	<b>5,99,15,24,348</b>
<b>Financial liabilities:</b>					
13	—	—	3,54,29,03,454	3,54,29,03,454	3,54,29,03,454
14	—	—	3,63,70,474	3,63,70,474	3,63,70,474
15	—	—	23,44,31,635	23,44,31,635	23,44,31,635
	<b>—</b>	<b>—</b>	<b>3,81,37,05,563</b>	<b>3,81,37,05,563</b>	<b>3,81,37,05,563</b>

The carrying value and fair value of financial instruments by categories as at 31st March 2018 were as follows :

Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair Value
<b>Financial assets:</b>					
4	3,73,29,53,880	-	-	3,73,29,53,880	3,73,29,53,880
7	-	-	7,11,96,687	7,11,96,687	7,11,96,687
5	-	-	52,73,01,490	52,73,01,490	52,73,01,490
8	-	-	31,18,487	31,18,487	31,18,487
	<b>3,73,29,53,880</b>	<b>-</b>	<b>60,16,16,664</b>	<b>4,33,45,70,544</b>	<b>4,33,45,70,544</b>
<b>Financial liabilities:</b>					
13	-	-	3,57,91,83,666	3,57,91,83,666	3,57,91,83,666
14	-	-	16,200	16,200	16,200
15	-	-	13,01,12,930	13,01,12,930	13,01,12,930
	<b>-</b>	<b>-</b>	<b>3,70,93,12,796</b>	<b>3,70,93,12,796</b>	<b>3,70,93,12,796</b>

#### Notes to financial instruments

i. The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, trade payables and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments. The management assessed that the fair value of borrowings approximate the carrying amount largely due to such borrowings carry interest rates or rates are negotiable.  
The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### ii. Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** Inputs for the assets or liabilities that are not based on the observable marked data (unobservable inputs)

#### iii. Measurement of fair value of financial instruments

The Company's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialist for complex valuations, wherever necessary. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximizing the use of market-based information.

## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 28 Financial risk management

#### Financial risk factors

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalent, trade receivables, financial assets measured at amortized cost	Ageing analysis
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk – Interest rate	Long-term borrowings at variable rates	Sensitivity analysis

The Company's risk management is carried out by a central treasury department (of the group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such interest rate risk, credit risk and investment of excess liquidity.

#### a. Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and financial institutions.

##### *Credit risk management*

The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

##### **Expected credit loss for trade receivables under simplified approach**

The Company recognises significant income from toll road on the basis of actual collection and hence there are no significant outstanding. Hence, as the Company does not have significant credit risk, it does not present the information related to ageing pattern. The company has widespread customer base and no single customer accounted for 10% or more of revenue in any of the years indicated.

During the periods presented, the Company made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

#### b. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

**28 Financial risk management (Contd...)****Maturities of financial liabilities**

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at 31 March 2019	Less than 1 year	1 year to 5 years	5 years and above	Total
<b>Non-derivatives</b>				
Borrowings	1,26,31,09,642	15,00,00,000	1,67,70,03,000	3,09,01,12,642
Future interest payments	62,15,40,812	60,37,21,080	45,27,90,810	1,67,80,52,702
Trade Payables	3,63,70,474	—	—	3,63,70,474
Other financial liabilities	1,62,55,338	4,30,43,187	63,83,109	6,56,81,633
<b>Total</b>	<b>1,93,72,76,266</b>	<b>79,67,64,267</b>	<b>2,13,61,76,919</b>	<b>4,87,02,17,451</b>

As at 31 March 2018	Less than 1 year	1 year to 5 years	5 years and above	Total
<b>Non-derivatives</b>				
Borrowings	35,03,20,126	1,25,00,00,000	1,67,70,03,000	3,27,73,23,126
Future interest payments	48,93,60,540	72,44,40,258	60,37,21,080	1,81,75,21,878
Trade payables	16,200	—	—	16,200
Other financial liabilities	1,91,90,100	4,89,06,315	1,67,75,318	8,48,71,733
<b>Total</b>	<b>85,88,86,966</b>	<b>2,02,33,46,573</b>	<b>2,29,74,99,398</b>	<b>5,17,97,32,937</b>

**c. Interest rate risk**

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

	As at 31 March 2019	As at 31 March 2018
Fixed rate borrowing	1,82,70,03,000	2,92,70,03,000
Interest free borrowing	1,26,31,09,642	35,03,20,126
<b>Total borrowings</b>	<b>3,09,01,12,642</b>	<b>3,27,73,23,126</b>

**Interest rate risk**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest rates – increase by 50 basis points (50 bps)	(91,35,015)	(1,46,35,015)
Interest rates – decrease by 50 basis points (50 bps)	91,35,015	1,46,35,015



## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 29 Capital Management

The Company's objectives when managing capital are to:

Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors its capital using gearing ratio, which is net debt divided by total equity. Net debt includes long term borrowings, short term borrowings, current maturities of long term borrowings less cash and cash equivalents and other bank balances.

	As at 31 March 2019	As at 31 March 2018
Long term borrowings (including current maturities)	2,44,85,43,814	3,22,88,63,540
Less: Cash and cash equivalents	(1,59,51,334)	(31,18,487)
Net debt	2,43,25,92,480	3,22,57,45,053
Total equity	2,17,96,63,317	59,97,66,758
Gearing ratio	1.12	5.38

### 30 Contingent liabilities

	As at 31 March 2019	As at 31 March 2018
Disputed income tax dues	8,92,926	8,92,926
Pledge of equity shares held in jointly controlled entities for loans taken by them		
Sai Maatarini Tollways Limited	17,79,97,17,870	16,34,29,92,000
Indore Dewas Tollways Limited	5,83,51,47,758	5,69,19,95,625
Gayatri Jhansi Roadways Limited	1,05,18,36,607	1,15,93,38,781
Gayatri Lalitpur Roadways Limited	77,70,12,408	85,49,98,307
HKR Roadways Limited	7,00,51,81,535	7,18,40,41,489
Corporate guarantee given to lenders of		
Sai Maatarini Tollways Limited	15,31,56,00,000	15,31,56,00,000
Indore Dewas Tollways Limited	6,26,13,00,000	6,26,13,00,000

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

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

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

<b>Name of the related party</b>	<b>Nature of relationship</b>
Sai Maatarini Tollways Limited Indore Dewas Tollways Limited Balaji Highways Holding Private Limited	Wholly owned Subsidiaries
Gayatri Jhansi Roadways Limited Gayatri Lalitpur Roadways Limited Hyderabad Expressways Limited Cyberabad Expressways Limited HKR Roadways Limited	Jointly controlled entities
Gayatri Projects Limited T. Indra Subbarami Reddy T.V. Sandeep Kumar Reddy	Significant holder of Shares
T. Subbarami Reddy T. Sarita Reddy	Relative of Significant holder of Shares
K.G.Naidu, Chief Executive Officer P.K.Sahoo, Chief Financial Officer P.Rajkumar, Company Secretary	Key Management Personnel ("KMP")

## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 31 Related party disclosures (Continued..)

#### b) Transactions with related parties

	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
<b>Gayatri Jhansi Roadways Limited</b>		
Interest income	68,97,767	69,56,469
Financial guarantee income	17,13,108	21,75,693
Loans revalued	—	(17,90,10,141)
Loans recovered	(19,18,00,060)	—
<b>Gayatri Lalitpur Roadways Limited</b>		
Interest income	13,60,823	90,22,491
Financial guarantee income	13,20,820	16,71,817
Intercorporated Deposit received	6,57,26,528	—
Loans recovered	(3,26,20,000)	(6,12,00,000)
Loans revalued	—	(4,67,03,760)
<b>Cyberabad Expressways Limited</b>		
Interest income	2,98,74,714	1,89,99,465
Deputation Income	60,00,000	2,25,00,000
Loans recovered	—	(6,82,720)
<b>Hyderabad Expressways Limited</b>		
Interest income	3,39,39,481	2,92,58,173
Operations & Maintenance Income	3,04,13,344	2,70,96,687
Deputation Income	60,00,000	2,25,00,000
Loans revalued	—	(20,12,12,417)
<b>Indore Dewas Tollways Limited</b>		
Financial guarantee income	1,61,56,171	1,87,75,434
Loans revalued	—	(6,11,52,013)
<b>HKR Roadways Limited</b>		
Interest income	—	1,84,73,915
Loans given/ (revalued)	2,09,69,823	(15,39,49,292)
<b>Sai Maatarini Tollways Limited</b>		
Loans given/ (revalued)	3,75,300	—
<b>Gayatri Projects Limited</b>		
Loans taken/ (repaid)	1,54,78,43,522	13,27,13,538
Investments acquired	1,78,87,50,889	—
Instruments entirely equity in nature	1,78,87,50,889	—

#### c) Balances receivable/(payable)

	As at 31 March 2019	As at 31 March 2018
Gayatri Jhansi Roadways Limited	(41,93,636)	4,45,27,653
Gayatri Lalitpur Roadways Limited	(6,90,85,642)	52,69,996
Hyderabad Expressways Limited	28,20,48,636	26,21,75,883
Indore Dewas Tollways Limited	(5,81,28,883)	(7,42,85,055)
HKR Roadways Limited	2,09,69,823	—
Cyberabad Expressways Limited	35,99,58,696	27,48,68,803
Balaji Highways Holding Pvt. Ltd	10,69,164	10,69,164
Sai Maatarini Tollways Limited	3,75,300	—
Gayatri Projects Limited	(1,89,80,34,764)	(35,01,91,242)

#### d) Guarantees and pledges outstanding

Refer Note 30 for financial guarantees and pledges outstanding.

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

**32 Interest in Subsidiaries, Associates and Jointly controlled entities**

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

Name of entity	Interest in Entities as on 31 March 2019	Interest in Entities as on 31 March 2018
<b>Subsidiaries</b>		
Sai Maatarini Tollways Limited	100%	100%
Indore Dewas Tollways Limited	100%	100%
Balaji Highways Holding Private Limited	49%	49%
<b>Jointly Controlled Entities</b>		
Gayatri Jhansi Roadways Limited	51%	51%
Gayatri Lalitpur Roadways Limited	51%	51%
Cyberabad Expressways Limited	20%	20%
Hyderabad Expressways Limited	50%	50%
HKR Roadways Limited	50%	50%

The Company's interest in Gayatri Jhansi Roadways Limited, Gayatri Lalitpur Roadways Limited, Cyberabad Expressways Limited, Hyderabad Expressways Limited and HKR Roadways Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the jointly controlled entities based on its Ind AS financial statements is set out below:

**A) Gayatri Jhansi Roadways Limited:****(i) Summarised balance sheet as at 31 March 2019:**

	As at 31 March 2019	As at 31 March 2018
Current assets including trade receivables	88,11,17,552	67,14,71,444
Non-current assets	1,97,45,73,050	2,59,18,83,134
Current liabilities, including trade payables	(33,29,20,360)	(24,24,41,379)
Non-current liabilities including borrowings	(2,13,48,55,554)	(2,39,54,42,075)
<b>Net assets</b>	<b>38,79,14,688</b>	<b>62,54,71,124</b>

**(ii) Summarised statement of profit and loss:**

	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue	44,26,17,428	43,45,38,707
Operation & Maintenance Expenses	11,84,15,804	14,74,47,181
Depreciation & amortization	27,128	42,002
Finance cost	49,71,13,416	25,64,81,163
Employee benefit	1,38,22,721	1,22,29,032
Other expense	5,07,94,795	4,76,81,370
<b>Profit before tax</b>	<b>(23,75,56,436)</b>	<b>(2,93,42,041)</b>
Income tax expense	—	—
<b>Loss for the year</b>	<b>(23,75,56,436)</b>	<b>(2,93,42,041)</b>
<b>Total comprehensive loss for the year</b>	<b>(23,75,56,436)</b>	<b>(2,93,42,041)</b>

The Company had no contingent liabilities or capital commitments relating to its interest in Gayatri Jhansi Roadways Limited as at 31st March 2019 and 31st March 2018, except as disclosed in Note 30. The jointly controlled entity had no other contingent liabilities or capital commitments as at 31st March 2019 and 31st March 2018.

## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 32 Interest in Subsidiaries and Jointly controlled entities(Contd..)

#### B) Gayatri Lalitpur Roadways Limited

##### (i) Summarised balance sheet as at 31 March 2019:

	As at 31 March 2019	As at 31 March 2018
Current assets including trade receivables	77,24,70,524	41,58,21,559
Non-current assets	1,50,80,97,019	1,98,68,58,098
Current liabilities, including trade payables	(20,35,57,318)	(18,93,22,559)
Non-current liabilities including borrowings	(1,63,18,39,645)	(1,75,91,25,528)
<b>Net assets</b>	<b>44,51,70,580</b>	<b>45,42,31,570</b>

##### (ii) Summarised statement of profit and loss:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue	36,47,09,232	36,26,94,177
Operation & Maintenance Expenses	10,84,98,829	14,37,71,557
Depreciation & amortization	3,494	3,312
Finance cost	21,46,56,578	20,11,68,480
Employee benefit	96,66,697	73,20,443
Other expense	4,09,44,624	2,41,92,357
<b>Profit / (Loss) before tax</b>	<b>(90,60,990)</b>	<b>(1,37,61,972)</b>
Income tax expense	—	—
<b>Profit/(loss) for the year</b>	<b>(90,60,990)</b>	<b>(1,37,61,972)</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>(90,60,990)</b>	<b>(1,37,61,972)</b>

The Company had no contingent liabilities or capital commitments relating to its interest in Gayatri Lalitpur Roadways Limited as at 31st March 2019 and 31st March 2018, except as disclosed in Note 30. The jointly controlled entity had no other contingent liabilities or capital commitments as at 31st March 2019 and 31st March 2018.

