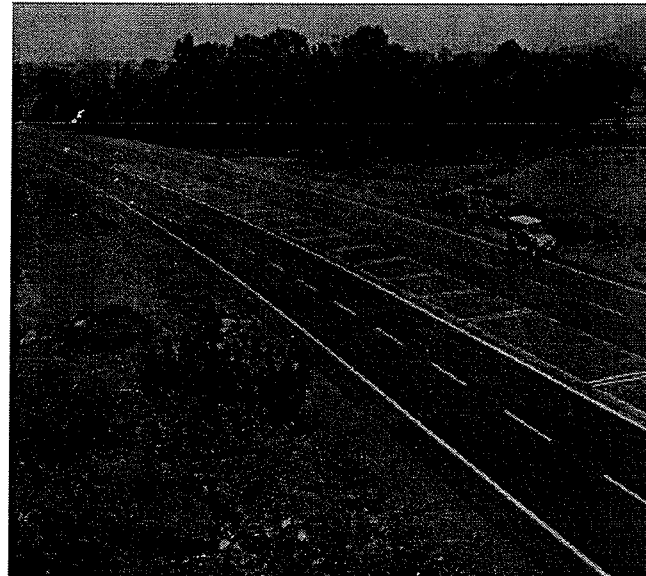
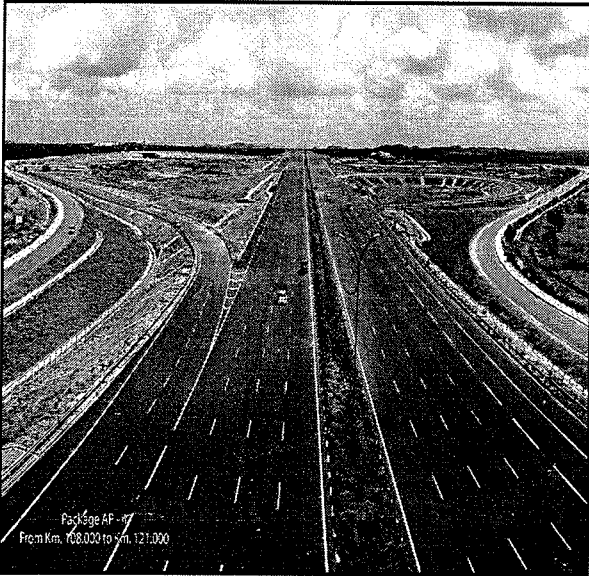




**GAYATRI INFRA VENTURES LIMITED**

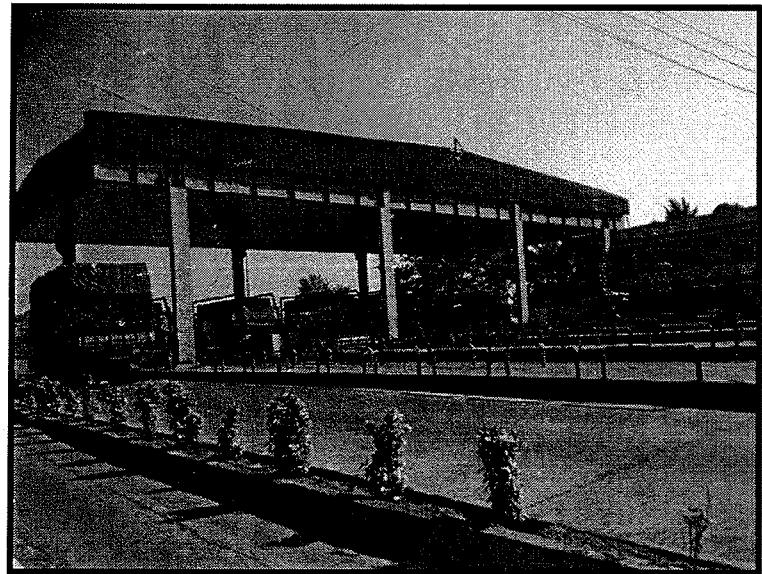
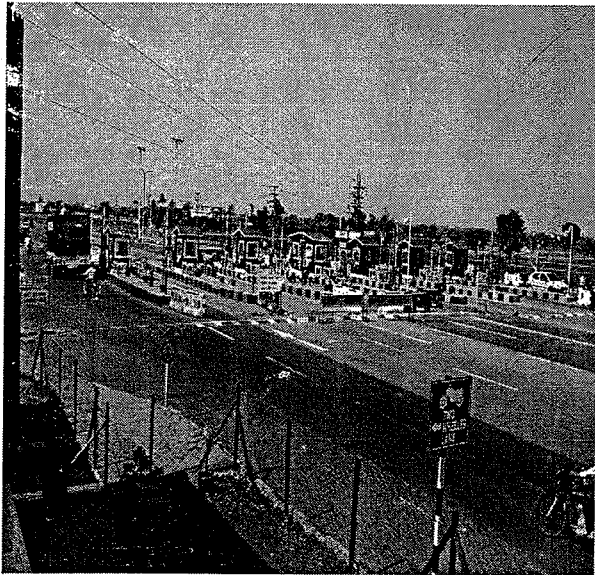
**7<sup>TH</sup> ANNUAL REPORT 2014-15**



Package AP - 7  
From Km. 108.000 to Km. 121.000

**BONGULUR TO TUKKUGUDA (ORR - HYD)**

**JHANSI - LALITPUR SECTION OF NH - 26**



**INDORE TO DEWAS (NH - 3)**

**HYDERABAD-KARIMNAGAR-RAMAGUNDAM (SH - 1)**

**Infrastructure is the lifeline of an economy. And we add our bit to it.**

## **BOARD OF DIRECTORS**

Sri T.V. Sandeep Kumar Reddy	Director
Sri J. Brij Mohan Reddy	Director
Sri Sharat Goyal	Director
Sri Ch. Hari Vittal Rao	Director
Sri M.V. Narasimha Rao	Director

## **REGISTERED & CORPORATE OFFICE**

6-3-1090, B-1,  
TSR Towers, Raj Bhavan Road  
Somajiguda  
Hyderabad – 500 082.

Corporate Identification No. U45209TG2008PLC057269

## **AUDITORS**

M/s. Walker, Chandiok & Co LLP  
Chartered Accountants  
7<sup>th</sup> Floor, Block III,  
White House, Kundan Bagh,  
Begumpet, Hyderabad - 500016

## **BANKERS**

Canara Bank,  
Rajbhavan Road,  
Somajiguda, Hyderabad.

## BOARDS' REPORT

To  
The Members,

Your Directors have immense pleasure in presenting the 7<sup>th</sup> Annual Report of your Company and the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2015.

### 1. FINANCIAL SUMMARY:

The following table depicts the financial results of your Company for the year ending 31<sup>st</sup> March 2015:

Rs.

S. No.	Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
1	Income from Operations	-	-
2	Other Income	2,31,85,346	2,24,40,274
	<b>Total Income</b>	<b>2,31,85,346</b>	<b>2,24,40,274</b>
3	Employee Benefits Expense	19,29,000	24,48,000
4	Finance Costs	23,97,32,020	23,57,39,096
5	Depreciation	5,96,444	2,24,408
6	Other Expenses	48,03,521	76,13,944
	<b>Total Expenditure</b>	<b>24,70,60,985</b>	<b>24,60,25,448</b>
7	<b>Profit/(Loss) Before Tax</b>	<b>(22,38,75,639)</b>	<b>(22,35,85,174)</b>
8	Less: Provision for Tax	-	-
9	<b>Profit/(Loss) After Tax</b>	<b>(22,38,75,639)</b>	<b>(22,35,85,174)</b>

### 2. THE YEAR IN RETROSPECT

The Financial Year 2014-15 was a difficult year for your Company, owing to severe shortfall of funds throughout the year. Hence, apart from the fact that the Company did not participate in bidding for any new projects, your Company also did not honour Interest commitments on the Term Loan availed from IL&FS Financial Services Ltd. on a timely basis. The loss for the current year is majorly due to the Interest cost being borne by your Company on the Term Loan availed from IL&FS Financial Services Ltd. This Term Loan has been rolled over upto June 2015.

Your Company did not bid for any new projects, due to shortage of funds. In view of a stable government at the centre, it can be expected that the infrastructure market may revive to a large extent.

The members are aware that your Company has advanced an amount of Rs.13.67 Crores to Cyberabad Expressways Ltd. as per the Memorandum of Understanding (MoU) dated 5<sup>th</sup> August 2011, which would bear an Interest rate of 16% p.a. Once the said amount is repaid by Cyberabad Expressways Ltd., your Company would be in a better position with respect to cash flows. M/s Cyberabad Expressways Ltd. has to receive arrears of Annuity of Rs.140.89 Crores,

apart from a bonus annuity, alongwith Interest thereon for delayed payments, from which the dues payable to your Company will be cleared.

### **3. FUTURE OUTLOOK**

At the outset, your Directors foresee an urgent and immediate need of funds for the Company, so as to enable servicing the Interest on Term Loan from IL&FS Financial Services Ltd. on quarterly basis. At present, your Company does not have funds to meet the regular administrative expenses.

Your Directors are exploring various possible avenues in this regard.

### **4. 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-1**.

### **5. BOARD MEETINGS**

During the year 5 Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### **6. 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 March 31, 2015, 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 March 31, 2015 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.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## **7. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of Directors has appointed Mr. M.V. Narasimha Rao as Additional Director of the Company in the category of Independent Directors with effect from 3<sup>rd</sup> March, 2015 to 2<sup>nd</sup> March, 2016.

The Board of Directors has appointed Mr. Ch. Hari Vithal Rao, a Non-Executive Directors of the Company as an Independent Directors with effect from 3<sup>rd</sup> March, 2015 to 2<sup>nd</sup> March, 2019.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

## **8. 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).

## **9. RE-APPOINTMENTS**

Mr. T.V. Sandeep Kumar Reddy, Director of the Company is retiring by rotation and being eligible, offers himself for re-appointment.

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

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration.

## **11. AUDITORS REPORT**

There are no qualifications in the Auditors Report.

## **12. 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.

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

The particulars of contracts or arrangements with the related parties referred to in Section 188 in the Form AOC – 2 is annexed herewith as **Annexure-2**.

#### **14. TRANSFER OF AMOUNT TO RESERVES**

The Company does not propose to transfer any amount to the general reserve for the Financial Year ended 31<sup>st</sup> March, 2015.

#### **15. DIVIDEND**

The Board of Directors does not recommend any dividend on the Equity Shares for the financial year ended 31<sup>st</sup> March, 2015.

#### **16. MATERIAL CHANGES AND COMMITMENTS**

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

There has been no change in the nature of business of the Company.

#### **17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information relating to Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014 is Nil.

#### **18. STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY**

As already mentioned above, your Company has invested in various Build, Operate & Transfer (BOT) Road Assets, from which there has been no return till date. Your Company is regularly monitoring these investments, so as to obtain returns, if any, in the future, so that the loan commitments are honoured.

Apart from the above, your Company has ensured that adequate operating procedures are developed and implemented on a consistent basis, so as to ensure that the financial statements of the Company are free from material misstatements.

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

The policy developed and implemented by the Company on Corporate Social Responsibility initiatives taken during the year is Nil as the relevant provisions of the Companies Act, 2013 in this regard are not applicable to the Company.

## 20. BOARD EVALUATION

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

## 21. SUBSIDIARY COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATE COMPANIES

During the Financial Year ending on 31<sup>st</sup> March 2015, your Company had two subsidiaries, namely Gayatri Jhansi Roadways Ltd. and Gayatri Lalitpur Roadways Ltd. and three Jointly Controlled Entities, namely, Hyderabad Expressways Ltd., Cyberabad Expressways Ltd., Western UP Tollway Ltd.

**The names of companies which have become or ceased to be Company's Subsidiaries, joint ventures or associate companies during the year**

During the Financial Year, no company is ceased as Company's subsidiary, joint venture or associate company.

## 22. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standards AS – 21 and AS – 27 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 31<sup>st</sup> March 2015, which forms part of the Annual Report and accounts.

## 23. STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES

A Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures in the Form AOC – 1 is annexed herewith as **Annexure-3**.

## 24. 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.

## 25. 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.

## **26. STATUTORY AUDITORS**

The Company's Auditors, Walker Chandiook & Co LLP, Chartered Accountants, Hyderabad bearing ICAI Regn. No. 001076N/N500013 who retires at the ensuing Annual General Meeting of the Company is eligible for reappointment.

They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company.

## **27. PARTICULARS OF EMPLOYEES**

There are no employees in the Company who are drawing prescribed salary pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **28. VIGIL MECHANISM**

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the Vigil Mechanism Policy are available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company.

## **29. 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.

## **30. 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.



### 31. ACKNOWLEDGEMENTS

Your Directors express their appreciation to the Company's Bankers, Statutory Auditors, Customers, Consultants and Members for their constant help, co-operation and support.

