GAYATRI
GHL

GHL/SE/2018-19 3rd October, 2018

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

Dear Sir/Madam,

Sub: Submission of Annual Report of Gayatri Highways Limited ("the Company") as per Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: Scrip Code: 541546 (BSE) & Scrip Symbol: GAYAHWS (NSE)

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015, please find attached herewith the Annual Report of Gayatri Highways Limited for the FY 2017-18 which was approved by the shareholders in the 12th Annual General Meeting of the Company held on 28th September, 2018 at 2:30 P.M at K L N Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), Red Hills, Hyderabad-500 004, Telangana.

This is for your information and records.

Thanking you,

Yours faithfully,

For Gayatri Highways Limited

GAYATRI HIGHWAYS LTD. HYDERABAD

P. Raj Kumar

P. Raj Kumar

Company Secretary

GAYATRI HIGHWAYS LIMITED
(Formerly known as Gayatri Domicile Private Limited)
1st Floor, 6-3-1090, TSR Towers,
Rajbhavan Road, Somajiguda, Hyderabad – 500 082, Telangana.
CIN : U45100TG2006PLC052146
T +91 40 2331 0330/4284
F +91 40 2339 8435
E ghl@gayatrihighways.com
W www.gayatrihighways.com

GAYATRI HIGHWAYS LIMITED

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

12th Annual Report
2017-18

Cyberabad Expressways Limited

Gayatri Jhansi Roadways Limited

Gayatri Lalitpur Roadways Limited

Hyderabad Expressways Limited

CONTENTS

S.No.	Particulars	Page No
1.	Corporate Information	1
2.	Key Financial Highlights	3
3.	Notice	4
4.	Board's Report	18
5.	Management Discussion and Analysis	48
6.	Report on Corporate Governance	55
7.	CEO & CFO Certification	73
8.	Auditors' Report on Standalone Financial Statements	75
9.	Standalone Financial Statements	81
10.	Auditors' Report on Consolidated Financial Statements	110
11.	Consolidated Financial Statements	115
12.	Proxy Form	151
13.	Attendance Slip	153
14.	Route Map for Venue of the Meeting	154

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. P. Purnachander Rao	Director
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. P. Purnachander Rao	Member
Ms. P. Laxmi	Member

NOMINATION AND REMUNERATION COMMITTEE

Mr. M.V. Narasimha Rao	Chairman
Mr. P. Purnachander Rao	Member
Ms. P. Laxmi	Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Ms. P. Laxmi	Chairman
Mr. P. Purnachander Rao	Member
Mr. M.V. Narasimha Rao	Member

RISK MANAGEMENT COMMITTEE

Mr. G. Jagannadha Rao	Chairman
Mr. P. Purnachander Rao	Member
Mr. M.V. Narasimha Rao	Member

CORPORATE SOCIAL RESPONSIBILTY (CSR) COMMITTEE

Mr. M.V. Narasimha Rao	Chairman
Mr. P. Purnachander 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: U45100TG2006PLC052146

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
Chartered Accountant
1-7-1, Level 1, TSR Complex, Park Lane,
Sardar Patel Road, Secunderabad – 500003

SECRETARIAL AUDITORS

DVM Gopal & 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 Computershare 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 23001153
Email: einward.ris@karvy.com
Website: www.karvycomputershare.com

BANKERS

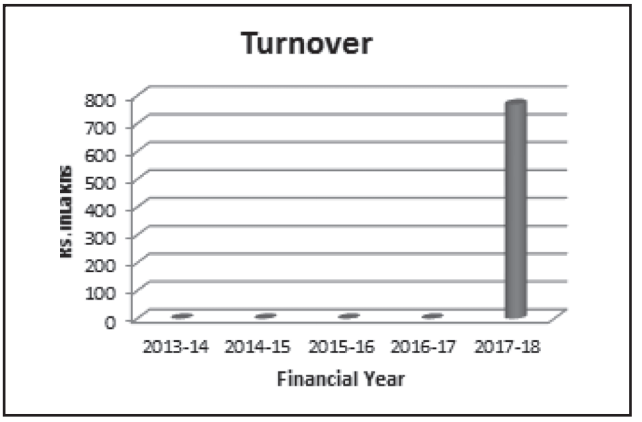
Canara Bank,
Somajiguda Branch
Hyderabad-500082, Telangana.

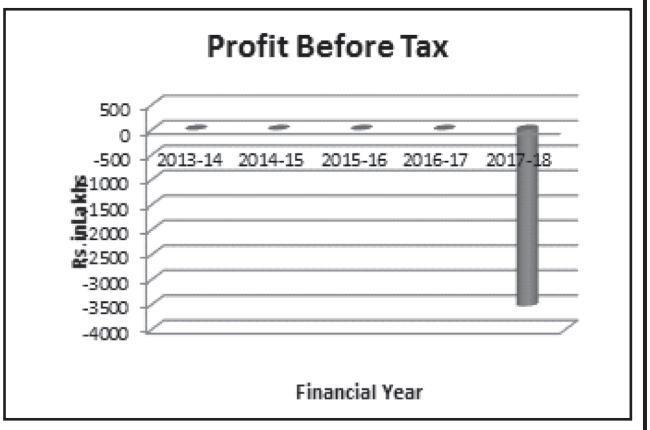
Key Financial Indicators

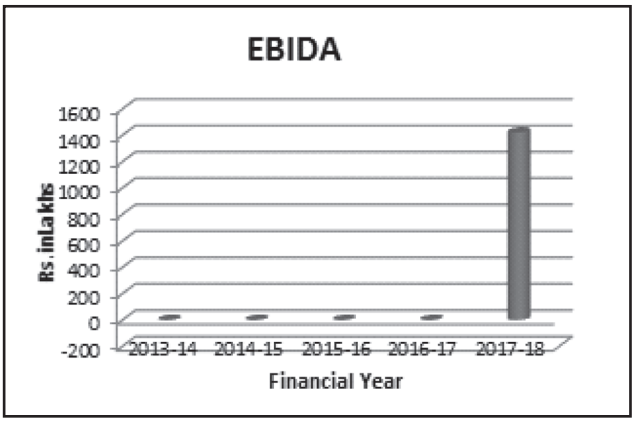
(Amount in ₹)

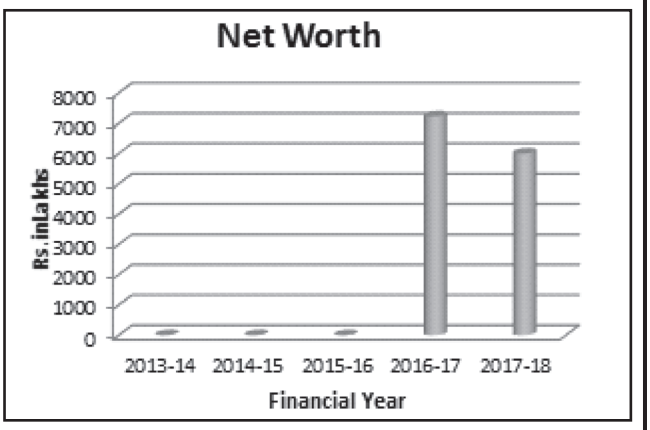
DESCRIPTION	2017-18	2016-17	2015-16	2014-15	2013 -14
Turnover	7,69,27,595	-	-	-	-
Profit Before Tax	(35,32,78,344)	(23,592)	(32,171)	(19,241)	(7,472)
Profit After Tax	(35,32,78,344)	(23,592)	(32,171)	(19,241)	(7,472)
EBIDA	14,21,64,414	(23,592)	(32,171)	(19,241)	(7,472)
Equity Capital	47,93,03,800	47,93,03,800	2,00,000	2,00,000	2,00,000
Reserves & Surplus	12,04,62,958	24,34,31,787	(70,126)	(37,955)	(18,714)
Net Worth	59,97,66,758	72,27,35,587	1,29,874	1,62,045	1,81,286
Gross Block	11,03,538	11,03,538	-	-	-
Net Block	-	-	-	-	-
Book Value (₹) Per Share of ₹2/- each	2.5	15.08	6.49	8.10	9.06
EPS (₹) Basic	(1.47)	(0.00)	(1.61)	(0.96)	(0.37)

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









NOTICE

Notice is hereby given that the 12th Annual General Meeting of the Members of M/s. Gayatri Highways Limited will be held on Friday 28th September, 2018 at 2.30 p.m. at KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry (FTAPCCI), 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 31st March, 2018 and the Board's Report and Auditor's report thereon.**

2. **To appoint a Director in place of Mr. P. Purnachander Rao (DIN: 02230190), who retires by rotation and being eligible offer himself for re-appointment.**

3. **To ratify the appointment of Statutory Auditors of the Company and to fix their remuneration.**

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and all other applicable provisions of the Companies Act, 2013, read with relevant Rules made thereunder, and pursuant to the recommendation of the Audit Committee and the resolution passed by the members in their AGM held on 12th December, 2017, the appointment of M/s. G.S. Sai Babu & Associates, Chartered Accountants, (Registration No.0147207S) Hyderabad who were appointed as the Statutory Auditors of the Company to hold the office as such till the conclusion of 16th Annual General Meeting, be and is hereby ratified and the Board of Directors of the Company be and are hereby authorised to fix the remuneration payable to the Statutory Auditors.

   FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

SPECIAL BUSINESS

4. **To appoint Mr. M.V. Narasimha Rao as an independent Director.**

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the consent of the members of the Company be and is hereby accorded to appoint Mr. M.V. Narasimha Rao (DIN: 06761474), who was appointed as an Additional Director of the Company by the Board of Directors, in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of independence under Section 149 of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, for a period of 5 years i.e., from 7th February, 2018 to 6th February, 2023 and he shall not be liable to retire by rotation."

   FURTHER RESOLVED THAT the Board of Directors or Company Secretary of the Company be and are hereby severally authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To appoint Mr. G. Jagannadha Rao as an independent Director.

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the consent of the members of the Company be and is hereby accorded to appoint Mr. G. Jagannadha Rao (DIN: 01059819), who was appointed as an Additional Director of the Company by the Board of Directors, in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of independence under Section 149 of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, for a period of 5 years i.e., from 7th February, 2018 to 6th February, 2023 and he shall not be liable to retire by rotation."

FURTHER RESOLVED THAT the Board of Directors or Company Secretary of the Company be and are hereby severally authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To appoint Ms. P. Laxmi as an independent Director.

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the consent of the members of the Company be and is hereby accorded to appoint Ms. P. Laxmi (DIN: 08051632), who was appointed as an Additional Director of the Company by the Board of Directors, in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that she meets the criteria of independence under Section 149 of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, for a period of 5 years i.e., from 7th February, 2018 to 6th February, 2023 and she shall not be liable to retire by rotation."

FURTHER RESOLVED THAT the Board of Directors or Company Secretary of the Company be and are hereby severally authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

P. Raj Kumar
Company Secretary
Membership No. A23289

Place: Hyderabad
Date: 13th August, 2018

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. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business set out in the notice is enclosed.

3. 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.

4. Profile of Mr. P. Purnachander Rao, Mr. M.V. Narasimha Rao, Mr. G. Jagannadha Rao and Ms. P. Laxmi being appointed as Directors is given in the Explanatory Statement and Report on Corporate Governance.

5. 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.

6. The Register of Members and Share Transfer Books of the Company will be closed from 22nd September, 2018 to 28th September, 2018 (both days inclusive).

7. 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.

8. Members/ proxies should bring their copy of the Annual Report for reference at the meeting.

9. 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.

10. 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.

11. 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.

12. 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.

13. The Company's Registrar & Share Transfer Agent (RTA) is Karvy Computershare Private Limited.

14. 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 Computershare Private Limited (Unit: Gayatri Highways Limited) Karvy Selenium Tower B, Plot No 31&32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032, Telangana State, India.

15. 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.

16. 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 from
    ii) To RTA i.e. M/s. Karvy Computershare Private Limited in respect of their physical shares, if any, quoting their folio number.

17. The notice of the AGM along with the Annual Report for the financial year 2017-18 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.

18. The Annual Report is also available at the Company's Website www.gayatrihighways.com.

19. Road map showing directions to reach the venue of the AGM is given at the end of this notice.

20. **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 21st September, 2018 (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.

21. **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.21st September, 2018, 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

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 with a copy to 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 Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 at email id 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.(21) under heading 'A' above to vote through e-voting platform.

(iii) The e-voting period commences from 10.00 a.m. (IST) on 24th September, 2018 and ends on 5.00 p.m. (IST) on 27th September, 2018. 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 21st September, 2018 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. FCS9255, 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-500020, 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 12th Annual General Meeting of the Company scheduled to be held on 28th September, 2018, the results declared along with the Scrutinizer's Report shall be placed on the Company's website www.gayatrihighways.com and on the website of Karvy, 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 Computershare Private Limited on Anandan.k@karvy.com or contact Mr. Anandan K, Manager, Contact No. 040-67161591, at [Unit: Gayatri Highways Limited] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Telangana, India.

22. The Company is not providing Video Conferencing facility for this meeting.

23. 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 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 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 OR anandan.k@karvy.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Mr. M.V. Narasimha Rao was appointed as an Additional Director of the Company w.e.f. 7th February, 2018 by the Board of Directors at their meeting held on 7th February, 2018 under Section 161 of the Companies Act, 2013. The appointment is subject to the approval of the shareholders at the General Meeting to be held immediately after the said appointment.

A notice under Section 160 of the Companies Act, 2013 has been received from a member of the Company proposing candidature of Mr. M.V. Narasimha Rao. The Company has received: i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; ii) Intimation in Form DIR-8 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, from Mr. M.V. Narasimha Rao to the effect that he is not disqualified as per Section 164(2) of the Companies Act, 2013; and iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149 of the Companies Act, 2013.

In the opinion of the Board, Mr. M.V. Narasimha Rao fulfills the conditions specified in the Companies Act, 2013 and the Rules framed thereunder and Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 for appointment as an Independent Director and he is independent of the management.

The Resolution set out at Item No.4 of the notice is put forth for consideration of the members as an ordinary resolution pursuant to Section 149 read with Schedule IV of the Companies Act, 2013 for appointment of Mr. M.V. Narasimha Rao as an Independent Director. The terms and conditions of appointment of Mr. M.V. Narasimha Rao shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

Profile of Mr. M.V. Narasimha Rao

Mr. M.V. Narasimha Rao has done B. Tech, Civil Engineering, from J.N.T.U College of Engineering, Kakinada, M.E. (Structural Engineering), from Osmania University, Hyderabad, M.B.A (Finance), from Madras University, and Post Graduate Diploma, Alternative Dispute Resolution, ICADR, from NALSAR University.

Work Experience: at present he is the chairman in the Dispute Board of AP Road Development Corporation and Sr. Director in Sheladia Associates Inc. He has also worked as a Resident Engineer for Louis Berger Inc. Afghanistan, General Manager for National Highways Authority of India and Executive Engineer for Roads & Buildings Department, Andhra Pradesh.

Membership in Professional Associations and Publications: Life Fellow, Institution of Engineers (India), Life Member, Indian Road Congress and Life Member, Indian Geotechnical Society.

Mr. M.V. Narasimha Rao is not holding any equity shares of the Company and he is not related to other Directors of the Company.

Except Mr. M.V. Narasimha Rao, no other Director on the Board or Manager or the key managerial personnel of the Company or their relatives are in anyway concerned or interested financially or otherwise in the above Resolution set out at Item No. 4 of the Notice.

Your Directors recommend the resolution for your approval.

Item No. 5

Mr. G. Jagannadha Rao was appointed as an Additional Director of the Company w.e.f. 7th February, 2018 by the Board of Directors at their meeting held on 7th February, 2018 under Section 161 of the Companies Act, 2013. The appointment is subject to the approval of the shareholders at the General Meeting to be held immediately after the said appointment.

A notice under Section 160 of the Companies Act, 2013 has been received from a member of the Company proposing candidature of Mr. G. Jagannadha Rao. The Company has received: i) consent in writing to act as

a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; ii) Intimation in Form DIR-8 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, from Mr. G. Jagannadha Rao to the effect that he is not disqualified as per Section 164(2) of the Companies Act, 2013; and iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149 of the Companies Act, 2013.

In the opinion of the Board, Mr. G. Jagannadha Rao fulfills the conditions specified in the Companies Act, 2013 and the Rules framed thereunder and Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 for appointment as an Independent Director and he is independent of the management.

The Resolution set out at Item No.5 of the notice is put forth for consideration of the members as an ordinary resolution pursuant to Section 149 read with Schedule IV of the Companies Act, 2013 for appointment of Mr. G. Jagannadha Rao as an Independent Director. The terms and conditions of appointment of Mr. G. Jagannadha Rao shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

Profile of Mr. G. Jagannadha Rao

Mr. G. Jagannadha Rao has done B.Tech in civil Engineering from College of Engineering, Kakinada, J. N. T. University and M. Tech, Structural Engineering from J. N. T. University, Hyderabad and has over 40 years of work experience in R & B Department, retired as Engineer in Chief R&B Admn., SH and MD, APRDC.

Mr. G. Jagannadha Rao is not holding any equity shares of the Company and he is not related to other Directors of the Company.

Except Mr. G. Jagannadha Rao, no other Director on the Board or Manager or the key managerial personnel of the Company or their relatives are in anyway concerned or interested financially or otherwise in the above Resolution set out at Item No. 5 of the Notice.

Your Directors recommend the resolution for your approval.

Item No. 6

Ms. P. Laxmi was appointed as an Additional Director of the Company w.e.f. 7th February, 2018 by the Board of Directors at their meeting held on 7th February, 2018 under Section 161 of the Companies Act, 2013. The appointment is subject to the approval of the shareholders at the General Meeting to be held immediately after the said appointment.

A notice under Section 160 of the Companies Act, 2013 has been received from a member of the Company proposing candidature of Ms. P. Laxmi. The Company has received: i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; ii) Intimation in Form DIR-8 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, from Ms. P. Laxmi to the effect that she is not disqualified as per Section 164(2) of the Companies Act, 2013; and iii) a declaration to the effect that she meets the criteria of independence as provided under Section 149 of the Companies Act, 2013.

In the opinion of the Board, Ms. P. Laxmi fulfills the conditions specified in the Companies Act, 2013 and the Rules framed thereunder and Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 for appointment as an Independent Director and she is independent of the management.

The Resolution set out at Item No.6 of the notice is put forth for consideration of the members as an ordinary resolution pursuant to Section 149 read with Schedule IV of the Companies Act, 2013 for appointment of Ms. P. Laxmi as an Independent Director. The terms and conditions of appointment of Ms. P. Laxmi shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

Profile of Ms. P. Laxmi

Ms. P. Laxmi has done B. E. Civil Engineering (1977) College of Engineering, Osmania University, Hyderabad, M. Tech (Structural Engineering) from P.G. School of Continuing Technological Education, Jawaharlal Nehru Technological University, Hyderabad, and Post Graduate Diploma, Alternative Dispute Resolution, ICADR, NALSAR.

Ms. P.Laxmi is a Civil Engineer with Post Graduation in Structural Engineering has over 40 years of rich professional experience in the design, construction supervision and Contract Management of large number and various types of road and bridge projects, particularly on 4-lane roads and Expressways. She is fully conversant with the IRC & ASHTO Specifications and ASTM Standards as well as Indian Road Congress Standard design procedures and Indian Ministry of Surface Transport Specifications involved in the design and execution of Caissons, Wells and Pile foundations with Reinforced Cement Concrete and Pre-stressed Concrete Superstructure bridges as well as Highways using modern state of the art construction equipment and specifications. She has excellent knowledge and hands on experience in BOT Projects over 5 Years, Construction Supervision of different components of highways and bridges, organization, elaboration of reports and handling of contractor's Monthly statements; Management and Planning, allocation of resources as well as costing and cost control. She also has experience in Quality Assurance systems and Quality Control procedures. She is well versed with Project Management and Contract Administration of projects and is updated with modern technology. She is well conversant with FIDIC conditions of contract and can handle contract related correspondence and arbitration matters with ease. She has knowledge on all three aspects of a construction project Client, Consultant and Concessionaire / Contractor.

Ms. P. Laxmi is not holding any equity shares of the Company and she is not related to other Directors of the Company.

Except Ms. P. Laxmi, no other Director on the Board or Manager or the key managerial personnel of the Company or their relatives are in anyway concerned or interested financially or otherwise in the above Resolution set out at Item No. 6 of the Notice.

Your Directors recommend the resolution for your approval.

By Order of the Board of Directors,
for **Gayatri Highways Limited**

P. Raj Kumar
Company Secretary
M.No: A23289

Place: Hyderabad
Date: 13th August, 2018

Annexure to the Notice dated 13th August, 2018

Brief Resume of Directors seeking Appointment / Re-Appointment at the ensuing Annual General Meeting on 28th September, 2018.

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

S.No	Particulars	Name of the Director			
		Mr. P. Purnachander Rao	**Mr. M.V. Narasimha Rao**	**Mr. G. Jagannadha Rao**	**Ms. P. Laxmi**
1	DIN	02230190	06761474	01059819	08051632
2	Date of birth and Age	10th June, 1949 69 Years	12th December, 1956 61 Years	16th August, 1957 60 Years	11th February, 1955 63 Years
3	Qualification	Matriculation	B. Tech, Civil Engineering, J.N.T.U College of Engineering, Kakinada, ME (Structural Engineering), MBA (Finance) and PG Diploma in Alternative Dispute Resolution from NALSAR.	B.Tech in civil Engineering from College of Engineering, Kakinada, J. N. T. University during and M. Tech, Structural Engineering from J. N. T. University, Hyderabad.	B. E. Civil Engineering (1977) College of Engineering, Osmania University, Hyderabad, M. Tech (Structural Engineering) from P.G. School of Continuing Technological Education, Jawaharlal Nehru Technological University, Hyderabad, and Post Graduate Diploma, Alternative Dispute Resolution, ICADR, NALSAR.
4	Experience and expertise in specific functional areas	He has over 2 decades of experience in the Infrastructure Sector.	Over 39 years of experience. He has also worked as a Resident Engineer for Louis Berger Inc. Afghanistan, Gneral Manager for National Highways Authority of India and and Executive Engineer for Roads & Buildings Department, Andhra Pradesh. At present he is the chairman in the Dispute Board of AP Road Development Corporation and Sr. Director in Sheladia Associates Inc.	Over 40 years of experience. He has also worked as a Resident Engineer for ADB Project at Visakhapatnam. Dy. General Manager for National Highways Authority of India, Executive Engineer, NH Division, Visakhapatnam, Superintending Engineer in R&B Department and took charge as Engineer in Chief R&B Admn., SH and MD, APRDC in May 2017 and continued till retirement.	Over 40 years of rich professional experience in the design, construction supervision and Contract Management of large number and various types of road and bridge projects.