#### C) Cyberabad Expressways Limited

##### (i) Summarised balance sheet as at 31 March 2019:

	As at 31 March 2019	As at 31 March 2018
Current assets including trade receivables	69,43,27,716	85,36,90,428
Non-current assets	1,57,83,32,995	1,98,59,81,694
Current liabilities, including trade payables	(1,94,41,25,375)	(1,90,90,76,295)
Non-current liabilities including borrowings	(90,44,09,796)	(1,49,36,92,291)
<b>Net assets</b>	<b>(57,58,74,460)</b>	<b>(56,30,96,464)</b>

##### (ii) Summarised statement of profit and loss:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue	42,80,42,000	46,96,27,284
Operation & Maintenance Expenses	12,51,00,165	13,23,28,896
Depreciation & amortization	3,24,096	2,00,635
Finance cost	29,43,06,360	35,95,58,789
Employee benefit	70,80,000	60,00,000
Other expense	1,40,09,375	1,45,95,874
<b>Loss for the year</b>	<b>(1,27,77,996)</b>	<b>(4,30,56,910)</b>
<b>Total comprehensive loss for the year</b>	<b>(1,27,77,996)</b>	<b>(4,30,56,910)</b>

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

**32 Interest in Subsidiaries and Jointly controlled entities(Contd..)**

The Company had no contingent liabilities or capital commitments relating to its interest in Cyberabad Expressways Limited as at 31st March 2019 and 31st March 2018, except as disclosed in Note 30. The jointly controlled entity had no other contingent liabilities or capital commitments as at 31st March 2019 and 31st March 2018.

**D) Hyderabad Expressways Limited****(i) Summarised balance sheet as at 31 March 2019:**

	As at 31 March 2019	As at 31 March 2018
Current assets including trade receivables	1,25,98,27,392	1,34,64,21,227
Non-current assets	1,05,80,12,273	1,38,30,66,406
Current liabilities, including trade payables	(48,10,52,942)	(51,30,39,736)
Non-current liabilities including borrowings	(1,09,47,15,845)	(1,51,08,96,720)
<b>Net assets</b>	<b>74,20,70,878</b>	<b>70,55,51,177</b>

**(ii) Summarised statement of profit and loss:**

	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue	35,65,10,477	40,28,83,284
Operation & Maintenance Expenses	12,97,32,990	14,70,85,270
Depreciation & amortization	3,11,207	70,485
Finance cost	17,58,55,314	20,86,48,830
Employee benefit	87,69,010	71,88,476
Other expense	53,22,256	86,33,503
<b>Profit before tax</b>	<b>3,65,19,701</b>	<b>3,12,56,720</b>
Income tax expense	—	(2,22,462)
<b>Profit for the year</b>	<b>3,65,19,701</b>	<b>3,10,34,258</b>
<b>Total comprehensive income for the year</b>	<b>3,65,19,701</b>	<b>3,10,34,258</b>

The Company had no contingent liabilities or capital commitments relating to its interest in Hyderabad Expressways Limited as at 31st March 2019 and 31st March 2018, except as disclosed in Note 30. The jointly controlled entity had no other contingent liabilities or capital commitments as at 31st March 2019 and 31st March 2018.

**E) HKR Roadways Limited****(i) Summarised balance sheet as at 31 March 2019:**

	As at 31 March 2019	As at 31 March 2018
Current assets including trade receivables	4,02,02,513	1,51,94,498
Non-current assets	14,06,57,48,808	14,58,78,50,009
Current liabilities, including trade payables	(2,11,05,12,123)	(1,61,12,04,969)
Non-current liabilities including borrowings	(12,72,05,46,861)	(13,39,30,88,225)
<b>Net assets</b>	<b>(72,51,07,664)</b>	<b>(40,12,48,687)</b>

**(ii) Summarised statement of profit and loss:**

	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue	1,87,80,83,723	2,10,84,30,182
Depreciation & amortization	36,50,32,273	41,17,88,562
Finance cost	1,62,15,52,885	1,66,95,15,733
Employee benefit	2,28,87,903	77,95,002
Other expense	19,24,69,640	74,26,54,972
<b>Loss for the year</b>	<b>(32,38,58,977)</b>	<b>(72,33,24,087)</b>
<b>Total comprehensive loss for the year</b>	<b>(32,38,58,977)</b>	<b>(72,33,24,087)</b>

## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 32 Interest in Subsidiaries and Jointly controlled entities(Contd..)

The Company had no contingent liabilities or capital commitments relating to its interest in HKR Roadways Limited as at 31st March 2019 and 31st March 2018, except as disclosed in Note 30. The jointly controlled entity had no other contingent liabilities or capital commitments as at 31st March 2019 and 31st March 2018.

### 33 Contract Revenue

The company during the FY 2018-19, taken up a contract for Major Maintenance/Renewal coat of road (ORR-AP-4-Bongulur to Tukuguda, on Main Carriage Way, Km 108+000 to Km 121+000, RHS & Ramps in Bongulur double Trumpet and Raviryala Junctions), which is maintained by Hyderabad Expressways Limited for Rs.12.30 Crores. The company successfully completed the work before 31st March 2019 and the work done amount is billed for Rs.12.1 Crs including GST.

As per IndAS 11, basing on Percentage completion method, the contract revenue is fully recognised as the work is completed and the amount is Rs.10.8 Crs. The corresponding contract expenditure for this work is Rs.9.47 Crs.

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

35 The Company has been incurring operating losses during the past few years and the current liabilities of the Company exceed its current assets. Notwithstanding the above, the accompanying financial statements have been prepared on going concern basis as the promoters have guaranteed support to the Company and management believes that the subsidiaries and jointly controlled entities will also generate sufficient cash flows to support the Company in foreseeable future.

### 36 Segment reporting

The Company primarily engaged in the business of "construction, operations and maintenance of roads, highways, vehicle bridges and tunnels and toll roads", which is as per Indian Accounting Standard - 108 on "Operating Segment" is considered to be the only reportable business segment. The company is operating in India which is considered as a single geographical segment.

37 Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's classification / disclosure.

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

For **G.S. Sai Babu & Associates**  
Chartered Accountants  
Firm Regn. No: 014207S

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

**Satya Sai Babu Gurram**  
Proprietor  
M.No.:208341

**M.V.Narasimha Rao**  
Director  
DIN:06761474

**G.Jagannadha Rao**  
Director  
DIN:01059819

Place : Hyderabad  
Date : 27th May 2019

**K.G.Naidu**  
Chief Executive Officer

**P.K.Sahoo**  
Chief Financial Officer

**P.Raj Kumar**  
Company Secretary



## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Consolidated Ind AS financial statements

#### Opinion

We have audited the Standalone Ind AS financial statements of **Gayatri Highways Limited (Formerly Gayatri Domicile Private Limited)** ("the Company"), which comprise the Balance Sheet as at 31st March 2019 and the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and its loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

As stated in note no. 41, M/s Indore Dewas Tollways Limited (IDTL), a subsidiary of the holding company, has not provided a provision of Rs. 16,75,42,874/- on account of Interest on Deferred Additional Concession fees payable to NHAI which is now deferred, with regard to INDAS. The Independent Auditors of IDTL in their audit report on Consolidated IndAS financial statements have qualified the above said matter by stating that "non accounting of interest on deferred additional concession fee for the year amounting to Rs. 16,75,42,874/- has resulted in understatement of loss for the year by 16,75,42,874/- and understatement of non-current financial liabilities by the same amount. Cumulatively, this non accounting of interest in previous years as well as in current year has resulted in overstatement of other equity by Rs. 42,84,87,155/- and understatement of non-current financial liabilities by the same amount."

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Matter

We did not audit the financial statements of three subsidiaries and five joint ventures, in which the Holding Company's share of loss aggregated to ₹265.40/- Crores for the year ended 31 March 2019, as considered in the consolidated Ind AS financial statements.

In the Group, the financial statements of three subsidiaries and three joint ventures, in which the Holding Company's share of loss aggregated to ₹252.82/- Crores have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of the other auditors.

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



In the Group, the financial statements of two joint ventures, in which the Holding Company's share of loss aggregated to ₹12.57/- Crores has not been audited by other auditors. The financial information of these joint ventures is unaudited and has been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the unaudited financial information which is certified by the Management.

In our opinion and according to the information and explanations given to us by the Management, the financial information of these joint ventures are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the financial information certified by the Management.

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

In the Group, the financial statements of two joint ventures, in which the Holding Company's share of loss aggregated to ₹12.57/- Crores has not been audited by other auditors. The financial information of these joint ventures is unaudited and has been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the unaudited financial information which is certified by the Management.

In our opinion and according to the information and explanations given to us by the Management, the financial information of these joint ventures are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the financial information certified by the Management.

#### **Information Other than the Ind AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true



and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The company does not have any pending litigations which would impact its financial position except those disclosed in financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **G.S.SAI BABU & ASSOCIATES**  
 Chartered Accountants  
 Firm's Registration No.: 014207S

**SATYA SAI BABU GURRAM**  
 Proprietor  
 Membership No: 208341

Place : Hyderabad  
 Date : 27<sup>th</sup> May 2019

**ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Gayatri Highways Limited (Formerly Gayatri Domicile Private Limited)** ("the Company") as of 31st March 2019 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance

regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Ind AS financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company and its subsidiaries and joint ventures has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **G.S.SAI BABU & ASSOCIATES**  
Chartered Accountants  
Firm's Registration No.: 014207S

**SATYA SAI BABU GURRAM**  
Proprietor  
Membership No: 208341

Place : Hyderabad  
Date: 27<sup>th</sup> May 2019

**Consolidated Balance Sheet as at 31st March 2019**

(All amounts in ₹ unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	30,33,675	26,44,958
Investment Property	6	3,08,910	3,08,910
Intangible Assets			
- Goodwill on Consolidation	29	1,14,49,14,192	1,15,24,69,385
- under SCA	7	26,01,88,31,942	25,81,66,70,226
- Intangible assets under development	7	3,11,92,433	51,80,94,064
Financial assets			
- Investments	8	1,23,20,65,204	1,20,64,38,215
- Loans	9	24,60,61,237	27,25,06,083
Other Non-Current Assets	10	10,46,31,113	5,00,89,405
Tax assets, net	11	13,38,92,226	12,80,04,494
		<b>28,91,49,30,932</b>	<b>29,14,72,25,740</b>
<b>Current assets</b>			
Financial assets			
- Trade receivables	12	6,00,42,272	7,11,96,687
- Cash and cash equivalents	13	5,97,61,023	21,18,87,368
- Loans	9	29,36,95,531	25,37,26,243
Other Current Assets	14	1,22,09,889	1,17,06,929
		<b>42,57,08,715</b>	<b>54,85,17,227</b>
<b>Total assets</b>		<b>29,34,06,39,647</b>	<b>29,69,57,42,967</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity Share Capital	15	47,93,03,800	47,93,03,800
Instrument entirely Equity in Nature	16	1,78,87,50,889	1,34,10,99,644
Other equity	17	(4,54,08,80,974)	(1,65,91,20,799)
<b>Total Equity</b>		<b>(2,27,28,26,285)</b>	<b>16,12,82,645</b>
<b>Non-current Liabilities</b>			
Financial liabilities			
- Borrowings	18	22,55,95,52,092	23,69,00,59,791
Other Non-Current Liabilities	19	3,91,21,61,595	3,55,07,78,812
<b>Current liabilities</b>			
Financial liabilities			
- Short-term borrowings	18	1,26,31,09,642	35,03,20,126
- Trade payables	20	7,47,75,904	4,48,35,675
- Other financial liabilities	21	3,43,52,46,662	1,54,78,14,216
Other current liabilities	22	36,86,20,037	35,06,51,702
<b>Total liabilities</b>		<b>31,61,34,65,932</b>	<b>29,53,44,60,322</b>
<b>Total equity and liabilities</b>		<b>29,34,06,39,647</b>	<b>29,69,57,42,967</b>

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

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

For **G.S. Sai Babu & Associates**  
Chartered Accountants  
Firm Regn. No: 014207S

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

**Satya Sai Babu Gurram**  
Proprietor  
M.No.:208341

**M.V.Narasimha Rao**  
Director  
DIN:06761474

**G.Jagannadha Rao**  
Director  
DIN:01059819

Place : Hyderabad  
Date : 27th May 2019

**K.G.Naidu**  
Chief Executive Officer

**P.K.Sahoo**  
Chief Financial Officer

**P.Raj Kumar**  
Company Secretary

**Gayatri Highways Limited**

(Formerly Gayatri Domicile Pvt. Ltd.)

## Consolidated Statement of Profit and Loss for the year ended 31st March 2019

(All amounts in ₹ unless otherwise stated)

	Notes	For the year ended	
		31 March 2019	31 March 2018
<b>Income</b>			
Revenue from Operations	23	1,29,82,54,168	86,10,96,475
Other income	24	9,01,77,242	9,93,47,586
Construction income	24	—	1,93,00,29,848
<b>Total income</b>		<b>1,38,84,31,410</b>	<b>2,89,04,73,909</b>
<b>Expenses</b>			
Construction Expenses	25	—	1,92,99,15,369
Operations & Maintenance Expenses	25	16,17,60,462	5,68,64,909
Employee benefits expenses	26	2,61,94,965	2,33,51,166
Finance costs	27	3,43,55,58,302	2,46,70,02,653
Depreciation expenses	5	18,16,44,201	12,34,75,055
Other expenses	28	18,23,26,936	13,55,48,292
<b>Total expenses</b>		<b>3,98,74,84,866</b>	<b>4,73,61,57,444</b>
<b>Loss before tax</b>		<b>(2,59,90,53,456)</b>	<b>(1,84,56,83,535)</b>
Current tax		—	—
<b>Loss for the year</b>		<b>(2,59,90,53,456)</b>	<b>(1,84,56,83,535)</b>
<b>Other comprehensive income</b>			
Remeasurements of the defined benefit plans		(1,40,216)	7,10,821
Add: Share of profits/ (losses) in the Jointly controlled entities		(27,50,11,310)	18,84,27,095
<b>Total comprehensive loss for the year</b>		<b>(2,87,42,04,982)</b>	<b>(1,65,65,45,619)</b>
<b>Earnings per equity share (EPES)</b>			
Basic		(11.99)	(6.91)
Diluted		(11.99)	(6.91)

The accompanying notes form an integral part of the financial statements.  
This is the Statement of Profit and Loss referred to in our report of even date.