For and on behalf of the Board

Place: Hyderabad

Date: 20 May 2015

  
T.V SANDEEP KUMAR REDDY

**DIRECTOR**

DIN:00005573

  
J. BRIJ MOHAN REDDY

**DIRECTOR**

DIN:00012927

## Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended 31.03.2015  
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

<b>I. REGISTRATION AND OTHER DETAILS:</b>	
CIN	U45209TG2008PLC057269
Registration Date	22/01/2008
Name of the Company	GAYATRI INFRA VENTURES LIMITED
Category / Sub-Category of the Company	Company Limited by Shares/ Indian Non Government Company
Address of the Registered Office and contact details	1 <sup>st</sup> Floor, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana. E Mail: <a href="mailto:rajkumar@givl.co.in">rajkumar@givl.co.in</a> , Tel: 040-23310330
Whether listed company	Unlisted
Name, address and contact details of Registrar and Transfer Agent, if any	AARTHI CONSULTANTS PRIVATE LIMITED Registered Office: 1-2-285, Domalguda, Hyderabad - 500029, Telangana. E Mail: <a href="mailto:info@arthiconsultants.com">info@arthiconsultants.com</a> , Tel: 040-27638111

<b>II. Principal Business Activities of the Company</b>			
<b>All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:</b>			
Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Holding activities	64200	100%

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -</b>					
Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Gayatri Projects Limited, 1 <sup>st</sup> Floor, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana.	L99999TG1989PLC057289	<b>Holding</b>	70.59%	2(46)
2	Gayatri Jhansi Roadways Limited, 1 <sup>st</sup> Floor, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda,	U50403TG2006PLC050569	<b>Subsidiary</b>	51%	2(87)



-a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	5,20,833	5,20,833	29.41	-	5,20,833	5,20,833	29.41	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(2):</b>	<b>-</b>	<b>5,20,833</b>	<b>5,20,833</b>	<b>29.41</b>	<b>-</b>	<b>5,20,833</b>	<b>5,20,833</b>	<b>29.41</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>-</b>	<b>5,20,833</b>	<b>5,20,833</b>	<b>29.41</b>	<b>-</b>	<b>5,20,833</b>	<b>5,20,833</b>	<b>29.41</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>-</b>	<b>17,70,833</b>	<b>17,70,833</b>	<b>100</b>	<b>-</b>	<b>17,70,833</b>	<b>17,70,833</b>	<b>100</b>	<b>0</b>

**ii) Shareholding of Promoters**

S.No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	Gayatri Projects Ltd	12,47,000	70.42	67.76	12,47,000	70.42	67.76	-
2	T. Indira Reddy (Nominee of M/s. Gayatri Projects Limited)	1,000	0.06	-	1,000	0.06	-	-
3	T.V. Sandeep Kumar Reddy (Nominee of M/s. Gayatri Projects Limited)	1,000	0.06	-	1,000	0.06	-	-
4	T. Sarita Reddy (Nominee of M/s. Gayatri Projects Limited)	700	0.04	-	700	0.04	-	-
5	Dr. C. Satyanarayana (Nominee of M/s. Gayatri Projects Limited)	100	0.01	-	100	0.01	-	-
6	P. Maruthi Babu (Nominee of M/s. Gayatri Projects Limited)	100	0.01	-	100	0.01	-	-
7	Ch. Harivithal Rao (Nominee of M/s. Gayatri Projects Limited)	100	0.01	-	100	0.01	-	-
<b>Total</b>		<b>12,50,000</b>	<b>70.59</b>		<b>12,50,000</b>	<b>70.59</b>		

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

S. No		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	1250000	70.59		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
	At the end of the year	1250000	70.59	-	-

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

Sl. 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	5,20,833	29.41	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year ( or on the date of separation, if separated during the year)	5,20,833	29.41	-	-

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

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

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,35,00,00,000	51,72,55,218	-	1,86,72,55,218
ii) Interest due but not paid	6,44,91,779	-	-	6,44,91,779
iii) Interest accrued but not	4,93,11,602	-	-	4,93,11,602
<b>Total (i+ii+iii)</b>	<b>1,46,38,03,381</b>	<b>51,72,55,218</b>	<b>-</b>	<b>1,98,10,58,599</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	1,19,46,120	24,05,95,583	-	25,25,41,703
Reduction	26,73,870	-	-	26,73,870
<b>Net Change</b>	<b>92,72,250</b>	<b>24,05,95,583</b>	<b>-</b>	<b>24,98,67,833</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,35,00,00,000	27,66,59,635	-	1,62,66,59,635
ii) Interest due but not paid	5,25,45,659	-	-	5,25,45,659
iii) Interest accrued but not due	5,19,85,472	-	-	5,19,85,472
<b>Total (i+ii+iii)</b>	<b>1,45,45,31,131</b>	<b>27,66,59,635</b>	<b>-</b>	<b>1,73,11,90,766</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

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

### B. Remuneration to other directors:

#### 1. Independent Directors

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. M.V.N. Rao	Ch.Harivithal Rao	
	-Fee for attending Board/Committee Meetings	-	15,000/-	-
	-Commission	-	-	-
	- Others, please specify	-	-	-
	<b>Total (B)(1)</b>	-	-	-



## 2. Other Non Executive Directors

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
	-Fee for attending Board/Committee Meetings	-	-	-
	-Commission	-	-	-
	- Others, please specify	-	-	-
	<b>Total (B)(2)</b>	-	-	-
	<b>Total (B)= (B)(1)+ (B)(2)</b>			

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

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


5.	Others, please specify	-	-	-	-
	<b>Total</b>	-	-	-	-


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

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

For and on behalf of the Board

Place: Hyderabad  
Date: May 20, 2015

  
**T.V. SANDEEP KUMAR REDDY**  
DIRECTOR  
DIN: 00005573

  
**J. BRIJ MOHAN REDDY**  
DIRECTOR  
DIN: 00012927

## Form No. AOC-2

(Pursuant to clause (b) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis**

(a) Name(s) of the related party and nature of relationship	NIL
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) date(s) of approval by the Board	
(g) Amount paid as advances, if any:	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	


**2. Details of material contracts or arrangement or transactions at arm's length basis**

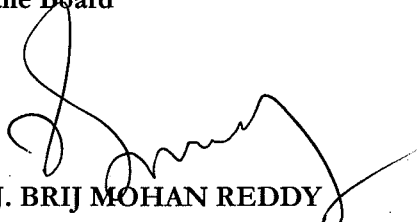
(a) Name(s) of the related party and nature of relationship	During the year, no material contracts or arrangements have been entered into by the Company.
(b) Nature of contracts/arrangements/transactions	Not Applicable
(c) Duration of the contracts / arrangements/transactions	Not Applicable
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Not Applicable
(e) Date(s) of approval by the Board, if any:	Not Applicable
(f) Amount paid as advances, if any:	Not Applicable

**For and on behalf of the Board**

Place: **Hyderabad**

Date: 20 May 2015

  
**T.V SANDEEP KUMAR REDDY**  
**DIRECTOR**  
DIN:00005573

  
**J. BRIJ MOHAN REDDY**  
**DIRECTOR**  
DIN:00012927

## 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)

1. Sl. No.	1	2
2. Name of the subsidiary	Gayatri Jhansi Roadways Limited	Gayatri Lalitpur Roadways Limited
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Indian Rupees	Indian Rupees
5. Share capital	Rs.42,40,00,000/-	Rs.31,79,80,060
6. Reserves & surplus	(Rs.24,79,50,138/-)	(Rs.18,75,83,165/-)
7. Total assets	Rs.369,35,49,271/-	Rs.280,81,43,561
8. Total Liabilities	Rs.369,35,49,271/-	Rs.280,81,43,561
9. Investments	Nil	Nil
10. Turnover	Rs.59,90,00,000/-	Rs.47,90,00,000/-
11. Profit / (Loss) before taxation	(Rs.5,78,45,306/-)	(Rs.2,26,52,099/-)
12. Provision for taxation	-	-
13. Profit / (Loss) after taxation	(Rs.5,78,45,306/-)	(Rs.2,26,52,099/-)
14. Proposed Dividend	-	-
15. % of shareholding	51%	51%

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

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


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

Name of Associates/Joint Ventures	Hyderabad Expressways Limited	Cyberabad Expressways Limited	Western UP Tollway Limited
1. Latest audited Balance Sheet Date	31 March 2015	31 March 2015	31 March 2015
2. Shares of Associate/Joint Ventures held by the company on the year end	50%	50%	49%
No.	9,90,000	9,90,000	49,36,850
Amount of Investment in Associates/Joint Venture	Rs.99,00,000/-	Rs.99,00,000/-	Rs.46,06,09,996/-
Extent of Holding %	50%	50%	49%
3. Description of how there is significant influence	Voting power above 20%	Voting power above 20%	Voting power above 20%
4. Reason why the associate/joint venture is not consolidated	N.A.	N.A.	N.A.
6. Networth attributable to Shareholding as per latest audited Balance Sheet	(Rs.5,68,01042/-)	(Rs.27,68,56,993/-)	Rs.45,29,28,636/-
7. Profit / (Loss) for the year	Rs.83,71,192/-	(Rs.18,02,17,476/-)	(Rs.11,33,18,233/-)
i. Considered in Consolidation	Rs.83,71,192/-	(Rs.18,02,17,476/-)	(Rs.11,33,18,233/-)
ii. Not Considered in Consolidation	-	-	-

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**

Place: Hyderabad

  
**T.V SANDEEP KUMAR REDDY**

  
**J. BRIJ MOHAN REDDY**

Date: 20 May 2015

**DIRECTOR**

**DIRECTOR**

DIN:00005573

DIN:00012927

# Independent Auditor's Report and Financial Statements

Gayatri Infra Ventures Limited

For the Year Ended 31 March 2015

# **Contents**

**Independent Auditor's Report**

**Balance Sheet**

**Statement of Profit and Loss**

**Cash Flow Statement**

**Summary of significant accounting policies and other explanatory information**



# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
7th Floor, Block III, White House  
Kundan Bagh, Begumpet  
Hyderabad 500016  
India

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## Independent Auditor's Report

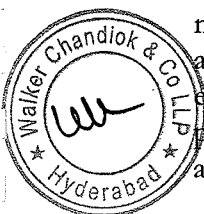
To the Members of Gayatri Infra Ventures Limited

### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Gayatri Infra Ventures Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; 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.



## Auditor's Responsibility

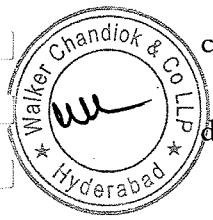
3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. 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 the standalone financial statements are free from material misstatement.
6. 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 state of affairs of the Company as at 31 March 2015, and its loss and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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 financial statements dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

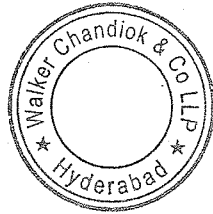


# Walker Chandiok & Co LLP

- e. on the basis of the written representations received from the directors as on 31 March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act; and
- f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. as detailed in Note 18 to the standalone financial statements, the Company has disclosed the impact of pending litigations on its standalone 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.

*Walker Chandiok & Co LLP*  
For Walker Chandiok & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

*Sanjay*  
per **Sanjay Kumar Jain**  
Partner  
Membership No.: 207660



Place : Hyderabad

Date : 20 May 2015

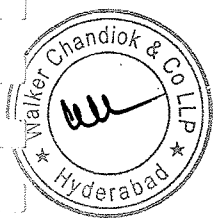
# Walker Chandiook & Co LLP

## Annexure to the Independent Auditor's Report of even date to the members of Gayatri Infra Ventures Limited, on the financial statements for the year ended 31 March 2015

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, 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.
- (ii) (a) 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 or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii) (a) and 3(iii) (b) of the Order are not applicable.
- (iv) Owing to the nature of its business, the Company does not maintain any physical inventories or sells any goods. Further, there are no transactions pertaining to purchase of fixed assets or sales of services. Accordingly, clause 3(iv) of the Order with respect to purchase of inventories and fixed assets and sale of goods and services is not applicable.
- (v) 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) Owing to the nature of its operations, the Company does not have any revenue from sale of products or services during the year. Accordingly, the provisions relating to maintenance of cost records specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of Company's activities are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, sales-tax, wealth tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues are not applicable to the company. Undisputed statutory dues including income tax and service tax, as applicable, have not been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Due date	Date of payment
Income Tax Act, 1961	Tax deducted at source	7,730,573	Financial year 2013-14	Various dates	Not yet paid
Income Tax Act, 1961	Tax deducted at source	10,294,125	Financial year 2014-15	Various dates	Not yet paid
The Finance Act, 1994	Service tax	5,500,178	Financial year 2012-13	5 September 2012	Not yet paid



# Walker ChandioK & Co LLP

Annexure to the Independent Auditor's Report of even date to the members of Gayatri Infra Ventures Limited, on the financial statements for the year ended 31 March 2015

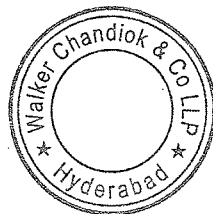
- (b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

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 2008-09	Commissioner of Income-tax (Appeals), Hyderabad

- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder. Accordingly, the provisions of clause 3(vii)(c) of the Order are not applicable.
- (viii) In our opinion, the Company's accumulated losses at the end of the financial year are less than fifty percent of its net worth. The Company has incurred cash losses in the current and the immediately preceding financial year.
- (ix) There are no dues payable to banks or debenture-holders. The Company has defaulted in repayment of interest amounting to ₹267,491,779 to financial institution during the year, with the period of delay ranging from 30 to 394 days. Of these, an amount of ₹203,000,000 was repaid before the balance sheet date and the unpaid overdue instalments as at 31 March 2015 are ₹64,491,779.
- (x) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable.
- (xi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

*Walker ChandioK & Co LLP*  
For Walker ChandioK & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

*Sanjay Kumar Jain*  
per Sanjay Kumar Jain  
Partner  
Membership No.: 207660



Place : Hyderabad

Date : 20 May 2015

**Gayatri Infra Ventures Limited**  
**Balance Sheet as at 31 March 2015**  
(All amounts in ₹ unless otherwise stated)

	Notes	As at	
		31 March 2015	31 March 2014
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	17,708,330	17,708,330
Reserves and surplus	4	1,334,502,912	1,558,528,464
		<b>1,352,211,242</b>	<b>1,576,236,794</b>
<b>Non current liabilities</b>			
Long-term borrowings	5	-	-
<b>Current liabilities</b>			
Short-term borrowings	6	517,255,218	276,659,635
Trade payables	7	1,607,084	1,524,064
Other current liabilities	8	1,509,389,676	1,512,441,352
		<b>2,028,251,978</b>	<b>1,790,625,051</b>
<b>Total</b>		<b>3,380,463,220</b>	<b>3,366,861,845</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
- Tangible assets	9	46,683	793,040
Non-current investments	10	864,063,206	859,113,206
Long-term loans and advances	11	2,304,828,441	2,316,966,293
		<b>3,168,938,330</b>	<b>3,176,872,539</b>
<b>Current assets</b>			
Trade receivables	12	2,826,100	2,826,100
Cash and cash equivalents	13	7,675,408	79,979
Short-term loans and advances	11	201,023,382	187,083,227
		<b>211,524,890</b>	<b>189,989,306</b>
<b>Total</b>		<b>3,380,463,220</b>	<b>3,366,861,845</b>

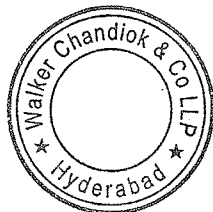
The accompanying notes 1 to 23 form an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

*Walker Chandio & Co LLP*  
For Walker Chandio & Co LLP

Chartered Accountants

*Sanjay Kumar Jain*  
per Sanjay Kumar Jain  
Partner



For and on behalf of the Board of Directors of  
**Gayatri Infra Ventures Limited**