5	Brief Resume	Resume is given in the Corporate Governance forming part of Annual Report.	Resume is given in the Explanatory Statement and Corporate Governance forming part of Annual Report.	Resume is given in the Explanatory Statement and Corporate Governance forming part of Annual Report.	Resume is given in the Explanatory Statement and Corporate Governance forming part of Annual Report.
6	Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Not related to Directors, Manager and other Key Managerial Personnel of the company.	Not related to Directors, Manager and other Key Managerial Personnel of the company.	Not related to Directors, Manager and other Key Managerial Personnel of the company.	Not related to Directors, Manager and other Key Managerial Personnel of the company.
7	Nature of appointment (appointment / reappointment)	Retires by rotation and offers himself for re appointment.	Appointment	Appointment	Appointment
8	Terms and Conditions of appointment / re-appointment	Appointment as a Non- Executive Director subject to retirement by rotation.	Terms and conditions of appointment are as per the resolution at Item No. 4 of the Notice convening Annual General Meeting on 28th September, 2018 read with explanatory statement thereto.	Terms and conditions of appointment are as per the resolution at Item No. 5 of the Notice convening Annual General Meeting on 28th September, 2018 read with explanatory statement thereto.	Terms and conditions of appointment are as per the resolution at Item No. 6 of the Notice convening Annual General Meeting on 28th September, 2018 read with explanatory statement thereto.
9	Remuneration last drawn by such person, if applicable and remuneration sought to be paid	Sitting fees paid to Mr. P. Purnachander Rao is given in Corporate Governance Report.	Sitting fees paid to Mr. M.V. Narasimha Rao is given in Corporate Governance Report. As a Non-Executive Independent Director, he is entitled to sitting fees for attending meetings of the Board/Committee as may be approved by the Board of Directors from time to time.	Sitting fees paid to Mr. G. Jagannadha Rao is given in Corporate Governance Report. As a Non-Executive Independent Director, he is entitled to sitting fees for attending meetings of the Board/Committee as may be approved by the Board of Directors from time to time.	Sitting fees paid to Ms. P. Laxmi is given in Corporate Governance Report. As a Non-Executive Independent Director, she is entitled to sitting fees for attending meetings of the Board/ Committee as may be approved by the Board of Directors from time to time.
10	Date of first appointment on the Board	30th March, 2015	7th February, 2018	7th February, 2018	7th February, 2018
11	Shareholding in the company	Holds 75 equity shares	Nil	Nil	Nil
12	The number of Meetings of the Board attended during the year.	9 out of 9	1 out of 1	Nil	Nil

13	Directorship Details of the Board	1) Cosmo Chemagro Agencies Pvt Ltd. 2) Rajiv Realtors Pvt Ltd. 3) Sucheer Infra Projects Pvt Ltd. 4) Tycoon Infratech Pvt Ltd. 5) Deep Land Holdings Pvt Ltd. 6) Sivadevi Urban Properties Pvt Ltd. 7)Chamundeswari Builders Pvt Ltd. 8) Gayatri Hotels and Theatres Pvt Ltd. 9) Idealistic Infrabuild Pvt Ltd. 10) Okay Infrasys Pvt Ltd. 11) Infraways Engineering Company Pvt Ltd. 12) Gayatri Fin-Holdings Pvt Ltd. 13) Indira Constructions Private Limited. 14) Maheswari Film Productions Private Ltd. 15) Indira Publications Private Limited. 16) Bhandara Thermal Power Corporation Limited.	1) Sai Maatarini Tollways Limited. 2) Gayatri Jhansi Roadways Limited. 3) Gayatri Lalitpur Roadways Limited. 4) Indore Dewas Tollways Limited. 5) Hyderabad Expressways Limited. 6) Cyberabad Expressways Limited. 7) Gayatri Energy Ventures Pvt. Ltd. 8) HKR Roadways Limited. 9) Axis Wind Farms (Anantapur) Private Limited. 10) Axis Wind Farms (Rayalaseema) Private Limited 11) Axis EPC Private Limited.	1) HKR Roadways Limited	Nil
14	Membership/ Chairmanship of Committees of other Boards	Nil	**I)Member:** **a) Audit Committee of** 1) Indore Dewas Tollways Limited. 2) Hyderabad Expressways Limited. 3) Cyberabad Expressways Limited. 4) Sai Maatarini Tollways Limited. 5) Gayatri Energy Ventures Private Limited. **b) Nomination and Remuneration Committee of** 1) Sai Maatarini Tollways Limited. 2) Gayatri Energy Ventures Private Limited.	Member of HKR Roadways Ltd- Audit Committee& Nomination and Remuneration Committee.	Nil

			c) CSR Committee of 1) Gayatri Energy Ventures Private Limited. **II)Chairperson:** **a) Audit Committee of** 1) Gayatri Jhansi Roadways Limited. 2) Gayatri Lalitpur Roadways Limited. 3) HKR Roadways Limited. **b) Nomination and Remuneration Committee of** 1) Gayatri Jhansi Roadways Limited. 2) Gayatri Lalitpur Roadways Limited. 3) Indore Dewas Tollways Limited. 4) HKR Roadways Limited. 5) Hyderabad Expressways Limited. 6) Cyberabad Expressways Limited. **c) CSR Committee of** 1) Hyderabad Expressways Limited.		

By Order of the Board of Directors,
for **Gayatri Highways Limited**

P. Raj Kumar
Company Secretary
M.No: A23289

Place: Hyderabad
Date: 13th August, 2018

BOARD'S REPORT

To
The Members,

Your Directors have immense pleasure in presenting the 12th Annual Report and the Audited Financial Statements for the Financial Year ended 31st March 2018.

1. FINANCIAL SUMMARY:

A) STANDALONE

The standalone financial results of your company for the year ended 31st March 2018 are as follows:

Particulars	For the year ended 31.03.2018 (Rs.)	For the year ended 31.03.2017 (Rs.)
1) **INCOME**		
Revenue from operations	7,69,27,595	-
Other income	11,26,11,970	-
TOTAL	**18,95,39,565**	-
2) **EXPENDITURE**		
Operations & Maintenance Expenses	1,68,92,429	-
Employee Benefits Expense	20,40,577	-
Finance Costs	50,28,17,758	-
Depreciation & Amortization expense	-	-
Other Expenses	2,10,67,145	23,592
TOTAL	**54,28,17,909**	**23,592**
3) Loss before tax from continuing operations	(35,32,78,344)	(23,592)
Current Tax	-	-
4) Loss for the year	**(35,32,78,344)**	**(23,592)**
Earnings (Loss) per Share – Basic & Diluted	(1.47)	(0.00)

B) CONSOLIDATED

The consolidated financial results of your company for the year ended 31st March 2018 are as follows:

S. No.	Particulars	For the year ended 31.03.2018 (Rs.)	For the year ended 31.03.2017 (Rs.)
1)	**INCOME**		
	Revenue from operations	86,10,96,475	-
	Other income	9,93,47,586	-
	Construction income	193,00,29,848	676,23,48,523
	TOTAL	**289,04,73,909**	**676,23,48,523**
2)	**EXPENDITURE**		
	Construction Expenses	198,67,80,278	676,23,48,523
	Employee Benefits Expense	2,33,51,166	-
	Finance Costs	246,70,02,653	-
	Depreciation & Amortization expense	12,34,75,055	-
	Other Expenses	13,55,48,292	3,89,060
	TOTAL	**473,61,57,444**	**676,27,37,583**
3)	Loss before tax from continuing operations	(184,56,83,536)	(3,89,060)
	- Current Tax	-	-
4)	Loss for the year	(184,56,83,536)	(3,89,060)
	Other comprehensive income-		
	Re-measurement of the defined benefit plans	7,10,821	-
	Share of profits/ (losses) in the Jointly controlled entities	18,84,27,095	(56,90,11,503)
5)	Total comprehensive loss for the year	(165,65,45,620)	(56,94,00,563)
	Earnings (Loss) per Share – Basic & Diluted	(6.91)	(11.88)

2. THE YEAR IN RETROSPECT

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

Company completed the allotment of Equity Shares to the shareholders of Gayatri Projects Limited and 167,700,300 9% Non convertible Cumulative Redeemable Preference shares (NCRPS) of Rs. 10/- each to GPL in the Month of February, 2018 and subsequently applied for listing of its Equity shares with Bombay Stock Exchange and National Stock Exchange for 239,651,900 Equity Shares of Rs.2/- each fully paid up.

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.

3. 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.

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.

4. CHANGE IN THE NATURE OF BUSINESS

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

5. 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**.

6. BOARD MEETINGS

During the year ended 31st March, 2018, Nine 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 28th June, 2017, 29th July, 2017, 14th August, 2017, 24th November, 2017, 5th December, 2017, 8th January,2018, 17th January, 2018, 2nd February, 2018 and 7th February,2018.

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, 2018.

Name of the Director	Number of Board Meetings	
	Held	Attended
Ms. T. Sarita Reddy	9	8
Mr. P. Purnachander Rao	9	9
Mr. S.S. Raju	5	4
Mr. M.V. Narasimha Rao	1	1
Mr. G. Jagannadha Rao	1	0
Ms. P. Laxmi	1	0

7. DIRECTORS' RESPONSIBILITY STATEMENT

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

a. that in the preparation of the annual financial statements for the year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. that such accounting policies and applied them consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the year ended on that date;

c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. that the annual financial statements have been prepared on a going concern basis;

e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and

f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

8. 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.**

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. S.S. Raju was appointed as Additional Director of the Company with effect from 5th December, 2017.

Mr. S.S. Raju was regularized as a Director of the Company in the AGM held on 12th December, 2017.

Mr. M.V. Narasimha Rao was appointed as an Additional Director in the category of Independent Director of the Company with effect from 7th February, 2018.

Mr. G. Jagannadha Rao was appointed as an Additional Director in the category of Independent Director of the Company with effect from 7th February, 2018.

Ms. P. Laxmi was appointed as an Additional Director in the category of Independent (woman) Director of the Company with effect from 7th February, 2018.

Mr. K.G. Naidu was appointed as a Chief Executive Officer (CEO) of the Company with effect from 7th February, 2018.

Mr. P. Raj Kumar was appointed as a Company Secretary (CS) of the Company with effect from 7th February, 2018.

Mr. P.K. Sahoo was appointed as a Chief Financial Officer (CFO) of the Company with effect from 7th February, 2018.

Mr. S.S. Raju has resigned as a Director of the Company with effect from 7th February, 2018.

Ms. T. Sarita Reddy has resigned as a Director of the Company with effect from 7th February, 2018.

10. RETIREMENT BY ROTATION

Mr. P. Purnachander Rao, Director of the Company is retiring by rotation and being eligible, offers himself for re-appointment.

11. 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).

12. 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. M.V. Narasimha Rao as a Chairman and Mr. P. Purnachander Rao and Ms. P. Laxmi as members of the Committee.

During the financial year ended 31st March, 2018, no meetings were conducted by the Nomination and Remuneration Committee.

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

13. AUDITORS REPORT

There are no qualifications in the Auditors Report.

14. 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.

15. 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, 2018. Accordingly, Form AOC-2 is not applicable to your Company.

16. TRANSFER OF AMOUNT TO RESERVES

The Company has not made any profits for the Financial Year ended 31st March, 2018. Therefore it has not transferred any amount to reserves.

17. DIVIDEND

The Board of Directors does not recommend any dividend on the Equity Shares or Preference Shares for the financial year ended 31st March, 2018.

18. MATERIAL CHANGES AND COMMITMENTS

The Company changed its name from Gayatri Domicile Private Limited to "Gayatri Highways Private Limited" with effect from 7th August, 2017.

Thereafter, the Company upon conversion into a public Company changed its name to Gayatri Highways Limited with effect from 16th January, 2018.

As per the NCLT order dated 3rd November, 2017 read with the Scheme of Arrangement, all the infrastructure Road BOT assets are merged with Gayatri Projects Limited (GPL), there after all the infrastructure road BOT assets are demerged from GPL and transferred to Gayatri Highways Limited (erstwhile Gayatri Domicile Private Limited).

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

19. 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

20. 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 Mr. P. Purnachander Rao and Mr. M.V. Narasimha Rao, as members of the Committee.

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

21. 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:

M.V. Narasimha Rao – Chairman
Mr. P. Purnachander 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.**

22. BOARD EVALUATION

As the Board evaluation was applicable to the Company post issuance of NCLT order dated 3rd November, 2017, the Company has not carried on the evaluation of the Board, its committee and directors during the FY 2017-18. The Company will comply with the requirement in the next financial year.

23. 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 2018, 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 and a copy of separate audited financial statements of its subsidiaries will be provided to shareholders upon their request.

24. SUBSIDIARY COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATE COMPANIES

During the Financial Year ended 31st March 2018, your Company has subsidiaries and associate Companies.

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

1. Transfer of investments in Sai Maatarini Tollways Limited from Gayatri Projects Limited to Gayatri Highways Limited (erstwhile Gayatri Domicile Private Limited),
2. Amalgamation of the Gayatri Infra Ventures Limited with Gayatri Projects Limited
3. Transfer of Infrastructure Road BOT Assets Business from Gayatri Projects Limited to Gayatri Highways Limited (erstwhile Gayatri Domicile Private Limited) by way of demerger.

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

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**.

25. 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, 2018 is enclosed as **Annexure-V.**

26. 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.

27. 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.

As per the NCLT order dated 3rd November, 2017 read with the Scheme of Arrangement, all the infrastructure Road BOT assets are merged with Gayatri Projects Limited (GPL), there after all the infrastructure road BOT assets are demerged from GPL and transferred to Gayatri Highways Limited (erstwhile Gayatri Domicile Private Limited).

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

28. 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. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting.

Accordingly, the appointment of M/s G.S. Sai Babu & Associates, Chartered Accountants, bearing ICAI Regd. No. 014207S as statutory auditors of the Company, is placed for ratification by the shareholders.

In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

29. 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 are not required, since the Company is an unlisted company as on 31st March, 2018. 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.

30. 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.

31. SHARE CAPITAL

The Paid-up Share Capital of the Company as on 31st March, 2018 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.

32. 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**.

33. CEO AND CFO CERTIFICATION

Since the Company was unlisted as on 31st March, 2018, the publication of financial results is not applicable. The annual certification given by the Chief Executive Officer and Chief Financial Officer of the Company is published in this Annual Report.

34. 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 Gopal & Associates LLP, Practicing Company Secretaries as Secretarial Auditors to conduct Secretarial Audit of the Company for the Financial year ended 31st March, 2018.

The Secretarial Audit Report issued by DVM Gopal & 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.

35. 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.

36. INTERNAL AUDITORS

The Board of Directors of the Company has appointed Mr. Raju Poojari, Chartered Accountant as an Internal Auditor in the Board meeting held on 20th June, 2018 with effect from 01st April, 2018 to conduct Internal Audit of the Company.

37. AUDIT COMMITTEE

The committee was constituted on 7th February, 2018.

The Audit Committee consists of the following Directors:

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

During the financial year ended 31st March, 2018, no meetings were conducted by the Audit Committee.

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

38. 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 practising Company Secretary on its compliance.

39. 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.

40. MEETING OF INDEPENDENT DIRECTORS

As the Independent Directors were appointed in the meeting held on 7th February, 2018 after the scheme became effective, the meeting will be conducted in the next financial year, i.e. 2018-19.

In accordance with the provisions of schedule IV (Code for Independent Directors) of the Companies Act, 2013 and SEBI Listing Regulation, 2015, a meeting of the Independent Directors of the Company will be held in the next financial year, without the attendance of Non-Independence Directors and members of the management.

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

Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with Rules thereunder, the Company has not received any complaint of sexual harassment during the year under review.

42. 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.

43. 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.

44. 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.

45. 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.

46. 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.

47. 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, 2018

P. PURNACHANDER RAO
DIRECTOR
DIN: 02230190

M.V. NARASIMHA RAO
DIRECTOR
DIN: 06761474

ANNEXURE – I

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31.03.2018
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:	
CIN	U45100TG2006PTC052146
Registration Date	28/12/2006
Name of the Company	Gayatri Highways 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	Unlisted (The equity shares of the company are listed on BSE and NSE w.e.f 28th June, 2018.
Name, address and contact details of Registrar and Transfer Agent, if any	Karvy Computershare 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 40 2300 1153 Email: einward.ris@karvy.com Website: www.karvycomputershare.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	**Sai Maatarini Tollways Limited,** 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana.	U45400TG2011PLC076396	Subsidiary	100	2(87)
2	**Indore Dewas Tollways Limited,** 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana.	U45200TG2010PLC068238	Subsidiary	66.64	2(87)
3.	**Gayatri Jhansi Roadways Limited,** 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana.	U50403TG2006PLC050569	Subsidiary	51	2(87)
4.	**Gayatri Lalitpur Roadways Limited,** 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana.	U45203TG2006PLC050554	Subsidiary	51	2(87)
3	**Balaji Highway Holdings Private Limited,** 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, 2017				No. of Shares held at the end of the year 31st March, 2018				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1)Indian									
a) Individual / HUF	-	3	3	0.03	8,41,54,710	-	-	35.11	35.08
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	19,997	19,997	99.97	6,23,00,000	1,00,000	6,24,00,000	26.03	-73.94
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other (Relatives)	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	**-**	**20,000**	**20,000**	**100**	**14,64,54,710**	**1,00,000**	**14,65,54,710**	**61.15**	**-38.85**
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	**-**	**20,000**	**20,000**	**100**	**14,64,54,710**	**1,00,000**	**14,65,54,710**	**61.15**	**-38.85**
B. Public Shareholding									
(1)Institutions									
a) Mutual Funds / UTI	-	-	-	-	3,00,000	-	3,00,000	0.13	0.13
b) Banks/ FI/ NBFC	-	-	-	-	49,224	-	49,224	0.02	0.02
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	46,31,649	-	46,31,649	1.93	1.93
g) FIIs	-	-	-	-	1,67,72,852	-	1,67,72,852	7.00	7.00
h) Foreign Venture Capital Funds	-	-	-	-	4,93,64,740	-	4,93,64,740	20.60	20.60
i) Others (Public)	-	-	-	-	2,64,051	-	2,64,051	0.11	0.11
Sub-Total (B)(1):	**-**	**-**	**-**	**-**	**7,13,82,516**	**0**	**7,13,82,516**	**29.78**	**29.68**
(2)Non-Institutions									
a) Bodies Corporate									
i) Indian	-	-	-	-	83,17,312	-	83,17,312	3.47	3.47
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	74,17,452	2411	74,19,863	3.10	3.10
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (NRI's + Non Repatriation	-	-	-	-	59,77,499	-	59,77,499	2.50	2.50
Sub-Total (B)(2):	**-**	**-**	**-**	**-**	**2,17,12,263**	**2411**	**2,17,14,674**	**8.96**	**8.96**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**-**	**-**	**-**	**-**	**9,30,94,779**	**2411**	**9,30,97,190**	**38.85**	**38.85**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C) **	**-**	**20,000**	**20,000**	**100**	**23,95,49,489**	**1,02,411**	**23,96,51,900**	**100**	**-**

**Pursuant to Composite Scheme of Arrangement as sanctioned by Honorable National Company Law Tribunal, Hyderabad dated 3rd November, 2017,(Appointed date 31st March, 2017) the Company has allotted the 23,95,51,900 Equity shares to the Shareholders of Gayatri Projects Limited in the Board meeting held on 02nd February, 2018.

ii) Shareholding of Promoters

S. No.	Shareholders Name	Shareholding at the beginning of the year 1st April, 2017			Shareholding at the end of the year 31st March, 2018			% 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	1	0.01	-	2,70,19,810	11.27	-	11.26
2	Ms. T. Indira Subbarami Reddy	1	0.01	-	5,71,29,500	23.83	-	23.82
3	Ms. T. Sarita Reddy	1	0.01	-	800	0.00	-	0.00
4	M/s. Gayatri Projects Limited	19,997	99.97	-	6,24,00,000	26.00	-	26.00
5	Mr. J. Brijmohan Reddy	-	-	-	2250	0.00	-	0.00
6	Ms. G. Sulochanamma	-	-	-	2350	0.00	-	0.00
	Total	**20,000**	**100**		**14,65,54,710**	**61.15**	**-**	**61.09**

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	20,000	100	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifyingthe reasons for increase/decrease (e.g.allotment/transfer/ bonus/sweat equity etc):	-	-	14,65,54,710	61.15
	At the end of the year	14,65,54,710	61.15		

**Pursuant to Composite Scheme of Arrangement as sanctioned by Honorable National Company Law Tribunal, Hyderabad dated 3rd November, 2017,(Appointed date 31st March, 2017) the Company has allotted the 23,95,51,900 Equity shares to the Shareholders of Gayatri Projects Limited in the Board meeting held on 02nd February, 2018.