For **G.S. Sai Babu & Associates**  
Chartered Accountants  
Firm Regn. No: 014207S

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

**Satya Sai Babu Gurram**  
Proprietor  
M.No.:208341

**M.V.Narasimha Rao**  
Director  
DIN:06761474

**G.Jagannadha Rao**  
Director  
DIN:01059819

Place : Hyderabad  
Date : 27<sup>th</sup> May 2019

**K.G.Naidu**  
Chief Executive Officer

**P.K.Sahoo**  
Chief Financial Officer

**P.Raj Kumar**  
Company Secretary

**Consolidated Statement of Cash Flows for the year ended 31st March 2019**

(All amounts in ₹ unless otherwise stated)

	For the year ended	
	31 March 2019	31 March 2019
<b>Cash flows from operating activities</b>		
Loss before tax	(2,59,90,53,456)	(1,84,56,83,535)
<b>Adjustments for:</b>		
Depreciation expenses	18,16,44,201	12,34,75,055
Interest income and financial guarantee income	(2,41,44,446)	(7,77,50,502)
Profit/ (Loss) on Consolidation	(27,50,11,310)	18,84,27,095
Interest expenses	3,39,70,60,751	2,12,95,91,306
<b>Operating loss before working capital changes</b>	<b>68,04,95,740</b>	<b>51,80,59,419</b>
<b>Changes in working capital:</b>		
Increase in trade payables	2,99,40,229	2,92,09,059
(Increase)/decrease in other non-current liabilities	36,13,82,783	43,72,77,441
(Increase)/decrease in other current liabilities	1,91,11,48,298	87,88,75,262
Increase/(decrease) in other non-current assets	(6,04,29,440)	8,53,14,470
Increase/(decrease) in other current assets	(5,02,960)	5,43,61,593
Increase/(decrease) in trade receivables	1,11,54,415	(7,11,96,687)
Decrease in loans and advances	(1,35,24,442)	57,95,90,899
<b>Cash generated in operating activities</b>	<b>2,91,96,64,623</b>	<b>2,51,14,91,456</b>
Less: Income taxes refund received / (paid)	(58,87,732)	(1,64,41,647)
<b>Net cash generated from operating activities</b>	<b>A 2,91,37,76,891</b>	<b>2,49,50,49,809</b>
<b>Cash flows from investing activities</b>		
Interest received	2,41,44,446	7,77,50,502
Investments transferred from GPL	(1,78,87,50,889)	—
Fixed Assets recognised on Consolidation	—	—
Purchase/ Development of Fixed Assets	10,27,06,996	(1,04,79,75,565)
Goodwill recognised on Consolidation	75,55,193	(64,25,48,503)
Goodwill recognised on acquisition of Subsidiary	—	—
Change in Value of Investments	42,20,24,256	62,43,30,117
Capital Reserve on Demerger of GPL to GHL	(75,55,193)	23,03,09,515
<b>Net cash generated from investing activities</b>	<b>B (1,23,98,75,191)</b>	<b>(75,81,33,934)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(3,39,70,60,751)	(2,12,95,91,306)
Proceeds from Equity Share Capital	—	—
Proceeds from short-term borrowings, net	91,27,89,516	13,27,00,623
Proceeds from long-term borrowings	65,82,43,190	4,46,12,633
<b>Net cash used in financing activities</b>	<b>C (1,82,60,28,045)</b>	<b>(1,95,22,78,050)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(A+B+C) (15,21,26,345)</b>	<b>(21,53,62,175)</b>
Cash and cash equivalents at the beginning of the year	21,18,87,368	42,72,49,543
<b>Cash and cash equivalents at the end of the year</b>	<b>5,97,61,023</b>	<b>21,18,87,368</b>
<b>Cash and cash equivalents comprises of:</b>		
Cash on hand	85,01,166	27,19,557
Balances with banks in current accounts	5,12,59,857	20,91,67,811
Balances with banks in FDs	—	—
	<b>5,97,61,023</b>	<b>21,18,87,368</b>

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

For **G.S. Sai Babu & Associates**  
Chartered Accountants  
Firm Regn. No: 014207S

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

**Satya Sai Babu Gurrum**  
Proprietor  
M.No.:208341

**M.V.Narasimha Rao**  
Director  
DIN:06761474

**G.Jagannadha Rao**  
Director  
DIN:01059819

Place : Hyderabad  
Date : 27<sup>th</sup> May 2019

**K.G.Naidu**  
Chief Executive Officer

**P.K.Sahoo**  
Chief Financial Officer

**P.Raj Kumar**  
Company Secretary



## Consolidated Statement of Changes in Equity for the year ended 31st March 2019

(All amounts in ₹ unless otherwise stated)

### (a) Share Capital

	Number	Amount
<b>Equity Share Capital</b>		
<b>Equity shares of ₹ 2 each issued, subscribed and fully paid</b>		
At 31 March 2018 (₹2 each)	23,96,51,900	47,93,03,800
<b>At 31 March 2019 (₹ 2 each)</b>	<b>23,96,51,900</b>	<b>47,93,03,800</b>

### (b) Instruments entirely equity in nature

	31st March 2019	31st March 2018
Opening Balance	1,34,10,99,644	—
Changes during the year (refer note no 35)	44,76,51,245	1,34,10,99,644
<b>Closing Balance</b>	<b>1,78,87,50,889</b>	<b>1,34,10,99,644</b>

### (c) Other Equity

	Capital Reserve	Retained earnings	Total equity
<b>Balance as of 1st April 2017</b>	<b>24,35,25,505</b>	<b>(56,94,70,689)</b>	<b>(32,59,45,184)</b>
Loss for the year	—	(1,65,65,45,620)	(1,65,65,45,620)
Financial guarantee given on behalf of holding company	—	9,30,60,490	9,30,60,490
Changes during the year*	23,03,09,515	—	23,03,09,515
<b>Balance as of 31st March 2018</b>	<b>47,38,35,020</b>	<b>(2,13,29,55,819)</b>	<b>(1,65,91,20,799)</b>
<b>Balance as of 1st April 2018</b>	<b>47,38,35,020</b>	<b>(2,13,29,55,819)</b>	<b>(1,65,91,20,799)</b>
Loss for the year	—	(2,87,42,04,982)	(2,87,42,04,982)
Changes during the year#	(75,55,193)	—	(75,55,193)
<b>Balance as of 31st March 2019</b>	<b>46,62,79,827</b>	<b>(5,00,71,60,801)</b>	<b>(4,54,08,80,974)</b>

\*These changes represent the value of BOT infrastructure assets acquired from the Transferee Company and subsequent measurement at fair value as per the Composite Scheme of Arrangement. Refer note 29.

# During the financial year 2018-19, the Goodwill has been adjusted to Capital Reserve, which derived from the result of application of Composite Scheme of Arrangement.

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

For **G.S. Sai Babu & Associates**  
Chartered Accountants  
Firm Regn. No: 014207S

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

**Satya Sai Babu Gurram**  
Proprietor  
M.No.:208341

**M.V.Narasimha Rao**  
Director  
DIN:06761474

**G.Jagannadha Rao**  
Director  
DIN:01059819

Place : Hyderabad  
Date : 27<sup>th</sup> May 2019

**K.G.Naidu**  
Chief Executive Officer

**P.K.Sahoo**  
Chief Financial Officer

**P.Raj Kumar**  
Company Secretary



## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 1. Corporate information

**Gayatri Highways Limited - GHL ("the Company") (Formerly Gayatri Domicile Private Limited - GDPL)** was incorporated during the year 2006 in accordance with the provisions of Companies Act, 1956. The Company on its own and through its jointly controlled entities is in the business of construction, operations and maintenance of carriageways on toll and annuity basis pursuant to the development agreements with the National and State Governments and makes investments in companies engaged in the construction, operations and maintenance of roads, highways, vehicle bridges and tunnels and toll roads. The registered office of the Company is located in 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad-500082.

### 2. Investment in associate and Joint Ventures

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

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

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

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

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

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

### 3. List of Entities consolidated

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

Name of Subsidiaries	Interest in Subsidiary as on	
	31-Mar-19	31-Mar-18
Sai Maatarini Tollways Limited	100%	100%
Indore Dewas Tollways Limited	100%	100%
Balaji Highways Holding Private Limited	49%	49%

Name of joint controlled entities	Interest in joint control as on	
	31-Mar-19	31-Mar-18
Gayatri Jhansi Roadways Limited	51%	51%
Gayatri Lalitpur Roadways Limited	51%	51%
Cyberabad Expressways Limited	20%	20%
Hyderabad Expressways Limited	50%	50%
HKR Roadways Limited	50%	50%

### 4. Summary of significant accounting policies

#### a) Basis of preparation of consolidated financial statements

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

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

#### b) Use of estimates

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

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

#### c) Current versus non-current classification

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

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



- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

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

All other liabilities are classified as non-current.

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

#### **d) Revenue recognition**

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

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

#### **e) Earnings/(loss) per share**

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

#### **f) Provisions and contingent liabilities**

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

#### **g) Cash and cash equivalents**

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

## h) Taxes

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

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

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

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

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

## i) Financial instruments

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

### A) Financial Asset

#### Initial recognition and measurement

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

#### Subsequent measurement

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

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

#### Debt instruments at amortised cost

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

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



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

**Equity investments:**

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

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

**Derecognition**

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

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

**Impairment of financial assets**

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

**B) Financial Liability****Initial recognition and measurement**

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

**Subsequent measurement**

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

**Financial liabilities at fair value through profit or loss**

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

**Loans and borrowings**

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

### **Financial guarantee contracts**

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

### **Derecognition**

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

### **Reclassification of financial assets**

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

#### **j) Fixed assets**

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

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

#### **k) Depreciation and amortization**

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

#### **l) Impairment**

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

#### **m) Borrowings Costs**

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



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

**n) Foreign currency transactions and derivatives**

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

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

**5. Property, plant and equipment**

	Office equipment	Computer and related equipment	Vehicles	Plant & Machinery	Furniture & Furniture	Amount(Rs.)
<b>Tangible Assets</b>						
<b>Gross block</b>						
<b>As at 1 April 2017</b>	4,67,877	10,05,530	35,08,356	—	68,602	50,50,364
Additions during the year	38,100	1,46,910	—	1,12,500	—	2,97,510
<b>As at 31 March 2018</b>	5,05,977	11,52,440	35,08,356	1,12,500	68,602	53,47,875
Additions during the year	—	4,72,600	—	5,60,170	—	10,32,770
<b>As at 31 March 2019</b>	5,05,977	16,25,040	35,08,356	6,72,670	68,602	63,80,645
<b>Accumulated depreciation</b>						
<b>Up to 31 March 2017</b>	4,05,646	9,91,507	7,23,002	—	21,368	21,41,523
Charge for the year	38,608	47,771	4,53,877	10,468	10,669	5,61,394
<b>Up to 31 March 2018</b>	4,44,254	10,39,278	11,76,879	10,468	32,037	27,02,916
Charge for the year	27,524	1,59,195	4,19,349	27,314	10,669	6,44,052
<b>Up to 31 March 2019</b>	4,71,778	11,98,473	15,96,228	37,782	42,706	33,46,967
<b>Net block</b>						
<b>As at 31 March 2019</b>	34,199	4,26,567	19,12,128	6,34,888	25,896	30,33,678
<b>As at 31 March 2018</b>	61,723	1,13,162	23,31,477	1,02,032	36,565	26,44,959



## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 6. Investment Property

	As at 31 March 2019	As at 31 March 2018
Land	3,08,910	3,08,910
	<u>3,08,910</u>	<u>3,08,910</u>

### 7 Intangible assets

	Amount (Rs.)
<b>(i) Carriageway</b>	
<b>Gross block</b>	
<b>As at 31st March 2017</b>	8,20,54,23,657
Additions during the year	17,84,41,60,698
<b>As at 31st March 2018</b>	<u>26,04,95,84,355</u>
Additions during the year	38,31,61,865
<b>As at 31st March 2019</b>	<u>26,43,27,46,220</u>
<b>Accumulated depreciation</b>	
<b>Up to 31st March 2017</b>	12,49,10,918
Charge for the year	12,22,22,897
<b>Up to 31st March 2018</b>	<u>24,71,33,815</u>
Charge for the year	18,02,28,096
<b>Up to 31st March 2019</b>	<u>42,73,61,911</u>
<b>Net block</b>	
<b>As at 31st March 2019</b>	26,00,53,84,309
As at 31st March 2018	25,80,24,50,540
<b>(ii) Toll Plaza Management Systems</b>	
<b>Gross block</b>	
<b>As at 31st March 2017</b>	1,65,35,845
Additions during the year	-
<b>As at 31st March 2018</b>	<u>1,65,35,845</u>
Additions during the year	-
<b>As at 31st March 2019</b>	<u>1,65,35,845</u>
<b>Accumulated depreciation</b>	
<b>Up to 31st March 2017</b>	15,44,106
Charge for the year	7,72,053
<b>Up to 31st March 2018</b>	<u>23,16,159</u>
Charge for the year	7,72,053
<b>Up to 31st March 2019</b>	<u>30,88,212</u>
<b>Net block</b>	
<b>As at 31st March 2019</b>	1,34,47,633
As at 31st March 2018	1,42,19,686
<b>Intangible Assets Under SCA</b>	
<b>Net block as at 31st March 2019 (i)+(ii)</b>	26,01,88,31,942
Net block as at 31st March 2018 (i) + (ii)	25,81,66,70,226
<b>(iii) Intangible assets under development</b>	
As at 31st March 2017	17,31,45,76,708
Additions during the year	1,04,76,78,055
Capitalised during the year	-
<b>As at 31st March 2018</b>	<u>51,80,94,064</u>
Additions/ (Deletions) during the year	(10,37,39,766)
Capitalised during the year	(38,31,61,865)
<b>As at 31st March 2019</b>	<u>3,11,92,433</u>