*T.V. Sandeep Kumar Reddy*  
**T.V. Sandeep Kumar Reddy**  
Director  
(DIN : 00005573)

*J. Brij Mohan Reddy*  
**J. Brij Mohan Reddy**  
Director  
(DIN : 00012927)

Place: Hyderabad  
Date: 20 May 2015

Place: Hyderabad  
Date: 20 May 2015

**Gayatri Infra Ventures Limited**  
**Statement of Profit and Loss for the year ended 31 March 2015**  
(All amounts in ₹ unless otherwise stated)

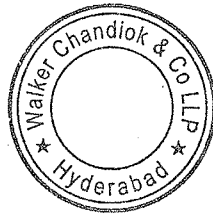
	Notes	For the year ended	
		31 March 2015	31 March 2014
I. Other income	14	23,185,346	22,440,274
<b>II. Total revenue</b>		<b>23,185,346</b>	<b>22,440,274</b>
<b>III. Expenses</b>			
- Employee benefits expense	15	1,929,000	2,448,000
- Finance costs	16	239,732,020	235,739,096
- Depreciation	9	596,444	224,408
- Other expenses	17	4,803,521	7,613,944
<b>Total expenses</b>		<b>247,060,985</b>	<b>246,025,448</b>
<b>IV. Loss before tax</b>		(223,875,639)	(223,585,174)
<b>V. Tax expense</b>			
- Current tax/deferred tax		-	-
<b>VI. Loss for the year</b>		<b>(223,875,639)</b>	<b>(223,585,174)</b>
<b>VII. Earnings / (loss) per equity share (EPES)</b>			
- Basic and diluted		(126.42)	(126.26)
Weighted average number of equity shares considered in computation of EPES		1,770,833	1,770,833
Nominal value per equity share		10	10

The accompanying notes 1 to 23 form an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

*Walker Chandiook & Co LLP*  
For Walker Chandiook & Co LLP  
Chartered Accountants

*Sanjay Kumar Jain*  
per Sanjay Kumar Jain  
Partner



Place: Hyderabad  
Date: 20 May 2015

For and on behalf of the Board of Directors of  
**Gayatri Infra Ventures Limited**

*T.V Sandeep Kumar Reddy*  
T.V Sandeep Kumar Reddy  
Director  
(DIN : 00005573)

*J. Brij Mohan Reddy*  
J. Brij Mohan Reddy  
Director  
(DIN : 00012927)

Place: Hyderabad  
Date: 20 May 2015

**Gayatri Infra Ventures Limited**  
**Cash Flow Statement for the year ended 31 March 2015**  
(All amounts in ₹ unless otherwise stated)

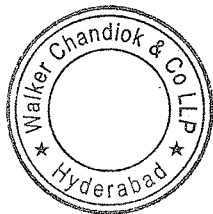
	For the year ended	
	31 March 2015	31 March 2014
<b>Cash flow from operating activities</b>		
Loss before taxation	(223,875,639)	(223,585,174)
<b>Adjustments for:</b>		
Depreciation	596,444	224,408
Interest income	(22,084,300)	(21,928,558)
Interest on borrowings	235,858,056	228,154,525
<b>Operating loss before working capital changes</b>	<b>(9,505,439)</b>	<b>(17,134,799)</b>
<b>Changes in working capital:</b>		
Increase/(decrease) in trade payables	83,020	(167,700)
(Decrease)/increase in other current liabilities	(12,323,926)	20,625,068
(Decrease) in long term loans and advances	-	643,367
Decrease/(increase) in short term loans and advances	5,750,510	(449,440)
<b>Cash (used in)/generated from operating activities before income tax</b>	<b>(6,490,396)</b>	<b>20,651,295</b>
Less: Income taxes refund/(paid)	7,187,852	(2,187,852)
<b>Net cash (used in)/generated from operating activities (A)</b>	<b>(8,807,983)</b>	<b>1,328,644</b>
<b>Cash flow from investing activities</b>		
Interest income received	2,187,852	2,237,893
Dividend income	205,783	-
<b>Net cash from investing activities (B)</b>	<b>2,393,635</b>	<b>2,237,893</b>
<b>Cash flow from financing activities</b>		
Interest charges paid	(226,585,806)	(267,630,018)
Proceeds from short-term borrowings	240,595,583	263,935,542
<b>Net cash from/(used in) financing activities (C)</b>	<b>14,009,777</b>	<b>(3,694,476)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>7,595,429</b>	<b>(127,939)</b>
Cash and cash equivalents at the beginning of the year	79,979	207,918
<b>Cash and cash equivalents at the end of the year</b>	<b>7,675,408</b>	<b>79,979</b>
<b>Cash and cash equivalents comprises of:</b>		
<b>Cash on hand</b>	<b>268</b>	<b>3,595</b>
<b>Balances with banks in current accounts</b>	<b>7,675,140</b>	<b>76,384</b>
	<b>7,675,408</b>	<b>79,979</b>

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

*Walker Chandiook & Co LLP*  
For Walker Chandiook & Co LLP

Chartered Accountants

per Sanjay Kumar Jain  
Partner



For and on behalf of the Board of Directors of  
**Gayatri Infra Ventures Limited**

*T.V. Sandeep Kumar Reddy*  
T.V. Sandeep Kumar Reddy  
Director  
(DIN : 00005573)

*J. Brij Mohan Reddy*  
J. Brij Mohan Reddy  
Director  
(DIN : 00012927)

Place: Hyderabad  
Date: 20 May 2015

Place: Hyderabad  
Date: 20 May 2015



## Gayatri Infra Ventures Limited

### Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

#### 1. Company overview

Gayatri Infra Ventures Limited ("the Company") was incorporated during the year 2008 in accordance with the provisions of the erstwhile 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 does investments in companies engaged in the construction, operations and maintenance of roads, highways, vehicle bridges and tunnels and toll roads. Considering the nature of operations of the Company, the management is of the view that the Company does not get classified as a Non-banking Finance Company, in accordance with the guidelines of the Reserve Bank of India.

#### 2. Summary of significant accounting policies

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

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("Indian GAAP") and in compliance with the mandatory accounting standards ("AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). Unless otherwise stated, the accounting policies applied by the Company are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company'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 Company 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 financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include useful lives of fixed assets, diminution other than temporary in the carrying value of long term investments and deferred taxes. 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) Fixed assets

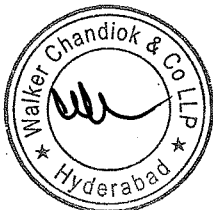
###### *Tangible assets*

Tangible assets are carried at cost of acquisition less accumulated depreciation and impairment losses, if any. The cost comprises the purchase price, freight, duties, taxes and any directly attributable cost of bringing the asset to its working condition for its intended use.

###### *Depreciation*

Depreciation on fixed assets is provided on straight-line method over their estimated useful lives prescribed under Schedule II to the Act.

Where the remaining useful life of an asset is Nil as on 1 April 2014, the carrying amount of such asset as on that date has been adjusted against opening balance of Reserves and surplus, in accordance with Schedule II to the Companies Act, 2013.



**Gayatri Infra Ventures Limited**  
**Summary of significant accounting policies and other explanatory information**  
(All amounts in ₹ unless otherwise stated)

**2. Summary of significant accounting policies (continued)**

**(d) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**(e) Operating leases**

Leases where the lessor effectively retains substantially all the risks and rewards incidental to the ownership are classified as operating leases. Lease rents in respect of non-cancellable operating leases are recognized in the Statement of Profit and Loss on a straight line basis over the tenure of the lease.

**(f) 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.

*Contract revenue*

- Revenue from construction contracts is recognised using percentage of completion method as prescribed under AS 7 "Construction Contracts" and with reference to stage of completion of the contract activity at the reporting date. Depending on the nature and terms of individual contract, stage of completion is determined on the basis of the proportion of costs incurred for the work performed till date to the total estimated contract costs.
- Price escalation and other claims and / or variation in the contract work are included in contract revenue when:
  - Negotiations have reached at an advanced stage such that it is probable that customer will accept the claim; and
  - The amount that is probable will be accepted by the customer can be measured reliably.
- Revenue from services rendered on a time and material basis is recognised as per the terms of contracts with customers and as and when the related services are performed. Revenue from fixed price arrangements is recognised using the completed contract method and accordingly, work completed and not billed, if any, is recognised as unbilled revenue as at the Balance Sheet date.

*Interest income*

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

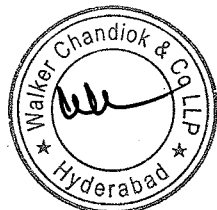
*Dividend income*

Dividend income is accounted for when the right to receive is established.

**(g) Taxes on income**

*Current tax*

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.



**Gayatri Infra Ventures Limited**  
**Summary of significant accounting policies and other explanatory information**  
(All amounts in ₹ unless otherwise stated)

**2. Summary of significant accounting policies (continued)**

**(g) Taxes on income (continued)**

*Deferred tax*

Deferred tax charges or credits reflect the tax effect of timing differences between accounting income and taxable income for the period. The deferred tax charges or credits and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future periods; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

**(h) Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of the investments. Current investments are carried at lower of cost and fair value determined on individual investment basis.

**(i) Borrowing costs**

Borrowing costs that are attributable to the acquisition and construction of qualifying assets are capitalised 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. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

**(j) Segment reporting**

Segments are identified in line with AS-17 "Segment Reporting", taking into considerations the internal organization and management structure as well as the different risk and returns of the segment.

**(k) Earnings / (loss) per equity share**

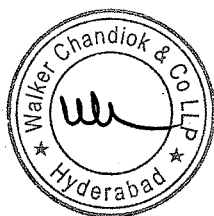
Basic earnings per equity share are calculated by dividing the net profit (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

**(l) Provisions and contingent liabilities**

Provision is recognized when the Company has a present obligation as a result of a past event and when it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management's best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

A disclosure of a contingent liability is made when there is a possible or a present obligation that may, but probably will not, require an outflow of resources.



**Gayatri Infra Ventures Limited****Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**3. Share capital**

	31 March 2015		31 March 2014	
	Number	Amount	Number	Amount
<b>Authorized</b>				
Equity shares of ₹10 each	2,000,000	20,000,000	2,000,000	20,000,000
	<b>2,000,000</b>	<b>20,000,000</b>	<b>2,000,000</b>	<b>20,000,000</b>
<b>Issued, subscribed and paid-up</b>				
Equity shares of ₹10 each fully paid up	1,770,833	17,708,330	1,770,833	17,708,330
	<b>1,770,833</b>	<b>17,708,330</b>	<b>1,770,833</b>	<b>17,708,330</b>

**(a) Reconciliation of the number of equity shares outstanding at the beginning and end of the year**

	31 March 2015		31 March 2014	
	Number	Amount	Number	Amount
<b>At the beginning and end of year</b>	<b>1,770,833</b>	<b>17,708,330</b>	<b>1,770,833</b>	<b>17,708,330</b>

**(b) Terms, rights and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The rights and preferences of each shareholder are in accordance with the shareholders' agreement dated 4 August 2008. 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 equity shares held by holding company**

	31 March 2015		31 March 2014	
	Number	Amount	Number	Amount
Gayatri Projects Limited*	1,247,000	12,470,000	1,247,000	12,470,000

\* Includes 1,200,000 equity shares pledged in favour of IL & FS Financial Services Ltd. against term loan availed by the Company.

**(d) Details of shareholders holding more than 5% shares in the company :**

	31 March 2015		31 March 2014	
	Number	% holding	Number	% holding
Gayatri Projects Limited	1,247,000	70.42%	1,247,000	70.42%
AMP Capital Finance Mauritius Limited	520,833	29.41%	520,833	29.41%



**Gayatri Infra Ventures Limited****Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**4. Reserve and surplus**

	As at	
	31 March 2015	31 March 2014
<b>Securities premium account</b>		
Balance at the beginning and end of the period	2,199,619,577	2,199,619,577
<b>Deficit in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	(641,091,113)	(417,505,939)
Add: Adjustments*	(149,913)	-
Add: Loss for the year	(223,875,639)	(223,585,174)
Balance at the end of the year	<b>(865,116,665)</b>	<b>(641,091,113)</b>
	<b>1,334,502,912</b>	<b>1,558,528,464</b>

\* Represents adjustment on account of change in estimated useful life of tangible assets in accordance with the provisions of Schedule II of Companies Act, 2013.

**5. Long-term borrowings**

	As at	
	31 March 2015	31 March 2014
<b>Term loans</b>		
<b>Unsecured</b>		
From others	1,350,000,000	1,350,000,000
Less: Current maturities of long-term borrowings	1,350,000,000	1,350,000,000
	-	-

**a) Details of security**

Term loans aggregating to ₹1,350,000,000 (31 March 2014: ₹1,350,000,000) is secured by way of

(a) pledge of 1,200,000 Equity shares of the company held by the holding company, M/s Gayatri Projects Ltd,

(b) corporate guarantee of Gayatri Projects Limited.

These facilities carry interest at the rate of 16% as at 31 March 2015 (31 March 2014: 16%)

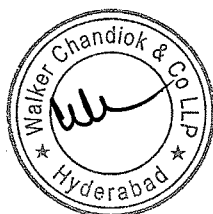
**b) Terms of repayment**

Up to 1 year*	1,350,000,000	1,350,000,000
	<b>1,350,000,000</b>	<b>1,350,000,000</b>

\* The due date for repayment of the above loan being 30 December 2014, has been extended to 30 June 2015 consequent to the rollover arrangement with the lender.

**c) Details of overdue amounts of interest**

	As at	
	31 March 2015	31 March 2014
0-30 days	1,353,190	-
30-90 days	51,940,116	50,444,425
90-180 days	3,404,779	2,101,234
above 180 days	7,793,695	-
	<b>64,491,779</b>	<b>52,545,659</b>



**Gayatri Infra Ventures Limited****Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**6. Short-term borrowings**

	As at	
	31 March 2015	31 March 2014
(Unsecured loans)		
From related party *	517,255,218	276,659,635
	<u>517,255,218</u>	<u>276,659,635</u>

\* Represents unsecured, interest free loans from the related party repayable on demand.

**7. Trade payables**

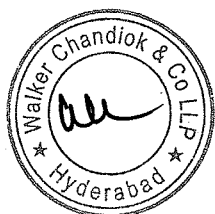
	As at	
	31 March 2015	31 March 2014
Dues to others	83,020	-
Dues to related party*	1,524,064	1,524,064
	<u>1,607,084</u>	<u>1,524,064</u>

\* Represents interest free retention money payable to related party.