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	0	0.00	-	-	-	16,772,852	7.00
2	GMO Emerging Domestic Opportunities Fund, A Series	0	0.00	-	-	-	10,683,040	4.46
3	Government of Singapore	0	0.00	-	-	-	8,131,218	3.39
4	Mentor Capital Limited	0	0.00	-	-	-	5,669,188	2.37
5	Stichting Depositary APG Emerging Markets Equity P	0	0.00	-	-	-	5,265,666	2.20
6	Satpal Khattar	0	0.00	-	-	-	5,179,335	2.16
7	Bajaj Allianz Life Insurance Company Ltd.	0	0.00	-	-	-	4,631,649	1.93
8	Afrin Dia	0	0.00	-	-	-	3,000,000	1.25
9	Monetary Authority of Singapore	0	0.00	-	-	-	2,860,339	1.19
10	Societe Generale	0	0.00	-	-	-	2,694,992	1.12

*Pursuant to Composite Scheme of Arrangement as sanctioned by Honorable National Company Law Tribunal, Hyderabad dated 3rd November, 2017, (Appointed date 31st March, 2017) the Company has allotted the 23,95,51,900 Equity shares to the Shareholders of Gayatri Projects Limited in the Board meeting held on 02nd February, 2018.

(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	1	0.00	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	875	-
	At the End of the year	75	-	-	-

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	- 	312,96,22,503 - 4,68,48,504	-	**312,96,22,503** - **4,68,48,504**
Total (i+ii+iii)	-	**317,64,71,007**	-	**317,64,71,007**
Change in Indebtedness during the financial year	-	-	-	-
Addition	-	44,79,53,856	-	**44,79,53,856**
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
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**
Total (i+ii+iii)	-	**362,44,24,863**	-	**362,44,24,863**

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 theIncome 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 attendingBoard/ CommitteeMeetings	20,000	-	-	**20,000**
	-Commission	-	-	-	-
	- Others, pleasespecify	-	-	-	-
	Total (B)(1)	**20,000**	**-**	**-**	**20,000**

2. Other Non Executive Directors

Sl. No.	Particulars of Remuneration	P. Purnachander Rao	Total Amount
	-Fee for attendingBoard/ CommitteeMeetings	20,000	**20,000**
	-Commission	-	-
	- Others, pleasespecify	-	-
	Total (B)(2)	**20,000**	**20,000**
	Total (B)= (B)(1)+ (B)(2)	**40,000**	**40,000**

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

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

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

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

For and on behalf of the Board

Place: Hyderabad
Date: 13th August, 2018

P. PURNACHANDER RAO
DIRECTOR
DIN: 02230190

M.V. NARASIMHA RAO
DIRECTOR
DIN: 06761474

Annexure-II

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 non-executive Directors as required under Listing Regulations.

II. OBJECTIVE

The Key Objectives of the Committee would be:

a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

b) To evaluate the performance of the members 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.

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:
  - Chief Executive Officer or the Managing Director or the Manager,
  - Company Secretary,
  - Whole-time Director,
  - Chief Financial Officer and
  - 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" means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

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.
- Minimum two (2) members shall constitute a quorum for the Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

VIII. CHAIRMAN

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

IX. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

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.

- **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 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 Director, 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 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, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, 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 and approved by the shareholders and Central Government, wherever required.

  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 provisions, with the prior approval of the Central Government.

  3. Provisions for excess remuneration:

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

- **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 by the Central Government from time to time.

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.

Annexure-III

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 proximity of our projects. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company. GHL Group will select all or any of the following CSR activities for implementation in the area of its operations, namely:

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

1. Composition of CSR Committee:

S. No	Name	Designation
1	Mr. M.V. Narasimha Rao	Chairman
2	Mr. P. Purnachander 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 2017-18 : 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
	Total	-	-	-	-	-	-

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

M.V. Narasimha Rao
Chairman
DIN: 06761474

P. Purnachnder Rao
Member
DIN: 02230190

Place: Hyderabad
Date: 13th August, 2018

Annexure-IV

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	1,79,42,10,315	(1,01,31,12,122)	20,14,71,124	13,62,51,510
5.	Total assets	18,45,65,86,933	8,27,22,24,848	3,26,33,54,578	2,40,26,79,657
6.	Total Liabilities	16,56,23,68,188	9,28,48,36,970	2,63,78,83,454	1,94,84,48,087
7.	Investments	-	-	-	-
8.	Turnover	26,92,02,551	51,49,66,329	42,75,74,638	35,29,00,263
9.	Profit / (Loss) before taxation	(90,10,63,238)	(57,24,42,667)	(2,97,56,230)	(1,37,37,066)
10.	Provision for taxation	-	-	-	-
11.	Profit / (Loss) after taxation	(90,10,63,238)	(57,24,42,667)	(2,97,56,230)	(1,37,37,066)
12.	Proposed Dividend	-	-	-	-
13.	% of shareholding	100%	66.64%	51%	51%

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

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

*****As per the NCLT order dated 3rd November, 2017 for Composite Scheme of Arrangement between Gayatri Projects Limited, Gayatri Infra Ventures Limited and Gayatri Highways Limited (erstwhile Gayatri Domicile Private Limited), all the investments held by Gayatri Infra Ventures Limited and Gayatri Projects Limited has been transferred to Gayatri Highways Limited(erstwhile Gayatri Domicile Private Limited) with effect from 31st March, 2017.***

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 Highway Holdings Private Limited (Associate)
1.	Latest audited Balance Sheet Date	31st March 2018	31st March 2018	31st March 2018	31st March 2018
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	17,36,53,546	(21,98,25,979)	34,65,91,636	(6,67,768)
6.	Profit / (Loss) for the year				
	i. Considered in Consolidation	1,55,17,129	(86,11,382)	(36,16,62,044)	3,66,148
	ii. Not Considered in Consolidation	1,55,17,129	(3,44,45,528)	(36,16,62,044)	-

1. Names of associates or joint ventures which are yet to commence operations: Nil
2. 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

P. PURNACHANDER RAO
Director
DIN:02230190

M.V. NARASIMHA RAO
Director
DIN: 06761474

Sd/-
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: 13th August, 2018
Place: Hyderabad

Annexure -V

(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		**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	179,42,10,315	(101,31,12,122)	20,14,71,124	13,62,51,510
6.	Total Assets	1845,65,86,933	827,22,24,848	326,33,54,578	240,26,79,657
7.	Total Liabilities	1656,23,68,188	928,48,36,970	263,78,83,454	194,84,48,087
8.	Investments (Refer Note 4 below)	-	-	-	-
9.	Turnover	26,92,02,551	51,49,66,329	42,75,74,638	35,29,00,263
10.	Profit/ (Loss) before Taxation	(90,10,63,238)	(57,24,42,667)	(2,97,56,230)	(1,37,37,066)
11.	Tax Expense/ (Benefit)	-	-	-	-
12.	Profit/ (Loss) after Taxation	(90,10,63,238)	(57,24,42,667)	(2,97,56,230)	(1,37,37,066)
13.	Other Comprehensive Income	-	7,10,821	(4,14,189)	24,906
14.	Total Comprehensive Income	(90,10,63,238)	(57,17,31,846)	(2,93,42,041)	(1,37,61,972)
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	

Part-B-Associate and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Rs.

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	
				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	31-03-2018	9,99,000	Rs.99,90,000	50%	Voting power above 20%	N.A.	17,36,53,546	1,55,17,129	1,55,17,129
2	Cyberabad Expressways Ltd.	31-03-2017	31-03-2018	3,96,000	Rs.39,60,000	20%	Voting power above 20%	N.A.	3,36,27,729	(86,11,382)	(3,44,45,528)
3	HKR Roadways Ltd	31-03-2017	31-03-2018	17,17,642	Rs.1,71,76,420	37%	Voting power above 20%	N.A.	34,65,91,636	(36,16,62,044)	(36,16,62,044)
4	Balaji highways Holding Pvt. Ltd.	31-03-2017	31-03-2018	49,000	Rs.4,90,000	49%	Voting power above 20%	N.A.	(6,67,768)	3,66,148	-

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: 13th August, 2018

P. PURNACHANDER RAO
DIRECTOR
DIN: 02230190

M.V. NARASIMHA RAO
DIRECTOR
DIN: 06761474

Annexure-VI

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 in 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. Some of the steps taken in the recent past are being discussed hereafter.

1. Announcements in Union Budget 2018-19:
   a. Massive push to the infrastructure sector by allocating Rs 5.97 lakh crore (US$ 92.22 billion) for the sector.
   b. Railways received the highest ever budgetary allocation of Rs 1.48 trillion (US$ 22.86 billion).
   c. Rs 16,000 crore (US$2.47 billion) towards Sahaj Bijli Har Ghar Yojana (Saubhagya) scheme. The scheme aims to achieve universal household electrification in the country.
   d. Rs 4,200 crore (US$ 648.75 billion) to increase capacity of Green Energy Corridor Project along with other wind and solar power projects.
   e. Allocation of Rs 10,000 crore (US$ 1.55 billion) to boost telecom infrastructure.
2. A new committee to lay down standards for metro rail systems was approved in June 2018.
3. Rs 2.05 lakh crore (US$ 31.81 billion) will be invested in the smart cities mission. All 100 cities have been selected as of June 2018.
4. Contracts awarded under the Smart Cities Mission would show results by June 2018 as the work is already in full swing, according to Mr. Hardeep Singh Puri, Minister of State (Independent Charge) for Housing and Urban Affairs, Government of India.
5. 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.

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, 2018 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, 2018 stand at Rs. (35,33,72,062) as compared to Rs. (93,718) 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.30,18,60,540/- which is provided for the FY 2016-17 and FY 2017-18.

The capital reserve in other equity of the company is increased as on 31st March, 2018 is Rs. 45,38,35,020/- when compared to previous year as on 31st March 2017 is Rs.24,35,25,505. These changes in capital reserve are due to the value of BOT infrastructure assets acquired from the Transferee Company and subsequent measurement at fair value as per the Composite Scheme of Arrangement.

Fixed Assets:

The Company did not purchase any fixed asset in the financial year 2017-18.

Sundry Debtors:

Sundry debtors increased to Rs. 7,11,96,687/- as on 31st March, 2018 as against no 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. 31,18,487/- as against Rs. 65,88,253/- in the previous years.

Loans and Advances:

Long Term Loans and Advances is Rs. 27,25,06,083/- as against Rs.93,04,96,575/- in the previous year. Short Term Loans and Advances is Rs. 25,47,95,407/- as against Rs. 23,64,78,663 in the previous year.

Current Liabilities:

Current Liabilities as on 31st March, 2018 is Rs. 374,96,02,244/- as against Rs. 331,50,38,156/- in the previous Year.

B. OPERATIONAL RESULTS:

Turnover:

During the financial year 2017-18 the turnover of the Company was Rs. 7,69,27,595/- and income from other sources as on 31st March, 2018 was Rs. 11,26,11,970/-. There was no turnover or income from other sources in the previous financial year.

Depreciation:

The Company has not provided for any depreciation during the financial year 2017-18 or 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 2017-18 and in the previous financial year since there were no profits.

Net Profit:

The Net loss of the Company after tax is Rs. 35,32,78,344/- as against Rs. 23,592/- in the previous year.

Earnings per Share:

The Earnings (Losses) per Share of the Company as on 31st March, 2018 is Rs. 1.47 per share for Face Value of Rs.2/- as against Rs. 0/- per share for Face Value of Rs.10/- in the previous year.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS:

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 continue to develop as a global competitor.

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: 13th August, 2018

P. PURNACHANDER RAO
DIRECTOR
DIN: 02230190

M.V. NARASIMHA RAO
DIRECTOR
DIN: 06761474

Annexure VII

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2018

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 **31st March 2018** 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, 2018** ("Audit Period") and we report that during the period under review the Company has complied with the provisions of the following Act, Rules, Regulations, Guidelines and Standards:
   - 1.1. The Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (the Act) and the Rules made thereunder;
   - 1.2. Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
   - 1.3. 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 further report that during the period under review the Company has substantially complied with Secretarial Standards on Board Meeting and General 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 duly constituted with proper balance of Non-Executive Director, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors during the period under review were carried out in accordance with the provisions.
   - 4.2 Adequate Notice along with agenda and detailed notes on agenda is given to all the Directors physically to schedule the Board Meetings.

4.3 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.

4.4 Decisions at the meetings of the Board of Directors of the Company were taken unanimously. During March quarter Company has constituted all applicable committees in line with Companies Act.

4.5 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.

4.6 The National Company Law Tribunal (NCLT) approved the Composite Scheme of Arrangement between *Gayatri Highways Limited (GHL) ("the Company") (Formerly Gayatri Domicile Private Limited), Gayatri Projects Limited (GPL) and Gayatri Infra Ventures Limited and their respective shareholders and creditors*. After the said restructure, the Infrastructure Road BOT Assets Business of Gayatri Projects Limited has been transferred to the Company effective from 31st March 2017.

4.7 Post demerger, the Company has allotted shares to the shareholders of GPL and thereafter 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.

4.8 The Company has informed that as per the Profit & Loss Account of the Company, major income is in the form of Interest and Guarantee Commission, which was shown to comply with IND AS requirement and not a real income. Accordingly NBFC Provisions is not applicable.

4.9 As per the minutes and forms filed with ROC, the Company has mentioned resolution for alteration of object clause of MOA at its EGM held on 09th January 2018 as ordinary resolution. No dissent was given to the proposal. Company has informed that it was a typo error and will rectify the Form filed.

4.10 Gayatri Projects Limited holds 100% share capital of the Company and accordingly the Company is a deemed public company w.e.f.07th July 2016. However the compliances were done as a Private Limited Company till 15th January 2018.

4.11 As two directors tendered their resignation at the Board Meeting held on 07th February 2018, remaining director held the Board Meeting to consider the appointment of an Additional Director to bring the Board to Minimum before proceeding to consider remaining items as stated in the agenda.

4.12 The Company has allotted shares to the foreign shareholders pursuant to the Composite Scheme of Arrangement. The Company is in the process of intimating the RBI.

4.13 The Company being an un-listed company as on the reporting period, the Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 are not applicable to the company.

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.

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

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

Place: Hyderabad
Date: 13th August, 2018

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.

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

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

Place: Hyderabad
Date: 13th August, 2018

Annexure-VIII

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:

The stakeholders may please note that Gayatri Highways Limited was an unlisted public company during the financial year 2017-18. The Equity Shares of the Company has listed in BSE Limited and National Stock Exchange of India Limited with effect from 28th June, 2018 pursuant to the National Company Law Tribunal (NCLT) order dated 3rd November, 2017 read with Composite Scheme of Arrangement between Gayatri Projects Limited, Gayatri Infra Ventures Limited and Gayatri Highways Limited (Erstwhile Gayatri Domicile Private Limited). The Company's Equity Shares are being traded in BSE and NSE with effect from 28th June, 2018. As the Company was unlisted Company for the Financial Year ending 31st March, 2018, certain information could not be provided in this report due to non-applicability of regulations/provisions. However this being the first Annual Report after listing, the Company intends to provide all necessary information, wherever applicable in view of better Corporate Governance Practices.

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:

With a view to align the Board Composition with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has been reconstituted on 7.02.2018. 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, 2018, the Board of Directors ("Board") comprises of four Directors and all are Non-Executive Directors. The Company has Three Independent Directors; Independent Directors comprise half of the total strength of the Board. The composition and category of the Board of Directors is as follows:

Sl. No	Name of Director	Designation	Category
1	Mr. P. Purnachander Rao	Director	Non Executive Director
2	Mr. M.V. Narasimha Rao	Additional Director	Independent Director
3	Mr. G. Jagannadha Rao	Additional Director	Independent Director
4	Ms. P. Laxmi	Additional Director	Independent Director
5	Ms. T. Sarita Reddy#	Director	Non Executive Director(Promoter)
6	Mr. S.S. Raju#	Director	Non Executive Director

Resigned from the Board with effect from 7th February, 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, 2018 has been set out here below:

Sl. No	Name of Director	No. of Board Meetings		Attendance at last AGM on 12.12.2017
		Held	Attended	
1	Mr. P. Purnachander Rao	9	9	Present
2	Mr. M.V. Narasimha Rao*	1	1	NA
3	Mr. G. Jagannadha Rao*	1	0	NA
4	Ms. P. Laxmi*	1	0	NA
5	Ms. T. Sarita Reddy#	9	8	Present
6	Mr. S.S. Raju#	5	4	Present

* Appointed as Additional Director on the Board with effect from 7th February, 2018.

Resigned from the Board with effect from 7th February, 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. P. Purnachander Rao	16	-	-
2	Mr. M.V. Narasimha Rao*	11	10	4
3	Mr. G. Jagannadha Rao*	1	1	-
4	Ms. P. Laxmi*	-	2	1
5	Ms. T. Sarita Reddy#	18	2	1
6	Mr. S.S. Raju#	2	-	-

* Appointed as Additional Director on the Board with effect from 7th February, 2018.

Resigned from the Board with effect from 7th February, 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, Nine Board Meetings were held during the financial year ended 31.03.2018, 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 28th June, 2017, 29th July, 2017, 14th August, 2017, 24th November, 2017, 5th December, 2017, 8th January,2018, 17th January, 2018, 2nd February, 2018 and 7th February, 2018.

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, 2018 are as follows:

Sl. No	Name of the Director	No of Equity Shares
1	Mr. P. Purnachander Rao	75
2	Mr. M.V. Narasimha Rao	Nil
3	Mr. G. Jagannadha Rao	Nil
4	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 risks involved. The framework on familiarisation programme has been posted in the website of the Company. The details of familiarization program is available on the website: http://www.gayatrihighways.com

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 to 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 the 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 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 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, 2018, the Audit Committee of the Board comprises of three (3) Non Executive Directors. The Chairperson of the Audit Committee is 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. P. Purnachander Rao	Member
3	Ms.P.Laxmi	Member

(c) Meetings and attendance during the year:

Since the Committee was constituted on 7th February, 2018, no meeting of the committee were held during the financial year 2017-18.

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 and majority forming Independent Directors.

The following is the composition of the Board

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

c. Nomination and Remuneration Committee meetings & Attendance

Since the Committee was constituted on 7th February, 2018, no meeting of the committee were held during the year under review.

d. Nomination and Remuneration policy

- The nomination and remuneration committee has adopted a Nomination and Remuneration Policy which, interalia, 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 executive directors are not paid sitting fee for any Board/Committee meetings attended by them.
- The Non-executive directors are paid sitting fees for attending meetings of Board/ Committee.

e. Performance evaluation of Directors.

As the Board evaluation was applicable to the Company post issuance of NCLT order dated 3rd November, 2017, the Company has not carried on the evaluation of the Board, its committee and directors during the FY 2017-18. The Company will comply with the requirement in the next financial year.

INDEPENDENT DIRECTORS' MEETING:

As the Independent Directors were appointed in the meeting held on 7th February, 2018 after the scheme became effective, the meeting will be conducted in the next financial year, i.e. 2018-19.

In accordance with the provisions of schedule IV (Code for Independent Directors) of the Companies Act, 2013 and SEBI Listing Regulation, 2015, a meeting of the Independent Directors of the Company will be held

in the next financial year, without the attendance of Non-Independence 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. There were no Audit Committee meetings held during the year under review.

S. No.	Name of Director	Sitting Fees paid (Rs.)
1.	Mr. P. Purnachander Rao	20,000
2.	Mr. M.V. Narasimha Rao	20,000
3.	Mr. G. Jagannadha Rao	Nil
4.	Ms. P. Laxmi	Nil

(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/dividends etc. The committee oversees the performance of the Registrar of Transfer Agents and recommends measures for overall improvement in the quality of investor services. Email-id for Investor Grievances: cs@gayatrihighways.com

(b) Composition:

Sl. No	Name of Director	Designation
1	Ms. P. Laxmi	Chairman
2	Mr. P. Purnachander 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, 2018, the Company has received no complaints.

(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
11th AGM (2016-17)	Registered office 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hydrabad-50082, TS.	12th December, 2017	11.00 A.M
10th AGM (2015-16)	Registered office 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hydrabad-50082, TS.	28th September, 2016	11.00 A.M
9th AGM (2014-15)	Registered office 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hydrabad-50082, TS.	28th September, 2015	4.00 P.M

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

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: In the 10th AGM held on 28th September, 2016 the Company has passed no Special Resolutions.

2014-15: In the 9th AGM held on 28th September, 2015 the Company has passed no Special Resolutions.

iii. Whether any Special Resolutions passed in the previous Extra Ordinary General Meetings:

In the EGM held on 18th January, 2018 the company has passed Special Resolutions as follows:

(i) To authorize the Board to borrow money in Excess of Paid-up Capital and Free Reserves under section 180 (1)(c) of Companies Act, 2013.

(ii) To authorize the Board to sell, Lease or dispose the undertaking under section 180(1)(a) of Companies Act, 2013

(iii) To make loans and investments by the Company under section 186 of the Companies Act, 2013.

iv) Resolution passed through postal ballot during the year 2017-18:

There was no resolution was passed through Postal Ballot during the financial year 2017-18. Further there is no resolution proposed to be passed through postal ballot at the ensuing Annual General Meeting of the Company.

8. MEANS OF COMMUNICATION:

(a) Financial / Quarterly Results: Since the Company was unlisted as on 31st March, 2018, the publication of financial results is not applicable.

(b) Any website, where displayed

The Audited Financial results of the Company are published on the Company's website: www.gayatrihighways.com

(c) Website:

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

9. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting	**Date :** 28th September, 2018 **Time :** 2.30 P.M. **Venue :** KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry (FTAPCCI), Red Hills, Hyderabad - 500 004, Telangana State, India
Financial Calendar	1st April to 31st March.
Date of Book Closure	22nd Sept., 2018 to 28th Sept., 2018 (both days inclusive)
Dividend Payment Date	Not Applicable
Listing on Stock Exchanges BSE Ltd & NSE Ltd	28th June, 2018
Scrip/Stock Code	BSE Scrip Code: 541546 BSE Scrip Id: GAYAHWS NSE Scrip Id: GAYAHWS
ISIN Number for NSDL & CDSL	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: Not applicable since the Company was unlisted as on 31st March, 2018.