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

**8. Investments**

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Non-current investments</b>		
<b>Unquoted</b>		
<b>Investments carried at cost</b>		
<b>Investments in equity instruments of Subsidiaries</b>		
1,00,00,843 (2018: 1,00,00,843) equity shares of Rs.10 each fully paid-up in Sai Maatarini Tollways Limited	179,40,47,807	179,40,47,807
Less: Adjustment of Consolidation	(179,40,47,807)	(179,40,47,807)
<b>a</b>	—	—
33,320 (2018: 33,320) equity shares of ₹10 each fully paid-up in Indore Dewas Tollways Limited.	5,00,000	5,00,000
Less: Adjustment of Consolidation	(5,00,000)	(5,00,000)
<b>b</b>	—	—
48,995 (2018: 48,995) equity shares of ₹10 each fully paid-up in Balaji Highways Holding Private Limited.	4,90,000	4,90,000
Less: Adjustment of Consolidation	(4,90,000)	(4,90,000)
<b>c</b>	—	—
<b>Investments in equity instruments of jointly controlled entities</b>		
990,000 (2018: 990,000) equity shares of ₹10 each fully paid-up in Hyderabad Expressways Limited.	15,81,36,417	15,81,36,417
Add: Accumulated Profits/(Losses)	3,37,76,979	1,55,17,129
<b>d</b>	19,19,13,396	17,36,53,546
396,000 (2018: 396,000) equity shares of ₹ 10 each fully paid-up in Cyberabad Expressways Limited.	4,22,39,111	4,22,39,111
Add: Accumulated Profits/(Losses)	(1,11,66,981)	(86,11,382)
<b>e</b>	3,10,72,130	3,36,27,729
21,619,994 (2018: 21,619,994) equity shares of ₹10 each fully paid-up in Gayatri Jhansi Roadways Limited.	26,68,94,205	40,13,62,101
Add: Accumulated Profits/(Losses)	(13,99,81,178)	(1,71,37,292)
<b>f</b>	12,69,13,027	38,42,24,809
16,218,000 (2018: 16,218,000) equity shares of ₹10 each fully paid-up in Gayatri Lalitpur Roadways Limited.	20,09,45,837	22,22,55,084
Add: Accumulated Profits/(Losses)	(1,46,33,006)	(86,90,819)
<b>g</b>	18,63,12,831	21,35,64,264
1,717,642 (2018: 1,717,642) equity shares of ₹10 each fully paid-up in HKR Roadways Limited.	2,91,16,370	2,91,16,370
Add: Accumulated Profits/(Losses)	(2,91,16,370)	(1,71,76,420)
<b>h</b>	—	—
<b>Investments in debentures of jointly controlled entities</b>		
8,550,000 (2018: 8,550,000) 0.001% Optionally Convertible debentures of ₹ 10 each fully paid-up in Cyberabad Expressways Limited.	6,35,40,428	5,47,76,231
Add: Accumulated Profits/(Losses)	—	—
<b>i</b>	6,35,40,428	5,47,76,231
<b>Investments in Instruments entirely Equity in nature</b>		
-Investments in Subsidiary	1,70,40,99,644	—
Less : Adjustment of Consolidation	1,70,40,99,644	—
<b>j</b>	—	—
- Investments in Jointly controlled entity	1,12,67,88,554	67,91,37,309
Add : Accumulated Profits / (Losses)	(49,44,75,162)	(33,25,45,674)
<b>k</b>	63,23,13,392	(34,65,91,636)
<b>Total non-current investments (l=a+b+c+d+e+f+g+h+i+j+k)</b>	<b>1,23,20,65,204</b>	<b>1,20,64,38,215</b>
Less: Investments held for sale (m)	—	—
<b>Net value of non-current investments (l-m)</b>	<b>1,23,20,65,204</b>	<b>1,20,64,38,215</b>
<b>Aggregate amount of unquoted investments</b>	<b>1,23,20,65,204</b>	<b>1,20,64,38,215</b>

## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 9 Loans

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Non-current</b>		
(Unsecured, considered good)		
- Loans to jointly controlled entities	24,60,61,237	27,25,06,083
	<u>24,60,61,237</u>	<u>27,25,06,083</u>
<b>Current</b>		
(Unsecured, considered good)		
- Loans to jointly controlled entities	29,36,95,531	25,37,26,243
	<u>29,36,95,531</u>	<u>25,37,26,243</u>

### 10 Other Non-Current Assets

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Capital Advance</b>		
Long term loan and advances-related party	4,65,60,294	4,65,60,294
Advance against Change of Scope Works-related party	5,45,41,708	—
Retention money-NHAI	27,50,914	27,50,914
Security Deposits	5,56,197	5,56,197
Rent Advance	22,000	22,000
Advance for Toll Collection Management	2,00,000	2,00,000
	<u>10,46,31,113</u>	<u>5,00,89,405</u>

### 11 Tax Assets, net

Particulars	As at 31 March 2019	As at 31 March 2018
TDS Receivable	13,38,92,226	12,80,04,494
	<u>13,38,92,226</u>	<u>12,80,04,494</u>

### 12 Trade Receivables

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good)		
- related parties	6,00,42,272	7,11,96,687
	<u>6,00,42,272</u>	<u>7,11,96,687</u>

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

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

### 13 Cash and Cash equivalents

Particulars	As at 31 March 2019	As at 31 March 2018
Balance with banks		
- on current accounts	5,12,59,857	20,91,67,811
Cash on hand	2,17,372	83,218
Cash-Toll Collections	82,83,794	26,36,339
	<u>5,97,61,023</u>	<u>21,18,87,368</u>

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

**14 Other Current Assets**

Particulars	As at	
	31 March 2019	31 March 2018
Mobilization advance - COS & Utility shifting paid to GPL	9,93,584	9,93,584
Advances towards New Toll Plaza contract works	31,50,680	20,02,012
Prepaid expenses	65,41,293	67,11,856
Other advances	15,24,332	17,60,197
Miscellaneous Expenditure to the extent not written off	—	1,91,200
Pre-operative Expenditure	—	48,080
	<u>1,22,09,889</u>	<u>1,17,06,929</u>

**15 Share capital**

Particulars	As at		As at	
	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
<b>Authorized Equity Share Capital</b>				
Equity shares of ₹ 2 each	25,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000
	<u>25,00,00,000</u>	<u>50,00,00,000</u>	<u>5,00,00,000</u>	<u>50,00,00,000</u>
<b>Issued, subscribed and fully paid-up Equity Share Capital</b>				
Equity shares of ₹ 2 each	23,96,51,900	47,93,03,800	23,96,51,900	47,93,03,800
	<u>23,96,51,900</u>	<u>47,93,03,800</u>	<u>23,96,51,900</u>	<u>47,93,03,800</u>

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

Particulars	As at		As at	
	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
At the beginning of the year	23,96,51,900	47,93,03,800	4,79,30,380	47,93,03,800
Issued during the year*	—	—	19,17,21,520	—
<b>Balance at the end of the year</b>	<u>23,96,51,900</u>	<u>47,93,03,800</u>	<u>23,96,51,900</u>	<u>47,93,03,800</u>

\*During the previous year the company has subdivided the each Equity share having face value Rs.10 into five Equity shares of face value of Rs. 2 each, hence the number of equity shares has been increased.

**(b) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹2 per share. Earlier the company has one class of equity shares having a par value of ₹10 per share. In the previous financial year each equity share was subdivided into 5 shares of ₹2 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 15 Equity Share capital (Continued...)

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% of holding	Number of shares	% of holding
<b>Equity shares of ₹ 2 each</b>				
Gayatri Projects Limited	6,24,00,000	26.04%	6,24,00,000	26.04%
Sri T.V. Sandeep Kumar Reddy	2,70,19,810	11.27%	2,70,19,810	11.27%
Smt T. Indira Subbarami Reddy	5,71,29,500	23.84%	5,71,29,500	23.84%

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

### 16. Instrument entirely equity in nature

Particulars	As at 31 March 2019	As at 31 March 2018
Balance as per last audited financial statements	1,34,10,99,644	—
Add: Changes during the year (refer note 35)	44,76,51,245	1,34,10,99,644
Balance at the end of the year	1,78,87,50,889	1,34,10,99,644

### 17 Other equity

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Capital Reserve</b>		
Capital Reserve generated on demerger of Infrastructure BOT assets from GPL to GHL	46,62,79,827	47,38,35,020
<b>Retained earnings</b>		
Balance as per last audited financial statements	(2,13,29,55,819)	(56,94,70,689)
Add: Loss for the year	(2,87,42,04,982)	(1,65,65,45,620)
Add: Financial guarantee given on behalf of holding company	—	9,30,60,490
Balance at the end of the year	(5,00,71,60,801)	(2,13,29,55,819)
<b>Total other equity</b>	<b>(4,54,08,80,974)</b>	<b>(1,65,91,20,799)</b>

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

**18 Borrowings**

Particulars	As at 31 March 2019	As at 31 March 2018
<b>(a) Non-current borrowings</b>		
<b>Term Loans</b>		
<b>Secured</b>		
From Banks	14,39,94,17,529	14,40,34,75,961
From Financial Institutions	3,98,39,00,000	3,98,39,00,000
Sub Debt from IIFCL	1,48,14,70,000	1,29,53,60,327
<b>Funded Interest on Term Loans</b>		
- from Banks - FITL	98,94,85,049	79,90,49,862
- from Financial Institutions - FITL	25,69,93,140	20,90,20,033
Less: Current maturities of long-term borrowings	(73,53,44,000)	(12,57,61,000)
Less : Unamortised Finance Cost	(9,61,63,437)	(10,38,48,932)
<b>Total - (A)</b>	<b>20,27,97,58,280</b>	<b>20,46,11,96,251</b>
<b>Unsecured</b>		
From related party		
9% Non-convertible Cumulative Redeemable Preference shares of ₹ 10 each	1,67,70,03,000	1,67,70,03,000
Cumulative liability on Preference Shares	45,27,90,812	30,18,60,540
From others	15,00,00,000	1,25,00,00,000
<b>Total - (B)</b>	<b>2,27,97,93,812</b>	<b>3,22,88,63,540</b>
<b>Total (C=A+B)</b>	<b>22,55,95,52,092</b>	<b>23,69,00,59,791</b>
<b>Current Borrowings</b>		
<b>Term Loans - Secured</b>		
From Banks & Financial Institutions	73,53,44,000	12,57,61,000
<b>(b) Short-term borrowings</b>		
<b>Loans repayable on demand</b>		
<b>Unsecured</b>		
From related party	16,29,80,758	35,01,91,242
From Others	1,10,01,28,884	1,28,884
	<b>1,26,31,09,642</b>	<b>35,03,20,126</b>

**Terms & Conditions for Loans in GHL:**

- i) Term loans from others aggregating to ₹1,250,000,000 (31st March 2018: 1,250,000,000;) is secured by way of;
- (a) pledge of 1,180,555 Equity shares held by the holding company, M/s Gayatri Projects Ltd, providing a minimum cover of twice the facility amount;
- (b) corporate guarantee of Gayatri Projects Limited;
- (c) personal guarantee of Mr. T V Sandeep Kumar Reddy; and
- (d) demand promissory note.
- ii) Terms of repayment

	As at 31 March 2019	As at 31 March 2018
Up to 1 year	1,10,00,00,000	—
2 to 5 years	15,00,00,000	1,25,00,00,000
Above 5 years	—	—
	<b>1,25,00,00,000</b>	<b>1,25,00,00,000</b>

- iii) The above facilities carry an annual interest rate of 15% (31 March 2018: 15%).
- iv) Loan covenants - Bank loans contain certain information covenants relating to submission of audited financial statements within specified time period and quarterly updates on operations of the entity. The company has satisfied all debt covenants prescribed in the terms of bank loan.

## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 18 Borrowings (Continued...)

#### v) Settlement Agreement:

- a) The company entered into a settlement agreement dated 29th March 2019 with Gayatri Projects Limited and IL&FS Financial Services Limited. As per this the financial creditor IL&FS shall waive the DPI as on 30th April 2019, Rs. 16,476,675/- and Additional Interest as on 30th April 2019, Rs. 60,533,979/-. Further that all amounts due and outstanding to the Financial Creditor in relation to the GHIL facility shall be paid to it on or before 30th April 2020 and subject to receipt of interest payment as set out in clause 4.1 below.
- b) As per Clause 4.1, the company, GHIL has to pay the entire overdue interest (upto 30th April 2019) Rs. 202,910,958/-, TDS (upto 30th April 2019) Rs. 23,244,029/- and the loan management fee Rs.7,375,000/- on or before 30th April 2019.
- c) As per Clause 4.2, the company, GHIL has to pay the entire principal outstanding of Rs.1,250,000,000/- in twelve installments commencing from May 2019 payable at the end of every month. The first GHIL installment shall become due and payable on 31st May 2019. The first eleven GHIL installments shall be for an amount of Rs.100 Million and the last i.e. twelfth installment shall be for an amount of Rs. 150 Million to be paid on 30th April 2020. To discharge this liability, Gayatri Projects Limited have given 12 post dated cheques for the 12 installments.
- d) **Funds from other sources to be utilized for payment of GHIL Principal:**
  - (i) any amounts realised/ received/ accrued by either the Corporate Debtor and the Company on account of disinvestment/ sale or otherwise any monetization of assets of the Company ("GHIL Assets") held by the company and/or
  - (ii) any bonus/ awards/ termination payments paid to the Corporate Debtor and the Company by any person in relation to any of the BOT projects of the Company including but not limited to the assets as set out in Annexure III ("Gayatri BOT Projects") of the Company.

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

#### vi) Terms of Preference Shares

- a. The Company has only one class of 9% Non-convertible cumulative redeemable preference shares having a par value of ₹10 per share. Each holder of preference shares is entitled to one vote per share in the matter of preference share holders. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing annual general meeting.
- b. As per the Indian accounting standard 32, a preference share that provides for mandatory redemption by the issuer for a fixed or determinable amount at a fixed or determinable future date, or gives the holder the right to require the issuer to redeem the instrument at or after a particular date for a fixed or determinable amount, is a financial liability. Accordingly, 9% Non-convertible cumulative redeemable preference shares were treated as a financial liability and the finance cost (as interest) on such liability was also recognised.

#### Nature of Security for Secured Loans:

##### A. Term Loans from banks and financial institutions are secured by:

- a) First mortgage and charge on all the borrower's immovable properties, present and future, if any, save and except the Project Assets.
- b) a first charge by way of hypothecation on all the Borrower's tangible moveable assets, including but not limited to all current/ non-current assets, moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, all other movable assets, both present and future, save and except the Project Assets.
- c) a first charge on all the Borrower's bank accounts including but not limited to the Escrow Account/its Sub-Accounts that may be opened in accordance with the Common Loan Agreement, the Supplementary Escrow Agreement, or any of the other Project Documents where all revenues, disbursements, receivables shall be deposited and on all funds from time to time deposited therein and on all permitted investments or other securities representing all amounts credited to the Escrow Account.



## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 18 Borrowings (Continued...)

#### Terms & Conditions for Loans in SMTL: (Continued)

- d) a first charge on all intangibles of the Borrower including but not limited to goodwill, rights, undertakings, uncalled capital and intellectual property rights, both present and future, save and except the Project Assets (provided that all amounts received on account of any of these shall be deposited in the Escrow Account and that the charges on the same shall be subject to the extent permissible as per the priority specified in the Clause 31 of the Concession Agreement and Clause 4 of the Escrow Agreement). Further, a charge on uncalled capital, as set in above, shall be subject however to the provisions of Clauses 5.3 and 7.1 (k) and Clause 31 of the Concession Agreement.
- e) an assignment by way of security
  - (i) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under the Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents to the extent not expressly provided in each such Project Document, all as amended, varied or supplemented from time to time;
  - (ii) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under all the Approvals and Insurance Contracts; and
  - (iii) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under any letter of credit, guarantees including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents.
- f) pledge of equity shares (in dematerialised form) held by the Sponsor constituting 51% (fifty one percent) of the total paid up and voting equity share capital of the Borrower until the Final Settlement Date.
- g) an irrevocable and unconditional guarantee from the Sponsor for meeting the shortfall between Secured Obligations then outstanding and the amounts receivable by the Lenders in accordance with Clause 4.2 of the Escrow Agreement in case of Termination of Concession Agreement for any reason.

