

Annexure-II

A Detailed Note on the Scheme covering Business and Financial aspects of Scheme

The Board of Directors of Gayatri Projects Limited (GPL) in the Board Meeting held on 16th July 2016 has approved the Composite Scheme of Arrangement between Gayatri Projects Limited (Transferee Company / Demerged Company /GPL), Gayatri Infra Ventures Limited (Transferor Company / GIVL) and Gayatri Domicile Private Limited (Resulting Company / GDPL). This has been further approved by the Shareholders through postal ballot on 23rd January, 2017.

As per the Composite Scheme of Arrangement ('Scheme'), the BOT road business and activities of GPL is vertically split into a separate company i.e. GDPL.

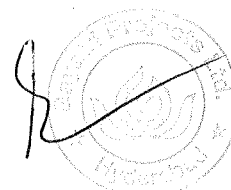
The Composite Scheme of Arrangement is divided into the following parts:

- i. Transfer of investments in Sai Maatarini Tollways Limited ("SMTL") from GPL to GDPL, and the consequent discharge of consideration by GDPL to GPL
- ii. Merger of GIVL with GPL
- iii. Transfer of Infrastructure Road BOT Assets Business of GPL to GDPL, and the consequent discharge of consideration by GDPL to the shareholders of GPL.

Significant points of the Scheme and its accounting treatment in the books of accounts and financial statements is summarized as below:

- a) The National Company Law Tribunal (NCLT), Hyderabad Bench vide its order dated 3rd November, 2017, has sanctioned the Composite scheme of arrangement ('Scheme') under Sections 391 to 394 of the Companies Act, 1956 and the extant applicable provisions of Companies Act, 2013.
- b) The relevant dates of the Scheme are as follows:

Particulars	Relevant date
Appointed date for amalgamation of GIVL	01 st April, 2016
Appointed date for Demerger of BOT Business	31 st March, 2017
Effective date of the Scheme (Date of filing with the ROC)	23 rd November, 2017
- c) Pursuant to the Scheme, all the assets and liabilities pertaining to the Transferor Company (GIVL) have been transferred to and vested in the Transferee Company (GPL) with retrospective effect from the appointed date i.e. 1st April 2016 at their respective book values appearing in the books of Transferor Company i.e., GIVL.
Financial Statements of GIVL for the Financial Year 2015-16 & 2016-17 were audited and financial statements of 2016-17 were already approved in its Board

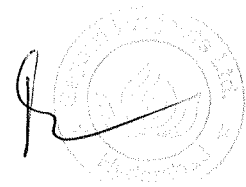


meeting held on 30th May, 2017 and also adopted in the Annual General Meeting of GIVL held on 19th September, 2017. These approved and adopted financial statements were considered for the purpose of accounting of Assets, Liabilities, Income and expenses of GIVL in the books of accounts and in the restated financial statements of GPL so as to give effect of the merger.

- d) Further pursuant to the Scheme, all Infrastructure Road BOT Assets business (i.e all Fixed Assets, all Investments, Current Assets, and Liabilities of BOT Assets business including Investments in Infrastructure Road BOT Assets business held by GPL) of the Demerged Company (GPL) shall stand transfer to and be vested in the resulted Company (GDPL) with effect from the appointed date i.e. 31st March 2017 at their respective book values appearing in the books of Demerged Company. Accordingly, the Scheme has been given effect to in the books of accounts and in the restated financial statements of GPL so as to give effect of the demerger. (Refer Below table for net effect of the Scheme).
- e) As stated in the above note, Investments held by the Demerged Company in the Road BOT Assets business companies i.e Sai Maatarani Tollways Ltd, HKR Roadways Ltd, Balaji Highways Holdings Pvt. Ltd and Indore Dewas Tollways Ltd shall stand transferred and vested in the Resulting Company (GDPL) with effect from the appointed date i.e. 31st March 2017.
- f) **The Consideration for demerger by the resulting company shall be as under :**

i) Issue of Shares by the Resulting Company (GDPL) to Demerged Company (GPL).