Based on information available with the Company, as at 31 March 2015 (31 March 2014: Nil), there are no suppliers who are registered as micro and small enterprises under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.

**8. Other current liabilities**

	As at	
	31 March 2015	31 March 2014
Current maturities of long-term borrowings (refer note 5)	1,350,000,000	1,350,000,000
Interest accrued and due on borrowings	64,491,779	52,545,659
Interest accrued but not due on borrowings	49,311,602	51,985,472
Statutory liabilities	40,612,181	56,572,856
Other liabilities	4,974,114	1,337,365
	<u>1,509,389,676</u>	<u>1,512,441,352</u>



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**Gayatri Infra Ventures Limited****Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**9. Tangible assets**

Particulars	Office equipment	Computers	Total
<b>Gross block</b>			
As at 1 April 2013	161,999	1,286,659	1,448,658
Additions	-	-	-
As at 1 April 2014	161,999	1,286,659	1,448,658
Additions	-	-	-
Adjustments	-	345,120	345,120
As at 31 March 2015	161,999	941,539	1,103,538
<b>Accumulated depreciation</b>			
Up to 1 April 2013	38,664	392,546	431,210
Charge for the year	15,840	208,568	224,408
Adjustments	-	-	-
Up to 31 March 2014	54,504	601,114	655,618
Charge for the year	61,605	534,839	596,444
Adjustments	-	195,207	195,207
Up to 31 March 2015	116,109	940,746	1,056,855
<b>Net block</b>			
As at 31 March 2015	45,890	793	46,683
As at 31 March 2014	107,495	685,545	793,040



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**Gayatri Infra Ventures Limited**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

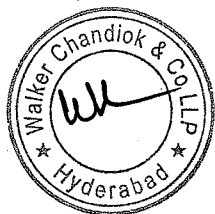
**10. Non-current investments**

	% holding	As at			
		31 March 2015		31 March 2014	
		Number	Amount	Number	Amount
<b>Unquoted trade investments in equity instruments of ₹10 each fully paid:</b>					
<b>- in subsidiaries</b>					
Gayatri Jhansi Roadways Limited*	51.00%	21,619,994	216,199,940	21,619,994	216,199,940
Gayatri Lalitpur Roadways Limited*	51.00%	16,218,000	162,180,000	16,218,000	162,180,000
		<b>37,837,994</b>	<b>378,379,940</b>	<b>37,837,994</b>	<b>378,379,940</b>
<b>- in joint ventures</b>					
Hyderabad Expressways Limited	50.00%	990,000	9,900,000	990,000	9,900,000
Cyberabad Expressways Limited	50.00%	990,000	9,900,000	990,000	9,900,000
Western UP Tollway Limited*	49.00%	4,936,850	460,609,996	4,936,850	460,609,996
		<b>6,916,850</b>	<b>480,409,996</b>	<b>6,916,850</b>	<b>480,409,996</b>
<b>-fellow subsidiaries</b>					
Indore Dewas Tollways Limited	33.36%	16,680	166,800	16,680	166,800
		<b>16,680</b>	<b>166,800</b>	<b>16,680</b>	<b>166,800</b>
<b>-others</b>					
HKR Roadways Limited	11.00%	510,647	5,106,470	15,647	156,470
		<b>510,647</b>	<b>5,106,470</b>	<b>15,647</b>	<b>156,470</b>
<b>Aggregate amount of unquoted investments, at cost</b>		<b>45,282,171</b>	<b>864,063,206</b>	<b>44,787,171</b>	<b>859,113,206</b>

\*Equity shares to the tune of 16,267,900 (31 March 2014: 16,267,900) of Gayatri Jhansi Roadways Limited, equity shares to the tune of 12,199,900 (31 March 2014: 12,199,900) of Gayatri Lalitpur Roadways Limited and equity shares to the tune of 4,936,850 (31 March 2014: 4,936,850) of Western UP Tollway Limited have been pledged in favour of Infrastructure Development Finance Company Limited for the term loan availed by the respective companies. Further, equity shares to the tune of 7,980 (31 March 2014: Nil) of HKR Roadways Limited have been pledged in favour of IL & FS Trust Company Limited for the term loan availed by HKR Roadways Limited.

(i) The legal ownership of following shares vests with the holding company, M/s Gayatri Projects Limited, in accordance with the contractual provisions of the agreement. Necessary regulatory filings have however been made to reflect the Company as the beneficiary.

Name of the Company	Number of equity shares	
	31 March 2015	31 March 2014
Gayatri Jhansi Roadways Limited	100	100
Gayatri Lalitpur Roadways Limited	100	100
Hyderabad Expressways Limited	262,548	262,548
Cyberabad Expressways Limited	262,548	262,548
	<b>525,296</b>	<b>525,296</b>





**Gayatri Infra Ventures Limited****Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**11. Loans and advances**

	As at	
	31 March 2015	31 March 2014
(Unsecured, considered good)		
<b>a) Long-term</b>		
Advances to related parties		
- to subsidiaries	335,620,060	335,620,060
- to joint ventures	923,640,004	923,640,004
- to fellow subsidiaries	363,000,000	363,000,000
- to others	679,137,309	684,087,309
Advance tax	3,431,068	10,618,920
	<b>2,304,828,441</b>	<b>2,316,966,293</b>
<b>b) Short-term</b>		
Loans to related parties		
- to joint ventures	200,654,218	180,514,113
- to fellow subsidiaries	369,164	6,256,850
- to others	-	312,264
	<b>201,023,382</b>	<b>187,083,227</b>

**12. Trade receivables**

	As at	
	31 March 2015	31 March 2014
(Unsecured, considered good)		
<b>Due for a period exceeding six months</b>		
- Receivable from holding company	2,826,100	2,826,100
	<b>2,826,100</b>	<b>2,826,100</b>

**13. Cash and cash equivalents**

	As at	
	31 March 2015	31 March 2014
Cash on hand	268	3,595
Balances with banks in current accounts	7,675,140	76,384
	<b>7,675,408</b>	<b>79,979</b>

**14. Other income**

	For the year ended	
	31 March 2015	31 March 2014
Interest income from jointly controlled entities	21,878,517	21,878,517
Interest on Income tax refund	651,606	561,757
Income from Mutual funds	205,783	-
Other Income	449,440	-
	<b>23,185,346</b>	<b>22,440,274</b>



**Gayatri Infra Ventures Limited****Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**15. Employee benefits expense**

	For the year ended	
	31 March 2015	31 March 2014
Salaries and wages	1,929,000	2,448,000
	<u>1,929,000</u>	<u>2,448,000</u>

**16. Finance costs**

	For the year ended	
	31 March 2015	31 March 2014
Interest expense	235,858,056	228,154,525
Other borrowing costs	3,873,964	7,584,571
	<u>239,732,020</u>	<u>235,739,096</u>

**17. Other expenses**

	For the year ended	
	31 March 2015	31 March 2014
Rates and taxes	3,397,266	5,975,366
Repairs and maintenance - others	16,696	19,443
Legal and professional charges	23,500	269,428
Payments to the auditor as		
- audit fees	337,080	337,080
- other matters	955,060	955,060
Travelling and conveyance	9,960	21,990
Director's sitting fees	15,000	20,000
Miscellaneous expenses	48,959	15,577
	<u>4,803,521</u>	<u>7,613,944</u>

**18. Contingent liabilities and commitments:**

	As at	
	31 March 2015	31 March 2014
<i>Contingent liability</i>		
Disputed income tax dues	<u>892,926</u>	<u>892,926</u>
<i>Commitments</i>		
Joint and several liability in respect of associate and other projects	<u>Not ascertainable</u>	<u>Not ascertainable</u>

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**Gayatri Infra Ventures Limited****Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**19. Related party transactions****a) Names of the related parties and description of relationship**

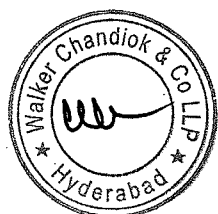
Name of the related party	Nature of relationship
Gayatri Projects Limited	Holding Company
Gayatri Jhansi Roadways Limited	Subsidiary Companies
Gayatri Lalitpur Roadways Limited	
Indore Dewas Tollways Limited	Fellow Subsidiary
Hyderabad Expressways Limited	Jointly Controlled Entities
Cyberabad Expressways Limited	
Western UP Tollway Limited	
HKR Roadways Limited	Enterprises in which KMP and/or their relatives have significant influence
Balaji Highways Holding Private Limited	

**b) Transactions with related parties**

	For the year ended	
	31 March 2015	31 March 2014
<b>Transactions with Gayatri Projects Limited</b>		
<i>Payments made on behalf of the Company</i>		
- Interest on loans	203,000,000	248,116,702
- Salaries	-	2,167,100
- Loan management fees	-	13,651,740
<i>Amounts received by the Company</i>		
- Unsecured loan	37,595,583	-
<b>Transactions with Hyderabad Expressways Limited</b>		
Reimbursement of expenses	224,720	224,720
<b>Transactions with Cyberabad Expressways Limited</b>		
Interest on advances	21,878,517	21,878,517
Reimbursement of expenses	224,720	224,720
<b>Transactions with HKR Roadways Limited</b>		
- Salaries paid on behalf of the company	209,600	-
- Allotment of shares against advances made	4,950,000	-
<b>Transactions with Balaji Highways Holding Private Limited</b>		
Interest free advance	50,000	-

**c) Balances receivable / (payable)**

	As at	
	31 March 2015	31 March 2014
Gayatri Projects Limited	(515,953,182)	(275,357,599)
Gayatri Jhansi Roadways Limited	191,800,060	191,800,060
Gayatri Lalitpur Roadways Limited	143,820,000	143,820,000
Indore Dewas Tollways Limited	363,000,000	368,937,686
Hyderabad Expressways Limited	331,549,440	331,324,720
Cyberabad Expressways Limited	413,954,778	394,039,393
Western UP Tollway Limited	378,790,004	378,790,004
HKR Roadways Limited	678,927,709	684,399,573
Balaji Highways Holding Private Limited	369,164	319,164



**Gayatri Infra Ventures Limited****Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**20. Deferred tax**

In the absence of virtual certainty of future taxable profits supported by convincing evidence, the Company has not created deferred tax assets on unabsorbed business losses and other timing differences. The Company would be able to use unabsorbed tax depreciation and business losses to set off against future taxable income for a specified period.

**21. Segment reporting**

Based on the Company's business model and considering the internal financial reporting to the management, the business of construction in the transport infrastructure along with the investment in subsidiaries and joint ventures has been considered as the only reportable segment. Further all the services are rendered only in India. Hence there are no additional disclosures required to be provided in terms of Accounting Standard 17, "Segment Reporting".

**22. Investments in joint ventures**

The Company's interest, as a venturer, in jointly controlled entities (incorporated Joint Ventures) is:

Name of joint venture	Country of incorporation	Percentage of ownership interests as at 31 March 2015	Percentage of ownership interests as at 31 March 2014
Hyderabad Expressways Limited	India	50%	50%
Cyberabad Expressways Limited	India	50%	50%
Western UP Tollway Limited	India	49%	49%

The Company's interest in these Joint Ventures is reported as Non-current investments (Note 10) and stated at cost. However, the Company's share of each of the assets, liabilities, income and expenses, etc. (each without elimination of the effect of transactions between the Company and the Joint Venture) related to its interests in these Joint Ventures are:

	As at	
	31 March 2015	31 March 2014
<b>Assets</b>		
<b>Non-current assets</b>		
Fixed assets		
- Tangible assets	2,289,026	3,893,763
- Intangible assets	5,796,672,623	6,315,225,554
- Intangible assets under development	51,740,601	21,340,763
Long term loans and advances	298,845	1,211,372
Other non-current assets	16,134,951	10,145,309
<b>Current assets</b>		
Current investments	-	13,301,813
Trade receivables	20,528,779	23,028,779
Cash and cash equivalents	140,244,518	45,147,206
Short-term loans and advances	185,794,769	173,778,870
Other current assets	296,710,474	285,290,341



**Gayatri Infra Ventures Limited****Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**22. Investments in joint ventures (continued)**

	As at	
	31 March 2015	31 March 2014
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Long-term borrowings	4,625,821,169	5,115,884,740
Other long-term liabilities	308,676,977	277,947,941
Long-term provisions	228,219,917	195,901,003
<b>Current liabilities</b>		
Short-term borrowings	344,413,592	319,178,601
Trade payables	28,360,929	22,499,976
Other current liabilities	752,085,291	674,076,621
Short-term provisions	105,018,625	27,917,187
<b>Income</b>		
Revenue from operations	1,228,493,625	1,193,243,748
Other income	20,619,122	23,827,415
<b>Expenses</b>		
Employee benefits expense	10,666,324	10,081,370
Finance costs	635,108,377	672,204,722
Depreciation and amortisation	519,850,988	511,772,868
Operation and maintenance expenses	121,631,818	99,802,282
Other expenses	104,756,835	103,375,375
<b>Capital Commitments</b>		
	Not ascertainable	Not ascertainable

**23. Comparatives**

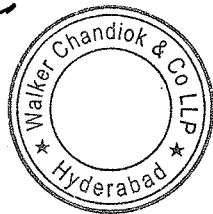
The financial statements for the previous period have been regrouped / rearranged to conform to the current year presentation wherever required.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

*Walker Chandio & Co LLP*  
For Walker Chandio & Co LLP

Chartered Accountants

*Sanjay Kumar Jain*  
per Sanjay Kumar Jain  
Partner



Place: Hyderabad  
Date: 20 May 2015

For and on behalf of the Board of Directors of  
Gayatri Infra Ventures Limited

*T.V. Sandeep Kumar Reddy*  
T.V. Sandeep Kumar Reddy  
Director  
(DIN : 00005573)

Place: Hyderabad  
Date: 20 May 2015

*J. Brij Mohan Reddy*  
J. Brij Mohan Reddy  
Director  
(DIN : 00012927)

Independent Auditor's Report and Consolidated  
Financial Statements

Gayatri Infra Ventures Limited

For the Year Ended 31 March 2015

# **Contents**

**Independent Auditor's Report**

**Consolidated Balance Sheet**

**Consolidated Statement of Profit and Loss**

**Consolidated Cash Flow Statement**

**Summary of significant accounting policies and other explanatory information**

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
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## **Independent Auditor's Report**

### **To the Members of Gayatri Infra Ventures Limited**

#### **Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of Gayatri Infra Ventures Limited, ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entities, which comprise the Consolidated Balance Sheet as at 31 March 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Consolidated Financial Statements**

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and its jointly controlled entities, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors, and the respective Board of Directors of the subsidiaries included in the Group, and of its jointly controlled entities are responsible for the design, implementation and maintenance of internal control

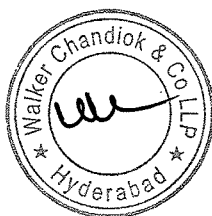




relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms with the provisions of the Act, the respective Board of Directors of the Holding Company and its subsidiaries and jointly controlled entities, are responsible for maintenance of adequate accounting records; safeguarding the assets; 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, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. 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 auditor's report under the provisions of the Act and the Rules made thereunder.
5. 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 the consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.
7. 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 sub-paragraph 10(a) of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.