#### **B. Subordinate Debt from India Infrastructure Finance Co. Ltd. is secured by:**

- a) Mortgage and second charge on all the borrower's immovable properties, present and future, if any, save and except the Project Assets.
- b) A second charge by way of hypothecation on all the Borrower's tangible moveable assets, including but not limited to all current/ non-current assets, moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, all other movable assets, both present and future, save and except the Project Assets.
- c) A second charge on all the borrower's bank accounts including but not limited to the Escrow Account/its sub-accounts that may be opened in accordance with any of the Project Agreement.
- d) A second charge on all intangibles of the Borrower including but not limited to goodwill, rights, undertakings, uncalled capital and intellectual property rights, both present and future, save and except the Project Assets (provided that all amounts received on account of any of these shall be deposited in the Escrow Account and that the charges on the same shall be subject to the extent permissible as per the priority specified in the Clause 31 of the Concession Agreement and Clause 4 of the Escrow Agreement). Further, a charge on uncalled capital, as set in above, shall be subject however to the provisions of Clauses 5.3 and 7.1 (k) and Clause 31 of the Concession Agreement.
- e) an assignment by way of security
  - (i) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under the Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents to the extent not expressly provided in each such Project Document, all as amended, varied or supplemented from time to time;
  - (ii) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under all the Approvals and Insurance Contracts; and
  - (iii) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under any letter of credit, guarantees including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents..
- f) An irrevocable and unconditional corporate guarantee from the Sponsor.



## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 18 Borrowings (Continued...)

#### Terms & Conditions for Loans in SMTL: (Continued)

#### C. Subordinate Debt Support by Sponsors

As per clause no. 2.10 of Amended and Restated Sponsor Support Agreement dated 20th September 2014, the Sponsor (Gayatri Projects Limited) irrevocably agrees and undertakes-

- (a) to promptly bring in from its own source requisite funds in addition to the sponsor's contribution without in recourse to the lenders and/or the secured property to the satisfaction of the lenders by subscribing to the equity share capital of the borrower to enable the borrower to implement the project as per the project completion schedule in the event of delay in receipt of the proceeds of the subordinate facility by the borrower from the subordinate lender; and
- (b) that it shall in addition to the sponsors contribution without any recourse to the lenders and/or the secured property to the satisfaction of the lenders infuse an amount equivalent to the debt service obligations of the borrower under the subordinate facility, in advance, on year-on-year basis (i.e. on 1st of April every year, during which, interest on subordinate facility/principal installments of the subordinate facility are scheduled for payment/repayment), as per the repayment schedule stipulated by the subordinate lender.

Provided, however, that the funds brought in by the sponsor (as per Article 2.10 (a) above by subscribing to the equity share capital of the borrower) in the event there is delay in receipt of the proceeds of the subordinate facility from the subordinate lender shall be repaid to the sponsor (by redeeming the subscribed equity share capital of the borrower) on receipt of disbursements under the subordinate facility subject to their being no occurrence and continuance of event of default.

#### Terms of repayment of Secured Loans

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

The lenders have extended the SCOD from July 1, 2016 to July 1, 2017 and accordingly the Term Loan Repayment Schedule is shifted from January 1, 2016 to January 1, 2018.

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

#### Rate of Interest on Secured Loans

- A. Applicable Interest Rate on Term Loans shall be floating at - (a) Spread @ 2% p.a. above the Base Rate of the Lead Bank viz. IDBI Bank Ltd.; or (b) Spread @ 2% p.a. above the IIFCL benchmark rate, whichever is higher.
- B. Applicable Interest Rate on Subordinate Loan shall be floating at Spread, i.e. 2% p.a. above the Interest rate applicable to IDBI Bank Ltd. as per the Common Loan Agreement.

#### Terms relating to Interest and Repayment of Unsecured Loans:

The amount advanced by holding Company is in the nature of promoters' contribution which carries Nil rate of Interest. The loan is sub-ordinate to the Term Loan to be availed from the lenders and the same will be paid after repayment of Term Loans in full.



## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 18 Borrowings (Continued...)

#### Terms & Conditions for Loans in IDTL:

**Note:** National Highways Authority of India has approved the proposal for the deferment of premium payable as per the sanction letter dated 11th June, 2014. Based on the approval received from National Highways Authority of India, the company has applied to the consortium of lenders for restructuring of the term loan. The Consortium of Lenders have approved the restructuring package with the cutoff date being 1st July, 2014 with a Moratorium of 33 months for Interest and principal Obligations. The current maturities with respect to the Term loan I principal repayment is ₹ 6,75,00,000/- and towards Funded Interest Term loan principal repayment is ₹10,89,04,000/- for the FY 2019-20. The Rate of Interest charged by all the Lenders during the current Financial year is 10.10% pa.

#### **Terms of Repayment**

##### **Secured Loans:**

- (a) As per the terms of the sanction, the Term Loan II of ₹40,00,00,000 is repayable within 20 equal instalments immediately from the next month of the disbursement. The total amount of term loan II disbursed was ₹ 31,12,00,000/- which has been fully repaid during the FY 2017-18. The draft Restructuring documents on 5th May, 2015 to National Highways Authority of India for review, and also submitted the executed documents on 26th July, 2015 for approval to National Highways Authority of India .
- (b) As per the terms of the Restructuring package, an amount of ₹39.20 Crs were kept as Debt Service Reserve Account with the Lead bank for the FY: 2014-15 to 2016-17. As per the decision of the consortium of Lenders and the Minutes of the Meeting dated 19th May, 2017, the DSRA lying in the form of FDRs amounting to Rs. 39.20 crs was redeemed and the proceeds were utilised for the prepayment of 25% of the Funded Interest Term proportionately to the Lenders along with the repayment of Term Loan II in full, so as to to reduce the interest burden on the SPV.

Hence the Interest and Principal payments for the FY 2017-18 & FY 2018-19 have been serviced in advance by way of pre payment of FITL loan as per the repayment schedule . With the above the company has serviced the monthly interest and Principal payments in advance to FITL account and there will be no dues until May 2019 in FITL account. As such there is a regular service of Interest and Principal Installment by way of advance payment in FITL, hence the account is standard.

- (c) The additional term loan of ₹40,00,00,000 has been sanctioned by the lenders for the completion of the balance EPC works which were delayed due to the below mentioned reasons:
- (i) Delay on the part of National Highways Authority of India in handing over of the Right Of Way. There was also a delay on the part of National Highways Authority of India in publishing the Gazette notification for Toll collection.
- (ii) Delay on the part of National Highways Authority of India in shifting of Utilities ie., electrical poles, drinking water pipe lines etc, which created a hindrance for the completion of the project works.
- (iii) Delay on the part of National Highways Authority of India in declaring the Appointed date (1st Sep, 2011) after signing of the Concession Agreement (17th May, 2010). (delay of 7 months from the date of financial closure ie 8th Feb, 2011).
- (iv) The Right of Way issue & the shifting of the drinking water pipe line at Rau junction was pending at the time of issue of Provisional Completion certificate ie on 29th May, 2015 and is not resolved till date. Due to all the above reasons, the Schedule Project Completion Date was delayed.
- (d) Due to all the above factors, the Interest during construction has increased as against the budgeted amount stipulated in the Project cost and the funds budgeted for EPC cost were utilized for the purpose of servicing interest to the lenders. In lieu of the above the lenders have agreed to fund the additional term loan for the completion of the balance EPC works.

##### **e) Terms of the Restructuring Package:**

- 1) The Restructuring package is approved with a cut off date of July 01, 2014.
- 2) Reduction in interest rates on all Term Loan facilities (Term Loan -I ₹450,00,00,000, Funded Interest Term Loan ₹136,18,58,057 & Term Loan -II ₹40,00,00,000 ) to 11% fixed p.a. upto FY: 2016-17, which is to be linked to the Base Rate of the Lead Lender.
- 3) The interest on Term Loan for 11 quarters from cut-off date (July 1, 2014) to March 31, 2017 is to be funded through Funded Interest Term Loan (₹136,18,58,057 ).
- 4) Moratorium of 2 years 9 months for the repayment of Term Loan - I & Funded Interest Term Loan.

## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 18 Borrowings (Continued...)

#### f) Security for Term Loans:

##### Term Loans from lenders are secured by

- (i) All monies including Toll collected on the Project Highway to the credit of the Escrow Account as per the provisions of the Concession Agreement.
- (ii) All the Borrower's Properties and Assets excluding the Project Assets as defined in the Concession Agreement
- (iii) All Tangible Assets of the Company not limited to Goodwill, undertaking and uncalled capital of the company.
- (iv) Pledge of shares aggregating to 66.64% of the paid-up equity capital of the Borrower, Provided that any enforcement of the pledge over shares shall be subject to prior approval of NHAI as provided in the Concession Agreement.
- (v) A first charge by way of assignment or creation on Security Interest on:
  - a) All rights, title, interest, benefits, claims and demands of Indore Dewas Tollways Limited under project documents subject to the provisions of the Concession Agreement.
  - b) Assignment of rights in favour of the lenders in accordance with the substitution agreement in respect of financing by the senior lenders under the financing documents for the project.
  - c) Lenders to be named as loss payees in the insurance policies.

#### g) Terms of Repayment of Term Loan from Lenders

- a) The tenor of the repayment of the Term Loan - I for ₹450,00,00,000 shall be for a period of 12 years (twelve) years excluding 2.9 years of moratorium with 48 structured unequal quarterly Instalments ranging from ₹ 5,00,000 to ₹78,66,00,000 per annum as per the approved restructuring package.
- b) The tenor of the repayment of Funded Interest Term Loan for ₹136,18,58,057 shall be for a period of 8 years years excluding 2.9 years of moratorium with 28 structured unequal quarterly instalments ranging from ₹1,00,00,000 to ₹38,80,00,000 per annum as per the approved restructuring package.

#### h) Restructuring of Term Loan under S4A & RBI Circular dated 12th Feb, 2018 & Supreme Court Judgement dated 2nd April, 2019.

Due to Low Toll Collections and the deficit in the cash flows, the SPV is unable to service even the interest obligations towards the Lenders in full. The account is in SMA2 always. As per the Consortium meeting held dated 2.1.2018 all the Lenders, based on their In principle approvals (Lead Bank sanction letter dated 27.11.2017, PNB email dated 27.12.17) taken from their competent Authorities have decided to declare the reference date in the 1st week of February 2018 and restructure the account under the scheme of Scheme for sustainable Restructuring of stressed Assets (S4A) as per the RBI circular. The lenders have also decided to appoint various resolution professionals to conduct the TEV Study and other scheme related works.

But, as per the RBI Circular dated 12.2.2018 all the existing schemes of restructuring of stressed Assets are cancelled/ repealed. As per the new circular, the banks have to formulate a Resolution plan to revive the stressed Assets and take approval from their respective sanctioning authorities.

In lieu of the above a consortium meeting was held on 24th December, 2018 and based on the cash flows submitted to the bank, it was submitted that the asset will continue to be stressful and will be servicing interest dues with a consistent delay of 2 months until March 19 and will not be in a position to service the Installment dues for the quarter ended June 30, 2019 amounting to Rs. 4.41 crs. Hence, Restructuring of debt as per the new circular has been proposed in the meeting dated Dec 24th, 2018. The consortium of lenders, have decided to appoint consultants for the TEV study and for conducting the Transaction/Forensic Audit.

The Lenders have discussed and have appointed the following consultants in order to formulate the Resolution Plan.

- 1) M/s Mott Macdonald : Techno Economic Viability study (TEV).
- 2) M/s Sagar & Associates, Chartered Accountants: Forensic Audit

Both the consultants have started their work and are expected to give their report to the lenders by end of April 2019. However the Supreme court has struck off the 12th Feb 2018 circular vide judgment dated April 4th 2019. However RBI is yet to issue circulars regarding the above judgement. A consortium meeting is expected to be called for in the month of May 2019 to discuss the above.

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

**18 Borrowings (Continued...)****i) Repayment of Zero percent loan (Unsecured loans from promoters) :**

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

The total premium amount payable as per the Concession Agreement, has been capitalized as "Intangible Assets" and amortized over a period of service concession Agreement as per the method prescribed in Part A to the Schedule II to the Companies Act, 2013 and corresponding Obligation for committed premium has been recognised as liabilities at discounted value .The Contractual Obligation to pay premium (Additional Concession Fees) to National Highways Authority of India over the Concession period has been recognized upfront on Discounted basis as per the Concession Agreement and is a part of the "Intangible Asset " and corresponding Obligation for committed premium payable to NHAI is recognized as liabilities.The related finance costs arising on discounting has been taken to the Profit and loss account.

**19 Other Non-current liabilities**

	As at 31 March 2019	As at 31 March 2018
Additional Concession Fees Payable to NHAI	3,87,94,41,190	3,51,87,67,519
Interest on Additional Concession Fees	3,04,45,850	3,04,45,850
Provision for Gratuity	22,74,555	15,65,443
	<u>3,91,21,61,595</u>	<u>3,55,07,78,812</u>

**20 Trade Payables**

	As at 31 March 2019	As at 31 March 2018
Others Payable	7,47,75,904	4,48,35,675
	<u>7,47,75,904</u>	<u>4,48,35,675</u>

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

(b) The identification of micro, small and medium enterprise suppliers as defined under the provisions of "Micro, small and medium enterprises Act, 2006" is based on Management's knowledge of their status. There are no dues to micro, small and medium enterprises as on 31st March 2019 or 31st March 2018.