(b) Performance in comparison to BSE SENSEX: Not applicable since the Company was unlisted as on 31st March, 2018.

(c) The company was unlisted as on 31st March, 2018, hence there was no suspension of trading in Securities of the Company.

(d) 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 COMPUTERSHARE 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

(e) 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 31.03.2018:

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	49,364,740	20.598518
4	Foreign Institutional Investors	16,772,852	6.998840
5	Bodies Corporates	8,317,312	3.470580
6	Resident Individuals	7,171,111	2.992303
7	Non Resident Indians	5,892,245	2.458668
8	Insurance Companies	4,631,649	1.932657
9	Mutual Funds	300,000	0.125182
10	Clearing Members	262,491	0.109530
11	H U F	247,577	0.103307
12	Non Resident Indian Non repatriable	85,254	0.035574
13	NBFC	40,451	0.016879
14	Banks	8,773	0.003661
15	I E P F	1,560	0.000651
16	Directors And Their Relatives	1,175	0.000490
	Total	**239,651,900**	**100.00**

(ii) Distribution of shareholding as on 31.03.2018:

Shares holding of nominal value of	No. of Shareholders	No. of Shares	% of total shares
1 - 5000	12,570	2,992,621	1.248737
5001 - 10000	207	797,920	0.332950
10001 - 20000	117	882,106	0.368078
20001 - 30000	38	481,148	0.200770
30001 - 40000	30	532,313	0.222119
40001 - 50000	24	561,808	0.234427
50001 – 100000	39	1,455,343	0.607274
100001 & Above	87	231,948,641	96.785647
Total	**13,112**	**239,651,900**	**100.00**

(g) Dematerialization of Shares & Liquidity

The Company's shares are available for dematerialisation with both the Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 23,95,49,489 equity shares were dematerialized representing 99.96% of the total paid up equity share capital of the Company as on 31.03.2018.

(h) There are no outstanding Global Depository Receipts/ American Depository Receipts or Warrants or any convertible instruments as on the date of 31.03.2018.

(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) Address for correspondence:

Sl. No.	Shareholders Correspondence for	Address
1.	Transfer/Dematerialization/ Consolidation/Split of shares, Issue of Duplicate ShareCertificates, Non-receipt of dividend/ Bonusshares, etc., change of address of Membersand Beneficial Owners and any other queryrelating to the shares of the Company.	**M/s. Karvy Computershare Pvt Ltd** 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
2.	Investor Correspondence / Queries on Annual Report, Revalidation of DividendWarrants, Sub-Division, etc.	**Company Secretary** Gayatri Highways Limited 6-3-1090, 1st Floor, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad-500082, Telangana. Tel: +91 40 2331 0330 Fax: +91 40 2339 8435 Email: cs@gayatrihighways.com Website: www.gayatrihighways.com

10. OTHER DISCLOSURES

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

Besides the transactions mentioned elsewhere 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 Listing regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The policy is available on the Company website, 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 was unlisted as on 31st March, 2018. However, 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

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 was unlisted as on 31st March, 2018. However, 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:**

Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI(LODR) is not applicable to the company for the financial year ended 31.03.2018. However the company has complied the regulation 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 which is effective from 7th February, 2018. 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

Since the Company was unlisted as on 31st March, 2018, the publication of financial results is not applicable. 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, 2018, there were no proceeds from public issues, rights issues, preferential issues, etc. However, Hon'ble National Company Law Tribunal, Hyderabad Bench sanctioned the Scheme of Arrangement C.P (CAA) No. 30/230/HBD/2017 vide Order dated 03.11.2017. As per the scheme of arrangement the company issued 23,95,51,900 equity shares of Rs. 2/- each to the shareholders of Gayatri Projects Limited (Demerged Company) and also issued 16,77,00,300, 9% Non Convertible Cumulative Redeemable Preference Shares (NCRPS) of Rs.10/- each fully paid up in terms of Part-B of the Scheme.

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:-

Name of Director	Mr. P. Purnachander Rao	Mr. M.V. Narasimha Rao	Mr. G. Jagannadha Rao	Ms. P. Laxmi
Expertise in specific functional areas	Mr. P. Purnachander Rao has over two decades of experience in the Infrastructure Sector.	Mr. M.V. Narasimha Rao is the chairman in the Dispute Board of AP Road Development Corporation and Sr. Director in Sheladia Associates Inc. He has also worked as a Resident Engineer for Louis Berger Inc. Afghanistan, General Manager for National Highways Authority of India and Executive Engineer for Roads & Buildings Department, Andhra Pradesh. Membership in Professional Associations and Publications: Life Fellow, Institution of Engineers (India), Life Member, Indian Road Congress and Life Member, Indian Geotechnical Society	Mr. G. Jagannadha Rao joined R&B Department as Junior Engineer on 18 May 1978, immediately upon graduation. Worked as Junior Engineer/Assistant Executive Engineer for 4 years- one year in Designs wing, two years in Investigation Division and one year in Road Research Station, Hyderabad. Joined as Direct recruit Dy Executive Engineer on 16 August 1982. Worked as DEE in NH Designs wing, Hyderabad from 1982 to 1988. Worked as DEE, West Sub- Division, Kakinada from 1988 to 1991. Worked as Resident Engineer (Executive Engineer cadre) in ADB Project at Visakhapatnam and completed the first four lane Project in AP from Visakhapatnam to Gajuwaka. Worked as EE, NH Division, Visakhapatnam	Ms. Laxmi Pamarthy is a Civil Engineer with Post Graduation in Structural Engineering has over 40 years of rich professional experience in the design, construction supervision and Contract Management of large number and various types of road and bridge projects, particularly on 4-lane roads and Expressways. She is fully conversant with the IRC & ASHTO Specifications and ASTM Standards as well as Indian Road Congress Standard design procedures and Indian Ministry of Surface Transport Specifications involved in the design and execution of Caissons, Wells and Pile foundations with Reinforced Cement Concrete and Pre-stressed Concrete Superstructure bridges as well as Highways using modern state of the art construction equipment and specifications. She has excellent knowledge and hands on

			from from 1996 to 1999. Joined National Highways Authority of India on deputation as Dy General Manager in 1999. Joined as SE, Electrical on repatriation from NHAI and worked for 3months in Hyderabad. Joined as SE NH Hyderabad in May 2004 and continued upto Feb 2006. Joined Hyderabad Growth Corridor Limited, an SPV created by Govt. of AP. On repatriation from HGCL joined as Chief Engineer PPP& LWE from May 2011 to Feb 2013. Implemented two mega road projects on PPP mode as BoT-Toll contracts, covering a length of about 420km on State Highways. Viz., Rajiv Rahadari from Hyderabad to Manchiryal via Karimnagar and Narketpally-Addanki-Madarametla road. Joined as Chief Engineer R&B CRN & Managing Director, APRDC in Feb 2013.	experience in BOT Projects over 5 Years, Construction Supervision of different components of highways and bridges, organization, elaboration of reports and handling of contractor's Monthly statements; Management and Planning, allocation of resources as well as costing and cost control. She also has experience in Quality Assurance systems and Quality Control procedures. She is well versed with Project Management and Contract Administration of projects and is updated with modern technology. She is well conversant with FIDIC conditions of contract and can handle contract related correspondence and arbitration matters with ease. She has knowledge on all three aspects of a construction project Client, Consultant and Concessionaire / Contractor.

			Took charge as Engineer in Chief R&B Admn., SH and MD, APRDC in May 2017 and continued till retirement.	
Date of Birth	10/06/1949	12/12/1956	16/08/1957	11/02/1955
Qualification	Matriculation	ME (Structural Engineering), MBA (Finance) and PG Diploma in Alternative Dispute Resolution.	B.Tech in civil Engineering from College of Engineering, Kakinada, J. N. T. University during 1973-78 and M. Tech, Structural Engineering from J. N. T. University, Hyderabad in 1984.	1) M. Tech (Structural Engineering) (1982) from P.G. School of Continuing Technological Education, Jawaharlal Nehru Technological University, Hyderabad, Andhra Pradesh.2) Post Graduate Diploma, Alternative Dispute Resolution, ICADR, NALSAR, India, 20143) B. E. Civil Engineering (1977) College of Engineering, Osmania University, Hyderabad, Andhra Pradesh.

List of other Companies in which Directorship is held as on 31st March, 2018.	1) Cosmo Chemagro Agencies Pvt Ltd. 2) Rajiv Realtors Pvt Ltd. 3) Sucheer Infra Projects Pvt Ltd. 4) Tycoon Infratech Pvt Ltd. 5) Deep Land Holdings Pvt Ltd. 6) Sivadevi Urban Properties Pvt Ltd. 7)Chamundeswari Builders Pvt Ltd. 8) Gayatri Hotels and Theatres Pvt Ltd. 9) Idealistic Infrabuild Pvt Ltd. 10) Okay Infrasys Pvt Ltd. 11) Infraways Engineering Company Pvt Ltd. 12) Gayatri Fin-Holdings Pvt Ltd. 13) Indira Constructions Private Limited. 14) Maheswari Film Productions Private Ltd. 15) Indira Publications Private Limited. 16) Bhandara Thermal Power Corporation Limited.	1) Sai Maatarini Tollways Limited. 2) Gayatri Jhansi Roadways Limited. 3) Gayatri Lalitpur Roadways Limited. 4) Indore Dewas Tollways Limited. 5) Hyderabad Expressways Limited. 6) Cyberabad Expressways Limited. 7) Gayatri Energy Ventures Pvt. Ltd. 8) HKR Roadways Limited. 9) Axis Wind Farms (Anantapur) Private Limited. 10) Axis Wind Farms (Rayalaseema) Private Limited 11) Axis EPC Private Limited	1) HKR Roadways Limited.	Nil
Chairman/ Member of the Committees of the Board of other Companies, in which he/ she is a Director as on 31st March, 2018.	Nil	1) Sai Maatarini Tollways Limited (Member of Audit Committee & Nomination and Remuneration Committee)2) Gayatri Jhansi Roadways Limited (Chairman of Audit Committee & Nomination and Remuneration Committee).3) Gayatri Lalitpur Roadways Limited (Chairman of Audit Committee & Nomination and Remuneration	1) HKR Roadways Limited (Member of Audit Committee & Nomination and Remuneration Committee)	Nil

		Committee)..4) Indore Dewas Tollways Limited (Member of Audit Committee & Chairman of Nomination and Remuneration Committee).5) Hyderabad Expressways Limited (Member of Audit Committee and Chairman of Nomination and Remuneration Committee & CSR Committee).6) Cyberabad Expressways Limited (Member of Audit Committee & Chairman of Nomination and Remuneration Committee).7) Gayatri Energy Ventures Pvt. Ltd (Member of Audit Committee, Nomination and Remuneration Committee & CSR Committee).8) HKR Roadways Limited (Chairman of Audit Committee & Nomination and Remuneration Committee).		

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, 2018.

For Gayatri Highways Limited

Place: Hyderabad
Date: 13th August, 2018

K. G. Naidu
Chief Executive Officer

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 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.

e) We hereby declare that all the members of the Board of Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.

Place: Hyderabad
Date: 13th August, 2018

K.G. Naidu
Chief Executive Officer

P.K Sahoo
Chief Financial Officer

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 compliance of conditions of Corporate Governance by Gayatri Highways Limited [the "Company"], for the year ended on March 31, 2018, 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 "Listing Regulations"] including statutory amendments thereof.

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that :

i) Gayatri Highways Limited [the "Company"] was an unlisted public company during the financial year 2017-18. The Equity Shares of the Company were listed in the BSE Limited and National Stock Exchange of India Limited with effect from 28th June, 2018 pursuant to the National Company Law Tribunal (NCLT) order dated 3rd November, 2017 read with Composite Scheme of Arrangement between Gayatri Projects Limited, Gayatri Infra Ventures Limited and Gayatri Highways Limited (Erstwhile Gayatri Domicile Private Limited).

ii) The Equity Shares of the Company are being traded in BSE Limited and National Stock Exchange of India Limited with effect from 28th June, 2018.

iii) The Company was an Unlisted Company for the financial year ending 31st March, 2018, and some information could not be provided in the Report of Corporate Governance due to non-applicability of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the Company.

iv) The Company as a responsible corporate intends to provide all necessary information, wherever applicable, in view of abiding with better Corporate Governance Practices.

I further certify that the Company has complied with the conditions of Corporate Governance wherever possible as specified in the above-mentioned Listing Regulations.

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

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, I do accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without my prior consent in writing.

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

Place: Hyderabad
Date: 13th August, 2018

INDEPENDENT AUDITOR'S REPORT

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

Report on the Standalone IndAS financial statements

We have audited the accompanying standalone IndAS financial statements of Gayatri Highways Limited ('the Company') (Formerly Gayatri Domicile Private Limited), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone IndAS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone IndAS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone IndAS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone IndAS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its

loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.

Further to our comments in Annexure I, 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 purpose 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 standalone IndAS financial statements dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid standalone IndAS financial statements comply with Ind AS specified under Section 133 of the Act;

e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;

f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 as per Annexure II expressed an unmodified opinion; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company as detailed in Note 27 to standalone IndAS financial statements, has disclosed the impact of pending litigations on its financial position;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

   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 : 20th June 2018

Annexure I to the Independent Auditor's Report of even date to the members of Gayatri Highways Limited, on the standalone IndAS financial statements for the year ended 31 March 2018

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) On the basis of information and explanations provided to us by the management, read with note 27 to the accompanying financial statements, the Company has not entered into any transaction falling within the ambit of Sections 185 and 186 of the Act and hence the provisions of Clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have been regularly deposited to the appropriate authorities.

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

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

(viii) There are no loans or borrowings payable to banks or government and no dues payable to debenture-holders. The Company has not defaulted in any of the payments related to borrowings.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) On the basis of information and explanations provided to us by the management, read with note 28 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 2018

For **G.S.SAI BABU & ASSOCIATES**
Chartered Accountants
Firm's Registration No.: 014207S

SATYA SAI BABU GURRAM
Proprietor
Membership No: 208341

Place : Hyderabad
Date : 20th June 2018

Annexure II to the Independent Auditor's Report of even date to the members of Gayatri Highways Limited, on the standalone IndAS financial statements for the year ended 31 March 2018

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

1. In conjunction with our audit of the standalone IndAS financial statements of Gayatri Highways Limited ("the Company") as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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 : 20th June 2018

Balance Sheet as at 31 March 2018

(All amounts in ₹ unless otherwise stated)

	Notes	As at 31 March 2018	As at 31 March 2017
Assets			
Non-current assets			
Property, plant and equipment	3	—	—
Intangible Assets			
- Goodwill	23	**75,55,193**	75,55,193
Financial assets			
- Investments	4	**373,29,53,880**	285,30,61,398
- Loans	5	**27,25,06,083**	93,04,96,575
Tax assets, net	6	**70,03,985**	33,54,381
		402,00,19,141	**379,44,67,547**
Current assets			
Financial assets			
- Trade receivables	7	**7,11,96,687**	—
- Cash and cash equivalents	8	**31,18,487**	65,88,253
- Loans	5	**25,47,95,407**	23,64,78,663
Other Current Assets	9	**2,39,280**	2,39,280
		32,93,49,861	**24,33,06,196**
Total assets		**434,93,69,002**	**403,77,73,743**
Equity and liabilities			
Equity			
Equity share capital	10	**47,93,03,800**	47,93,03,800
Other equity	11	**12,04,62,958**	24,34,31,787
Total Equity		**59,97,66,758**	**72,27,35,587**
Non-current Liabilities			
Financial liabilities			
- Borrowings	12	**322,88,63,540**	291,20,03,000
Current liabilities			
Financial liabilities			
- Short-term borrowings	12	**35,03,20,126**	21,76,19,503
- Other financial liabilities	13	**13,01,12,930**	15,43,43,181
Other current liabilities	14	**4,03,05,648**	3,10,72,472
Total liabilities		**374,96,02,244**	**331,50,38,156**
Total equity and liabilities		**434,93,69,002**	**403,77,73,743**

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

P Purnachander Rao
Director
DIN:02230190

M.V.Narasimha Rao
Director
DIN:06761474

Place :Hyderabad
Date : 20th June 2018

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 31 March 2018

(All amounts in ₹ unless otherwise stated)

	Notes	For the year ended	
		31 March 2018	31 March 2017
Revenue from Operations	15	**7,69,27,595**	—
Other income	16	**11,26,11,970**	—
Total income		**18,95,39,565**	—
Expenses			
Operating & Maintenance Expenses	17	**1,68,92,429**	—
Employee benefits expense	18	**20,40,577**	—
Finance costs	19	**50,28,17,758**	—
Depreciation expense	3	—	—
Other expenses	20	**2,10,67,145**	23,592
Total expenses		**54,28,17,909**	**23,592**
Loss before tax		**(35,32,78,344)**	**(23,592)**
Current tax		—	—
Loss for the year		**(35,32,78,344)**	**(23,592)**
Other comprehensive income		—	—
Total comprehensive loss for the year		**(35,32,78,344)**	**(23,592)**
Earnings per equity share (EPES)			
Basic		**(1.47)**	**(0.00)**
Diluted		**(1.47)**	**(0.00)**

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

P Purnachander Rao
Director
DIN:02230190

M.V.Narasimha Rao
Director
DIN:06761474

Place :Hyderabad
Date : 20th June 2018

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 31 March 2018

(All amounts in ₹ unless otherwise stated)

		For the year ended	
		31 March 2018	31 March 2017
Cash flows from operating activities			
Loss before tax		**(35,32,78,344)**	(23,592)
Adjustments for:			
Interest income and financial guarantee income		**(9,65,25,936)**	—
Interest expense		**19,35,82,218**	—
Operating loss before working capital changes		**(25,62,22,062)**	**(23,592)**
Changes in working capital:			
(Decrease)/increase in other current liabilities		**(1,49,97,075)**	18,54,12,282
Increase in other current assets		**(36,49,604)**	(33,54,381)
Increase in trade receivables		**(7,11,96,687)**	—
Decrease/(increase) in loans and advances		**63,96,73,748**	(116,69,75,238)
Cash generated from/(used in) operating activities		**29,36,08,320**	**(98,49,40,929)**
Less: Income taxes refund received /(paid)		**—**	—
Net cash generated from/(used in) operating activities	**A**	**29,36,08,320**	**(98,49,40,929)**
Cash flows from investing activities			
Interest received		**9,65,25,936**	—
Investments transferred from GPL		**(87,98,92,482)**	(285,30,61,398)
Capital Reserve on Demerger of GPL to GHL		**23,03,09,515**	24,35,25,505
Goodwill recognised on acquisition of Subsidiary		**—**	(75,55,193)
Net cash used in investing activities	**B**	**(55,30,57,031)**	**(261,70,91,086)**
Cash flows from financing activities			
Interest paid		**(19,35,82,218)**	—
Proceeds from Equity Share Capital		**—**	47,91,03,800
Proceeds from Preference Share Capital		**—**	167,70,03,000
Proceeds from short-term borrowings, net		**13,27,00,623**	21,75,10,619
Proceeds from long-term borrowings		**31,68,60,540**	123,50,00,000
Net cash (used in)/generated from financing activities	**C**	**25,59,78,945**	**360,86,17,419**
Net (decrease)/increase in cash and cash equivalents	**(A+B+C)**	**(34,69,766)**	**65,85,404**
Cash and cash equivalents at the beginning of the year		**65,88,253**	2,849
Cash and cash equivalents at the end of the year		**31,18,487**	**65,88,253**
Cash and cash equivalents comprises of:			
Cash on hand		**72**	13,541
Balances with banks in current accounts		**31,18,415**	65,74,712
		31,18,487	**65,88,253**

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
M.No.:208341

P Purnachander Rao
Director
DIN:02230190

M.V.Narasimha Rao
Director
DIN:06761474

Place :Hyderabad
Date : 20th June 2018

K.G.Naidu
Chief Executive Officer

P.K.Sahoo
Chief Financial Officer

P.Raj Kumar
Company Secretary

Statement of Changes in Equity for the year ended 31 March 2018

(All amounts in ₹ unless otherwise stated)

	Number	Amount
(a) Share Capital		
(i) Equity Share Capital		
Equity shares of ₹ 2 each issued, subscribed and fully paid		
At 31 March 2017 (₹10 each)	4,79,30,380	47,93,03,800
At 31 March 2018 (₹ 2 each) (Refer Note.10)	**23,96,51,900**	**47,93,03,800**

(b) Other equity

	Capital Reserve	Retained earnings	Total equity
Balance as of 1 April 2016	—	**(70,126)**	**(70,126)**
Loss for the year	—	(23,592)	**(23,592)**
Add: Capital Reserve generated on demerger of Infrastructure BOT assets from GPL to GHL	**24,35,25,505**	—	**24,35,25,505**
Other comprehensive income	—	—	—
Balance as of 31 March 2017	**24,35,25,505**	**(93,718)**	**24,34,31,787**
Balance as of 1 April 2017	**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**
Balance as of 31 March 2018	**47,38,35,020**	**(35,33,72,062)**	**12,04,62,958**

*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 23.

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

P Purnachander Rao
Director
DIN:02230190

M.V.Narasimha Rao
Director
DIN:06761474

Place :Hyderabad
Date : 20th June 2018

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 - 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 subsidiaries and 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) Note on Composite Scheme of Arrangement:

1. As per the NCLT order dated 3rd November, 2017 and Composite Scheme of Arrangement between Gayatri Projects Ltd (GPL), Gayatri Infra Ventures Ltd (GIVL) and Gayatri Highways Ltd (Formerly Gayatri Domicile Pvt Ltd) (GHL), all the Infrastructure Road BOT Assets are merged with GPL, thereafter, all the Infrastructure Road BOT Assets are demerged from GPL and transferred to GHL with effect from 24th November, 2017.