## Basis for Qualified Opinion

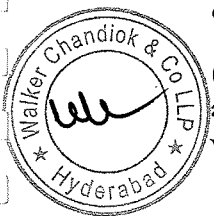
8. The independent auditors of Gayatri Jhansi Roadways Limited and Gayatri Lalitpur Roadways Limited, the subsidiaries of the Holding Company, have qualified their auditor's report on the financial statements for the year ended 31 March 2015 in connection with the following matters:
  - i. For non-compliances with the provisions of Accounting Standard – 29, where in Gayatri Jhansi Roadways Limited and Gayatri Lalitpur Roadways Limited have not disclosed contingent liabilities to the extent of ₹1,202,718,645 (31 March 2014: ₹1,202,718,645) and ₹996,673,320 (31 March 2014: ₹996,673,320), respectively, on account of escalation claims raised by the EPC contractor and not acknowledged as debts.
  - ii. Loans and advances of Gayatri Jhansi Roadways Limited and Gayatri Lalitpur Roadways Limited include receivables of ₹272,960,257 (31 March 2014: ₹272,960,257) and ₹283,594,725 (31 March 2014: ₹283,594,725), respectively, given to Gayatri Projects Limited and is doubtful of recovery. The Hon'ble High Court of Andhra Pradesh has appointed an arbitrator in respect of this matter and the related proceedings are under progress.

## Qualified Opinion

9. 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 reports of the other auditors on the financial statements of the subsidiaries and jointly controlled entities as noted below, except for the effects and possible effects of the matters described in sub-paragraphs 8(i) and 8(ii) respectively of the Basis for Qualified Opinion paragraph above, the aforesaid consolidated 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 of the Group and its jointly controlled entities as at 31 March 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

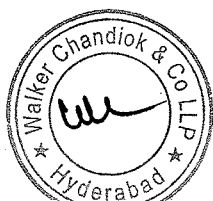
## Other Matter

10. (a) We did not audit the financial statements of two subsidiaries and three jointly controlled entities, included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹12,618,975,567 as at 31 March 2015, total revenues (after eliminating intra-group transactions) of ₹2,336,567,791 and net cash flows amounting to ₹215,783,311 for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entities, is based solely on the reports of the other auditors.
  - (b) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.



## Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, and based on the comments in the auditor's reports of the subsidiaries and jointly controlled entities, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143(3) of the Act, and based on the auditor's reports of the subsidiaries and jointly controlled entities, 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 financial statements;
  - b) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c) The consolidated 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 financial statements;
  - d) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended);
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiaries and jointly controlled entities, none of the directors of the Group companies and its jointly controlled entities, incorporated in India is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) 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, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) Except for the possible effects of the matters described in the Basis of Qualified Opinion Paragraph, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entities, as detailed in note 26;

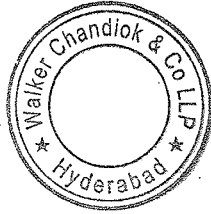


# Walker Chandiok & Co LLP

- (ii) The Group and its jointly controlled entities 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, and its subsidiaries and joint controlled entities.

*Walker Chandiok & Co LLP*  
For Walker Chandiok & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

*Sanjay*  
per Sanjay Kumar Jain  
Partner  
Membership No.: 207660



Place: Hyderabad

Date: 20 May 2015

**Annexure to the Independent Auditor's Report of even date to the members of  
Gayatri Infra Ventures Limited, on the consolidated financial statements for the year  
ended 31 March 2015**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the consolidated financial statements of the Holding 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 based on the comments in the auditor's reports of the subsidiaries and jointly controlled entities incorporated in India, we report that:

- (i) (a) The Group and its jointly controlled entities incorporated in India have 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 of the Group and its jointly controlled entities 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 Group and its jointly controlled entities, and the nature of their assets.
- (ii) (a) The Group and its jointly controlled entities do not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Group and its jointly controlled entities have not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) Owing to the nature of its business, the Group and its jointly controlled entities do not maintain any physical inventories or sell any goods. Accordingly, clause 3(iv) of the Order with respect to purchase of inventories and sale of goods is not applicable. In our opinion, there is an adequate internal control system commensurate with the size of the Group and its jointly controlled entities and the nature of their businesses for the purchase of fixed assets, development and maintenance of intangible assets and recognition and collection of annuities. During the course of our audit, no major weakness has been noticed in the internal control system in respect of this area.
- (v) The Group and its jointly controlled entities have 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.



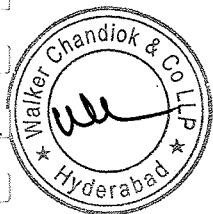
**Annexure to the Independent Auditor's Report of even date to the members of Gayatri Infra Ventures Limited, on the consolidated financial statements for the year ended 31 March 2015**

- (vi) According to the information and explanations given to us, we are of the opinion that, prima facie, the prescribed accounts and records pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of services of the Group and its jointly controlled entities have been made and maintained except in case of the Holding Company, wherein owing to the nature of the operations, the Holding Company does not have any revenue from sale of products or services during the year. Accordingly, the provisions relating to maintenance of cost records specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of its activities are not applicable. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) The Group and its jointly controlled entities are regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities except in case of the Holding company, wherein, the undisputed statutory dues have not been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable, except in case of the Holding company, wherein the details of the dues outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Due date	Date of payment
Income Tax Act, 1961	Tax deducted at source	7,730,573	Financial year 2013-14	Various dates	Not yet paid
Income Tax Act, 1961	Tax deducted at source	10,294,125	Financial year 2014-15	Various dates	Not yet paid
The Finance Act, 1994	Service tax	5,500,178	Financial year 2012-13	5 September 2012	Not yet paid

- (b) There are no dues in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess that have not been deposited with the appropriate authorities on account of any dispute, except in case of the Holding company, wherein the dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess 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 2008-09	Commissioner of Income-tax (Appeals), Hyderabad



**Annexure to the Independent Auditor's Report of even date to the members of Gayatri Infra Ventures Limited, on the consolidated financial statements for the year ended 31 March 2015**

- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its jointly controlled entities in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder. Accordingly, the provisions of clause 3(vii)(c) of the Order are not applicable.
- (viii) The accumulated losses of two subsidiaries and two jointly controlled entities at the end of the financial year are more than fifty percent of its net worth. The accumulated losses of the Holding company and one jointly controlled entity at the end of the financial year are less than fifty percent of its net worth. The Group and its jointly controlled entities have not incurred cash losses during the year as well as in the immediately preceding year except in case of the Holding company which incurred cash losses in the current and the immediately preceding financial year.
- (ix) The Group and its jointly controlled entities have no dues payable to debenture-holders during the year. The Holding Company has no dues payable to any bank during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable. However, the Holding Company has defaulted in the repayment of interest amounting to ₹267,491,779 to financial institutions during the year, with the period of delays ranging from 30 to 394 days. Of these, an amount of ₹203,000,000 was paid before the balance sheet date and the unpaid overdue interest as at 31 March 2015 are ₹64,491,779. Two subsidiaries and two jointly controlled entities have not defaulted in repayment of dues to any bank and there are no dues payable to financial institutions during the year by those subsidiaries and jointly controlled entities. One jointly controlled entity has defaulted in repayment of dues to the banks and financial institution during the year and the period and amount of continuing default as on the Balance sheet date is as follows:

Name of the bank	Amount (₹)	Due date	Delay in days
Allahabad Bank	16,187,500	31 March 2015	1 day
Central Bank of India	24,500,000	31 March 2015	1 day
Dena Bank	17,937,500	31 March 2015	1 day
Indian Bank	24,500,000	31 March 2015	1 day
ICICI Bank	16,187,500	31 March 2015	1 day
United Bank of India	25,073,125	31 March 2015	1 day
Vijaya Bank	16,187,500	31 March 2015	1 day
IIFCL	24,062,500	31 March 2015	1 day

- (x) The Group and its jointly controlled entities have not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable.



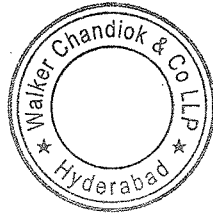
# Walker Chandiok & Co LLP

## Annexure to the Independent Auditor's Report of even date to the members of Gayatri Infra Ventures Limited, on the consolidated financial statements for the year ended 31 March 2015

- (xi) According to the information and explanations given to us, the Group and its jointly controlled entities have applied the term loans for the purpose for which these loans were obtained.
- (xii) No fraud on or by the Group and its jointly controlled entities have been noticed or reported during the period covered by our audit.

*Walker Chandiok & Co LLP*  
For Walker Chandiok & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

*Sanjay*  
per Sanjay Kumar Jain  
Partner  
Membership No.: 207660



Place : Hyderabad

Date : 20 May 2015



**Gayatri Infra Ventures Limited**  
**Consolidated Balance Sheet as at 31 March 2015**  
(All amount in ₹ unless otherwise stated)

	Notes	As at	
		31 March 2015	31 March 2014
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	6	17,708,330	17,708,330
Reserves and surplus	7	503,055,727	907,828,029
		<b>520,764,057</b>	<b>925,536,359</b>
Minority interest		150,191,726	189,635,455
<b>Non-current liabilities</b>			
Long-term borrowings	8	8,857,760,147	9,543,386,044
Other long-term liabilities	9	57,278,066	26,549,030
Long-term provisions	10	228,011,404	195,901,003
		<b>9,143,049,617</b>	<b>9,765,836,077</b>
<b>Current liabilities</b>			
Short-term borrowings	11	621,662,434	354,781,861
Trade payables	12	63,534,203	55,662,484
Other current liabilities	13	2,535,514,532	2,452,531,243
Short-term provisions	10	646,018,000	488,862,896
		<b>3,866,729,169</b>	<b>3,351,838,484</b>
		<b>13,680,734,569</b>	<b>14,232,846,375</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
- Tangible assets	14	2,554,999	5,197,924
- Intangible assets	15	10,405,151,249	11,192,724,025
- Intangible assets under development		53,651,907	23,252,069
Non-current investments	16	5,273,270	323,270
Long-term loans and advances	17	1,208,002,869	1,150,070,818
		<b>11,674,634,294</b>	<b>12,371,568,106</b>
<b>Current assets</b>			
Current investments	16	-	13,301,813
Trade receivables	18	574,842,456	598,453,088
Cash and cash equivalents	19	497,303,168	273,924,428
Short-term loans and advances	17	682,942,316	753,824,363
Other current assets	20	251,012,335	221,774,577
		<b>2,006,100,275</b>	<b>1,861,278,269</b>
		<b>13,680,734,569</b>	<b>14,232,846,375</b>

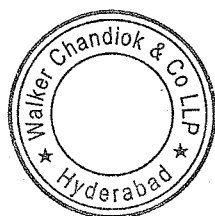
The accompanying notes 1 to 31 form an integral part of these consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

*Walker Chandiook & Co UP*  
For Walker Chandiook & Co LLP

Chartered Accountants

*Sanjay Kumar Jain*  
per Sanjay Kumar Jain  
Partner



Place: Hyderabad  
Date: 20 May 2015

For and on behalf of the Board of Directors of  
**Gayatri Infra Ventures Limited**

*T.V. Sandeep Kumar Reddy*  
T.V. Sandeep Kumar Reddy  
Director  
(DIN : 00005573)

*J. Brij Mohan Reddy*  
J. Brij Mohan Reddy  
Director  
(DIN : 00012927)

Place: Hyderabad  
Date: 20 May 2015

**Gayatri Infra Ventures Limited****Consolidated Statement of Profit and Loss for the year ended 31 March 2015**

(All amount in ₹ unless otherwise stated)

	Notes	For the year ended	
		31 March 2015	31 March 2014
<b>I. Revenue from operations</b>	21	2,306,493,625	2,271,307,778
<b>II. Other income</b>	22	30,931,555	32,842,702
<b>III. Total revenue</b>		<b>2,337,425,180</b>	<b>2,304,150,480</b>
<b>IV. Expenses</b>			
- Employee benefits expense	23	29,334,709	28,103,444
- Finance costs	24	1,402,853,524	1,462,716,099
- Depreciation and amortisation expense	14 and 15	915,097,433	811,055,242
- Other expenses	25	435,961,636	383,456,157
- Prior period items, net		(2,541,325)	(1,508,124)
<b>Total expenses</b>		<b>2,780,705,977</b>	<b>2,683,822,818</b>
<b>V. Loss before tax</b>		<b>(443,280,797)</b>	<b>(379,672,338)</b>
<b>VI. Tax expense</b>			
- Current tax		507,417	5,352,035
<b>VII. Loss for the year</b>		<b>(443,788,214)</b>	<b>(385,024,373)</b>
Share of loss to minority		(39,443,729)	(3,496,769)
Share of loss attributable to owners of the parent		<b>(404,344,485)</b>	<b>(381,527,604)</b>
<b>VIII. Earnings/(loss) per equity share (EPES)</b>			
-Basic and diluted		(228.34)	(215.45)
Weighted average number of equity shares considered in computation of basic and diluted EPES		1,770,833	1,770,833
Nominal value per equity share		10	10

The accompanying notes 1 to 31 form an integral part of these consolidated financial statements.

