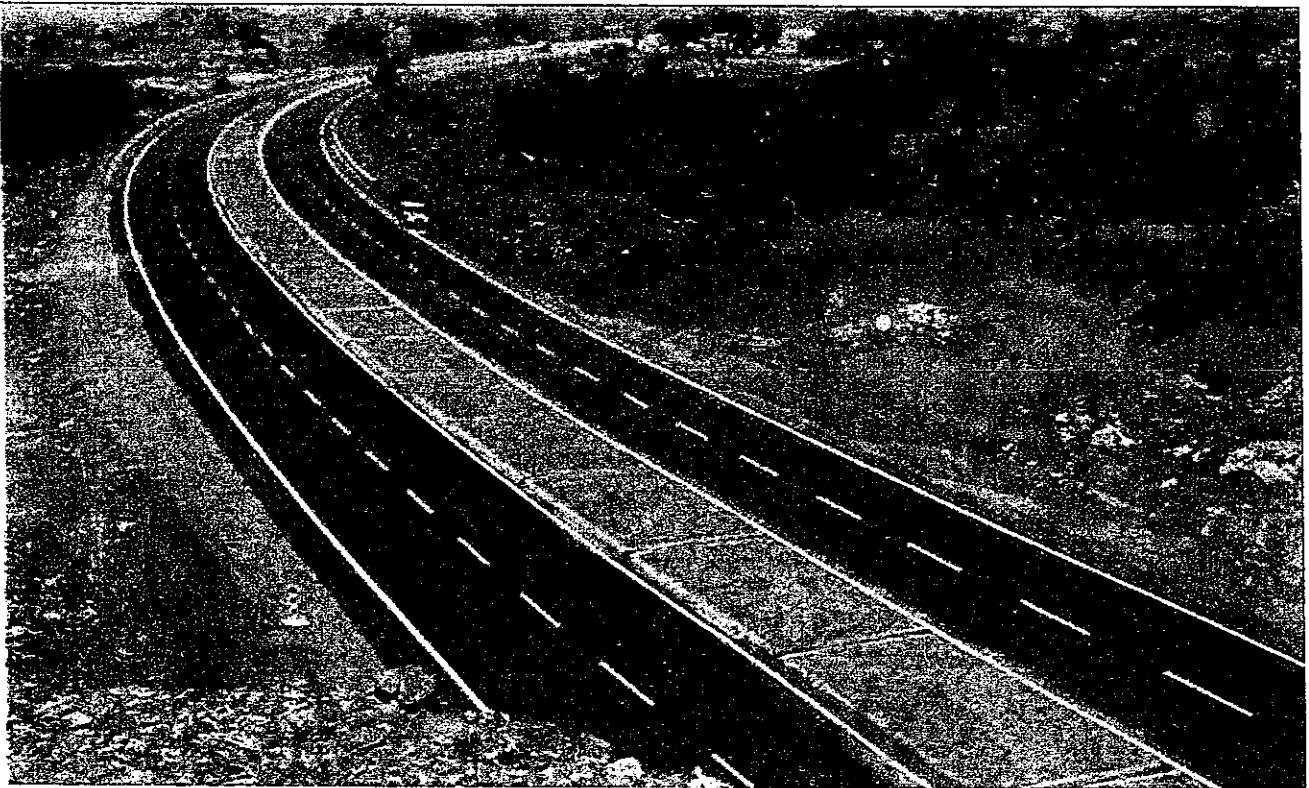




# GAYATRI LALITPUR ROADWAYS LIMITED



**"Infrastructure is the life line of an economy and we add our bit to it"**

**10<sup>th</sup> ANNUAL REPORT 2015-16**

**CORPORATE INFORMATION****BOARD OF DIRECTORS**

Mr. J. Brij Mohan Reddy	Chairman
Mr. Sachin Johri	Director
Mr. Bajrang Lal Gupta	Director
Mr. M.V. Narasimha Rao	Director
Mr. K. Kiran Kumar Reddy	Director

**REGISTERED & CORPORATE OFFICE**

6-3-1090, B-1  
T.S.R Towers, Raj Bhavan Road  
Somajiguda, Hyderabad – 500 082, Telangana.  
Tel: +91-40-23310330, 23314284  
Fax: +91-40-23398435  
Corporate Identification No.: U45203TG2006PLC050554