2. As per the Central Government notification, all the cases relating Company Law were shifted to NCLT (National Company Law Tribunal) from the respective High Courts. The case for the Scheme of Arrangement was also shifted to NCLT Hyderabad from the Honorable Hyderabad High Court. NCLT has ordered for the implementations of the Composite Scheme of Arrangement vide their order dated on 3rd November 2017. The following are the consequences of the NCLT order: (Also refer note 23)

   a. Transfer of Investment in Shares of SMTL from GPL to GHL at Fair Value as on 1 April 2016.

   b. GIVL was merged with GPL and GIVL has been dissolved. GPL was the holding company of all the BOT Road assets which were under GIVL and GPL together till 31 March 2016.

   c. All the BOT Road Assets under GPL were demerged and transferred to GHL and GHL became the holding company for all the BOT Road Assets from 31 March 2017 onwards.

   d. The listing of GHL on National Stock Exchange/Bombay Stock Exchanges is in progress. The process of listing will be completed shortly.

   e. The existing shareholders of GPL were issued Equity Shares of GHL in 1:1 ratio, i.e. for every 1 share held in GPL, 1 share of GHL was allotted.

b) 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

c) Use of estimates

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

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

Significant accounting judgements, estimates and assumptions

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

Estimates and assumptions

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

d) 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.

e) 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.

f) 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.

g) 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.

h) 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.

i) 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.

j) 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.

k) 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.

l) 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.

m) 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.

n) 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.

o) 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	Computer and related equipment	Total
Gross block			
As at 1 April 2016	—	—	—
Additions during the year	1,61,999	9,41,539	11,03,538
As at 31 March 2017	**1,61,999**	**9,41,539**	**11,03,538**
Additions during the year	—	—	—
As at 31 March 2018	**1,61,999**	**9,41,539**	**11,03,538**
Accumulated depreciation			
Up to 31 March 2016	—	—	—
Charge for the year	1,61,999	9,41,539	11,03,538
Up to 31 March 2017	**1,61,999**	**9,41,539**	**11,03,538**
Charge for the year	—	—	—
Up to 31 March 2018	**1,61,999**	**9,41,539**	**11,03,538**
Net block			
As at 31 March 2018	—	—	—
As at 31 March 2017	—	—	—

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

4. Investments

	As at 31 March 2018	As at 31 March 2017
Non-current investments		
Unquoted		
Investments carried at cost		
Investments in equity instruments of Subsidiaries		
1,00,00,843 (2017: 1,00,00,843) equity shares of ₹10 each fully paid-up in Sai Maatarini Tollways Limited	**179,40,47,807**	179,40,47,807
33,320 (2017: 33,320) equity shares of ₹ 10 each fully paid-up in Indore Dewas Tollways Limited.	**3,33,400**	3,33,400
48,995 (2017: 48,995) equity shares of ₹ 10 each fully paid-up in Balaji Highways Holding Private Limited.	**4,90,000**	4,90,000
Sub-Total (A)	**179,48,71,207**	**179,48,71,207**
Investments in equity instruments of jointly controlled entities		
990,000 (2017: 990,000) equity shares of ₹ 10 each fully paid-up in Hyderabad Expressways Limited.	**15,81,36,417**	22,38,47,043
396,000 (2017: 396,000) equity shares of ₹ 10 each fully paid-up in Cyberabad Expressways Limited.	**4,22,39,111**	5,92,07,575
21,619,994 (2017: 21,619,994) equity shares of ₹ 10 each fully paid-up in Gayatri Jhansi Roadways Limited.	**40,13,62,101**	38,28,94,659
16,218,000 (2017: 16,218,000) equity shares of ₹10 each fully paid-up in Gayatri Lalitpur Roadways Limited.	**22,22,55,084**	28,95,64,494
1,717,642 (2017: 1,717,642) equity shares of ₹ 10 each fully paid-up in HKR Roadways Limited.	**1,71,76,420**	1,71,76,420
Sub-Total (B)	**84,11,69,133**	**97,26,90,191**
Investments in debentures of jointly controlled entities		
8,550,000 (2017: 8,550,000) 0.001% Optionally Convertible debentures of ₹ 10 each fully paid-up in Cyberabad Expressways Limited.	**5,47,76,231**	8,55,00,000
Sub-Total (C)	**5,47,76,231**	**8,55,00,000**
Investments in Instruments entirely Equity in nature		
- Investments in Subsidiary (Indore Dewas Tollways Limited)	**36,30,00,000**	—
-Investments in Jointly controlled entity (HKR Roadways Limited)	**67,91,37,309**	—
Sub-Total (D)	**104,21,37,309**	—
Total non-current investments (A+B+C+D)	**373,29,53,880**	**285,30,61,398**
Less: Investments held for sale	—	—
Net value of non-current investments	**373,29,53,880**	**285,30,61,398**
Aggregate amount of unquoted investments	**373,29,53,880**	**285,30,61,398**

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

5. Loans

Particulars	As at 31 March 2018	As at 31 March 2017
Non-current		
(Unsecured, considered good)		
Loans to related parties		
- Loans to Subsidiary	—	6,11,52,013
- Loans to jointly controlled entities	**27,25,06,083**	86,93,44,562
	27,25,06,083	**93,04,96,575**
Current		
(Unsecured, considered good)		
Loans to related parties		
- Loans to subsidiary	**10,69,164**	10,69,164
- Loans to jointly controlled entities	**25,37,26,243**	23,54,09,499
	25,47,95,407	**23,64,78,663**
Aggregate of Loans and Advances	**52,73,01,490**	**116,69,75,238**

6 Tax assets, net

Particulars	As at 31 March 2018	As at 31 March 2017
TDS Receivables	**70,03,985**	33,54,381
	70,03,985	33,54,381

7 Trade receivables

Particulars	As at 31 March 2018	As at 31 March 2017
(Unsecured, considered good)		
- related parties	**7,11,96,687**	—
	7,11,96,687	—

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 2018	As at 31 March 2017
Balances with banks		
- on current accounts	**31,18,415**	65,74,712
Cash on hand	**72**	13,541
	31,18,487	**65,88,253**

9 Other Current Assets

Particulars	As at 31 March 2018	As at 31 March 2017
Miscellaneous Expenditure to the extent not written off	**1,91,200**	1,91,200
Pre-operative Expenditure	**48,080**	48,080
	2,39,280	**2,39,280**

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

10 Equity Share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number	Amount	Number	Amount
Authorized Equity Share Capital				
Equity shares of ₹ 2 each	25,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000
	25,00,00,000	**50,00,00,000**	**5,00,00,000**	**50,00,00,000**
Issued, subscribed and fully paid-up Equity Share Capital				
Equity shares of ₹ 2 each	23,96,51,900	47,93,03,800	4,79,30,380	47,93,03,800
	23,96,51,900	**47,93,03,800**	**4,79,30,380**	**47,93,03,800**

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 12).

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number	Amount	Number	Amount
At the beginnning of the year	4,79,30,380	47,93,03,800	20,000	2,00,000
Issued during the year*	19,17,21,520	—	4,79,10,380	47,91,03,800
Balance at the end of the year	**23,96,51,900**	**47,93,03,800**	**4,79,30,380**	**47,93,03,800**

*During the 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 current 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.

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of ₹ 2 each				
Gayatri Projects Limited	6,24,00,000	26.04%	1,24,80,000	26.04%
Sri T.V. Sandeep Kumar Reddy	2,70,19,810	11.27%	54,03,962	11.27%
Smt T. Indira Subbarami Reddy	5,71,29,500	23.84%	1,14,25,900	23.84%

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

10. Equity Share capital (continued..)

(d) Composite Scheme of Merger & Demerger

1. As per the NCLT order dated 3rd November, 2017 and Composite Scheme of Arrangement between Gayatri Projects Ltd (GPL), Gayatri Infra Ventures Ltd (GIVL) and Gayatri Highways Ltd (Formerly Gayatri Domicile Pvt Ltd) (GHL), All the Infrastructure Road BOT Asset 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.

2. As per the Central Government notification, all the cases relating Company Law were shifted to NCLT (National Company Law Tribunal) from the respective High Courts. The case for the Scheme of Arrangement was also shifted to NCLT Hyderabad from the Honorable Hyderabad High Court. NCLT has ordered for the implementations of the Composite Scheme of Arrangement vide their order dated on 3rd November 2017. The following are the consequences of the NCLT order:

   a. GIVL was merged with GPL and GIVL has been dissolved. GPL was the holding company of all the BOT Road assets which were under GIVL and GPL together till 31 March 2016.

   b. All the BOT Road Assets under GPL were demerged and transferred to GHL and GHL became the holding company for all the BOT Road Assets from 31 March 2017 onwards.

   c. The listing of GHL on National Stock Exchange/Bombay Stock Exchanges is in progress. The process of listing will be completed shortly.

   d. The existing shareholders of GPL were issued Equity Shares of GHL in 1:1 ratio, i.e. for every 1 share held in GPL, 1 share of GHL was allotted.

11 Other equity

Particulars	As at 31 March 2018	As at 31 March 2017
Capital Reserve		
Capital Reserve generated on demerger of Infrastructure BOT assets from GPL to GHL (refer note 23)	**47,38,35,020**	24,35,25,505
Retained earnings		
Balance as per last audited financial statements	**(93,718)**	(70,126)
Add: Loss for the year	**(35,32,78,344)**	(23,592)
Balance at the end of the year	**(35,33,72,062)**	**(93,718)**
Total other equity	**12,04,62,958**	**24,34,31,787**

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

12 Borrowings

Particulars	As at 31 March 2018	As at 31 March 2017
(a) Non-current borrowings		
Term loans		
Unsecured		
From related party -		
9% Non-convertible Cumulative Redeemable Preference shares of ₹ 10 each	**167,70,03,000**	167,70,03,000
From others	**125,00,00,000**	123,50,00,000
Sub-Total (A)	**292,70,03,000**	**291,20,03,000**
Cumulative liability on Preferences Shares (B)	30,18,60,540	—
Total Non-Current borrowings (A+B)	**322,88,63,540**	**291,20,03,000**
(b) Short-term borrowings		
Loans repayable on demand		
Unsecured		
From related party	**35,01,91,242**	21,74,77,704
From Others	**1,28,884**	1,41,799
Sub-Total (B)	**35,03,20,126**	**21,76,19,503**

i) Term loans from others aggregating to ₹ 1,250,000,000 (31 March 2017: 1,235,000,000;) is to be secured by way of; (a) agreed pledge of 146,449,310 equity shaes 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

	As at 31 March 2018	As at 31 March 2017
(a) Non-current borrowings		
Term loans		
Up to 1 year	—	—
2 to 5 years	**125,00,00,000**	123,50,00,000
Above 5 years	—	—
	125,00,00,000	123,50,00,000

iii) The above facilities carry an annual interest rate of 15% (31 March 2017: 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) 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. 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-covertible cumulative redeemable preference shares were treated as a financial liability and the finance cost (as interest) on such liability was also recognised.

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

13 Other financial liabilities

	As at 31 March 2018	As at 31 March 2017
Interest accrued but not due on borrowings	**4,52,41,197**	4,68,48,504
Financial guarantee	**8,48,71,733**	10,74,94,677
	13,01,12,930	**15,43,43,181**

14 Other Current liabilities

	As at 31 March 2018	As at 31 March 2017
Creditors for expenses	**2,18,92,334**	1,07,72,204
Statutory liabilities	**1,84,13,314**	2,03,00,268
	4,03,05,648	**3,10,72,472**

15 Revenue from Operations

	For the year ended 31 March 2018	For the year ended 31 March 2017
Operation & Maintenance Income	**3,19,27,595**	—
Deputation Income	**4,50,00,000**	—
	7,69,27,595	—

16 Other income

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income	**7,39,02,992**	—
Financial guarantee income	**2,26,22,944**	—
Others	**1,60,86,034**	—
	11,26,11,970	—

17 Operating & Maintenance Expenses

	For the year ended 31 March 2018	For the year ended 31 March 2017
Operation & Maitenance Expenses	**1,68,92,429**	—
	1,68,92,429	—

18 Employee benefits expense

	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries and wages	**20,40,577**	—
	20,40,577	—

19 Finance costs

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest expense on borrowings	**19,35,82,218**	—
Finance cost on Preference Shares	**30,18,60,540**	—
Other borrowing costs	**73,75,000**	—
	50,28,17,758	—

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

20 Other expenses

	For the year ended 31 March 2018	For the year ended 31 March 2017
Rates and taxes	**1,89,65,956**	17,915
Bank Charges	**23,805**	2,677
Auditor's remuneration (refer note below)	**2,00,000**	3,000
Office Maintenance	**18,765**	—
Consultancy and professional charges	**16,35,654**	—
Travelling and conveyance	**1,42,420**	—
Director's sitting fees	**50,400**	—
Other Misc. Expenses	**30,145**	—
	2,10,67,145	**23,592**

Auditor's remuneration

	For the year ended 31 March 2018	For the year ended 31 March 2017
-as statutory auditor	**2,00,000**	3,000
	2,00,000	3,000

21 Tax expense

	For the year ended 31 March 2018	For the year ended 31 March 2017
A. Tax expense comprises of:		
Current tax	—	—
Deferred tax	—	—
Income tax expense reported in the statement of profit or loss	—	—
B. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 34.608% and the reported tax expense in profit or loss are as follows:		
Accounting loss before tax from continuing operations	**(35,32,78,344)**	(23,592)
Accounting profit before income tax	**(35,32,78,344)**	**(23,592)**
At India's statutory income tax rate of 34.608%*	—	—
Income tax expense	—	—

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

22 Earnings/(loss) per share (EPS)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Weighted average number of shares used to compute EPS	**23,96,51,900**	4,79,30,380
Add: Dilutive shares	—	—
Weighted average number of shares used to compute diluted EPS	**23,96,51,900**	**4,79,30,380**
Net loss after tax attributable to equity shareholders	(35,32,78,344)	(23,592)
Add: Savings of interest upon conversion of instruments	—	—
Net loss after tax attributable to equity shareholders for calculating diluted earning per share	(35,32,78,344)	(23,592)
Earnings per share		
Basic (₹)	(1.47)	(0.00)
Diluted (₹)	(1.47)	(0.00)
Nominal value - Rupees (₹) per equity share	2	10

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

23 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

B. Post transfer of investments mentioned in A above, merger of GIVL with GPL

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)

23 Goodwill / Capital Reserve (Contd..)

	As at 31 March 2018	As at 31 March 2017
(i) Acquisition of Subsidiaries		
Cost of Investment in SMTL		
(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
Total (A)	**180,16,03,000**	**180,16,03,000**
Value of Investment in SMTL		
(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)
Total (B)	**179,40,47,807**	**179,40,47,807**
Goodwill on Acquisition of Subsidiaries (A-B) (I)	**75,55,193**	**75,55,193**
(ii) Acquisition of Investments(from Demerger)		
Cost of Investment of BOT Assets		
(a) Equity Share Capital of GHL issued to GPL	**35,45,03,800**	35,45,03,800
Total (A)	**35,45,03,800**	**35,45,03,800**
Value of Assets received from GPL		
Investments in Infrastructure BOT Assets	**105,90,13,591**	105,90,13,591
Other Net Assets(BOTs) received from GPL	**(23,06,74,771)**	(46,09,84,286)
Total (B)	**82,83,38,820**	**59,80,29,305**
Capital Reserve on Acquisition of Investments (A-B) (II)	**(47,38,35,020)**	**(24,35,25,505)**

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

24 Financial instruments

Financial instruments by category

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
Financial assets:						
Investments	4	373,29,53,880	-	-	373,29,53,880	373,29,53,880
Trade receivables	7	-	-	7,11,96,687	7,11,96,687	7,11,96,687
Loans	5	-	-	52,73,01,490	52,73,01,490	52,73,01,490
Cash and cash equivalents	8	-	-	31,18,487	31,18,487	31,18,487
Total financial assets		**373,29,53,880**	**-**	**60,16,16,664**	**433,45,70,544**	**433,45,70,544**
Financial liabilities:						
Borrowings	12	-	-	357,91,83,666	357,91,83,666	357,91,83,666
Other financial liabilities	13	-	-	13,01,12,930	13,01,12,930	13,01,12,930
Total financial liabilities		**-**	**-**	**370,92,96,596**	**370,92,96,596**	**370,92,96,596**

The carrying value and fair value of financial instruments by categories as at 31 March 2017 were as follows :

	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair Value
Financial assets						
Investments	4	285,30,61,398	-	-	285,30,61,398	285,30,61,398
Loans	5	-	-	116,69,75,238	116,69,75,238	116,69,75,238
Cash and cash equivalents	8	-	-	65,88,253	65,88,253	65,88,253
Total financial assets		**285,30,61,398**	**-**	**117,35,63,491**	**402,66,24,889**	**402,66,24,889**
Financial liabilities :						
Borrowings	12	-	-	312,96,22,503	312,96,22,503	312,96,22,503
Other financial liabilities	13	-	-	15,43,43,181	15,43,43,181	15,43,43,181
Total financial liabilities		-	-	**328,39,65,684**	**328,39,65,684**	**328,39,65,684**

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 which 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)

25 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)

25 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 2018	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	35,03,20,126	125,00,00,000	197,88,63,540	357,91,83,666
Future interest payments	33,84,30,270	72,44,40,258	45,27,90,810	151,56,61,338
Other financial liabilities	1,91,90,100	4,89,06,315	1,67,75,318	8,48,71,733
Total	**70,79,40,496**	**202,33,46,573**	**244,84,29,668**	**517,97,16,737**

As at 31 March 2017	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	21,76,19,503	123,50,00,000	167,70,03,000	312,96,22,503
Future interest payments	18,52,50,000	90,82,41,628	90,55,81,620	199,90,73,248
Other financial liabilities	2,26,22,944	5,96,60,155	2,52,11,578	10,74,94,677
Total	**42,54,92,447**	**220,29,01,783**	**260,77,96,198**	**523,61,90,428**

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 2018	As at 31 March 2017
Fixed rate borrowing	292,70,03,000	291,20,03,000
Interest free borrowing	35,03,20,126	21,76,19,503
Total borrowings	**327,73,23,126**	**312,96,22,503**

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 2018	For the year ended 31 March 2017
Interest rates – increase by 50 basis points (50 bps)	(1,46,35,015)	(1,45,60,015)
Interest rates – decrease by 50 basis points (50 bps)	1,46,35,015	1,45,60,015

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

26 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 2018	As at 31 March 2017
Long term borrowings (including current maturities)	**322,88,63,540**	291,20,03,000
Less: Cash and cash equivalents	**(31,18,487)**	(65,88,253)
Net debt	**322,57,45,053**	290,54,14,747
Total equity	**59,97,66,758**	72,27,35,587
Gearing ratio	**5.38**	4.02

27 Contingent liabilities

	As at 31 March 2018	As at 31 March 2017
Disputed income tax dues	**8,92,926**	8,92,926
Pledge of equity shares held in jointly controlled entities for loans taken by them		
Gayatri Jhansi Roadways Limited	**124,62,97,646**	124,62,97,646
Gayatri Lalitpur Roadways Limited	**92,12,48,174**	92,12,48,174
HKR Roadways Limited	**157,79,09,300**	157,79,09,300
Corporate guarantee given to lenders of Indore Dewas Tollways Limited	**626,13,00,000**	626,13,00,000

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.

28 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	Subsidiary
Gayatri Jhansi Roadways Limited Gayatri Lalitpur Roadways Limited Hyderabad Expressways Limited Cyberabad Expressways Limited HKR Roadways Limited	Jointly controlled entity
Gayatri Projects Limited	Enterprises in which Key Management personnel and/or their relatives have significant influence
T. Indira Subbarami Reddy	Significant holder of Shares
T. Subbarami Reddy T.V. Sandeep Kumar Reddy T. Sarita Reddy	Relative of Significant holder of Shares

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

28 Related party disclosures (Continued..)

b) Transactions with related parties

	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017
Gayatri Jhansi Roadways Limited		
Interest income	**69,56,469**	—
Financial guarantee income	**21,75,693**	—
Loans revalued	**(17,90,10,141)**	—
Gayatri Lalitpur Roadways Limited		
Interest income	**90,22,491**	—
Financial guarantee income	**16,71,817**	—
Loans recovered	**(6,12,00,000)**	—
Loans revalued	**(4,67,03,760)**	—
Cyberabad Expressways Limited		
Interest income after TDS	**1,89,99,465**	—
Deputation Income after TDS	**2,20,50,000**	—
Loans recovered	**(6,82,720)**	—
Hyderabad Expressways Limited		
Interest income	**2,92,58,173**	—
Operations & Maintenance Income	**2,70,96,687**	—
Deputation Income after TDS	**2,20,50,000**	—
Loans revalued	**(20,12,12,417)**	—
Indore Dewas Tollways Limited		
Financial guarantee income	**1,87,75,434**	—
Loans revalued	**(6,11,52,013)**	—
HKR Roadways Limited		
Interest income	**1,84,73,915**	—
Loans revalued	**(15,39,49,292)**	—
Gayatri Projects Limited		
Loans taken	**13,27,13,538**	—

c) Balances receivable/(payable)

	As at 31 March 2018	As at 31 March 2017
Gayatri Jhansi Roadways Limited	**5,63,41,141**	23,05,70,506
Gayatri Lalitpur Roadways Limited	**1,46,29,865**	11,51,82,951
Hyderabad Expressways Limited	**26,21,75,883**	38,49,83,440
Indore Dewas Tollways Limited	**7,42,85,055**	15,42,12,502
HKR Roadways Limited	**—**	15,39,49,292
Cyberabad Expressways Limited	**27,48,68,803**	23,45,02,058
Balaji Highways Holding Pvt. Ltd	**10,69,164**	10,69,164
Gayatri Projects Limited	**(35,01,91,242)**	(21,74,77,704)

d) Guarantees and pledges outstanding

Refer Note 27 for financial guarantees and pledges outstanding.