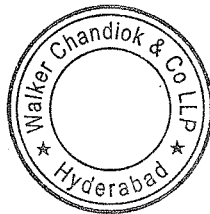
This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

*Walker Chandio & Co UP*

For Walker Chandio & Co LLP

Chartered Accountants

*Sanjay Kumar Jain*  
per Sanjay Kumar Jain  
Partner



For and on behalf of the Board of Directors of  
Gayatri Infra Ventures Limited

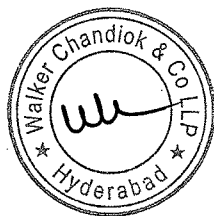
*T.V. Sandeep Kumar Reddy* *J. Brij Mohan Reddy*  
Director Director  
(DIN : 00005573) (DIN : 00012927)

Place: Hyderabad  
Date: 20 May 2015

Place: Hyderabad  
Date: 20 May 2015

**Gayatri Infra Ventures Limited**  
**Consolidated Cash Flow Statement for the year ended 31 March 2015**  
(All amount in ₹ unless otherwise stated)

	For the year ended	
	31 March 2015	31 March 2014
<b>Cash flow from operating activities</b>		
Loss before taxation	(443,280,797)	(379,672,338)
<b>Adjustments for:</b>		
Depreciation and amortisation	915,097,433	811,055,242
Interest income	(915,649)	(908,901)
Income from mutual funds	(27,996,712)	(26,207,320)
Interest on borrowings	1,391,678,794	1,446,570,048
Profit on sale of fixed assets	(42,301)	-
<b>Operating profit before working capital changes</b>	<b>1,834,540,768</b>	<b>1,850,836,731</b>
<b>Changes in working capital:</b>		
Increase/(decrease) in trade payables	7,871,719	(92,105,174)
(Decrease)/increase in other current liabilities	(20,159,366)	62,427,015
Increase in provisions	189,265,505	195,845,812
Decrease in trade receivables	23,610,632	7,644
Decrease in short-term loans and advances	70,882,047	349,385,966
Increase in other current assets	(29,237,758)	(2,085,838)
<b>Cash from operating activities before income tax</b>	<b>242,232,779</b>	<b>513,475,425</b>
Less: Income taxes paid	(24,066,517)	(17,480,408)
<b>Net cash generated from operating activities</b>	<b>(A) 2,052,707,030</b>	<b>2,346,831,748</b>
<b>Cash flow from investing activities</b>		
Interest received	915,649	908,901
Income from mutual funds	27,996,712	26,207,320
Purchase of fixed assets	(90,453)	(1,141,086)
Sale of fixed assets	167,502	-
Expenditure on intangible assets	(195,067,086)	(146,653,064)
Investment in/proceeds from in mutual funds (net)	13,301,813	(13,301,813)
<b>Net cash used in investing activities</b>	<b>(B) (152,775,863)</b>	<b>(133,979,742)</b>
<b>Cash flow from financing activities</b>		
Interest paid	(1,387,659,110)	(1,545,581,502)
Repayment of long-term borrowings	(555,773,890)	(570,544,292)
Proceeds from short-term borrowings, net	266,880,573	24,292,967
<b>Net cash used in financing activities</b>	<b>(C) (1,676,552,427)</b>	<b>(2,091,832,827)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(A+B+C) 223,378,740</b>	<b>121,019,179</b>
Cash and cash equivalents at the beginning of the year	273,924,428	152,905,249
<b>Cash and cash equivalents at the end of the year</b>	<b>497,303,168</b>	<b>273,924,428</b>



**Gayatri Infra Ventures Limited**

**Consolidated Cash Flow Statement for the year ended 31 March 2015**

(All amount in ₹. unless otherwise stated)

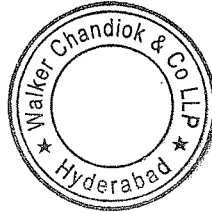
	For the year ended	
	31 March 2015	31 March 2014
<b>Cash and cash equivalents comprises of:</b>		
Cash on hand	950,358	1,259,405
Balances with banks	496,352,810	272,665,023
	<u>497,303,168</u>	<u>273,924,428</u>

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

*Walker Chandio & Co LLP*  
For Walker Chandio & Co LLP

Chartered Accountants

*Sanjay Kumar Jain*  
per Sanjay Kumar Jain  
Partner



Place: Hyderabad  
Date: 20 May 2015

For and on behalf of the Board of Directors of  
**Gayatri Infra Ventures Limited**

*T.Y. Sandeep Kumar Reddy*  
T.Y. Sandeep Kumar Reddy  
Director  
(DIN : 00005573)

*J. Brij Mohan Reddy*  
J. Brij Mohan Reddy  
Director  
(DIN : 00012927)

Place: Hyderabad  
Date: 20 May 2015

**Gayatri Infra Ventures Limited**  
**Summary of significant accounting policies and other explanatory information**  
(All amounts in ₹ unless otherwise stated)

**1. Group Overview**

Gayatri Infra Ventures Limited (“the Company”) was incorporated on 22 January 2008 under the provisions of the erstwhile Companies Act, 1956. The Company, on its own and through its subsidiaries (collectively referred to as the ‘Group’) and 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 does investments in companies engaged in the construction, operations and maintenance of roads, highways, vehicle bridges and tunnels and toll roads. Considering the nature of operations of the Company, the management is of the view that the Company does not get classified as a Non-banking Finance Company, in accordance with the guidelines of the Reserve Bank of India. The Company is a subsidiary of Gayatri Projects Limited, India.

**2. Basis of preparation of financial statements**

The consolidated financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India (“Indian GAAP”) and in compliance with the mandatory accounting standards (“AS”) as prescribed under Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). 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.

**3. Basis of consolidation**

The consolidated financial statements relate to Gayatri Infra Ventures Limited (the Company) and its subsidiary companies and jointly controlled entities. These Consolidated Financial Statements have been prepared on the following basis:

i. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items like assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits and losses as per Accounting Standard 21 – “Consolidated Financial Statements”.

ii. Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and the equity of the company's shareholders. Minority Interest in the net assets of consolidated subsidiaries consists of:

- The amount of equity attributable to minorities at the date on which investment in a subsidiary is made and
- The minorities' share of movements, if any, in equity since the date the parent-subsidiary relationship came into existence.

iii. Minority interest's share of net profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.



## Gayatri Infra Ventures Limited

### Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

#### 3. Basis of consolidation (continued)

iv. The financial statements of jointly controlled entities have been consolidated using the “proportionate consolidation method” as per Accounting Standard 27 on “Financial Reporting of Interests in Joint Ventures” on line by line basis by adding together the book values of assets, liabilities, income and expenses after eliminating unrealized profits/losses on intra group transactions.

v. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s standalone financial statements.

#### 4. List of subsidiaries and jointly controlled entities consolidated:

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

	% Interest	
	31 March 2015	31 March 2014
<b>Subsidiaries</b>		
Gayatri Jhansi Roadways Limited	50.99%	50.99%
Gayatri Lalitpur Roadways Limited	51.00%	51.00%
<b>Jointly Controlled Entities</b>		
Cyberabad Expressways Limited	50.00%	50.00%
Hyderabad Expressways Limited	50.00%	50.00%
Western UP Tollways Limited	49.00%	49.00%

Note: Indore Dewas Tollways Limited, the company in which Gayatri Infra Ventures Limited holds an equity interest of 33.32% (31 March 2014: 33.32%) has been considered as a subsidiary of Gayatri Projects Limited, Holding Company for the purpose of consolidation in accordance with the provisions of Accounting Standard – 21, “Consolidated Financial Statements”.

#### 5. Summary of significant accounting policies

##### (a) 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, total projected revenue from a carriageway related to toll based road projects and useful lives of fixed assets.

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



**Gayatri Infra Ventures Limited**  
**Summary of significant accounting policies and other explanatory information**  
(All amounts in ₹ unless otherwise stated)

**5. Summary of significant accounting policies (continued)**

**(b) Revenue Recognition**

*Contract revenue*

- Revenue from construction contracts is recognised using percentage of completion method as prescribed under AS 7 "Construction Contracts" and with reference to stage of completion of the contract activity at the reporting date. Depending on the nature and terms of individual contract, stage of completion is determined on the basis of the proportion of costs incurred for the work performed till date to the total estimated contract costs.
- Price escalation and other claims and / or variation in the contract work are included in contract revenue when:
  - Negotiations have reached at an advanced stage such that it is probable that customer will accept the claim; and
  - The amount that is probable will be accepted by the customer can be measured reliably.
- Revenue from services rendered on a time and material basis is recognised as per the terms of contracts with customers and as and when the related services are performed. Revenue from fixed price arrangements is recognised using the completed contract method and accordingly, work completed and not billed, if any, is recognised as unbilled revenue as at the Balance Sheet date.

*Development of highways*

In case of companies involved in construction and maintenance of roads, toll revenue from operations is recognised on accrual basis which coincides with the collection of toll. In annuity based projects, revenue recognition is based on annuity accrued on time basis in accordance with the provisions of the concessionaire agreement entered into with NHAI or with respective state governments. Claims raised on NHAI or with respective state governments under concessionaire agreement are accounted for in the year of acceptance.

*Interest Income*

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

*Dividend income*

Dividend income is accounted for when the right to receive is established.

**(b) Fixed Assets**

*Tangible 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.



**Gayatri Infra Ventures Limited**  
**Summary of significant accounting policies and other explanatory information**  
(All amounts in ₹ unless otherwise stated)

**5. Summary of significant accounting policies (continued)**

**(b) Fixed Assets (continued)**

*Intangible assets*

Carriageways represents commercial rights to collect toll fee in relation to roads projects and to receive annuity in the case of annuity based 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.

**(c) Depreciation and Amortisation**

*Depreciation*

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

*Amortisation*

Carriageways related to annuity based projects are amortised over the period of the respective Concession Agreements on a straight line basis.

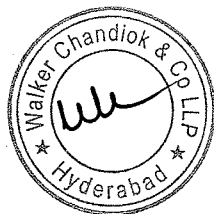
Carriageways related to toll based road projects are amortised based on proportion of actual revenue received during the accounting year to the total projected revenue till the end of the concession period in accordance with notification dated 17 April 2012 issued by the Ministry of Corporate Affairs, Government of India.

The total projected revenue for the entire useful life is reviewed at the end of each financial year for expected changes in traffic and adjusted to reflect any changes in the estimate which will lead to actual collection at the end of useful life.

Intangible assets representing carriageways are amortised over the concession period, ranging from 10 to 20 years, which is beyond the maximum period of 10 years as specified in AS 26 on Intangible Assets, as the economic benefits from the underlying assets would be available to the Group over such period as per the respective concessionaire agreements.

**(d) 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.





**Gayatri Infra Ventures Limited**  
**Summary of significant accounting policies and other explanatory information**  
(All amounts in ₹ unless otherwise stated)

**5. Summary of significant accounting policies (continued)**

**(e) Grants**

Grants or subsidies from the government or any regulatory authority are recognised when there is reasonable assurance that the grant/subsidy will be received and all conditions attached to the grant/subsidy will be complied with.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant or subsidy relates to an asset, the grant or subsidy amount (net of direct amount incurred to earn aforesaid grant or subsidy) is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

**(f) Employee benefits**

*Gratuity*

In accordance with the Payment of Gratuity Act, 1972, the Group and its jointly controlled entities provide for gratuity covering eligible employees (a defined benefit plan). Liability on account of gratuity is provided on the basis of valuation of the liability by an independent actuary as at year end.

*Compensated absences*

Liability for compensated absence is provided on the basis of valuation by an independent actuary as at year end.

*Provident fund*

Contributions to Provident Fund (a defined contribution plan) made to Regional Provident Fund Commissioner are recognized as expense in the year in which contribution is made.

**(g) Borrowing Cost**

Borrowing Costs that are attributable to the acquisition and construction 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.

**(h) Investments**

Investments are classified as current and non-current investments. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Non-current investments are carried at cost less provision for permanent diminution, if any, in the value of such investments. Current investments are carried at lower of cost and fair value.



**Gayatri Infra Ventures Limited**  
**Summary of significant accounting policies and other explanatory information**  
(All amounts in ₹ unless otherwise stated)

**5. Summary of significant accounting policies (continued)**

**(i) Earnings/(loss) per equity share**

Basic earnings per equity share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

**(j) Taxes on Income**

*Current Tax*

Tax on income for the current year is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

*Deferred Tax*

Deferred Tax is recognized on timing differences between the accounting income and the taxable income for the year, and computed using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

At each reporting date, the entities in the group re-assess unrecognised deferred tax assets. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future periods. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets.

The carrying amount of deferred tax assets are reviewed at each reporting date. The entities in the group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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 tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

**(k) Cash and cash equivalents**

Cash and cash equivalents in the cash flow statement comprise of cash at bank and on hand and include short term investments with an original maturity of three months or less.

**(l) Provisions and contingent liabilities**

Provision is recognized when the Group and its jointly controlled entities has a present obligation as a result of a past event and when it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management's best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. A disclosure of a contingent liability is made when there is a possible or a present obligation that may, but probably will not, require an outflow of resources.



**Gayatri Infra Ventures Limited**  
**Summary of significant accounting policies and other explanatory information**  
(All amounts in ₹ unless otherwise stated)

**5. Summary of significant accounting policies (continued)**

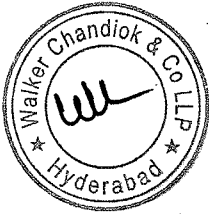
**(m) Segment reporting**

Segments are identified in line with Accounting Standard (AS) -17, "Segment Reporting", taking into considerations the internal organization and management structure as well as the different risk and returns of the segment.

**(n) Operating leases**

Leases where the lessor effectively retains substantially all the risks and rewards incidental to the ownership are classified as operating leases. Lease rents in respect of non-cancellable operating leases are recognized in the Statement of Profit and Loss on a straight line basis over the tenure of the lease.

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**Gayatri Infra Ventures Limited**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**6. Share capital**

	31 March 2015		31 March 2014	
	Number	Amount	Number	Amount
<b>Authorized:</b>				
Equity shares of ₹10 each	2,000,000	20,000,000	2,000,000	20,000,000
	<b>2,000,000</b>	<b>20,000,000</b>	<b>2,000,000</b>	<b>20,000,000</b>
<b>Issued, subscribed and fully paid-up:</b>				
Equity shares of ₹10 each	1,770,833	17,708,330	1,770,833	17,708,330
	<b>1,770,833</b>	<b>17,708,330</b>	<b>1,770,833</b>	<b>17,708,330</b>

**(a) Reconciliation of the number of equity shares outstanding at the beginning and end of the year**

	31 March 2015		31 March 2014	
	Number	Amount	Number	Amount
At the beginning and end of the year	1,770,833	17,708,330	1,770,833	17,708,330

**(b) Terms, rights and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The rights and preferences of each shareholder are in accordance with the shareholders' agreement dated 4 August 2008. 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.