**AUDITORS**

M/s. Gianender & Associates  
Chartered Accountants  
Plot No. 21, Site No.6, Geeta Mandir Marg,  
New Rajinder Nagar,  
New Delhi – 110 060

**BANKERS & FINANCIAL INSTITUTIONS**

Canara Bank  
Punjab National Bank  
United Bank of India  
Infrastructure Development Finance Company Limited (IDFC)  
India Infrastructure Finance Company Limited (IIFCL)

**CONCESSIONING AUTHORITY****NATIONAL HIGHWAYS AUTHORITY OF INDIA**

G – 5 & 6, Sector – 10,  
Dwarka, New Delhi – 110 075

## BOARD'S REPORT

To  
The Members,

Your Directors have immense pleasure in presenting the 10<sup>th</sup> Annual Report of your Company and the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2016.

## 1. FINANCIAL SUMMARY:

The following table depicts the financial results of your Company for the year ending 31<sup>st</sup> March 2016:

S. No.	Particulars	For the year ended 31.03.2016 (Rs.)	For the year ended 31.03.2015 (Rs.)
1)	INCOME		
	Income from Operations	47,90,00,000	47,90,00,000
	Other Income	2,02,23,189	1,62,67,233
	<b>TOTAL</b>	<b>49,92,23,189</b>	<b>49,52,67,233</b>
2)	EXPENDITURE		
	Employee Benefits expense	26,32,623	21,21,112
	Finance Costs	22,95,75,119	24,46,54,281
	Depreciation	16,65,07,606	16,54,33,047
	Operations & Maintenance Expenses	3,36,60,429	3,38,94,958
	Periodic Maintenance Expenses	6,22,03,364	5,64,92,297
	Other expenses	1,67,23,009	1,53,23,637
	<b>TOTAL</b>	<b>51,13,02,150</b>	<b>51,79,19,332</b>
3)	PROFIT / (LOSS) BEFORE TAX		
	Provision for Taxation:	(1,20,78,961)	(2,26,52,099)
	- Current Tax	-	-
4)	PROFIT / (LOSS) AFTER TAX	(1,20,78,961)	(2,26,52,099)
	Less: Prior period adjustments	-	-
5)	PROFIT / (LOSS) AFTER PRIOR PERIOD ADJUSTMENTS	<b>(1,20,78,961)</b>	<b>(2,26,52,099)</b>
	Earning / (Loss) per Share - Basic & Diluted	(0.38)	(0.71)

## **2. THE YEAR IN RETROSPECT**

### **i. Construction / O&M WORKS AT THE PROJECT SITE**

The members are already aware that according to the Provisional Completion Certificate dated 31 July 2010 issued by NHAI, the COD has been declared for 45.22KM of the project, whereas the construction on a stretch of around 2.7KM was in progress. The work on the entire main carriageway has been completed since then as per right of way made available to the Company.

During the year, there has not been any progress in the balance works at the project site, due to non-availability of additional land. Since the main carriageway is fully completed, traffic is plying on the Project Highway. However, certain minor works such as truck lay-byes, rest areas etc. are yet to be completed, for which land is yet to be handed-over by NHAI. According to the Supplementary Concession Agreement entered into by your Company with NHAI, the balance works should be completed in all respects within 6 months from the date of handing-over of encumbrance-free land. Your Company, with the support of the EPC Contractor, Gayatri Projects Limited, is committed to achieve this target.

Your Company has been receiving Annuities regularly. Gayatri Project Limited, who is the O&M Contractor for the project, has been carrying out the O&M works as per the stipulations under the Concession Agreement.

During the year, your company has commenced Partial Major Maintenance Work and paid an advance of Rs. 1.23 Crore to Gayatri Project Limited, the O&M Contractor out of the total estimated work of Rs. 4.95 Crores. This cost of the Partial Major Maintenance Work would be to be adjusted from the overall major maintenance cost as per the O&M Agreement with Gayatri Projects Limited when the complete major maintenance is done.

### **ii. ANNUITY RECEIPTS FROM NHAI**

The Company has received 11<sup>th</sup> Annuity on 17 April 2015 (due on 27 March 2015), 12<sup>th</sup> Annuity on 30 September 2015 (due on 26 September 2015) and 13<sup>th</sup> Annuity on 31 March 2016 (due on 27 March 2016). The Annuity amounts are being utilized to meet O&M Expenses, debt-servicing obligations, i.e. payment of Interest on Term Loans and repayment of Principal Installments, administrative expenses and other project related costs.