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

29 Interest in Subsidiaries and Jointly controlled entities

The Company's interest in subsidiaries & jointly controlled entities are as below:

Name of entity	Interest in Entities as on 31 March 2018	Interest in Entities as on 31 March 2017
Subsidiaries		
Sai Maatarini Tollways Limited	**100%**	100%
Indore Dewas Tollways Limited	**100%**	100%
Balaji Highways Holding Private Limited	**49%**	49%
Jointly Controlled Entities		
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.

As mentioned in the note 23, the company has acquired all the investments as part of the Composite Scheme of Arrangement. As per the Scheme, the effective date for transfer of all BOT Infrastructure assets is 31 March 2017. The Company has no holdings prior to this date in the above mentioned entities. However, for the purpose of better presentation and comparisons, the Company has disclosed the 31 March 2017 numbers of the Jointly controlled entities.

A) Gayatri Jhansi Roadways Limited:

(i) Summarised balance sheet as at 31 March 2018:

	As at 31 March 2018	As at 31 March 2017
Current assets including trade receivables	**67,14,71,444**	63,68,52,826
Non-current assets	**259,18,83,134**	277,11,47,066
Current liabilities, including trade payables	**(24,24,41,379)**	(22,41,29,083)
Non-current liabilities including borrowings	**(239,54,42,075)**	(287,99,84,665)
Net assets	**62,54,71,124**	**30,38,86,144**

(ii) Summarised statement of profit and loss:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue	**43,45,38,707**	45,39,91,683
Operation & Maintenance Expenses	**14,74,47,181**	10,69,26,658
Depreciation & amortization	**42,002**	34,967
Finance cost	**25,64,81,163**	32,45,15,048
Employee benefit	**1,22,29,032**	1,37,73,306
Other expense	**4,76,81,370**	1,10,98,411
Loss before tax	**(2,93,42,041)**	**(23,56,707)**
Income tax expense	—	—
Loss for the year	**(2,93,42,041)**	**(23,56,707)**
Total comprehensive loss for the year	**(2,93,42,041)**	**(23,56,707)**

The Company had no contingent liabilities or capital commitments relating to its interest in Gayatri Jhansi Roadways Limited as at 31 March 2018 and , except as disclosed in Note 27.The jointly controlled entity had no other contingent liabilities or capital commitments as at 31 March 2018 and 31 March 2017.

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

29 Interest in Subsidiaries and Jointly controlled entities(Contd..)

B) Gayatri Lalitpur Roadways Limited

(i) Summarised balance sheet as at 31 March 2018:

	As at 31 March 2018	As at 31 March 2017
Current assets including trade receivables	**41,58,21,559**	55,04,08,448
Non-current assets	**198,68,58,098**	213,39,05,567
Current liabilities, including trade payables	**(18,93,22,559)**	(17,78,41,207)
Non-current liabilities including borrowings	**(175,91,25,528)**	(212,83,13,195)
Net assets	**45,42,31,570**	**37,81,59,613**

(ii) Summarised statement of profit and loss:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue	**36,26,94,177**	37,91,00,596
Operation & Maintenance Expenses	**14,37,71,557**	12,07,17,687
Depreciation & amortization	**3,312**	—
Finance cost	**20,11,68,480**	22,31,90,071
Employee benefit	**73,20,443**	68,58,468
Other expense	**2,41,92,357**	94,12,894
Profit / (Loss) before tax	**(1,37,61,972)**	**1,89,21,476**
Income tax expense	**—**	—
Profit/(loss) for the year	**(1,37,61,972)**	**1,89,21,476**
Total comprehensive income/(loss) for the year	**(1,37,61,972)**	**1,89,21,476**

The Company had no contingent liabilities or capital commitments relating to its interest in Gayatri Lalitpur Roadways Limited as at 31 March 2018 and , except as disclosed in Note 27.The jointly controlled entity had no other contingent liabilities or capital commitments as at 31 March 2018 and 31 March 2017.

C) Cyberabad Expressways Limited

(i) Summarised balance sheet as at 31 March 2018:

	As at 31 March 2018	As at 31 March 2017
Current assets including trade receivables	88,20,64,608	100,95,06,808
Non-current assets	195,76,07,514	232,66,37,539
Current liabilities, including trade payables	(194,68,53,006)	(239,96,10,019)
Non-current liabilities including borrowings	(145,59,15,580)	(171,63,69,438)
Net assets	**(56,30,96,464)**	**(77,98,35,110)**

(ii) Summarised statement of profit and loss:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue	46,96,27,284	48,11,02,151
Operation & Maintenance Expenses	13,23,28,896	6,51,84,702
Depreciation & amortization	2,00,635	2,22,665
Finance cost	35,95,58,789	45,53,28,674
Employee benefit	60,00,000	60,00,000
Other expense	1,45,95,874	1,17,73,550
Loss for the year	**(4,30,56,910)**	**(5,74,07,440)**
Total comprehensive loss for the year	**(4,30,56,910)**	**(5,74,07,440)**

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

29 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 31 March 2018 and , except as disclosed in Note 27.The jointly controlled entity had no other contingent liabilities or capital commitments as at 31 March 2018 and 31 March 2017.

D) Hyderabad Expressways Limited

(i) Summarised balance sheet as at 31 March 2018:

	As at 31 March 2018	As at 31 March 2017
Current assets including trade receivables	**138,17,79,509**	127,93,97,121
Non-current assets	**134,83,67,603**	164,58,44,508
Current liabilities, including trade payables	**(57,22,15,605)**	(105,95,19,319)
Non-current liabilities including borrowings	**(145,23,80,330)**	(159,36,30,502)
Net assets	**70,55,51,177**	**27,20,91,808**

(ii) Summarised statement of profit and loss:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue	**40,28,83,284**	50,55,91,169
Operation & Maintenance Expenses	**14,70,85,270**	10,74,10,777
Depreciation & amortization	**70,485**	1,69,176
Finance cost	**20,86,48,830**	29,98,60,313
Employee benefit	**71,88,476**	68,16,000
Other expense	**86,33,503**	6,44,59,729
Profit before tax	**3,12,56,720**	**2,68,75,174**
Income tax expense	**(2,22,462)**	(15,35,291)
Profit for the year	**3,10,34,258**	**2,53,39,883**
Total comprehensive income for the year	**3,10,34,258**	**2,53,39,883**

The Company had no contingent liabilities or capital commitments relating to its interest in Hyderabad Expressways Limited as at 31 March 2018 and , except as disclosed in Note 27.The jointly controlled entity had no other contingent liabilities or capital commitments as at 31 March 2018 and 31 March 2017.

E) HKR Roadways Limited

(i) Summarised balance sheet as at 31 March 2018:

	As at 31 March 2018	As at 31 March 2017
Current assets including trade receivables	1,51,94,498	60,92,39,082
Non-current assets	1458,78,50,009	1456,11,19,652
Current liabilities, including trade payables	(149,68,29,969)	(92,17,85,954)
Non-current liabilities including borrowings	(1350,74,63,225)	(1392,64,97,380)
Net assets	**(40,12,48,687)**	**32,20,75,400**

(ii) Summarised statement of profit and loss:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue	210,84,30,182	125,01,07,781
Depreciation & amortization	41,17,88,562	13,60,65,266
Finance cost	166,95,15,733	171,72,42,066
Employee benefit	77,95,002	57,77,270
Other expense	74,26,54,972	15,85,01,562
Loss for the year	**(72,33,24,087)**	**(76,74,78,383)**
Total comprehensive loss for the year	**(72,33,24,087)**	**(76,74,78,383)**

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

29 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 31 March 2018 and , except as disclosed in Note 27.The jointly controlled entity had no other contingent liabilities or capital commitments as at 31 March 2018 and 31 March 2017.

30 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.

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

32 Segment reporting

The Company primarly engaged in the business of "construction, invest, operations and maintenance of roads, highways, vehicle bridges and tunnels and toll roads on BOT, BOOT, BOLT, EPC basis or in any manner", which is as per Indian Accounting Standard - 108 on "Operating Segment" is considered to be the only reportable business segement. The company is operating in India which is considered as a single geographical segment.

33 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

P Purnachander Rao
Director
DIN:02230190

M.V.Narasimha Rao
Director
DIN:06761474

Place :Hyderabad
Date : 20th June 2018

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

We have audited the accompanying consolidated Ind AS financial statements of Gayatri Highways Limited ('the Holding Company') (Formerly Gayatri Domicile Private Limited) and its subsidiaries, associate and joint ventures, which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Ind AS financial statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated Ind AS financial statements.

Basis for qualified opinion

As stated in note no. 40, M/s Indore Dewas Tollways Limited (IDTL), a subsidiary of the company, has not provided a provision of Rs.12,37,35,785/- 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 standalone 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. 12,37,35,785/ has resulted in understatement of loss for the year by Rs. 12,37,35,785/ 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. 26,09,44,281/- and understatement of non-current financial liabilities by the same amount."

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for qualified opinion section of our report and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (consolidated financial position) of the Holding Company its subsidiaries and its joint ventures as at 31 March 2018, and their consolidated profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matter

We did not audit the financial statements of three subsidiaries and five joint ventures, in which the Company's share of loss aggregated to ₹ 1,303,267,276 for the year ended 31 March 2018, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated 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.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the joint ventures, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c) The consolidated Ind AS financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with Ind AS specified under Section 133 of the Act;

e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiaries and joint venture companies covered under the Act, none of the directors of the Holding Company, its subsidiaries and its joint venture companies covered under the Act, are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company subsidiaries and joint venture companies covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure I'; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding company, subsidiaries and its joint ventures as detailed in Note 33 to the consolidated Ind AS financial statements;

   ii. The Holding Company its subsidiaries and its joint ventures did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and its joint venture companies covered under the Act during the year ended 31 March 2018;

For **G.S.SAI BABU & ASSOCIATES**
Chartered Accountants
Firm's Registration No.: 014207S

SATYA SAI BABU GURRAM
Proprietor
Membership No: 208341

Place : Hyderabad
Date : 20th June 2018

Annexure I to the Independent Auditor's Report of even date to the members of Gayatri Highways Limited on the consolidated IndAS financial statements for the year ended 31 March 2018

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

1. In conjunction with our audit of the consolidated IndAS financial statements of Gayatri Highways Limited ('the Holding Company'), its subsidiaries and its joint ventures as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company subsidiaries and joint venture companies, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company its subsidiaries and its joint venture companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, its subsidiaries and its joint venture companies as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

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

provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on IFCoFR of the subsidiaries and joint venture companies, the Holding Company its subsidiaries and its joint venture companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Holding Company its subsidiaries and its joint venture companies, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. We did not audit the IFCoFR in so far as it relates to three subsidiaries and five joint ventures, in which the Company's share of loss aggregated to ₹ 1,303,267,276 for the year ended 31 March 2018, as considered in the consolidated IndAS financial statements. The IFCoFR in so far as it relates to such three subsidiaries and five joint venture companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company and its joint venture companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such joint venture companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **G.S.SAI BABU & ASSOCIATES**
Chartered Accountants
Firm's Registration No.: 014207S

SATYA SAI BABU GURRAM
Proprietor
Membership No: 208341

Place : Hyderabad
Date : 20th June 2018

Consolidated Balance Sheet as at 31 March 2018

(All amounts in ₹ unless otherwise stated)

	Notes	As at 31 March 2018	As at 31 March 2017
Assets			
Non-current assets			
Property, plant and equipment	6	**26,44,958**	29,08,842
Investment Property	7	**3,08,910**	3,08,910
Intangible Assets			
- Goodwill	29	**115,24,69,385**	50,99,20,882
- under SCA	8	**2581,66,70,226**	809,55,04,478
- Intangible assets under development	8	**51,80,94,064**	1731,45,76,708
Financial assets			
- Investments	9	**120,64,38,215**	48,96,68,688
- Loans	10	**27,25,06,083**	86,93,44,562
Other Non-Current Assets	11	**5,00,89,405**	15,18,45,522
Tax assets, net	12	**12,80,04,494**	11,15,62,847
		2914,72,25,740	**2754,56,41,439**
Current assets			
Financial assets			
- Trade receivables	13	**7,11,96,687**	—
- Cash and cash equivalents	14	**21,18,87,368**	42,72,49,543
- Loans	10	**25,37,26,243**	23,64,78,663
Other Current Assets	15	**1,17,06,929**	6,60,68,522
		54,85,17,227	**72,97,96,728**
Total assets		**2969,57,42,967**	**2827,54,38,167**
Equity and liabilities			
Equity			
Equity share capital	16	**47,93,03,800**	47,93,03,800
Other equity	17	**(31,80,21,155)**	(32,59,45,184)
Total Equity		**16,12,82,645**	**15,33,58,616**
Non-current Liabilities			
Financial liabilities			
- Borrowings	18	**2369,00,59,791**	2364,54,47,158
Other Non-Current Liabilities	19	**355,07,78,812**	322,37,95,616
Current liabilities			
Financial liabilities			
- Short-term borrowings	18	**35,03,20,126**	21,76,19,503
- Trade payables	20	**4,48,35,675**	1,56,26,616
- Other financial liabilities	21	**154,78,14,216**	26,42,76,117
Other current liabilities	22	**35,06,51,702**	75,53,14,541
Total liabilities		**2953,44,60,322**	**2812,20,79,551**
Total equity and liabilities		**2969,57,42,967**	**2827,54,38,167**

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

P Purnachander Rao
Director
DIN:02230190

M.V.Narasimha Rao
Director
DIN:06761474

Place :Hyderabad
Date : 20th June 2018

K.G.Naidu
Chief Executive Officer

P.K.Sahoo
Chief Financial Officer

P.Raj Kumar
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31 March 2018

(All amounts in ₹ unless otherwise stated)

	Notes	For the year ended	
		31 March 2018	31 March 2017
Income			
Revenue from Operations	23	**86,10,96,475**	—
Other income	24	**9,93,47,586**	—
Construction income	24	**193,00,29,848**	676,23,48,523
Total income		**289,04,73,909**	**676,23,48,523**
Expenses			
Construction Expenses	25	**198,67,80,278**	676,23,48,523
Employee benefits expenses	26	**2,33,51,166**	—
Finance costs	27	**246,70,02,653**	—
Depreciation expenses	6	**12,34,75,055**	—
Other expenses	28	**13,55,48,292**	3,89,060
Total expenses		**473,61,57,444**	**676,27,37,583**
Loss before tax		**(184,56,83,536)**	**(3,89,060)**
Current tax		—	—
Loss for the year		**(184,56,83,536)**	**(3,89,060)**
Other comprehensive income			
Remeasurements of the defined benefit plans		**7,10,821**	—
Add: Share of profits/ (losses) in the Jointly controlled entities		**18,84,27,095**	**(56,90,11,503)**
Total comprehensive loss for the year		**(165,65,45,620)**	**(56,94,00,563)**
Earnings per equity share (EPES)			
Basic		**(6.91)**	**(11.88)**
Diluted		**(6.91)**	**(11.88)**

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

P Purnachander Rao
Director
DIN:02230190

M.V.Narasimha Rao
Director
DIN:06761474

Place :Hyderabad
Date : 20th June 2018

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 31 March 2018

(All amounts in ₹ unless otherwise stated)

		For the year ended	
		31 March 2018	31 March 2017
Cash flows from operating activities			
Loss before tax		**(184,56,83,536)**	(3,89,060)
Adjustments for:			
Depreciation expenses		**12,34,75,055**	—
Interest income and financial guarantee income		**(7,77,50,502)**	—
Profit/ (Loss) on Consolidation		**18,84,27,095**	(56,90,11,503)
Interest expenses		**212,95,91,306**	—
Operating loss before working capital changes		**51,80,59,418**	**(56,94,00,563)**
Changes in working capital:			
Increase in trade payables		**2,92,09,059**	1,56,26,616
(Increase)/decrease in other non-current liabilities		**43,72,77,441**	322,37,95,616
(Increase)/decrease in other current liabilities		**87,88,75,263**	101,95,87,286
Increase/(decrease) in other non-current assets		**8,53,14,470**	(15,18,45,522)
Increase/(decrease) in other current assets		**5,43,61,593**	(6,58,29,242)
Increase/(decrease) in trade receivables		**(7,11,96,687)**	—
Decrease in loans and advances		**57,95,90,899**	(110,58,23,225)
Cash generated in operating activities		**251,14,91,456**	**236,61,10,966**
Less: Income taxes refund received / (paid)		**(1,64,41,647)**	(11,15,62,847)
Net cash generated from operating activities	**A**	**249,50,49,809**	**225,45,48,119**
Cash flows from investing activities			
Interest received		**7,77,50,502**	—
Investments transferred from GPL		**—**	(48,96,68,688)
Fixed Assets recognised on Consolidation		**—**	(2541,32,98,938)
Purchase/ Development of Fixed Assets		**(104,79,75,565)**	—
Goodwill recognised on Consolidation		**(64,25,48,503)**	(50,23,65,689)
Goodwill recognised on acquisition of Subsidiary		**—**	(75,55,193)
Change in Value of Investments		**62,43,30,117**	—
Capital Reserve on Demerger of GPL to GHL		**23,03,09,515**	24,35,25,505
Net cash generated from investing activities	**B**	**(75,81,33,934)**	**(2616,93,63,003)**
Cash flows from financing activities			
Interest paid		**(212,95,91,306)**	—
Proceeds from Equity Share Capital		**—**	47,91,03,800
Proceeds from short-term borrowings, net		**13,27,00,623**	21,75,10,619
Proceeds from long-term borrowings		**4,46,12,633**	2364,54,47,158
Net cash used in financing activities	**C**	**(195,22,78,050)**	**2434,20,61,577**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**(21,53,62,175)**	**42,72,46,694**
Cash and cash equivalents at the beginning of the year		42,72,49,543	2,849
Cash and cash equivalents at the end of the year		**21,18,87,368**	**42,72,49,543**
Cash and cash equivalents comprises of:			
Cash on hand		**27,19,557**	12,67,509
Balances with banks in current accounts		**20,91,67,811**	2,24,97,431
Balances with banks in FDs		**—**	40,34,84,603
		21,18,87,368	**42,72,49,543**

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
M.No.:208341

P Purnachander Rao
Director
DIN:02230190

M.V.Narasimha Rao
Director
DIN:06761474

Place :Hyderabad
Date : 20th June 2018

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 31 March 2018

(All amounts in ₹ unless otherwise stated)

	Number	Amount
(a) Share Capital		
(i) Equity Share Capital		
Equity shares of ₹ 2 each issued, subscribed and fully paid		
At 31 March 2017 (₹10 each)	4,79,30,380	47,93,03,800
At 31 March 2018 (₹ 2 each) (refer Note. 16)	**23,96,51,900**	**47,93,03,800**

(b) Other equity

	Capital Reserve	Instrument entirely equity in name	Retained earnings	Total equity
Balance as of 1 April 2016	—	—	**(70,126)**	**(70,126)**
Loss for the year	—	—	(56,94,00,563)	**(56,94,00,563)**
Add: Capital Reserve generated on demerger of Infrastructure BOT assets from GPL to GHL	24,35,25,505	—	—	**24,35,25,505**
Balance as of 31 March 2017	**24,35,25,505**	—	**(56,94,70,689)**	**(32,59,45,184)**
Balance as of 1 April 2017	**24,35,25,505**	—	**(56,94,70,689)**	**(32,59,45,184)**
Loss for the year	—	—	(165,65,45,620)	**(165,65,45,620)**
Financial guarantee given on behalf of holding company	—	—	9,30,60,490	**9,30,60,490**
Changes during the year*	23,03,09,515	134,10,99,644	—	**157,14,09,159**
Balance as of 31 March 2018	**47,38,35,020**	**134,10,99,644**	**(213,29,55,819)**	**(31,80,21,155)**

*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.

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

P Purnachander Rao
Director
DIN:02230190

M.V.Narasimha Rao
Director
DIN:06761474

Place :Hyderabad
Date : 20th June 2018

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 subsidiaries and 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. Note on Composite Scheme of Arrangement:

1. As per the NCLT order dated 3rd November, 2017 and Composite Scheme of Arrangement between Gayatri Projects Ltd (GPL), Gayatri Infra Ventures Ltd (GIVL) and Gayatri Highways Ltd (Formerly Gayatri Domicile Pvt Ltd) (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.

2. As As per the Central Government notification, all the cases relating Company Law were shifted to NCLT (National Company Law Tribunal) from the respective High Courts. The case for the Scheme of Arrangement was also shifted to NCLT Hyderabad from the Honorable Hyderabad High Court. NCLT has ordered for the implementations of the Composite Scheme of Arrangement vide their order dated on 3rd November 2017. The following are the consequences of the NCLT order: (Also refer note 29)

    a. Transfer of Investment in Shares of SMTL from GPL to GHL at Fair Value as on 1 April 2016.

    b. GIVL was merged with GPL and GIVL has been dissolved. GPL was the holding company of all the BOT Road assets which were under GIVL and GPL together till 31 March 2016.

    c. All the BOT Road Assets under GPL were demerged and transferred to GHL and GHL became the holding company for all the BOT Road Assets from 31 March 2017 onwards.

    d. The listing of GHL on National Stock Exchange/Bombay Stock Exchanges is in progress. The process of listing will be completed shortly.

    e. The existing shareholders of GPL were issued Equity Shares of GHL in 1:1 ratio, i.e. for every 1 share held in GPL, 1 share of GHL was allotted.