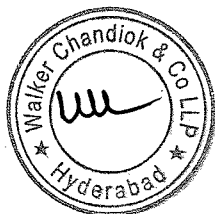
**(c) Details of equity shares held by holding company**

	31 March 2015		31 March 2014	
	Number	Amount	Number	Amount
Gayatri Projects Limited*	1,247,000	12,470,000	1,247,000	12,470,000

\* Includes 1,200,000 equity shares pledged in favour of IL & FS Financial Services Limited against term loan availed by the Company.

**(d) Details of shareholders holding more than 5% shares in the company :**

	31 March 2015		31 March 2014	
	Number	% holding	Number	% holding
Gayatri Projects Limited	1,247,000	70.42%	1,247,000	70.42%
AMP Capital Finance Mauritius Limited	520,833	29.41%	520,833	29.41%



**Gayatri Infra Ventures Limited****Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**7. Reserves and surplus**

	As at	
	31 March 2015	31 March 2014
<b>Securities premium account</b>		
Balance at the beginning and end of the year	2,199,619,577	2,199,619,577
<b>Capital reserve</b>		
Balance at the beginning of the year	-	276,262,000
Adjustments*	-	(276,262,000)
Balance at the end of the year	-	-
<b>Deficit in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	(1,291,791,548)	(910,263,944)
Add: Loss for the year	(404,344,485)	(381,527,604)
Add: Adjustments**	(427,817)	-
Balance at the end of the year	<b>(1,696,563,850)</b>	<b>(1,291,791,548)</b>
	<b>503,055,727</b>	<b>907,828,029</b>

\* Represents group's share of project grant received by Western UP Tollway Limited duly adjusted against the cost of carriageway.

\*\* Represents adjustment on account of change in estimated useful life of tangible assets in accordance with the provisions of Schedule II to Companies Act, 2013.

**8. Long-term borrowings**

	As at	
	31 March 2015	31 March 2014
<b>Secured</b>		
-from banks	5,530,796,403	5,927,558,573
-from others	3,609,018,357	3,768,030,077
	<b>9,139,814,760</b>	<b>9,695,588,650</b>
<b>Unsecured</b>		
-from others	1,350,000,000	1,350,000,000
-from related parties	569,174,603	569,174,603
	<b>11,058,989,363</b>	<b>11,614,763,253</b>
Less: Current maturities of long term borrowings	2,201,229,216	2,071,377,209
	<b>8,857,760,147</b>	<b>9,543,386,044</b>

**(a) Details of loans**

(i) Unsecured term loans aggregating to ₹1,350,000,000 (31 March 2014: ₹1,350,000,000) obtained by Gayatri Infra Ventures Limited is sought by way of:

(a) pledge of 1,200,000 Equity shares held by the holding company, M/s Gayatri Projects Ltd,

(b) corporate guarantee of Gayatri Projects Limited.

The facility carry interest at the rate as at 31 March 2015 of 16.00% per annum (31 March 2014: 16.00% per annum).



**Gayatri Infra Ventures Limited**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**8. Long-term borrowings (continued)**

- (ii) Secured terms loans aggregating to ₹2,058,151,180 (31 March 2014: ₹2,108,107,542) obtained by Gayatri Jhansi Roadways Limited is secured by way of:
- (a) First mortgage and charge of all the borrower's immovable properties, present and future.
- (b) First charge by way of hypothecation of:
- all the movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future.
  - operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future.
  - all intangibles, including but not limited to goodwill, uncalled capital, present and future.
  - Assignment or creation of security interest in i) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in the project documents, duly acknowledged and consented to by the relevant counter-parties to such project documents. ii) all the rights, title, interest, benefits, claims and demands whatsoever of the borrower in the clearances. iii) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantees, performance bond provided by any party to the Project Documents and iv) all Insurance Contracts/Insurance proceeds.
  - Escrow Account, Debt Service Reserve, other reserves and any other bank accounts of the borrower wherever maintained.
  - Pledge of all the shares (equity and preference) held by the sponsors representing 51% of the paid up share capital.

The facilities carry an interest rate of 11.20% per annum (31 March 2014: 11.20% per annum).

- (iii) Secured terms loans aggregating to ₹ 731,084,800 (31 March 2014: ₹722,642,800 ) obtained by Gayatri Jhansi Roadways Limited is secured by way of:
- (a) Second mortgage and charge of all the borrower's immovable properties, present and future.
- (b) Second charge by way of hypothecation of:
- all the movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future.
  - Operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future.
  - All intangibles, including but not limited to goodwill, uncalled capital, present and future.
  - Assignment or creation of security interest in i) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in the project documents, duly acknowledged and consented to by the relevant counter-parties to such project documents. ii) all the rights, title, interest, benefits, claims and demands whatsoever of the borrower in the clearances. iii) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantees, performance bond provided by any party to the Project Documents and iv) all Insurance Contracts/Insurance proceeds.
  - Escrow Account, Debt Service Reserve, other reserves and any other bank accounts of the borrower wherever maintained.
  - Pledge of all the shares (equity and preference) held by the sponsors representing 51% of the paid up share capital

The facilities carry an interest rate ranging from 11.50% to 12.85% per annum (31 March 2014: 10.95% to 12.80% per annum).



**Gayatri Infra Ventures Limited**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**8. Long-term borrowings (continued)**

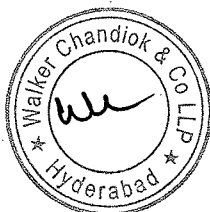
- (iv) Secured terms loans aggregating to ₹1,646,560,619 (31 March 2014: ₹1,734,505,627) obtained by Gayatri Lalitpur Roadways Limited is secured by way of:
- (a) First mortgage and charge of all the borrower's immovable properties, present and future.
- (b) First charge by way of hypothecation of:
- all the movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future.
  - operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future.
  - all intangibles, including but not limited to goodwill, uncalled capital, present and future.
  - Assignment or creation of security interest in i) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in the project documents, duly acknowledged and consented to by the relevant counter-parties to such project documents. ii) all the rights, title, interest, benefits, claims and demands whatsoever of the borrower in the clearances. iii) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantees, performance bond provided by any party to the Project Documents and iv) all Insurance Contracts/Insurance proceeds.
  - Escrow Account, Debt Service Reserve, other reserves and any other bank accounts of the borrower wherever maintained.
  - Pledge of all the shares (equity and preference) held by the sponsors representing 51% of the paid up share capital.

The facilities carry an interest rate of 11.25% per annum (31 March 2014: 11.25% per annum).

- (v) Secured terms loans aggregating to ₹430,938,940 (31 March 2014: ₹452,894,160) obtained by Gayatri Lalitpur Roadways Limited, is secured by way of:
- (a) Second mortgage and charge of all the borrower's immovable properties, present and future.
- (b) Second charge by way of hypothecation of:
- all the movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future.
  - Operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future.
  - All intangibles, including but not limited to goodwill, uncalled capital, present and future.
  - Assignment or creation of security interest in i) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in the project documents, duly acknowledged and consented to by the relevant counter-parties to such project documents. ii) all the rights, title, interest, benefits, claims and demands whatsoever of the borrower in the clearances. iii) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantees, performance bond provided by any party to the Project Documents and iv) all Insurance Contracts/Insurance proceeds.
  - Escrow Account, Debt Service Reserve, other reserves and any other bank accounts of the borrower wherever maintained.
  - Pledge of all the shares (equity and preference) held by the sponsors representing 51% of the paid up share capital

The facilities carry an interest rate ranging from 11.50% to 12.85% per annum (31 March 2014: 10.95% to 12.80% per annum).

- (vi) Unsecured term loans to the tune of ₹322,400,250 (31 March 2014: ₹322,400,250) borrowed by Gayatri Jhansi Roadways Limited and Gayatri Lalitpur Roadways Limited from its shareholder's represents zero interest subordinate loan repayable after the repayment of other secured loans from banks and financial institutions.



**Gayatri Infra Ventures Limited**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**8. Long-term borrowings (continued)**

(vii) Secured term loans aggregating to ₹1,347,166,009 (31 March 2014: ₹1,502,926,961) obtained by Cyberabad Expressways Limited is secured by way of first pari passu charge in favour of the lenders/security agent to the project by way of hypothecation of:

- a) All monies including annuity receivable from Hyderabad Growth Corridor Limited (HGCL) to the credit of the escrow Account.
- b) All rights, title, interest, benefits, claims and demands of the company under project agreements subject to the provisions of the concession agreement.
- c) Assignment of rights, title and interest to or in favor of the lenders pursuant to and in accordance with the substitution agreement as per the provisions of the financing documents of the project.

The facilities carry an interest rate of 11.50% per annum (31 March 2014: 11.50% per annum).

(viii) Secured term loans aggregating to ₹977,093,909 (31 March 2014: ₹1,104,362,660) obtained by Hyderabad Expressways Limited is secured by way of first pari passu charge in favour of the lenders/security agent to the project by way of hypothecation of:

- a) All monies including annuity receivable from HGCL to the credit of the escrow Account.
- b) All rights, title, interest, benefits, claims and demands of the company under project agreements subject to the provisions of the concession agreement.
- c) Assignment of rights, title and interest to or in favor of the lenders pursuant to and in accordance with the substitution agreement as per the provisions of the financing documents of the project.

The facilities carry an interest rate of 11.50% per annum (31 March 2014: 11.50% per annum).

(ix) Secured term loans aggregating to ₹1,948,819,303 (31 March 2014: ₹2,070,148,900) obtained by Western UP Tollways Limited are secured by way of:

- (a) first mortgage and charge in a form satisfactory to all company's immovable properties, present and future expect project assets.
- (b) first charge by way of hypothecation of all the company's movables, including movable plant and machinery, present and future except the project assets, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets.
- (c) A first charge on operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising present or future.
- (d) subject to provisions of provisions on concession agreement, first charge on the escrow account, debt service reserve, MMR and other reserves.
- (e) A first pledge of 100% of paid up capital till three years of commencement of commercial operations and thereafter minimum 51% of total paidup capital of the company held by the promoters during the tenure of the loan.

The facilities carry an interest rate ranging from 11.50% to 12.06% per annum (31 March 2014: 11.50% to 14.00% per annum).

(x) Unsecured term loans to the tune of ₹246,774,353 (31 March 2014: ₹246,774,353) is obtained by Western UP Tollways Limited from related parties carrying interest at the rate of 12% per annum (31 March 2014: 12% per annum).



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**Gayatri Infra Ventures Limited**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**(b) Terms of repayment for secured loans from banks and others and the unsecured loans from others**

	As at	
	31 March 2015	31 March 2014
Up to 1 year	2,201,229,216	2,071,377,209
2 to 5 years	4,320,151,140	3,556,813,920
Above 5 years	4,537,609,007	5,986,572,124
	<b>11,058,989,363</b>	<b>11,614,763,253</b>

**(c) Details of overdue installments of principal and interest on unsecured loans from banks and others**

	As at	
	31 March 2015	31 March 2014
<b>Principal</b>		
0-30 days	74,224,063	70,624,953
<b>Interest</b>		
0-30 days	19,118,142	44,424,542
30-90 days	51,940,116	75,165,659
90-180 days	3,404,779	1,296,930
above 180 days	7,793,695	1,609,820
	<b>82,256,731</b>	<b>122,496,950</b>

**9. Other long-term liabilities**

	As at	
	31 March 2015	31 March 2014
Interest accrued but not due*	57,278,066	26,549,030
	<b>57,278,066</b>	<b>26,549,030</b>

\* Represents interest on contractual dues payable to related parties.

**10. Provisions**

	As at	
	31 March 2015	31 March 2014
<b>a) Long-term</b>		
Provision for periodic maintenance		
As at beginning of the year	195,805,943	475,131,266
Add: Charge for the year	95,651,641	191,726,198
Less: Transferred during the year	(63,700,000)	(471,051,520)
As at end of the year	<b>227,757,584</b>	<b>195,805,943</b>
Provision for gratuity and compensated absences	253,820	95,060
	<b>228,011,404</b>	<b>195,901,003</b>
<b>b) Short-term</b>		
Provision for periodic maintenance	646,018,000	488,862,896
	<b>646,018,000</b>	<b>488,862,896</b>



**Gayatri Infra Ventures Limited****Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**11. Short-term borrowings**

	As at	
	31 March 2015	31 March 2014
<b>Unsecured</b>		
-from related parties	621,662,434	354,781,861
	<u>621,662,434</u>	<u>354,781,861</u>

Represents unsecured loans from related parties repayable on demand along with interest at the rate of 16% per annum (31 March 2014: 16% per annum).

**12. Trade payables**

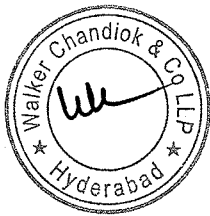
	As at	
	31 March 2015	31 March 2014
Sundry creditors	57,244,353	50,087,926
Other payables	6,289,850	5,574,558
	<u>63,534,203</u>	<u>55,662,484</u>

Based on information available with the Group and its jointly controlled entities, as at 31 March 2015 (31 March 2014: Nil), there are no suppliers who are registered as micro and small enterprises under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.