**21 Other Financial Liabilities**

	As at 31 March 2019	As at 31 March 2018
Current maturities of long-term borrowings (refer note 18)	73,53,44,000	13,64,20,750
Claims payable-related party-EPC Contractor	2,27,45,00,000	—
Claims Receivable -NHAI	(2,27,45,00,000)	—
Payable to related parties	—	2,20,43,248
Interest accrued and due on borrowings	2,69,23,49,913	1,33,35,22,343
Interest accrued but not due on borrowings	—	4,52,41,197
Financial guarantee	75,52,749	1,05,86,678
	<u>3,43,52,46,662</u>	<u>1,54,78,14,216</u>

## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 22 Other Current liabilities

	As at 31 March 2019	As at 31 March 2018
Statutory liabilities	1,03,72,020	2,45,26,712
Creditors for capital expenditure	12,42,56,776	13,62,70,954
Creditors for Expenses	2,45,37,303	4,23,71,284
Other Site Expenses	81,15,049	—
Retention Money Payable	14,45,52,767	14,47,85,740
Advance against Change of Scope works - NHAI	5,56,53,194	21,55,659
Short Term Provisions	11,32,928	5,41,353
	<u>36,86,20,037</u>	<u>35,06,51,702</u>

### 23 Revenue from operations

	For the year ended 31 March 2019	For the year ended 31 March 2018
Operation & Maintenance Income	3,04,13,344	3,19,27,595
Contract Income	10,80,10,372	—
Toll Revenue	1,13,75,71,795	78,41,68,880
Change of Scope Income	1,02,58,657	—
Deputation Income	1,20,00,000	4,50,00,000
	<u>1,29,82,54,168</u>	<u>86,10,96,475</u>

### 24 Other Income

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest on Advances	2,11,10,517	2,11,10,517
Financial interest income	5,09,62,268	5,27,92,475
Financial guarantee income	30,33,929	38,47,510
Construction Income	—	1,93,00,29,848
Others	1,50,70,529	2,15,97,084
	<u>9,01,77,242</u>	<u>2,02,93,77,434</u>

### 25 Construction Expenses

	For the year ended 31 March 2019	For the year ended 31 March 2018
Construction Expenses	—	1,92,99,15,369
Contract Expenses	9,46,94,022	—
Change of Scope Expenses	1,00,95,125	—
Operating and Maintenance Expenses	5,69,71,315	5,68,64,909
	<u>16,17,60,462</u>	<u>1,98,67,80,278</u>

### 26 Employee benefits expense

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries and wages	2,61,94,965	2,33,51,166
	<u>2,61,94,965</u>	<u>2,33,51,166</u>

### 27 Finance costs

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense on borrowings	3,24,61,30,479	1,82,77,30,766
Finance cost on Preference Shares	15,09,30,272	30,18,60,540
Other borrowing costs	3,84,97,551	33,74,11,347
	<u>3,43,55,58,302</u>	<u>2,46,70,02,653</u>

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

**28 Other expenses**

	For the year ended 31 March 2019	For the year ended 31 March 2018
Rates and taxes	3,07,025	1,95,27,033
Bank Charges	50,904	24,965
Administrative Expenses	1,26,28,329	48,05,316
Electricity Charges	18,14,621	18,56,955
Insurances	87,35,936	21,04,782
Auditor's remuneration (refer note below)	10,05,940	11,02,160
Legal, Consultancy & Professional Expenses	2,19,93,026	1,07,74,947
Travelling and conveyance	41,74,038	33,40,549
Director's sitting fees	10,21,600	50,400
Advertisement expenses	4,13,168	25,000
Office Maintenance	7,67,160	27,556
Printing & Stationery	4,570	—
Toll Plaza Administrative Expenses	12,91,71,339	9,19,08,629
Miscellaneous Expenditure written off	2,39,280	—
	<b>18,23,26,936</b>	<b>13,55,48,292</b>

**Auditor's remuneration**

	For the year ended 31 March 2019	For the year ended 31 March 2018
-Statutory Audit fee	7,54,000	6,86,000
-Tax Audit fee	79,500	25,000
-Others	1,72,440	2,73,160
-as certification fees (included in consultancy and professional charges)	50,000	—
	<b>10,55,940</b>	<b>9,84,160</b>

**29 Goodwill / Capital Reserve****Composite Scheme of Arrangement**

1 As per the NCLT order dated 3rd November, 2017 and Composite Scheme of Arrangement between Gayatri Projects Ltd ("the Transferee Company" or "the Demerged Company" or "GPL"), Gayatri Infra Ventures Ltd ("the Transferor Company" or "GIVL") and Gayatri Highways Ltd (Formerly Gayatri Domicile Pvt Ltd)("the Resulting Company" or "GHL"), all the Infrastructure Road BOT Assets are merged with GPL, there-after, all the Infrastructure Road BOT Assets are demerged from GPL and transferred to GHL with effect from 24th November, 2017.

- Transfer of investments in SMTL from GPL to GHL, and the consequent discharge of consideration by GHL to GPL
- GHL shall be required to pay a consideration to GPL of ₹180,16,03,000 in the form of 1,24,60,000 equity shares of ₹10 each and 16,77,00,300 redeemable preference shares of ₹10 each, issued and redeemable at par.
- The excess, if any, of the balances as recorded under point 2(A) over the Consideration as detailed in point 2(B) shall be recorded and credited as Capital Reserve in the books of GHL. The shortfall, if any, shall be recorded as Goodwill in the books of GHL. Refer the amount mentioned in (i) below.

**Sailent features of the Scheme are as follows :****2 Transfer of Investment in SMTL from GPL to GHL**

- GHL shall record the investments in SMTL as per the fair value attributable to it based on the reports obtained from the Independent Valuers.
- GHL shall be required to pay a consideration to GPL of ₹180,16,03,000 in the form of ₹1,24,60,000 equity shares of ₹10 each and ₹16,77,00,300 redeemable preference shares of ₹10 each, issued and redeemable at par.
- The excess, if any, of the balances as recorded under point 2(A) over the Consideration as detailed in point 2(B) shall be recorded and credited as Capital Reserve in the books of GHL. The shortfall, if any, shall be recorded as Goodwill in the books of GHL. Refer the amount mentioned in (i) below.

## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 29 Goodwill / Capital Reserve (Continued...)

#### 3 Transfer of Infrastructure Road BOT Assets Business (as defined in section 2.1.7 of the Scheme) from GPL to GHL by way of demerger

- A. 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
- B. 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, One equity shares of ₹ 2/- each fully paid up held by such member in the Demerged Company, One equity share in the Resulting Company of ₹ 2/- each credited as fully paid up.
- C. GHL 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. GHL shall credit its share capital account with the aggregate face value of the GHL equity shares issued by it to the members of GPL. The excess or deficit, if any, remaining after recording the aforesaid entries, 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.
- D. 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. Refer the amount mentioned in (ii) below.

	As at 31 March 2019	As at 31 March 2018
<b>(i) Acquisition of Subsidiaries</b>		
<b>Cost of Investment in SMTL</b>		
(a) Equity Share Capital of GHL issued to GPL	12,46,00,000	12,46,00,000
(b) Preference Share Capital of GHL issued to GPL	1,67,70,03,000	1,67,70,03,000
<b>Total (A)</b>	<u>1,80,16,03,000</u>	<u>1,80,16,03,000</u>
<b>Value of Investment in SMTL</b>		
(a) Equity Share capital of SMTL	10,00,08,430	10,00,08,430
(b) Securities Premium	1,70,15,94,153	1,70,15,94,153
(c) Profit & Loss A/c	(75,54,776)	(75,54,776)
<b>Total (B)</b>	<u>1,79,40,47,807</u>	<u>1,79,40,47,807</u>
<b>Goodwill on Acquisition of Subsidiaries (A-B) (I)</b>	<u>75,55,193</u>	<u>75,55,193</u>
<b>(ii) Acquisition of Investments (from Demerger)</b>		
<b>Cost of Investment of BOT Assets</b>		
(a) Equity Share Capital of GHL issued to GPL	35,45,03,800	35,45,03,800
<b>Total (A)</b>	<u>35,45,03,800</u>	<u>35,45,03,800</u>
<b>Value of Assets received from GPL</b>		
Investments in Infrastructure BOT Assets	1,05,90,13,591	1,05,90,13,591
Other Net Assets (BOTs) received from GPL	(23,06,74,771)	(23,06,74,771)
<b>Total (B)</b>	<u>82,83,38,820</u>	<u>82,83,38,820</u>
<b>Capital Reserve on Acquisition of Investments (A-B) (II)</b>	<u>(47,38,35,020)</u>	<u>(47,38,35,020)</u>
<b>(ii) Net Amount of Capital Reserve (I-II)</b>	<u>(46,62,79,827)</u>	<u>(46,62,79,827)</u>

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

**29 Goodwill / Capital Reserve (Continued...)**

	As at 31 March 2019	As at 31 March 2018
<b>(i) Acquisition of Subsidiaries</b>		
<b>Cost of Investment in SMTL</b>		
(a) Equity Share Capital of GHL issued to GPL	12,46,00,000	12,46,00,000
(b) Preference Share Capital of GHL issued to GPL	1,67,70,03,000	1,67,70,03,000
<b>Total (A)</b>	<b>1,80,16,03,000</b>	<b>1,80,16,03,000</b>
<b>Value of Investment in SMTL</b>		
(a) Equity Share capital of SMTL	10,00,08,430	10,00,08,430
(b) Securities Premium	1,70,15,94,153	1,70,15,94,153
(c) Profit & Loss A/c	(75,54,776)	(75,54,776)
<b>Total (B)</b>	<b>1,79,40,47,807</b>	<b>1,79,40,47,807</b>
<b>Goodwill on Acquisition of Subsidiaries (A-B) (I)</b>	<b>75,55,193</b>	<b>75,55,193</b>
<b>(ii) Consolidation of Subsidiaries</b>		
<b>A. IDTL</b>		
(a) Equity Share Capital of GHL in IDTL	3,33,400	3,33,400
(b) Equity Share Capital of BHHPL in IDTL	1,66,600	1,66,600
<b>Total (A)</b>	<b>5,00,000</b>	<b>5,00,000</b>
<b>Value of Investment in IDTL</b>		
(a) Equity Share capital of IDTL	5,00,000	5,00,000
(b) Profit & Loss A/c	(1,14,38,80,276)	(1,14,38,80,276)
(c) Other Equity	—	—
(d) Less: Loan from GIVL to IDTL	—	—
<b>Total (B)</b>	<b>(1,14,33,80,276)</b>	<b>(1,14,33,80,276)</b>
<b>Goodwill on Consolidation of Subsidiaries - IDTL (A-B) (II)</b>	<b>1,14,38,80,276</b>	<b>1,14,38,80,276</b>
<b>B. SMTL</b>		
<b>Cost of Investment in SMTL</b>		
(a) Equity Share Capital of GHL issued to GPL	12,46,00,000	12,46,00,000
(b) Preference Share Capital of GHL issued to GPL	1,67,70,03,000	1,67,70,03,000
<b>Total (A)</b>	<b>1,80,16,03,000</b>	<b>1,80,16,03,000</b>
<b>Value of Investment in SMTL</b>		
(a) Equity Share capital of SMTL	10,00,08,430	10,00,08,430
(b) Securities Premium	1,70,15,94,153	1,70,15,94,153
(c) Profit & Loss A/c (after adjustment for fair valuation)	(75,54,776)	(75,54,776)
<b>Total (B)</b>	<b>1,79,40,47,807</b>	<b>1,79,40,47,807</b>
<b>Goodwill/(Capital Reserve) on Consolidation of Subsidiaries (A-B)</b>	75,55,193	75,55,193
Less: Goodwill recognised on Acquisition of Investment in SMTL (I)	(75,55,193)	(75,55,193)
<b>Capital reserve on Consolidation of SMTL (III)</b>	<b>—</b>	<b>—</b>



## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 29 Goodwill / Capital Reserve (Continued...)

#### C. BHHPL

Cost of Investment in BHHPL

(a) Equity Share Capital of GHL in BHHPL

4,90,000

4,90,000

**Total (A)**

**4,90,000**

**4,90,000**

Value of Investment in BHHPL

(a) Equity Share capital of BHHPL

10,00,000

10,00,000

(b) Profit & Loss A/c

(15,43,916)

(15,43,916)

**Total (B)**

**(5,43,916)**

**(5,43,916)**

**Goodwill on Consolidation of Subsidiaries - BHHPL (A-B) (IV)**

**10,33,916**

**10,33,916**

**Consolidated Goodwill/(Capital Reserve) (II+III+IV)**

**1,14,49,14,192**

**1,14,49,14,192**

## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 30 Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2019 were as follows :

	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair Value
<b>Financial assets:</b>						
Investments	8	1,23,20,65,204	—	—	1,23,20,65,204	1,23,20,65,204
Trade receivables	12	—	—	6,00,42,272	6,00,42,272	6,00,42,272
Loans	9	—	—	53,97,56,768	53,97,56,768	53,97,56,768
Cash and cash equivalents	13	—	—	5,97,61,023	5,97,61,023	5,97,61,023
<b>Total financial assets</b>		<b>1,23,20,65,204</b>	<b>—</b>	<b>65,95,60,063</b>	<b>1,89,16,25,267</b>	<b>1,89,16,25,267</b>
<b>Financial liabilities:</b>						
Borrowings	18	—	—	23,82,26,61,734	23,82,26,61,734	23,82,26,61,734
Trade payables	20	—	—	7,47,75,904	7,47,75,904	7,47,75,904
Other financial liabilities	21	—	—	3,43,52,46,662	3,43,52,46,662	3,43,52,46,662
<b>Total financial liabilities</b>		<b>—</b>	<b>—</b>	<b>27,33,26,84,300</b>	<b>27,33,26,84,300</b>	<b>27,33,26,84,300</b>

The carrying value and fair value of financial instruments by categories as at 31 March 2018 were as follows :

	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair Value
<b>Financial assets</b>						
Investments	8	1,20,64,38,215	—	—	1,20,64,38,215	1,20,64,38,215
Trade receivables	12	—	—	7,11,96,687	7,11,96,687	7,11,96,687
Loans	9	—	—	52,62,32,326	52,62,32,326	52,62,32,326
Cash and cash equivalents	13	—	—	21,18,87,368	21,18,87,368	21,18,87,368
<b>Total financial assets</b>		<b>1,20,64,38,215</b>	<b>—</b>	<b>80,93,16,381</b>	<b>2,01,57,54,596</b>	<b>2,01,57,54,596</b>
<b>Financial liabilities :</b>						
Borrowings	18	—	—	24,04,03,79,917	24,04,03,79,917	24,04,03,79,917
Trade Payables	20	—	—	4,48,35,675	4,48,35,675	4,48,35,675
Other financial liabilities	21	—	—	1,54,78,14,216	1,54,78,14,216	1,54,78,14,216
<b>Total financial liabilities</b>		<b>—</b>	<b>—</b>	<b>25,63,30,29,808</b>	<b>25,63,30,29,808</b>	<b>25,63,30,29,808</b>

### Notes to financial instruments

i. The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, trade payables and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments. The management assessed that the fair value of borrowings approximate the carrying amount largely due to such borrowings carry interest rates or rates are negotiable.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

### ii. Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

Level 3: Inputs for the assets or liabilities that are not based on the observable marked data (unobservable inputs)

### iii. Measurement of fair value of financial instruments

The Company's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialist for complex valuations, wherever necessary. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximizing the use of market-based information.

## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 31.. Financial risk management

#### Financial risk factors

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalent, trade receivables, financial assets measured at amortized cost	Ageing analysis
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts
Market risk – Interest rate	Long-term borrowings at variable rates	Sensitivity analysis

The Company's risk management is carried out by a central treasury department (of the group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such interest rate risk, credit risk and investment of excess liquidity.

#### a. Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and financial institutions.

##### *Credit risk management*

The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

##### **Expected credit loss for trade receivables under simplified approach**

The Company recognises significant income from toll road on the basis of actual collection and hence there are no significant outstanding. Hence, as the Company does not have significant credit risk, it does not present the information related to ageing pattern. The company has widespread customer base and no single customer accounted for 10% or more of revenue in any of the years indicated.

During the periods presented, the Company made no write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

#### b. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

**31 Financial risk management (Contd...)****Maturities of financial liabilities**

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

<b>As at 31 March 2019</b>	<b>Less than 1 year</b>	<b>1 year to 5 years</b>	<b>5 years and above</b>	<b>Total</b>
<b>Non-derivatives</b>				
Borrowings	3,42,20,87,392	8,11,10,06,145	13,02,49,12,197	24,55,80,05,734
Future interest payments	4,75,73,16,728	7,20,11,60,327	2,83,85,42,719	14,79,70,19,773
Trade payables	7,47,75,904	—	—	7,47,75,904
Other financial liabilities	23,53,076	46,91,646	3,91,03,95,068	3,91,74,39,789
<b>Total</b>	<b>8,25,65,33,100</b>	<b>15,31,68,58,118</b>	<b>19,77,38,49,983</b>	<b>43,34,72,41,201</b>
<b>As at 31 March 2018</b>				
<b>Non-derivatives</b>				
Borrowings	72,73,73,964	6,41,46,41,683	16,87,64,52,202	24,01,84,67,849
Future interest payments	2,66,78,80,433	6,49,31,64,819	5,14,35,90,811	14,30,46,36,063
Trade payables	4,48,35,675	—	—	4,48,35,675
Other financial liabilities	30,33,929	64,14,447	11,38,302	1,05,86,678
<b>Total</b>	<b>3,44,31,24,001</b>	<b>12,91,42,20,950</b>	<b>22,02,11,81,315</b>	<b>38,37,85,26,265</b>

**c. Interest rate risk**

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Fixed rate borrowing	<b>21,42,89,68,717</b>	22,10,85,09,183
Interest free borrowing	<b>1,26,31,09,642</b>	35,03,20,126
<b>Total borrowings</b>	<b>22,69,20,78,359</b>	<b>22,45,88,29,309</b>

**Interest rate risk**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	<b>For the year ended 31 March 2019</b>	<b>For the year ended 31 March 2018</b>
Interest rates - increase by 50 basis points (50 bps)	(10,71,44,844)	(11,05,42,546)
Interest rates - decrease by 50 basis points (50 bps)	10,71,44,844	11,05,42,546

## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 32 Capital Management

The Company's objectives when managing capital are to:

Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors its capital using gearing ratio, which is net debt divided by total equity. Net debt includes long term borrowings, short term borrowings, current maturities of long term borrowings less cash and cash equivalents and other bank balances.

	As at 31 March 2019	As at 31 March 2018
Long term borrowings (including current maturities)	23,82,26,61,734	24,04,03,79,917
Less: Cash and cash equivalents	(5,97,61,023)	(21,18,87,368)
Net debt	23,76,29,00,711	23,82,84,92,549
Total equity	(2,27,28,26,285)	16,12,82,645
Gearing ratio	(10.46)	147.74

### 33 Contingent liabilities

	As at 31 March 2019	As at 31 March 2018
Disputed income tax dues	8,92,926	8,92,926
Pledge of equity shares held in jointly controlled entities for loans taken by them		
Sai Maatarini Tollways Limited	17,79,97,17,870	16,34,29,92,000
Indore Dewas Tollways Limited	5,83,51,47,758	5,69,19,95,625
Gayatri Jhansi Roadways Limited	1,05,18,36,607	1,15,93,38,781
Gayatri Lalitpur Roadways Limited	77,70,12,408	85,49,98,307
HKR Roadways Limited	7,00,51,81,535	7,18,40,41,489
Corporate guarantee given to lenders of Sai Maatarini Tollways Limited	15,31,56,00,000	15,31,56,00,000
Indore Dewas Tollways Limited	6,26,13,00,000	6,26,13,00,000
IC fees payable to NHAI in IDTL	2,23,96,833	2,23,96,833

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

### 34 Related party disclosures

#### a) Name of related parties and nature of relationship

Name of the related party	Nature of relationship
Sai Maatarini Tollways Limited Indore Dewas Tollways Limited Balaji Highways Holding Private Limited	Wholly owned Subsidiaries
Gayatri Jhansi Roadways Limited Gayatri Lalitpur Roadways Limited Hyderabad Expressways Limited Cyberabad Expressways Limited HKR Roadways Limited	Jointly controlled entities
Gayatri Projects Limited T. Indra Subbarami Reddy T.V. Sandeep Kumar Reddy	Significant holder of Shares
T. Subbarami Reddy T. Sarita Reddy	Relative of Significant holder of Shares
K.G.Naidu, Chief Executive Officer P.K.Sahoo, Chief Financial Officer P.Rajkumar, Company Secretary	Key Management Personnel ("KMP")

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

**34 Related party disclosures (Continued..)****b) Transactions with related parties**

	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
<b>Gayatri Jhansi Roadways Limited</b>		
Interest income	68,97,767	69,56,469
Financial guarantee income	17,13,108	21,75,693
Loans revalued	—	(17,90,10,141)
Loans recovered	(19,18,00,060)	—
<b>Gayatri Lalitpur Roadways Limited</b>		
Interest income	13,60,823	90,22,491
Financial guarantee income	13,20,820	16,71,817
Intercorporated Deposit received	6,57,26,528	—
Loans recovered	(3,26,20,000)	(6,12,00,000)
Loans revalued	—	(4,67,03,760)
<b>Cyberabad Expressways Limited</b>		
Interest income	2,98,74,714	1,89,99,465
Deputation Income	60,00,000	2,25,00,000
Loans recovered	—	(6,82,720)
<b>Hyderabad Expressways Limited</b>		
Interest income	3,39,39,481	2,92,58,173
Operations & Maintenance Income	3,04,13,344	2,70,96,687
Deputation Income	60,00,000	2,25,00,000
Loans revalued	—	(20,12,12,417)
<b>Indore Dewas Tollways Limited</b>		
Financial guarantee income	1,61,56,171	1,87,75,434
Loans revalued	—	(6,11,52,013)
<b>HKR Roadways Limited</b>		
Interest income	—	1,84,73,915
Loans given/ (revalued)	2,09,69,823	(15,39,49,292)
<b>Sai Maatarini Tollways Limited</b>		
Loans given/ (revalued)	3,75,300	—
<b>Gayatri Projects Limited</b>		
Loans taken/ (repaid)	1,54,78,43,522	13,27,13,538
Investments acquired	1,78,87,50,889	—
Instruments entirely equity in nature	1,78,87,50,889	—

**c) Balances receivable/(payable)**

	As at 31 March 2019	As at 31 March 2018
Gayatri Jhansi Roadways Limited	(41,93,636)	4,45,27,653
Gayatri Lalitpur Roadways Limited	(6,90,85,642)	52,69,996
Hyderabad Expressways Limited	28,20,48,636	26,21,75,883
Indore Dewas Tollways Limited	(5,81,28,883)	(7,42,85,055)
HKR Roadways Limited	2,09,69,823	—
Cyberabad Expressways Limited	35,99,58,696	27,48,68,803
Balaji Highways Holding Pvt. Ltd	10,69,164	10,69,164
Sai Maatarini Tollways Limited	3,75,300	—
Gayatri Projects Limited	(1,89,80,34,764)	(35,01,91,242)

**d) Guarantees and pledges outstanding**

Refer Note 33 for financial guarantees and pledges outstanding.

## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

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

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

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

Company Name	Amount (Rs.)
Sai Maatarini Tollways Limited	1,00,15,99,644
HKR Roadways Limited	44,76,51,246
Indore Dewas Tollways Limited	33,95,00,000
<b>TOTAL</b>	<b>1,78,87,50,890</b>

### 36 Interest in Subsidiaries and Jointly controlled entities

The Company's interest in subsidiaries and jointly controlled entities are as below:

Name of entity	Interest in Entities as on 31 March 2019	Interest in Entities as on 31 March 2018
<b>Subsidiaries</b>		
Sai Maatarini Tollways Limited	100%	100%
Indore Dewas Tollways Limited	100%	100%
Balaji Highways Holding Private Limited	49%	49%
<b>Jointly Controlled Entities</b>		
Gayatri Jhansi Roadways Limited	51%	51%
Gayatri Lalitpur Roadways Limited	51%	51%
Cyberabad Expressways Limited	20%	20%
Hyderabad Expressways Limited	50%	50%
HKR Roadways Limited	50%	50%

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

#### A) Gayatri Jhansi Roadways Limited:

##### (i) Summarised balance sheet as at 31 March 2019:

	As at 31 March 2019	As at 31 March 2018
Current assets including trade receivables	88,11,17,552	67,14,71,444
Non-current assets	1,97,45,73,050	2,59,18,83,134
Current liabilities, including trade payables	(33,29,20,360)	(24,24,41,379)
Non-current liabilities including borrowings	(2,13,48,55,554)	(2,39,54,42,075)
<b>Net assets</b>	<b>38,79,14,688</b>	<b>62,54,71,124</b>

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

**36 Interest in Subsidiaries and Jointly controlled entities(Contd..)****(ii) Summarised statement of profit and loss:**

	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue	44,26,17,428	43,45,38,707
Operation & Maintenance Expenses	11,84,15,804	14,74,47,181
Depreciation & amortization	27,128	42,002
Finance cost	49,71,13,416	25,64,81,163
Employee benefit	1,38,22,721	1,22,29,032
Other expense	5,07,94,795	4,76,81,370
<b>Profit before tax</b>	<b>(23,75,56,436)</b>	<b>(2,93,42,041)</b>
Income tax expense	-	-
<b>Loss for the year</b>	<b>(23,75,56,436)</b>	<b>(2,93,42,041)</b>
<b>Total comprehensive loss for the year</b>	<b>(23,75,56,436)</b>	<b>(2,93,42,041)</b>

The Company had no contingent liabilities or capital commitments relating to its interest in Gayatri Lalitpur Roadways Limited as at 31st March 2019 and , except as disclosed in Note 33. The jointly controlled entity had no other contingent liabilities or capital commitments as at 31st March 2019 and 31st March 2018.

**B) Gayatri Lalitpur Roadways Limited****(i) Summarised balance sheet as at 31 March 2019:**

	As at 31 March 2019	As at 31 March 2018
Current assets including trade receivables	77,24,70,524	41,58,21,559
Non-current assets	1,50,80,97,019	1,98,68,58,098
Current liabilities, including trade payables	(20,35,57,318)	(18,93,22,559)
Non-current liabilities including borrowings	(1,63,18,39,645)	(1,75,91,25,528)
<b>Net assets</b>	<b>44,51,70,580</b>	<b>45,42,31,570</b>

**(ii) Summarised statement of profit and loss:**

	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue	36,47,09,232	36,26,94,177
Operation & Maintenance Expenses	10,84,98,829	14,37,71,557
Depreciation & amortization	3,494	3,312
Finance cost	21,46,56,578	20,11,68,480
Employee benefit	96,66,697	73,20,443
Other expense	4,09,44,624	2,41,92,357
<b>Profit / (loss) before tax</b>	<b>(90,60,990)</b>	<b>(1,37,61,972)</b>
Income tax expense	-	-
<b>Profit/(loss) for the year</b>	<b>(90,60,990)</b>	<b>(1,37,61,972)</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>(90,60,990)</b>	<b>(1,37,61,972)</b>

The Company had no contingent liabilities or capital commitments relating to its interest in Gayatri Lalitpur Roadways Limited as at 31 March 2019 and , except as disclosed in Note 33. The jointly controlled entity had no other contingent liabilities or capital commitments as at 31 March 2019 and 31 March 2018.



## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 36 Interest in Subsidiaries and Jointly controlled entities(Contd..)

#### C) Cyberabad Expressways Limited

##### (i) Summarised balance sheet as at 31 March 2019:

	As at 31 March 2019	As at 31 March 2018
Current assets including trade receivables	69,43,27,716	85,36,90,428
Non-current assets	1,57,83,32,995	1,98,59,81,694
Current liabilities, including trade payables	(1,94,41,25,375)	(1,90,90,76,295)
Non-current liabilities including borrowings	(90,44,09,796)	(1,49,36,92,291)
<b>Net assets</b>	<b>(57,58,74,460)</b>	<b>(56,30,96,464)</b>

##### (ii) Summarised statement of profit and loss:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue	42,80,42,000	46,96,27,284
Operation & Maintenance Expenses	12,51,00,165	13,23,28,896
Depreciation & amortization	3,24,096	2,00,635
Finance cost	29,43,06,360	35,95,58,789
Employee benefit	70,80,000	60,00,000
Other expense	1,40,09,375	1,45,95,874
<b>Loss for the year</b>	<b>(1,27,77,996)</b>	<b>(4,30,56,910)</b>
<b>Total comprehensive loss for the year</b>	<b>(1,27,77,996)</b>	<b>(4,30,56,910)</b>

The Company had no contingent liabilities or capital commitments relating to its interest in Cyberabad Expressways Limited as at 31st March 2019 and , except as disclosed in Note 33. The jointly controlled entity had no other contingent liabilities or capital commitments as at 31st March 2019 and 31st March 2018.