3. Investment in associate and Joint Ventures

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

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

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Company's net investment in the associate or joint venture), the entity discontinues recognising its share

of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

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

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

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

4. List of Entities consolidated

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

Name of Subsidiaries	Interest in Subsidiary as on	
	31-Mar-18	**31-Mar-17**
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-18	**31-Mar-17**
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%

5. 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

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

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

c) Current versus non-current classification

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

- 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 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)

6. Property, plant and equipment

	Office equipment	Computer and related equipment	Vehicles	Plant & Machinery	Furniture & Furniture	Amount(Rs.)
Tangible Assets						
Gross block						
As at 1 April 2016	4,67,877	10,05,530	14,49,601	—	68,602	**29,91,609**
Additions during the year	—	—	20,58,755	—	—	**20,58,755**
As at 31 March 2017	4,67,877	10,05,530	35,08,356	—	68,602	**50,50,365**
Additions during the year	38,100	1,46,910	—	1,12,500	—	**2,97,510**
As at 31 March 2018	**5,05,977**	**11,52,440**	**35,08,356**	**1,12,500**	**68,602**	**53,47,875**
Accumulated depreciation						
Up to 31 March 2016	3,39,159	9,76,014	4,38,240	—	10,699	**17,64,112**
Charge for the year	66,487	15,493	2,84,762	—	10,669	**3,77,411**
Up to 31 March 2017	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**
Up to 31 March 2018	**4,44,254**	**10,39,278**	**11,76,879**	**10,468**	**32,037**	**27,02,916**
Net block						
As at 31 March 2018	**61,723**	**1,13,162**	**23,31,477**	**1,02,032**	**36,565**	**26,44,959**
As at 31 March 2017	62,231	14,023	27,85,354	—	47,234	**29,08,842**

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

7. Investment Property

	As at 31 March 2018	As at 31 March 2017
Land	**3,08,910**	3,08,910
	3,08,910	**3,08,910**

8 Intangible assets

		Amount (Rs.)
(i)	**Carriageway**	
	Gross block	
	As at 1 April 2016	**820,54,23,657**
	Additions during the year	—
	As at 31 March 2017	**820,54,23,657**
	Additions during the year	1784,41,60,698
	As at 31 March 2018	**2604,95,84,355**
	Accumulated depreciation Up to 31 March 2016	**6,16,12,988**
	Charge for the year	6,32,97,930
	Up to 31 March 2017	**12,49,10,918**
	Charge for the year	12,22,22,897
	Up to 31 March 2018	**24,71,33,815**
	Net block	
	As at 31 March 2018	**2580,24,50,540**
	As at 31 March 2017	**808,05,12,739**
(ii)	**Toll Plaza Management Systems**	
	Gross block	
	As at 1 April 2016	**1,65,35,845**
	Additions during the year	—
	As at 31 March 2017	**1,65,35,845**
	Additions during the year	—
	As at 31 March 2018	**1,65,35,845**
	Accumulated depreciation Up to 31 March 2016	**7,72,053**
	Charge for the year	7,72,053
	Up to 31 March 2017	**15,44,106**
	Charge for the year	7,72,053
	Up to 31 March 2018	**23,16,159**
	Net block	
	As at 31 March 2018	**1,42,19,686**
	As at 31 March 2017	**1,49,91,739**
	Intangible Assets Under SCA	
	Net block as at 31 March 2018 (i)+(ii)	2581,66,70,226
	Net block as at 31 March 2017 (i) + (ii)	809,55,04,478
(iii)	**Intangible assets under development**	
	As at 1 April 2016	**1303,91,20,297**
	Additions during the year	427,54,56,411
	As at 31 March 2017	**1731,45,76,708**
	Additions during the year	1,04,76,78,055
	Capitalised during the year	(1784,41,60,698)
	As at 31 March 2018	**51,80,94,064**

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

9. Investments

Particulars		As at 31 March 2018	As at 31 March 2017
Non-current investments			
Unquoted			
Investments carried at cost			
Investments in equity instruments of Subsidiaries			
1,00,00,843 (2017: 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)
	a	—	—
33,320 (2017: 33,320) equity shares of ₹10 each fully paid-up in Indore Dewas Tollways Limited.		**5,00,000**	3,33,400
Less: Adjustment of Consolidation		**(5,00,000)**	(3,33,400)
	b	—	—
48,995 (2017: 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)
	c	—	—
Investments in equity instruments of jointly controlled entities			
990,000 (2017: 990,000) equity shares of ₹10 each fully paid-up in Hyderabad Expressways Limited.		**15,81,36,417**	22,38,47,043
Add: Accumulated Profits/(Losses)		**1,55,17,129**	(9,29,38,028)
	d	**17,36,53,546**	**13,09,09,015**
396,000 (2017: 396,000) equity shares of ₹ 10 each fully paid-up in Cyberabad Expressways Limited.		**4,22,39,111**	5,92,07,575
Add: Accumulated Profits/(Losses)		**(86,11,382)**	(5,92,07,575)
	e	**3,36,27,729**	—
21,619,994 (2017: 21,619,994) equity shares of ₹10 each fully paid-up in Gayatri Jhansi Roadways Limited.		**40,13,62,101**	38,28,94,659
Add: Accumulated Profits/(Losses)		**(1,71,37,292)**	(22,33,89,718)
	f	**38,42,24,809**	**15,95,04,941**
16,218,000 (2017: 16,218,000) equity shares of ₹10 each fully paid-up in Gayatri Lalitpur Roadways Limited.		**22,22,55,084**	28,95,64,494
Add: Accumulated Profits/(Losses)		**(86,90,819)**	(9,03,09,762)
	g	**21,35,64,264**	**19,92,54,732**
1,717,642 (2017: 1,717,642) equity shares of ₹10 each fully paid-up in HKR Roadways Limited.		**2,91,16,370**	1,71,76,420
Add: Accumulated Profits/(Losses)		**(2,91,16,370)**	(1,71,76,420)
	h	—	—
Investments in debentures of jointly controlled entities			
8,550,000 (2017: 8,550,000) 0.001% Optionally Convertible debentures of ₹ 10 each fully paid-up in Cyberabad Expressways Limited.		**5,47,76,231**	8,55,00,000
Add: Accumulated Profits/(Losses)		—	(8,55,00,000)
	i	**5,47,76,231**	—
Investments in Instruments entirely Equity in nature			
-Investments in Jointly controlled entity		**67,91,37,309**	—
Add: Accumulated Profits/(Losses)		**(33,25,45,674)**	—
	j	**34,65,91,636**	—
Total non-current investments (k=a+b+c+d+e+f+g+h+i+j)		**120,64,38,215**	**48,96,68,688**
Less: Investments held for sale (l)		—	—
Net value of non-current investments (k-l)		**120,64,38,215**	**48,96,68,688**
Aggregate amount of unquoted investments		**120,64,38,215**	**48,96,68,688**

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

10 Loans

Particulars	As at 31 March 2018	As at 31 March 2017
Non-current		
(Unsecured, considered good)		
- Loans to jointly controlled entities	**27,25,06,083**	86,93,44,562
	27,25,06,083	**86,93,44,562**
Current		
(Unsecured, considered good)		
- Loans to jointly controlled entities	**25,37,26,243**	23,64,78,663
	25,37,26,243	**23,64,78,663**

11 Other Non-Current Assets

Particulars	As at 31 March 2018	As at 31 March 2017
Capital Advance		
Long term loan and advances-related party	**4,65,60,294**	14,84,21,611
Retention money-NHAI	**27,50,914**	27,50,914
Security Deposits	**5,56,197**	4,50,997
Rent Advance	**22,000**	22,000
Advance for Toll Collection Management	**2,00,000**	2,00,000
	5,00,89,405	**15,18,45,522**

12 Tax Assets, net

Particulars	As at 31 March 2018	As at 31 March 2017
TDS Receivable	12,80,04,494	11,15,62,847
	12,80,04,494	**11,15,62,847**

13 Trade Receivables

Particulars	As at 31 March 2018	As at 31 March 2017
(Unsecured, considered good)		
- related parties	**7,11,96,687**	—
	7,11,96,687	—

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.

14 Cash and cash equivalents

Particulars	As at 31 March 2018	As at 31 March 2017
Balances with banks		
- on current accounts	**20,91,67,811**	2,24,97,431
- Fixed Deposit with Banks	—	40,34,84,603
Cash on hand	**83,218**	12,67,509
Cash-Toll Collections	**26,36,339**	-
	21,18,87,368	**42,72,49,543**

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

15 Other Current Assets

Particulars	As at 31 March 2018	As at 31 March 2017
Mobilization advance - COS & Utility shifting paid to GPL	9,93,584	1,89,20,451
Advances towards New Toll Plaza contract works	20,02,012	1,30,100
Gayatri Projects -Others	-	79,20,000
Prepaid expenses	67,11,856	75,61,080
Interest accrued but not received on Fixed deposits from Union bank of India	-	3,09,43,893
Interest Accrued on FD	-	2,32,718
Other advances	17,60,197	1,21,000
Miscellaneous Expenditure to the extent not written off	1,91,200	1,91,200
Pre-operative Expenditure	48,080	48,080
	1,17,06,929	**6,60,68,522**

16 Equity Share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number	Amount	Number	Amount
Authorized Equity Share Capital				
Equity shares of ₹ 2 each	25,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000
	25,00,00,000	**50,00,00,000**	**5,00,00,000**	**50,00,00,000**
Issued, subscribed and fully paid-up Equity Share Capital				
Equity shares of ₹ 2 each	23,96,51,900	47,93,03,800	4,79,30,380	47,93,03,800
	23,96,51,900	**47,93,03,800**	**4,79,30,380**	**47,93,03,800**

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 18).

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number	Amount	Number	Amount
At the beginnning of the year	4,79,30,380	47,93,03,800	20,000	2,00,000
Issued during the year*	19,17,21,520	—	4,79,10,380	47,91,03,800
Balance at the end of the year	**23,96,51,900**	**47,93,03,800**	**4,79,30,380**	**47,93,03,800**

*During the 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 current 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)

16 Equity Share capital (Continued...)

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of ₹ 2 each				
Gayatri Projects Limited	6,24,00,000	26.04%	1,24,80,000	26.04%
Sri T.V. Sandeep Kumar Reddy	2,70,19,810	11.27%	54,03,962	11.27%
Smt T. Indira Subbarami Reddy	5,71,29,500	23.84%	1,14,25,900	23.84%

(d) Composite Scheme of Merger & Demerger

1. As per the NCLT order dated 3rd November, 2017 and Composite Scheme of Arrangement between Gayatri Projects Ltd, Gayatri Infra Ventures Ltd and Gayatri Highways Ltd (Formerly Gayatri Domicile Pvt Ltd), All the Infrastructure Road BOT Asset are merged with Gayatri Projects Ltd (GPL), there-after, all the Infrastructure Road BOT Assets are demerged from GPL and transferred to Gayatri Highways Ltd erstwhile Gayatri Domicile Private Ltd with effect from 24th November, 2017.
2. Gayatri Domicile Private Limited changed its Name to Gayatri Highways Limited (GHL) to better reflect the nature of Business being carried out.
3. As per the Central Government notification, all the cases relating Company Law were shifted to NCLT (National Company Law Tribunal) from the respective High Courts. The case for the Scheme of Arrangement was also shifted to NCLT Hyderabad from the Honorable Hyderabad High Court. NCLT has ordered for the implementations of the Composite Scheme of Arrangement vide their order dated on 3rd November 2017. The following are the consequences of the NCLT order:
   a. GIVL was merged with GPL and GIVL has been dissolved. GPL was the holding company of all the BOT Road assets which were under GIVL and GPL together till 31 March 2016.
   b. All the BOT Road Assets under GPL were demerged and transferred to GHL and GHL became the holding company for all the BOT Road Assets from 31 March 2017 onwards.
   c. The listing of GHL on National Stock Exchange/Bombay Stock Exchanges is in progress. The process of listing will be completed shortly.
   d. The existing shareholders of GPL were issued Equity Shares of GHL in 1:1 ratio, i.e. for every 1 share held in GPL, 1 share of GHL was allotted.

17 Other equity

Particulars	As at 31 March 2018	As at 31 March 2017
Capital Reserve		
Capital Reserve generated on demerger of Infrastructure BOT assets from GPL to GHL (refer Note. 29)	**47,38,35,020**	24,35,25,505
Instrument entirely equity in nature		
Balance as per last audited financial statements	**—**	—
Add: Changes during the year	**134,10,99,644**	—
Balance at the end of the year	**134,10,99,644**	**—**
Retained earnings		
Balance as per last audited financial statements	**(56,94,70,689)**	(70,126)
Add: Loss for the year	**(165,65,45,620)**	(56,94,00,563)
Add: Financial guarantee given on behalf of holding company	**9,30,60,490**	—
Balance at the end of the year	**(213,29,55,819)**	**(56,94,70,689)**
Total other equity	**(31,80,21,155)**	**(32,59,45,184)**

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

18 Borrowings

Particulars	As at 31 March 2018	As at 31 March 2017
(a) Non-current borrowings		
Term Loans		
Secured		
From Banks	**1440,34,75,961**	1353,45,37,092
From Financial Institutions	**398,39,00,000**	374,63,00,000
Sub Debt from IIFCL	**129,53,60,327**	113,26,30,976
Funded Interest on Term Loans		
- from Banks - FITL	**79,90,49,862**	102,81,16,360
- from Financial Institutions - FITL	**20,90,20,033**	29,60,99,893
Less: Current maturities of long-term borrowings	**(12,57,61,000)**	(75,00,000)
Less : Unamortised Finance Cost	**(10,38,48,932)**	16,60,193
Total - (A)	**2046,11,96,251**	**1973,18,44,514**
Unsecured		
From related party		
9% Non-convertible Cummulative Redeemable Preference shares of ₹ 10 each	**167,70,03,000**	167,70,03,000
Other Loans from related party	—	100,15,99,644
From others	**125,00,00,000**	123,50,00,000
Total - (B)	**292,70,03,000**	**391,36,02,644**
Cumulative liability on Preference Shares **(C)**	30,18,60,540	—
Total (D=A+B+C)	**2369,00,59,791**	**2364,54,47,158**
Current Borrowings		
Term Loans - Secured		
From Banks & Financial Institutions	**12,57,61,000**	75,00,000
(b) Short-term borrowings		
Loans repayable on demand		
Unsecured		
From related party	**35,01,91,242**	21,74,77,704
From Others	**1,28,884**	1,41,799
	35,03,20,126	**21,76,19,503**

Terms & Conditions for Loans in GHL:

i) Term loans from others aggregating to ₹ 1,250,000,000 (31 March 2017: 1,235,000,000;) is to be secured by way of; (a) agreed pledge of 146,449,310 Equity shares of the company held by the M/s Gayatri Projects Ltd. 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

	As at 31 March 2018	As at 31 March 2017
Up to 1 year	—	—
2 to 5 years	**125,00,00,000**	123,50,00,000
Above 5 years	—	—
	125,00,00,000	123,50,00,000

iii) The above facilities carry an annual interest rate of 15% (31 March 2017: 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) Short-term borrowing represents interest free loans repayable on demand.

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

18 Borrowings (Continued...)

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. 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-covertible cumulative redeemable preference shares were treated as a financial liability and the finance cost (as interest) on such liability was also recognised.

Terms & Conditions for Loans in SMTL:

Nature of Security for Secured Loans:

A. Term Loans from banks and financial institutions are secured by:

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.

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,

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

18 Borrowings (Continued...)

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.

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.

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 consoritum of lenders for restructuring of the term loan. The Consortium of Lenders have

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

18 Borrowings (Continued...)

approved the restructuring package with the cutoff date being 1st July, 2014 with a Moratorium of 33 months for Interest and principal Obligations . The current maturities with respect to the Term loan I principal repayment and Funded Interest Term loan principal repayment & TL II Principal Repayment are amounting to ₹9.44 crs for the FY 2017-18. The Lenders have reset the Rate of Interest in the current year to 10.10% pa

Terms of Repayment

Secured Loans:

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

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

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

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

ii) Delay on the part of National Highways Authority of India in shifting of Utilities 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 facilitites (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.

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 Tangable 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.

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

18 Borrowings (Continued...)

(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 excluding 2.9 years of moratorium with 28 structured unequal quarterly instalments ranging from ₹1,00,00,000 to ₹38,80,00,000 per annum as per the approved restructuring package.

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

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

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

19 Other Non-current liabilities

	As at 31 March 2018	As at 31 March 2017
Additional Concession Fees Payable to NHAI	**351,87,67,519**	319,16,25,868
Interest on Additional Concession Fees	**3,04,45,850**	3,04,45,850
Provison for Gratuity	**15,65,443**	17,23,898
	355,07,78,812	**322,37,95,616**

20 Trade Payables

	As at 31 March 2018	As at 31 March 2017
Salaries Payable	**7,09,346**	4,80,900
Audit fees payable	**2,48,050**	2,42,050
NHAI-IC Fee payable	**38,00,000**	75,94,686
PMC Fee payable	**2,92,564**	16,49,318
IDBI Bank Limited	**1,40,55,869**	14,31,499
Others Payable	**2,57,29,846**	42,28,163
	4,48,35,675	**1,56,26,616**

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

(b) The identification of micro, small and medium enterprise suppliers as defined under the provisions of "Micro, small and medium enterprises Act, 2006" is based on Management's knowledge of their status. There are no dues to micro, small and medium enterprises as on 31 March 2018 or 31 March 2017.

21 Other Financial Liabilities

	As at 31 March 2018	As at 31 March 2017
Current maturities of long-term borrowings (refer note 18)	**13,64,20,750**	10,19,06,285
Payable to related parties	**2,20,43,248**	4,00,000
Interest accrued and due on borrowings	**133,35,22,343**	76,26,651
Interest accrued but not due on borrowings	**4,52,41,197**	4,68,48,504
Financial guarantee	**1,05,86,678**	10,74,94,677
	154,78,14,216	**26,42,76,117**

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

22 Other Current liabilities

	As at 31 March 2018	As at 31 March 2017
Statutory liabilities	**2,45,26,712**	16,30,66,194
Creditors for capital expenditure	**13,62,70,954**	45,42,05,619
Creditors for Expenses	**4,23,71,284**	1,20,07,598
Other Site Expenses	**—**	1,27,06,561
Retention Money Payable	**14,47,85,740**	6,85,57,691
GPL - Operation & Maintenance Contractor A/c	**—**	1,72,77,400
Mobilization Advance for COS & Utility shifting from NHAI	**21,55,659**	1,95,60,440
Payable to GPL on account of COS & Utility Shifting	**—**	71,47,653
Short Term Provisions	**5,41,353**	7,85,386
	35,06,51,702	**75,53,14,541**

23 Revenue from operations

	For the year ended 31 March 2018	For the year ended 31 March 2017
Operation & Mantainance Income	**3,19,27,595**	—
Toll Revenue	**78,41,68,880**	—
Deputation Income	**4,50,00,000**	—
	86,10,96,475	—

24 Other Income

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income	**7,39,02,992**	—
Financial guarantee income	**38,47,510**	—
Construction Income	**193,00,29,848**	—
Others	**2,15,97,084**	—
	202,93,77,434	—

25 Construction Expenses

	For the year ended 31 March 2018	For the year ended 31 March 2017
Construction Expenses	**192,99,15,369**	—
Operating and Maintenance Expenses	**5,68,64,909**	—
	198,67,80,278	—

26 Employee benefits expense

	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries and wages	2,33,51,166	—
	2,33,51,166	—

27 Finance costs

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest expense on borrowings	**182,77,30,766**	—
Finance cost on Preference Shares	**30,18,60,540**	—
Other borrowing costs	**33,74,11,347**	—
	246,70,02,653	—

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

28 Other expenses

	For the year ended 31 March 2018	For the year ended 31 March 2017
Rates and taxes	**1,95,27,033**	17,915
Bank Charges	**24,965**	2,677
Administrative Expenses	**48,05,316**	—
Electricity Charges	**18,56,955**	—
Insurances	**21,04,782**	—
Auditos Remuneration (Refer Note below)	**11,02,160**	2,58,000
Legal, Consultancy & Professional Expenses	**1,07,74,947**	85,525
Travelling and conveyance	**33,40,549**	7,260
Director's sitting fees	**50,400**	—
Advertisement expenses	**25,000**	—
Office Maintenance	**27,556**	12,363
Printing & Stationery	**—**	5,320
Toll Plaza Administrative Expenses	**9,19,08,629**	—
	13,55,48,292	**3,89,060**

Auditor's remuneration

	For the year ended 31 March 2018	For the year ended 31 March 2017
-Statutory Audit fee	9,59,160	2,58,000
-Tax Audit fee	25,000	-
	9,84,160	**2,58,000**

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.

A. Transfer of investments in SMTL from GPL to GHL, and the consequent discharge of consideration by GHL to GPL

B. Post transfer of investments mentioned in A above, merger of GIVL with GPL

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 ₹1,24,60,00 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.