The investments of GPL in SMTL are transferred to GDPL at book value. As at 31st March, 2016, the GPL investment in SMTL was at Rs.180.16 crores. The consideration for transfer of investments in SMTL held by GPL to GDPL is discharged by the Resulting Company i.e., Gayatri Domicile Private Limited in lump sum consideration to GPL amounting to `180,16,03,000 (Rupees One Hundred and Eighty Crores Sixteen Lakhs Three Thousand Only) in the form of issuance 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. Pursuant to Scheme, effect is given in the books of accounts and financial statements of demerged company (GPL) as on 31st March, 2017, the consideration receivable by GPL in the form of Equity and Preference shares have been accounted in the books of accounts as investments in Equity and Preference shares and grouped under Investments in the restated financial statements based on opinion obtained from independent Company Secretary



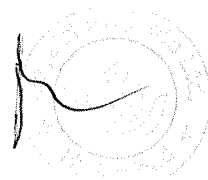
although the shares are yet to be issued and allotted by the resulting company (GDPL).

ii) Issue of shares by the Resulting Company (GDPL) to the shareholders of demerged company (GPL).

Pursuant to the scheme coming into effect, the resulting company shall, without any further application or deed, issue and allot to every member of the demerged company (GPL), holding fully paid up equity shares in the demerged company and whose names appear in the Register of Members of the demerged company on the Record Date in the ratio of 1 (One) equity share of `10/- (At present the `10 share split into 5 shares `2 each) each fully paid up held by such member in the demerged company, 1 (One) equity share in the resulting company of `10/- each. The demerged company shareholders will be allotted 17,72,51,900 equity shares of `2/- each (after sub-division of equity shares of GDPL from `10/- each to `2/- each) fully paid in the resulting company.

- g) Details of the value of investments of BOT Assets business transferred to the resulting company by the demerged company, the value of the investment received / receivable by the demerged company from the resulting company and the net effect in the Securities Premium Account of the demerged company is as under:

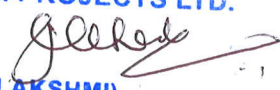
Particulars	in lakhs As on 31 st March, 2017
Value of Investments of BOT Assets business Transferred:	
i) 16,65,304 Equity Shares of `10/- each, fully paid in Gayatri Infra Ventures Limited	16,074.26
ii) 1,00,00,843 Equity Shares of `10/- each, fully paid in Sai Maatarani Tollways Ltd.	18,016.03
iii) 12,07,000 Equity Shares of `10/- each, fully paid in HKR Roadways Ltd.	120.70
iv) 49,000 Equity Shares of `10/- each, fully paid in Balaji Highways Holding Ltd.,	4.90
v) 16,660 Equity Shares of `10/- each, fully paid in Indore Dewas Tollways Ltd.	1.67
vi) Liability towards pending share purchase	900.02
Sub Total :	35,117.58



Particulars	in lakhs
	As on 31 st March, 2017
Consideration to be received in the form of Shares:	
i) 1,24,80,000 Equity Shares of ` 10/- each, fully paid in Gayatri Domicile Private Limited.	1,246.00
ii) 16,77,00,300 Preference Shares of ` 10/- each, fully paid in Gayatri Domicile Private Limited.	16,770.03
Sub Total :	18,016.03
Net Effect (Amount) adjusted in Securities Premium Account	17,101.55

- h) The outcome of the scheme is that merger of GIVL into GPL and Demerger of all Infrastructure Road BOT Assets business. The consideration receivable for the said Demerger is in the form of Equity and Preference Shares amounting to `180,16,03,000 (Rupees One Hundred and Eighty Crores Sixteen Lakhs Three Thousand Only) and hence there is no changes / impact in cash flows of the company for the current reporting period.

For **GAYATRI PROJECTS LTD.**


(I.V.LAKSHMI)

Company Secretary & Compliance officer