**13. Other current liabilities**

	As at	
	31 March 2015	31 March 2014
Current maturities of long-term borrowings (refer note 8)	2,201,229,216	2,071,377,209
Interest accrued and due on borrowings*	117,473,558	144,052,761
Interest accrued but not due on borrowings	64,196,866	64,327,015
Statutory liabilities	48,353,157	59,122,644
Dues to related party	25,014,028	82,506,809
Provision for expenses	79,247,707	31,144,805
	<u>2,535,514,532</u>	<u>2,452,531,243</u>

\* Includes interest accrued and due on short-term borrowings from related parties to the tune of ₹35,216,827 (31 March 2014: ₹21,555,811)



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**Gayatri Infra Ventures Limited**

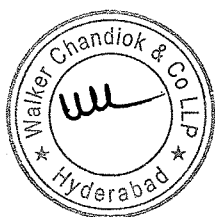
**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**14. Tangible Assets**

	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Computers	Total
<b>Gross block</b>						
As at 1 April 2013	362,732	922,378	6,128,929	1,414,188	2,022,863	10,851,090
Additions during the year	-	-	1,127,086	-	14,000	1,141,086
Disposals	-	-	-	-	-	-
As at 31 March 2014	362,732	922,378	7,256,015	1,414,188	2,036,863	11,992,176
Additions during the year	-	44,057	28,227	18,169	-	90,453
Disposals	-	-	880,909	-	-	880,909
Adjustments	-	-	1,091,550	499,660	502,870	2,094,080
As at 31 March 2015	<b>362,732</b>	<b>966,435</b>	<b>5,311,783</b>	<b>932,697</b>	<b>1,533,993</b>	<b>9,107,640</b>
<b>Depreciation</b>						
Up to 31 March 2013	246,530	459,763	3,133,712	693,965	1,089,486	5,623,456
Charge for the year	66,441	68,401	637,086	152,759	246,109	1,170,796
Deletions / adjustments	-	-	-	-	-	-
Up to 31 March 2014	312,971	528,164	3,770,798	846,724	1,335,595	6,794,252
Charge for the year	11,511	78,054	1,237,549	314,445	538,800	2,180,359
Deletions	-	-	755,709	-	-	755,709
Adjustments	-	-	953,494	365,414	347,353	1,666,261
Up to 31 March 2015	<b>324,482</b>	<b>606,218</b>	<b>3,299,144</b>	<b>795,755</b>	<b>1,527,042</b>	<b>6,552,641</b>
<b>Net block</b>						
As at 31 March 2015	<b>38,250</b>	<b>360,217</b>	<b>2,012,639</b>	<b>136,942</b>	<b>6,951</b>	<b>2,554,999</b>
As at 31 March 2014	49,761	394,214	3,485,217	567,464	701,268	5,197,924

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**Gayatri Infra Ventures Limited****Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**15. Intangible assets**

Carriage way	As at	
	31 March 2015	31 March 2014
<b>Gross block</b>		
At the beginning of the year	13,729,644,626	13,153,100,469
Additions during the year	125,344,298	852,806,157
Adjustments (refer note 7)	-	276,262,000
At the end of the year	<b>13,854,988,924</b>	<b>13,729,644,626</b>
<b>Accumulated amortisation</b>		
At the beginning of the year	2,536,920,601	1,727,036,155
Charge for the year	912,917,074	809,884,446
At the end of the year	<b>3,449,837,675</b>	<b>2,536,920,601</b>
<b>Net block</b>	<b>10,405,151,249</b>	<b>11,192,724,025</b>

**16. Investments**

	As at	
	31 March 2015	31 March 2014
<b>a) Non-current</b>		
<b>Unquoted trade investments of ₹10 each fully paid:</b>		
<b>-fellow subsidiaries</b>		
16,680 equity shares (31 March 2014: 16,680), representing 33.36% (31 March 2014: 33.36%) in Indore Dewas Tollways Limited	166,800	166,800
	<b>166,800</b>	<b>166,800</b>
<b>-others</b>		
510,647 equity shares (31 March 2014: 15,647), representing 11.00% (31 March 2014: 11.00%) in HKR Roadways Limited	5,106,470	156,470
	<b>5,106,470</b>	<b>156,470</b>
<b>Aggregate amount of unquoted investments, at cost</b>	<b>5,273,270</b>	<b>323,270</b>
<b>b) Current</b>		
<b>Other than trade and unquoted - valued at lower cost or fair value</b>		
Investment in mutual funds		
HDFC liquid fund - Dividend - Daily Reinvest		
[Nil (31 March 2014: 1,304,330.5) units of ₹10 each fully paid up]*	-	13,301,813
<b>Aggregate amount of unquoted investments</b>	<b>-</b>	<b>13,301,813</b>

\*Represents group's share of 50%, out of the total units of Nil (31 March 2014: 2,608,659)



**Gayatri Infra Ventures Limited****Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**17. Loans and advances**

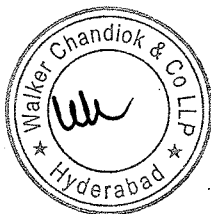
	As at	
	31 March 2015	31 March 2014
(Unsecured, considered good)		
a) <b>Long-term</b>		
Advances to related parties		
- fellow subsidiaries	363,000,000	363,000,000
- others	719,372,794	684,087,309
Security deposits	801,088	1,713,622
Advance tax (net of provision)	124,828,987	101,269,887
	<u>1,208,002,869</u>	<u>1,150,070,818</u>
b) <b>Short-term</b>		
Advances to related parties		
- holding company	682,573,151	708,679,403
- fellow subsidiaries	369,165	6,256,850
- others	-	38,888,110
	<u>682,942,316</u>	<u>753,824,363</u>

**18. Trade receivables**

	As at	
	31 March 2015	31 March 2014
(Unsecured, considered good)		
Due for a period exceeding six months	34,841,035	43,577,608
Other receivables	540,001,421	554,875,480
	<u>574,842,456</u>	<u>598,453,088</u>

**19. Cash and cash equivalents**

	As at	
	31 March 2015	31 March 2014
Cash on hand	950,358	1,259,405
Balances with banks		
- in current accounts	452,252,810	272,665,023
- in deposit accounts, with maturity less than three months	44,100,000	-
	<u>497,303,168</u>	<u>273,924,428</u>

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**Gayatri Infra Ventures Limited****Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**20. Other current assets**

	As at	
	31 March 2015	31 March 2014
(unsecured, considered good)		
Accrued annuity	228,793,487	209,444,879
Prepaid expenses	1,829,495	293,211
Others	20,389,353	12,036,487
	<b>251,012,335</b>	<b>221,774,577</b>

**21. Revenue from operations**

	For the year ended	
	31 March 2015	31 March 2014
Annuity income	1,777,900,000	1,777,893,707
Toll collections	466,461,625	430,177,247
Operations and maintenance support	62,132,000	62,132,000
Income from change of work scope	-	1,104,824
	<b>2,306,493,625</b>	<b>2,271,307,778</b>

**22. Other income**

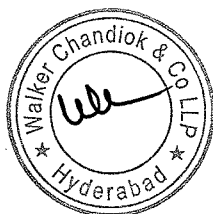
	For the year ended	
	31 March 2015	31 March 2014
Interest income	915,649	908,901
Income from mutual funds	27,996,712	26,207,320
Profit on sale of Fixed Assets	42,301	-
Miscellaneous receipts	1,976,893	5,726,481
	<b>30,931,555</b>	<b>32,842,702</b>

**23. Employee benefits expense**

	For the year ended	
	31 March 2015	31 March 2014
Salaries and wages	29,075,795	27,947,589
Staff welfare expenses	78,177	58,432
Contribution to provident and other fund	180,737	97,423
	<b>29,334,709</b>	<b>28,103,444</b>

**a) Significant assumptions for gratuity and compensated absences**

	For the year ended	
	31 March 2015	31 March 2014
Discount Rate	8%	8%
Expected rate of salary increases	5%	5%
Expected average future service of employees	22 Years	20 Years



**Gayatri Infra Ventures Limited****Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**24. Finance costs**

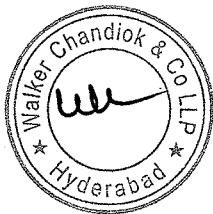
	For the year ended	
	31 March 2015	31 March 2014
Interest on borrowings	1,391,678,794	1,446,570,048
Other borrowing costs	11,174,730	16,146,051
	<b>1,402,853,524</b>	<b>1,462,716,099</b>

**25. Other expenses**

	For the year ended	
	31 March 2015	31 March 2014
Toll operating expenses	24,291,147	24,371,669
Repairs and maintenance - carriage way	356,304,175	317,157,171
Insurance expenses	2,994,593	2,826,455
Consultancy and professional charges	16,260,629	11,909,675
Rent	4,235,515	4,064,469
Payments to the auditors as		
- audit fees	337,080	337,080
- other matters	955,060	955,060
Travelling and conveyance	2,952,852	3,029,278
Miscellaneous expenses	27,630,585	18,805,300
	<b>435,961,636</b>	<b>383,456,157</b>

**26. Commitments and contingent liabilities:**

	As at	
	31 March 2015	31 March 2014
<b>a) Contingent liabilities</b>		
Disputed income tax dues	892,926	91,634,108
Transit fee on forest produce disputed by the subsidiaries	296,244,291	296,244,291
Cess under Building and Other Construction Workers' Welfare Cess Act 1956 and rules 1988 in a jointly controlled entity	-	12,201,000
<b>b) Commitments</b>		
Contracts remaining to be executed on capital accounts (net of advances)	101,963,688	192,544,796
Operation and Maintenance (O&M) Service fee payable to the Ultimate Holding company as per the O&M agreement	2,669,062,270	2,743,941,615
Joint and several liability in respect of investment in associate and other projects	Not ascertainable	Not ascertainable



**Gayatri Infra Ventures Limited****Summary of significant accounting policies and other explanatory information**

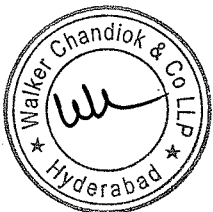
(All amounts in ₹ unless otherwise stated)

**27. Additional information pursuant to Schedule III to the Companies Act, 2013**

Name of the entity	Net assets		Share in profit or loss	
	As a % of consolidated net assets	Amount(₹)	As a % of consolidated profit or loss	Amount(₹)
<b>Parent</b>				
Gayatri Infra Ventures Limited	-144%	(967,296,016)	55%	(245,978,876)
<b>Subsidiaries</b>				
- Indian				
Gayatri Jhansi Roadways Limited	55%	367,072,928	13%	(57,846,827)
Gayatri Lalitpur Roadways Limited	41%	273,366,638	5%	(22,650,580)
<b>Joint Ventures</b>				
- Indian				
Cyberabad Expressways Limited	43%	286,424,421	12%	(51,595,358)
Hyderabad Expressways Limited	18%	125,824,744	2%	(10,190,638)
Western UP tollway Limited	87%	585,563,068	13%	(55,525,935)
<b>Total</b>		<b>670,955,783</b>		<b>(443,788,214)</b>
<b>Minority Interests in all subsidiaries</b>				
Gayatri Jhansi Roadways Limited	13%	86,307,417	6%	(28,344,945)
Gayatri Lalitpur Roadways Limited	10%	63,884,309	3%	(11,098,784)

**28. Related party transactions****a) Names of the related parties and description of relationship**

Name of the related party	Nature of relationship
Gayatri Projects Limited	Holding Company
Indore Dewas Tollways Limited	Fellow Subsidiary
Deep Corporation Private Limited	
HKR Roadways Limited	Enterprises in which KMP and/or their relatives have significant influence
Balaji Highways Holding Private Limited	
Axis Energy Ventures India Private Limited	
IL & FS Engineering & Construction Company Limited (IL & FS)	Shareholders' having significant influence in a jointly controlled entity
Terra Projects Limited	
India Infrastructure Fund	
NCC Limited	
NCC Infrastructure Holdings Limited	





**Gayatri Infra Ventures Limited****Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**28. Related party transactions (continued)****b) Transactions with related parties**

	For the year ended	
	31 March 2015	31 March 2014
<b>Transactions with Gayatri Projects Limited (GPL)</b>		
<i>Payments made by GPL on behalf of the group towards</i>		
- Unsecured loans received	266,880,574	248,116,702
- Salaries	-	2,167,100
- Loan management fees	-	13,651,740
<i>Amounts paid to GPL towards</i>		
- Shared services availed	13,500,000	14,590,000
- Interest on borrowings	28,014,165	23,645,024
- Operations and maintenance	86,166,827	105,572,358
- Development expenditure of intangible assets	122,127,355	395,708,806
- Major maintenance	22,412,865	22,412,865
- Reimbursement of expenses	-	248,000
<b>Transactions with Deep Corporation Limited</b>		
Rent	1,620,409	1,549,699
<b>Transactions with HKR Roadways Limited</b>		
Salaries paid on behalf of the Group	209,600	-
Income from vehicle hire charges	-	3,072,300
<b>Transactions with IL &amp; FS</b>		
Interest on loans	15,440,000	16,984,000
<b>Transactions with NCC Limited</b>		
Interest on unsecured term loan	15,348,806	13,852,713
Reimbursement of expenses	230,908	194,922
<b>Transactions with NCC Infrastructure Holdings Limited</b>		
Management fees paid	2,642,707	2,642,707
<b>Transactions with Axis Energy Ventures India Private Limited</b>		
Repairs & Maintenance	2,653,061	-

**c) Balances receivable/(payable)**

	As at	
	31 March 2015	31 March 2014
Gayatri Projects Limited	(296,640,525)	(25,484,635)
Indore Dewas Tollways Limited	363,000,000	368,937,686
HKR Roadways Limited	678,927,709	687,471,873
Balaji Highways Holding Private Limited	369,164	319,164
IL & FS Engineering & Construction Company Limited	(195,922,949)	(182,026,949)
Terra Projects Limited	(147,094,911)	(147,094,911)
India Infrastructure Fund	(322,400,000)	(322,400,000)
NCC Limited	(145,598,945)	(130,472,309)
NCC Infrastructure Holdings Limited	(194,132,902)	(194,132,902)



**Gayatri Infra Ventures Limited**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**29. Deferred tax**

In the absence of virtual certainty of future taxable profits supported by convincing evidence, the group has not created deferred tax assets on unabsorbed business losses and other timing differences. The group would be able to use unabsorbed tax depreciation and business losses to set off against future taxable income for a specified period.

**30. Segment reporting**

Based on the Group's business model and considering the internal financial reporting to the management, subsidiaries and joint ventures which are engaged in the business of construction in the transport infrastructure has been considered as the only reportable segment. Further all the services are rendered only in India. Hence there are no additional disclosures required to be provided in accordance with Accounting Standard 17, "Segment Reporting".

**31. Comparatives**

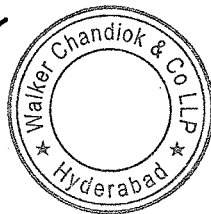
The financial statements for the previous period have been regrouped / rearranged to conform to the current year presentation wherever required.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

*Walker Chandio & Co LLP*

For Walker Chandio & Co LLP  
Chartered Accountants

per *Sanjay Kumar Jain*  
Partner



Place: Hyderabad  
Date: 20 May 2015

For and on behalf of the Board of Directors of  
Gayatri Infra Ventures Limited

*T.V. Sandeep Kumar Reddy*     *J. Brij Mohan Reddy*  
Director                                     Director  
(DIN : 00005573)                             (DIN : 00012927)

Place: Hyderabad  
Date: 20 May 2015