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

29 Goodwill / Capital Reserve (Continued...)

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 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 2018	As at 31 March 2017
(i) Acquisition of Subsidiaries		
Cost of Investment in SMTL		
(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
Total (A)	**180,16,03,000**	**180,16,03,000**
Value of Investment in SMTL		
(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)
Total (B)	**179,40,47,807**	**179,40,47,807**
Goodwill on Acquisition of Subsidiaries (A-B) (I)	**75,55,193**	**75,55,193**
Goodwill on account of consolidation of subsidiaries	**114,49,14,192**	**50,23,65,689**
Cosolidated goodwill	**115,24,69,385**	**50,99,20,882**
(ii) Acquisition of Investments(from Demerger)		
Cost of Investment of BOT Assets		
(a) Equity Share Capital of GHL issued to GPL	**35,45,03,800**	35,45,03,800
Total (A)	**35,45,03,800**	**35,45,03,800**
Value of Assets received from GPL		
Investments in Infrastructure BOT Assets	**105,90,13,591**	105,90,13,591
Other Net Assets(BOTs) received from GPL	**(23,06,74,771)**	(46,09,84,286)
Total (B)	**82,83,38,820**	**59,80,29,305**
Capital Reserve on Acquisition of Investments (A-B) (II)	**(47,38,35,020)**	**(24,35,25,505)**

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

30 Financial instruments

Financial instruments by category

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
Financial assets:						
Investments	9	120,64,38,215	—	—	120,64,38,215	120,64,38,215
Trade receivables	13	—	—	7,11,96,687	7,11,96,687	7,11,96,687
Loans	10	—	—	52,62,32,326	52,62,32,326	52,62,32,326
Cash and cash equivalents	14	—	—	21,18,87,368	21,18,87,368	21,18,87,368
Total financial assets		**120,64,38,215**	—	**80,93,16,381**	**201,57,54,596**	**201,57,54,596**
Financial liabilities:						
Borrowings	18	—	—	2404,03,79,917	2404,03,79,917	2404,03,79,917
Trade payables	20	—	—	4,48,35,675	4,48,35,675	4,48,35,675
Other financial liabilities	21	—	—	154,78,14,216	154,78,14,216	154,78,14,216
Total financial liabilities		—	—	**2563,30,29,808**	**2563,30,29,808**	**2563,30,29,808**

The carrying value and fair value of financial instruments by categories as at 31 March 2017 were as follows :

	Note	FVTPL	FVTOCI	Amortized cost	Total carrying value	Total fair Value
Financial assets						
Investments	9	48,96,68,688	—	—	48,96,68,688	48,96,68,688
Loans	10	—	—	110,58,23,225	110,58,23,225	110,58,23,225
Cash and cash equivalents	14	—	—	42,72,49,543	42,72,49,543	42,72,49,543
Total financial assets		**48,96,68,688**	—	**153,30,72,768**	**202,27,41,456**	**202,27,41,456**
Financial liabilities :						
Borrowings	18	—	—	2386,30,66,661	2386,30,66,661	2386,30,66,661
Trade Payables	20	—	—	1,56,26,616	1,56,26,616	1,56,26,616
Other financial liabilities	21	—	—	26,42,76,117	26,42,76,117	26,42,76,117
Total financial liabilities		—	—	**2414,29,69,394**	**2414,29,69,394**	**2414,29,69,394**

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 which 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.

As at 31 March 2018	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	57,64,43,694	641,46,41,683	1718,57,15,290	2417,68,00,667
Future interest payments	266,78,80,433	649,31,64,819	484,17,30,271	1400,27,75,523
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
Total	**329,21,93,731**	**1291,42,20,950**	**2202,85,83,863**	**3823,49,98,543**

As at 31 March 2017	Less than 1 year	1 year to 5 years	5 years and above	Total
Non-derivatives				
Borrowings	31,95,25,788	526,87,59,873	1837,66,87,285	2396,49,72,946
Future interest payments	239,25,49,016	745,96,85,993	583,02,96,655	1568,25,31,664
Trade payables	1,56,26,616	-	-	1,56,26,616
Other financial liabilities	2,26,22,944	5,96,60,155	2,52,11,578	10,74,94,677
Total	**275,03,24,364**	**1278,81,06,021**	**2423,21,95,518**	**3977,06,25,903**

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 2018	As at 31 March 2017
Fixed rate borrowing	22,10,85,09,183	21,14,03,87,321
Interest free borrowing	35,03,20,126	21,76,19,503
Total borrowings	**22,45,88,29,309**	**21,35,80,06,824**

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 2018	For the year ended 31 March 2017
Interest rates – increase by 50 basis points (50 bps)	(11,05,42,546)	(10,57,01,937)
Interest rates – decrease by 50 basis points (50 bps)	11,05,42,546	10,57,01,937

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 2018	As at 31 March 2017
Long term borrowings (including current maturities)	**2404,03,79,917**	2386,30,66,661
Less: Cash and cash equivalents	**(21,18,87,368)**	(42,72,49,543)
Net debt	**2382,84,92,549**	2343,58,17,118
Total equity	**16,12,82,645**	15,33,58,616
Gearing ratio	**147.74**	152.82

33 Contingent liabilities

	As at 31 March 2018	As at 31 March 2017
Disputed income tax dues	**8,92,926**	8,92,926
Pledge of equity shares held in jointly controlled entities for loans taken by them		
Gayatri Jhansi Roadways Limited	**124,62,97,646**	124,62,97,646
Gayatri Lalitpur Roadways Limited	**92,12,48,174**	92,12,48,174
HKR Roadways Limited	**157,79,09,300**	157,79,09,300
Corporate guarantee given to lenders of Indore Dewas Tollways Limited	**626,13,00,000**	626,13,00,000
IC fees payable to NHAI in IDTL	**2,23,96,833**	2,23,96,833

TheCompany 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	Subsidiary
Gayatri Jhansi Roadways Limited Gayatri Lalitpur Roadways Limited Hyderabad Expressways Limited Cyberabad Expressways Limited HKR Roadways Limited	Jointly controlled entity
Gayatri Projects Limited	Enterprises in which Key Management personnel
T. Indira Subbarami Reddy	Significant holder of Shares
T. Subbarami Reddy T.V. Sandeep Kumar Reddy T. Sarita Reddy	Relative of Significant holder of Shares

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 2018	For the Year Ended 31 March 2017
Gayatri Jhansi Roadways Limited		
Interest income	**69,56,469**	—
Financial guarantee income	**21,75,693**	—
Loans revalued	**(17,90,10,141)**	—
Gayatri Lalitpur Roadways Limited		
Interest income	**90,22,491**	—
Financial guarantee income	**16,71,817**	—
Loans recovered	**(6,12,00,000)**	—
Loans revalued	**(4,67,03,760)**	—
Cyberabad Expressways Limited		
Interest income after TDS	**1,89,99,465**	—
Deputation Income after TDS	**2,20,50,000**	—
Loans recovered	**(6,82,720)**	—
Hyderabad Expressways Limited		
Interest income	**2,92,58,173**	—
Operations & Maintenance Income	**2,70,96,687**	—
Deputation Income after TDS	**2,20,50,000**	—
Loans revalued	**(20,12,12,417)**	—
HKR Roadways Limited		
Interest income	**1,84,73,915**	—
Loans revalued	**(15,39,49,292)**	—
Gayatri Projects Limited		
Loans taken	**13,27,13,538**	—

c) Balances receivable/(payable)

	As at 31 March 2018	As at 31 March 2017
Gayatri Jhansi Roadways Limited	**5,63,41,141**	23,05,70,506
Gayatri Lalitpur Roadways Limited	**1,46,29,865**	11,51,82,951
Hyderabad Expressways Limited	**26,21,75,883**	38,49,83,440
HKR Roadways Limited	**—**	15,39,49,292
Cyberabad Expressways Limited	**27,48,68,803**	23,45,02,058
Gayatri Projects Limited	**(35,01,91,242)**	(21,74,77,704)

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 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 2018	Interest in Entities as on 31 March 2017
Subsidiaries		
Sai Maatarini Tollways Limited	**100%**	100%
Indore Dewas Tollways Limited	**100%**	100%
Balaji Highways Holding Private Limited	**49%**	49%
Jointly Controlled Entities		
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.

As mentioned in the note 23, the company has acquired all the investments as part of the Composite Scheme of Arrangement. As per the Scheme, the effective date for transfer of all BOT Infrastructure assets is 31 March 2017. The Company has no holdings prior to this date in the above mentioned entities. However, for the purpose of better presentation and comparisons, the Company has disclosed the 31 March 2017 numbers of the Jointly controlled entities.

A) Gayatri Jhansi Roadways Limited:

(i) Summarised balance sheet as at 31 March 2018:

	As at 31 March 2018	As at 31 March 2017
Current assets including trade receivables	**67,14,71,444**	63,68,52,826
Non-current assets	**259,18,83,134**	277,11,47,066
Current liabilities, including trade payables	**(24,24,41,379)**	(22,41,29,083)
Non-current liabilities including borrowings	**(239,54,42,075)**	(287,99,84,665)
Net assets	**62,54,71,124**	**30,38,86,144**

(ii) Summarised statement of profit and loss:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue	**43,45,38,707**	45,39,91,683
Operation & Maintenance Expenses	**14,74,47,181**	10,69,26,658
Depreciation & amortization	**42,002**	34,967
Finance cost	**25,64,81,163**	32,45,15,048
Employee benefit	**1,22,29,032**	1,37,73,306
Other expense	**4,76,81,370**	1,10,98,411
Loss before tax	**(2,93,42,041)**	**(23,56,707)**
Income tax expense	—	—
Loss for the year	**(2,93,42,041)**	**(23,56,707)**
Total comprehensive loss for the year	**(2,93,42,041)**	**(23,56,707)**

The Company had no contingent liabilities or capital commitments relating to its interest in Gayatri Jhansi Roadways Limited as at 31 March 2018 and , except as disclosed in Note 33.The jointly controlled entity had no other contingent liabilities or capital commitments as at 31 March 2018 and 31 March 2017.

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

35 Interest in Subsidiaries and Jointly controlled entities(Contd..)

B) Gayatri Lalitpur Roadways Limited

(i) Summarised balance sheet as at 31 March 2018:

	As at 31 March 2018	As at 31 March 2017
Current assets including trade receivables	**41,58,21,559**	55,04,08,448
Non-current assets	**198,68,58,098**	213,39,05,567
Current liabilities, including trade payables	**(18,93,22,559)**	(17,78,41,207)
Non-current liabilities including borrowings	**(175,91,25,528)**	(212,83,13,195)
Net assets	**45,42,31,570**	**37,81,59,613**

(ii) Summarised statement of profit and loss:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue	**36,26,94,177**	37,91,00,596
Operation & Maintenance Expenses	**14,37,71,557**	12,07,17,687
Depreciation & amortization	**3,312**	—
Finance cost	**20,11,68,480**	22,31,90,071
Employee benefit	**73,20,443**	68,58,468
Other expense	**2,41,92,357**	94,12,894
Profit / (loss) before tax	**(1,37,61,972)**	**1,89,21,476**
Income tax expense	**—**	—
Profit/(loss) for the year	**(1,37,61,972)**	**1,89,21,476**
Total comprehensive income/(loss) for the year	**(1,37,61,972)**	**1,89,21,476**

The Company had no contingent liabilities or capital commitments relating to its interest in Gayatri Lalitpur Roadways Limited as at 31 March 2018 and , except as disclosed in Note 33.The jointly controlled entity had no other contingent liabilities or capital commitments as at 31 March 2018 and 31 March 2017.

C) Cyberabad Expressways Limited

(i) Summarised balance sheet as at 31 March 2018:

	As at 31 March 2018	As at 31 March 2017
Current assets including trade receivables	**88,20,64,608**	100,95,06,808
Non-current assets	**195,76,07,514**	232,66,37,539
Current liabilities, including trade payables	**(194,68,53,006)**	(239,96,10,019)
Non-current liabilities including borrowings	**(145,59,15,580)**	(171,63,69,438)
Net assets	**(56,30,96,464)**	**(77,98,35,110)**

(ii) Summarised statement of profit and loss:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue	**46,96,27,284**	48,11,02,151
Operation & Maintenance Expenses	**13,23,28,896**	6,51,84,702
Depreciation & amortization	**2,00,635**	2,22,665
Finance cost	**35,95,58,789**	45,53,28,674
Employee benefit	**60,00,000**	60,00,000
Other expense	**1,45,95,874**	1,17,73,550
Loss for the year	**(4,30,56,910)**	**(5,74,07,440)**
Total comprehensive loss for the year	**(4,30,56,910)**	**(5,74,07,440)**

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

35 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 31 March 2018 and , except as disclosed in Note 33.The jointly controlled entity had no other contingent liabilities or capital commitments as at 31 March 2018 and 31 March 2017.

D) Hyderabad Expressways Limited

(i) Summarised balance sheet as at 31 March 2018:

	As at 31 March 2018	As at 31 March 2017
Current assets including trade receivables	**138,17,79,509**	127,93,97,121
Non-current assets	**134,83,67,603**	164,58,44,508
Current liabilities, including trade payables	**(57,22,15,605)**	(105,95,19,319)
Non-current liabilities including borrowings	**(145,23,80,330)**	(159,36,30,502)
Net assets	**70,55,51,177**	**27,20,91,808**

(ii) Summarised statement of profit and loss:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue	**40,28,83,284**	50,55,91,169
Operation & Maintenance Expenses	**14,70,85,270**	10,74,10,777
Depreciation & amortization	**70,485**	1,69,176
Finance cost	**20,86,48,830**	29,98,60,313
Employee benefit	**71,88,476**	68,16,000
Other expense	**86,33,503**	6,44,59,729
Profit before tax	**3,12,56,720**	**2,68,75,174**
Income tax expense	**(2,22,462)**	(15,35,291)
Profit for the year	**3,10,34,258**	**2,53,39,883**
Total comprehensive income for the year	**3,10,34,258**	**2,53,39,883**

The Company had no contingent liabilities or capital commitments relating to its interest in Hyderabad Expressways Limited as at 31 March 2018 and , except as disclosed in Note 33.The jointly controlled entity had no other contingent liabilities or capital commitments as at 31 March 2018 and 31 March 2017.

E) HKR Roadways Limited

(i) Summarised balance sheet as at 31 March 2018:

	As at 31 March 2018	As at 31 March 2017
Current assets including trade receivables	**1,51,94,498**	60,92,39,082
Non-current assets	**1458,78,50,009**	1456,11,19,652
Current liabilities, including trade payables	**(149,68,29,969)**	(92,17,85,954)
Non-current liabilities including borrowings	**(1350,74,63,225)**	(1392,64,97,380)
Net assets	**(40,12,48,687)**	**32,20,75,400**

(ii) Summarised statement of profit and loss:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue	**210,84,30,182**	125,01,07,781
Depreciation & amortization	**41,17,88,562**	13,60,65,266
Finance cost	**166,95,15,733**	171,72,42,066
Employee benefit	**77,95,002**	57,77,270
Other expense	**74,26,54,972**	15,85,01,562
Loss for the year	**(72,33,24,087)**	**(76,74,78,383)**
Total comprehensive loss for the year	**(72,33,24,087)**	**(76,74,78,383)**

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

35 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 31 March 2018 and , except as disclosed in Note 33.The jointly controlled entity had no other contingent liabilities or capital commitments as at 31 March 2018 and 31 March 2017.

36. Statutory Group Information

Name of the entity in the group	Net Assets, i.e., total		Share in profit and (loss)	
	As % of consolidated net assets	INR	As % of consolidated profit and (loss)	INR
Parent				
Gayatri Highways Limited				
Balance as at 31 March 2018	-1160%	(1,87,13,18,194)	22%	(37,13,42,958)
Balance as at 31 March 2017	-1101%	(1,68,91,12,135)	0%	(24,343)
Subsidiaries in India				
Sai Maatarini Tollways Limited				
Balance as at 31 March 2018	1174%	1,89,42,18,745	54%	(90,10,63,238)
Balance as at 31 March 2017	1170%	1,79,36,82,339	0%	(3,64,717)
Indore Dewas Tollways Limited.				
Balance as at 31 March 2018	-628%	(1,01,26,12,122)	35%	(57,24,42,667)
Balance as at 31 March 2017	-287%	(44,08,80,276)	0%	—
Balaji Highways Holding Private Limited.				
Balance as at 31 March 2018	0%	(6,67,768)	0%	3,66,148
Balance as at 31 March 2017	0%	—	0%	(4,90,000)
Jointly controlled entities in India (investment as per the equity method)				
Gayatri Jhansi Roadways Limited				
Balance as at 31 March 2018	238%	38,42,24,809	-12%	20,62,52,426
Balance as at 31 March 2017	104%	15,95,04,941	39%	(22,33,89,718)
Gayatri Lalitpur Roadways Limited				
Balance as at 31 March 2018	132%	21,35,64,264	-5%	8,16,18,943
Balance as at 31 March 2017	130%	19,92,54,732	16%	(9,03,09,762)
Cyberabad Expressways Limited				
Balance as at 31 March 2018	21%	3,36,27,729	-8%	13,60,96,193
Balance as at 31 March 2017	0%	-	25%	(14,47,07,575)
Hyderabad Expressways Limited				
Balance as at 31 March 2018	108%	17,36,53,546	-7%	10,84,55,157
Balance as at 31 March 2017	85%	13,09,09,015	16%	(9,29,38,028)
HKR Roadways Limited				
Balance as at 31 March 2018	215%	34,65,91,636	21%	(34,44,85,624)
Balance as at 31 March 2017	0%	-	3%	(1,71,76,420)

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

36 Statutory Group Information(Contd...)

Name of the entity in the group	Net Assets, i.e., total		Share in profit and (loss)	
	As % of consolidated net assets	INR	As % of consolidated profit and (loss)	INR
Parent				
Gayatri Highways Limited				
Balance as at 31 March 2018	—	—	22%	(37,13,42,958)
Balance as at 31 March 2017	—	—	0%	(24,343)
Subsidiaries in India				
Sai Maatarini Tollways Limited				
Balance as at 31 March 2018	—	—	54%	(90,10,63,238)
Balance as at 31 March 2017	—	—	0%	(3,64,717)
Indore Dewas Tollways Limited.				
Balance as at 31 March 2018	100%	7,10,821	35%	(57,17,31,846)
Balance as at 31 March 2017	—	—	0%	—
Balaji Highways Holding Private Limited.				
Balance as at 31 March 2018	—	—	0%	3,66,148
Balance as at 31 March 2017	—	—	0%	(4,90,000)
Jointly controlled entities in India and Associate (investment as per the equity method)				
Gayatri Jhansi Roadways Limited				
Balance as at 31 March 2018	—	—	-12%	20,62,52,426
Balance as at 31 March 2017	—	—	39%	(22,33,89,718)
Gayatri Lalitpur Roadways Limited				
Balance as at 31 March 2018	—	—	-5%	8,16,18,943
Balance as at 31 March 2017	—	—	16%	(9,03,09,762)
Cyberabad Expressways Limited				
Balance as at 31 March 2018	—	—	-8%	13,60,96,193
Balance as at 31 March 2017	—	—	25%	(14,47,07,575)
Hyderabad Expressways Limited				
Balance as at 31 March 2018	—	—	-7%	10,84,55,157
Balance as at 31 March 2017	—	—	16%	(9,29,38,028)
HKR Roadways Limited				
Balance as at 31 March 2018	-	-	21%	(34,44,85,624)
Balance as at 31 March 2017	-	-	3%	(1,71,76,42

37 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.

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

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ unless otherwise stated)

39 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, invest, operations and maintenance of roads, highways, vehicle bridges and tunnels and toll roads on BOT, BOOT, BOLT, EPC basis or in any manner"

40 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. 12,37,35,785/- 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 17-18 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 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 ie., Shivpuri to Dewas & Ghar to Dewas. The development of those streches 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

P Purnachander Rao
Director
DIN:02230190

M.V.Narasimha Rao
Director
DIN:06761474

Place :Hyderabad
Date : 20th June 2018

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, 1st 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 : U45100TG2006PLC052146
Name of the Company : Gayatri Highways Limited
Registered office : 6-3-1090, 1st 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:

1. Name:..... Address: .....
   ..... Email
   ID……..…….....
   Signature…….or failing him/her:

2. Name:..... Address: .....
   ..... Email
   ID……..…….....
   Signature…….or failing him/her:

3. 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 12th Annual General Meeting of the Company to be held on Friday, the 28th September, 2018 at 2.30 P.M. at K L N Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), 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*
	ORDINARY BUSINESS		
1.	To receive, consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the year ended 31st March, 2018 and the Board's Report and Auditor's report thereon.		
2.	To appoint a Director in place of Mr. P. Purnachander Rao (DIN: 02230190), who retires by rotation and being eligible offers himself for re-appointment.		
3.	To ratify the appointment of Statutory Auditors of the Company and to fix their remuneration.		
	Special Business		
4.	To appoint Mr. M.V. Narasimha Rao (DIN: 06761474)) as an Independent Director.		
5.	To appoint Mr. G. Jagannadha Rao (DIN: 01059819) as an Independent director.		
6.	To appoint Ms. P. Laxmi (DIN: 08051632) as an Independent director.		

Signed this …….day of …….. 2018

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, 1st Floor, TSR Towers, Rajbhavan Road, Somajiguda-50082, Hyderabad, Telangana.
CIN: U45100TG2006PLC052146

ATTENDANCE SLIP

12th Annual General Meeting, Friday, the 28th September, 2018 at 2.30 P.M

Regd. Folio No.		***DP ID**	
No. of Equity Shares		***Client ID**	

Name of the Shareholder
Name of the Proxy

I/We hereby record my / our presence at the 12th Annual General Meeting of the members of the Company held on Friday, the 28th September, 2018 at 2.30 P M. at K L N Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), 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 FTAPCCI, 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

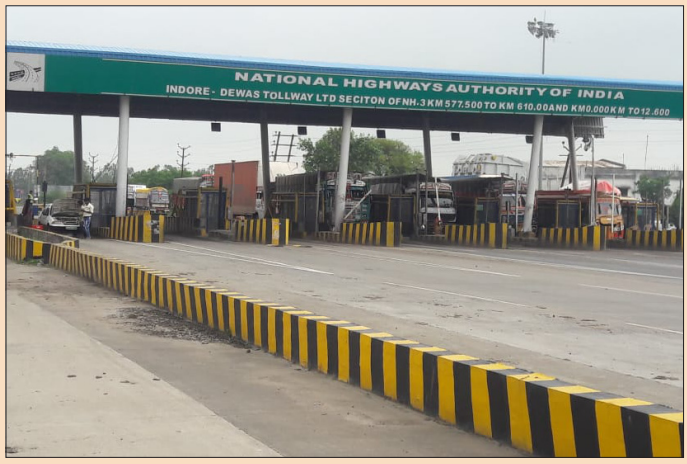
Details

via Raj Bhavan Rd	14 min
Hyderabad Decan Local	16 min

HKR Roadways Limited

Sai Maatarini Tollways Limited

Indore Dewas Tollways Limited



HKR Roadways Limited

Gayatri Highways Limited
(Formerly Gayatri Highways Private Limited
erstwhile Gayatri Domicile Private Limited)
CIN: U45100TG2006PLC052146

1st Floor, 6-3-1090, TSR Towers
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