#### D) Hyderabad Expressways Limited

##### (i) Summarised balance sheet as at 31 March 2019:

	As at 31 March 2019	As at 31 March 2018
Current assets including trade receivables	1,25,98,27,392	1,34,64,21,227
Non-current assets	1,05,80,12,273	1,38,30,66,406
Current liabilities, including trade payables	(48,10,52,942)	(51,30,39,736)
Non-current liabilities including borrowings	(1,09,47,15,845)	(1,51,08,96,720)
<b>Net assets</b>	<b>74,20,70,878</b>	<b>70,55,51,177</b>

##### (ii) Summarised statement of profit and loss:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue	35,65,10,477	40,28,83,284
Operation & Maintenance Expenses	12,97,32,990	14,70,85,270
Depreciation & amortization	3,11,207	70,485
Finance cost	17,58,55,314	20,86,48,830
Employee benefit	87,69,010	71,88,476
Other expense	53,22,256	86,33,503
<b>Profit before tax</b>	<b>3,65,19,701</b>	<b>3,12,56,720</b>
Income tax expense	—	(2,22,462)
<b>Profit/(loss) for the year</b>	<b>3,65,19,701</b>	<b>3,10,34,258</b>
<b>Total comprehensive income for the year</b>	<b>3,65,19,701</b>	<b>3,10,34,258</b>

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

**36 Interest in Subsidiaries and Jointly controlled entities(Contd..)**

The Company had no contingent liabilities or capital commitments relating to its interest in Hyderabad Expressways Limited as at 31st March 2019 and , except as disclosed in Note 33.The jointly controlled entity had no other contingent liabilities or capital commitments as at 31st March 2019 and 31st March 2018.

**E) HKR Roadways Limited****(i) Summarised balance sheet as at 31 March 2019:**

	As at 31 March 2019	As at 31 March 2018
Current assets including trade receivables	4,02,02,513	1,51,94,498
Non-current assets	14,06,57,48,808	14,58,78,50,009
Current liabilities, including trade payables	(2,11,05,12,123)	(1,61,12,04,969)
Non-current liabilities including borrowings	(12,72,05,46,861)	(13,39,30,88,225)
<b>Net assets</b>	<b>(72,51,07,664)</b>	<b>(40,12,48,687)</b>

**(ii) Summarised statement of profit and loss:**

	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue	1,87,80,83,723	2,10,84,30,182
Depreciation & amortization	36,50,32,273	41,17,88,562
Finance cost	1,62,15,52,885	1,66,95,15,733
Employee benefit	2,28,87,903	77,95,002
Other expense	19,24,69,640	74,26,54,972
<b>Loss for the year</b>	<b>(32,38,58,977)</b>	<b>(72,33,24,087)</b>
<b>Total comprehensive loss for the year</b>	<b>(32,38,58,977)</b>	<b>(72,33,24,087)</b>

The Company had no contingent liabilities or capital commitments relating to its interest in HKR Roadways Limited as at 31st March 2019 and , except as disclosed in Note 33.The jointly controlled entity had no other contingent liabilities or capital commitments as at 31st March 2019 and 31st March 2018.

## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 37. Statutory Group Information

Name of the entity in the group	As % of consolidated net assets	Net Assets, i.e., total assets minus total liabilities		Share in profit and (loss)	
		INR		As % of consolidated profit and (loss)	INR
<b>Parent</b>					
Gayatri Highways Limited					
Balance as at 31 March 2019	85%	(1,94,05,51,552)		-4%	11,44,60,149
Balance as at 31 March 2018	-1453%	(2,34,31,81,402)		97%	(1,60,76,52,167)
<b>Subsidiaries in India</b>					
Sai Maatarini Tollways Limited					
Balance as at 31st March 2019	-4%	9,52,31,872		63%	(1,79,89,86,873)
Balance as at 31st March 2018	1112%	1,79,36,82,339		0%	(3,64,717)
Indore Dewas Tollways Limited.					
Balance as at 31st March 2019	70%	(1,59,51,71,937)		20%	(58,24,19,599)
Balance as at 31st March 2018	-273%	(44,08,80,276)		0%	-
Balaji Highways Holding Private Limited.					
Balance as at 31st March 2019	0%	(8,59,444)		0%	2,98,324
Balance as at 31st March 2018	0%	-		0%	(4,90,000)
<b>Jointly controlled entities in India (investment as per the equity method)</b>					
Gayatri Jhansi Roadways Limited					
Balance as at 31st March 2019	-6%	12,69,13,027		4%	(12,28,43,886)
Balance as at 31st March 2018	238%	38,42,24,809		1%	(1,71,37,292)
Gayatri Lalitpur Roadways Limited					
Balance as at 31st March 2019	-8%	18,63,12,831		0%	(59,42,187)
Balance as at 31st March 2018	132%	21,35,64,264		1%	(86,90,819)
Cyberabad Expressways Limited					
Balance as at 31st March 2019	-1%	3,10,72,130		0%	(25,55,599)
Balance as at 31st March 2018	21%	3,36,27,729		1%	(86,11,382)
Hyderabad Expressways Limited					
Balance as at 31st March 2019	-8%	19,19,13,396		-1%	1,82,59,850
Balance as at 31st March 2018	108%	17,36,53,546		-1%	1,55,17,129
HKR Roadways Limited					
Balance as at 31st March 2019	-28%	63,23,13,392		17%	(49,44,75,162)
Balance as at 31st March 2018	215%	34,65,91,636		2%	(2,91,16,370)

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ unless otherwise stated)

**37 Statutory Group Information(Contd...)**

Name of the entity in the group	Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated other comprehensive income	INR	As % of consolidated Total comprehensive income	INR
<b>Parent</b>				
Gayatri Highways Limited				
Balance as at 31st March 2019	—	—	-4%	11,44,60,149
Balance as at 31st March 2018	—	—	97%	(1,60,76,52,167)
<b>Subsidiaries in India</b>				
Sai Maatarini Tollways Limited				
Balance as at 31st March 2019	—	—	63%	(1,79,89,86,873)
Balance as at 31st March 2018	—	—	0%	(3,64,717)
Indore Dewas Tollways Limited.				
Balance as at 31st March 2019	100%	(1,40,216)	20%	(58,25,59,815)
Balance as at 31st March 2018	—	—	0%	-
Balaji Highways Holding Private Limited.				
Balance as at 31st March 2019	—	—	0%	2,98,324
Balance as at 31st March 2018	—	—	0%	(4,90,000)
<b>Jointly controlled entities in India and Associate (investment as per the equity method)</b>				
Gayatri Jhansi Roadways Limited				
Balance as at 31st March 2019	—	—	4%	(12,28,43,886)
Balance as at 31st March 2018	—	—	1%	(1,71,37,292)
Gayatri Lalitpur Roadways Limited				
Balance as at 31st March 2019	—	—	0%	(59,42,187)
Balance as at 31st March 2018	—	—	1%	(86,90,819)
Cyberabad Expressways Limited				
Balance as at 31st March 2019	—	—	0%	(25,55,599)
Balance as at 31st March 2018	—	—	1%	(86,11,382)
Hyderabad Expressways Limited				
Balance as at 31st March 2019	—	—	-1%	1,82,59,850
Balance as at 31st March 2018	—	—	-1%	1,55,17,129
HKR Roadways Limited				
Balance as at 31st March 2019	—	—	17%	(49,44,75,162)
Balance as at 31st March 2018	—	—	2%	(2,91,16,370)

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

39. The Company has been incurring operating losses during the past few years and the current liabilities of the Company exceeds its current assets. Notwithstanding the above, the accompanying financial statements have been prepared on going concern basis as the promoters have guaranteed support to the Company and management believes that the subsidiaries and jointly controlled entities will also generate sufficient cash flows to support the Company in

foreseeable future.

## Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

### 40 Segment reporting

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

### 41 Observations and Qualifications made by the Independent Auditors of the Subsidiary Company

One of the Subsidiary company Indore Dewas Tollways Limited (IDTL), the Statutory Auditor has qualified his Audit Report with regard to INDAS, and has mentioned that a provision of Rs.16,75,42,874/- have not been provided in the Annual Accounts of the Company. The said amount is on account of Interest on Deferred Additional Concession fees payable to NHAI which is now deferred

The Company(IDTL) disagrees with the Statutory Auditor's interpretation and explains the facts as below:

Additional Concession fee has to be paid to National Highways Authority of India as per clause 26.2.1 of the Concession Agreement dated 17th May, 2010. National Highways Authority of India has granted deferment of Additional concession fees payable to them vide their sanction letter dated 11th June, 2014. Interest on the Additional concession fees payable to National Highways Authority of India for the FY 18-19 is not provided in the books of accounts as National Highways Authority of India has deferred the premium payment upto 6 years. The Interest liability on Additional Concession fees is neither accrued nor due until the completion of the 6 years, upto which NHAI has deferred the premium. After the completion of the 6th year, NHAI will review the deferment of premium payment, based on the cash flows available then. The Interest liability accrues and becomes due as and when there are cash flows sufficient for the payment. At the end of the 6th year based on the the cash flow position, National Highways Authority of India will review the deferment proposal and may extend the deferment, if the cash flows are not sufficient to meet the debt and O&M obligations.

There is a decline in the Toll collections due to the non maintenance of the adjoining stretches of the project highway i.e., Shivpuri to Dewas & Ghar to Dewas. The development of those stretches were stalled due to issues between the National Highways Authority of India and the developer to whom the projects were awarded. Now Shivpuri - Dewas project has been reawarded on EPC basis to new developers, which are expected to be completed within a period of 3-4 years from now. Till such time the revenues from the Toll collections seem bleak and no surplus cash flows are being expected after debt obligations, so as to pay the Additional Concession fees to National Highways Authority of India or Interest thereon. In view of the total stress in the Funds flow, the management has considered that the liability accrues and becomes due as and when the cash flows are sufficient for the payment as explained above.

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

For **G.S. Sai Babu & Associates**  
Chartered Accountants  
Firm Regn. No: 014207S

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

**Satya Sai Babu Gurram**  
Proprietor  
M.No.:208341

**M.V.Narasimha Rao**  
Director  
DIN:06761474

**G. Jagannadha Rao**  
Director  
DIN:01059819

Place : Hyderabad  
Date: 27th May 2019

**K.G.Naidu**  
Chief Executive Officer

**P.K.Sahoo**  
Chief Financial Officer

**P.Raj Kumar**  
Company Secretary



**GAYATRI HIGHWAYS LIMITED**

Reg Office: 6-3-1090, 1<sup>st</sup> Floor, TSR Towers, Rajbhavan Road, Somajiguda-50082, Hyderabad, Telangana.

**Form No. MGT-11**

**PROXY FORM**

Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014

CIN : L45100TG2006PLC052146  
Name of the Company : Gayatri Highways Limited  
Registered office : 6-3-1090, 1<sup>st</sup> Floor, TSR Towers, Rajbhavan Road, Somajiguda-50082, Hyderabad, Telangana.

Name of the member (s):
Registered Address:
E-mail Id:
Folio No./Client ID:
DP ID:

I/We being the member(s) of ..... shares of the above mentioned Company hereby appoint:

- Name:..... Address: .....  
..... Email ID.....  
Signature.....or failing him/her:
- Name:..... Address: .....  
..... Email ID.....  
Signature.....or failing him/her:
- Name:..... Address: .....  
..... Email ID.....  
Signature.....or failing him/her:

as my/our proxy to attend and vote (on a Poll) for me /us and on my/our behalf at the 13<sup>th</sup> Annual General Meeting of the Company to be held on Friday, the 27<sup>th</sup> September, 2019 at 3.30 P.M. at K L N Prasad Auditorium, The Federation of Telangana and Chambers of Commerce and Industry (FTCCI), Red Hills, Hyderabad-500 004, Telangana State, and at any adjournment thereof in respect of such resolutions as are indicated below:-

S. No.	Resolutions	For*	Against*
	<b>ORDINARY BUSINESS</b>		
1.	To receive, consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the year ended 31st March, 2019 and the Board's Report and Auditor's Report thereon.		

Signed this .....day of ..... 2019

Affix Revenue Stamp
---------------------------

Signature of Shareholder).....

Signature of Proxy holder(s).....

**Notes:**

The instrument of Proxy in order to be effective, should be deposited at the registered office of the company, duly completed and signed, not later than 48 hours before the commencement of the meeting.

**GAYATRI HIGHWAYS LIMITED**

Reg Office: 6-3-1090, 1<sup>st</sup> Floor, TSR Towers, Rajbhavan Road, Somajiguda-50082, Hyderabad, Telangana.  
CIN: L45100TG2006PLC052146

**ATTENDANCE SLIP**

**13th Annual General Meeting, Friday, the 27<sup>th</sup> September, 2019 at 3.30 P.M**

<b>Regd. Folio No.</b>		<b>*DP ID</b>	
<b>No. of Equity Shares</b>		<b>*Client ID</b>	

Name of the Shareholder

Name of the Proxy

I/We hereby record my / our presence at the 13<sup>th</sup> Annual General Meeting of the members of the Company held on Friday, the 27<sup>th</sup> September, 2019 at 3.30 P.M. at K L N Prasad Auditorium, The Federation of Telangana Chambers of Commerce and Industry (FTCCI), Red Hills, Hyderabad-500 004, Telangana State.

**SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING**

**If, Member, Please sign here**

**If, Proxy, Please sign here**

**Note:** This form should be signed and handed over at the Meeting Venue.

\*Applicable for investors holding shares in electronic form.




### ROUTE MAP TO THE AGM VENUE

TSR Towers to FTCCI, Hyderabad, Telangana

Drive 3.1 km, 12 min



Map data ©2015 Google 500 m

 via Raj Bhavan Rd and NH 9 **12 min**  
 9 min without traffic · **3.1 km**

**Details**

 via Raj Bhavan Rd **14 min**

 Hyderabad Decan Local  **16 min**

HKR Roadways Limited



Indore Dewas Tollways Limited

HKR Roadways Limited



Sai Maatarini Tollways Limited



**Gayatri Highways Limited**  
(Formerly Gayatri Highways Private Limited  
erstwhile Gayatri Domicile Private Limited)  
**CIN: L45100TG2006PLC052146**

1st Floor, 6-3-1090, TSR Towers  
Rajbhavan Road, Somajiguda  
Hyderabad-500 082, Telangana

**T** +91 40 2331 0330/4284  
**F** +91 40 2339 8435  
**E** [ghl@gayatrihighways.com](mailto:ghl@gayatrihighways.com)  
**W** [www.gayatrihighways.com](http://www.gayatrihighways.com)