### iii. TERM LOANS AND INTEREST THEREON

During the financial year under review, your Company was regular in servicing interest on Term Loans, due to regular receipt of Annuity from NHAI.

The following table shows the Principal Term Loan outstanding, as on 31 March 2016:

Rs. in Crores					
S. No.	Name of the Lender	Sanctioned	Disbursed	Repaid	Outstanding
1	IDFC Ltd. – Senior Debt	32.57	32.08	7.02	25.06
2	IDFC Ltd. – Sub Debt	19.00	18.71	3.15	15.56
3	IIFCL	51.00	50.22	10.99	39.23
4	United Bank of India	50.00	49.24	10.77	38.47
5	Canara Bank	50.00	49.24	10.77	38.47
6	Punjab National Bank	50.00	49.24	10.77	38.47
	<b>Total</b>	<b>252.57</b>	<b>248.73</b>	<b>53.47</b>	<b>195.26</b>

### iv. CREDIT RATING

Your Company is presently rated BBB by Care Ratings (Care) and BBB+ by Brickwork Ratings. The Credit Rating of your Company has improved, when compared to the previous year, owing to timely debt-servicing to the lenders.

The rating agencies have specified that the rating has been constrained by pending construction and funding risk, Operation & Maintenance (O&M) arrangement with its sponsor with the absence of funded Major Maintenance Reserve Account (MMRA) and Debt Service Reserve Account (DSRA) and high contingent liabilities. The ability of the company to successfully complete its first cycle of major maintenance without deterioration in its financial risk profile, recovery of advance extended to its sponsor and likelihood of the company to materialize the contingent liability form the key rating sensitivities.

The Company will endeavour to improve the Credit Rating during the ensuing financial year, in view of the completed EPC work, timely receipt of Annuities from NHAI and settlement of dispute on recovery of advances extended to its sponsors, healthy cash position which is adequate to meet the major maintenance and debt servicing requirements.

### v. SETTLEMENT OF ARBITRATION

In 2009, your Company made claims on NHAI inter-alia on account of delay in handing over of the land by NHAI to the Company. The said claims of your Company were in part supported by the EPC claims including vide its letter dated 30<sup>th</sup> October, 2009. To meet the short term funding needs for project construction, Gayatri Projects Limited requested for a loan ("Special Advance") of Rs. 30 Crores from you Company, which was secured by unconditional and irrevocable corporate guarantee of Gayatri Projects Limited dated 27 November, 2009. Subsequently your Company reached a settlement with NHAI and on 1<sup>st</sup> November, 2010

signed a Supplemental Concession Agreement with NHAI. Simultaneously, Gayatri Projects Limited, vide its letter of even date, agreed that it shall not make any cost overrun claims on the Company. The Special Advance by the Company to Gayatri Projects Limited was repayable to the Company no later than 30<sup>th</sup> June, 2011. However, Gayatri Projects Limited failed to repay the Special Advance back to your Company by the said date and your Company invoked the Corporate Guarantee in [ ]. In response, Gayatri Projects Limited made a counter claim on the Company towards EPC cost escalations. The Company declined the same repeatedly, supported by an expert legal opinion. Both the parties then initiated arbitration proceedings against each other for recovery of claims.

Now Your Company and Gayatri Projects Ltd, EPC Contractor have proposed to settle (withdraw, Compromise) the Cost Overrun Funding Arbitration and the EPC Cost Escalation Claim Arbitration, hence it is proposed to execute the Settlement Deed to withdraw the Arbitration. In view of the settlement Deed dated \_\_\_\_\_ executed between the company and the EPC Contractor (Gayatri Projects Ltd.), the arbitration dispute stands withdrawn and an amount of Rs. 28,35,94,725/- has been capitalised with carriage way as the same was certified by Lenders Independent Engineer as and when the work was executed.

Both the parties have agreed to vigorously pursue with NHAI to recover the claims pertaining to cost escalation. Any compensation from NHAI in this regard is proposed to be distributed as per the following order of priority: First (Part A) Rs. 28,35,94,725 (grossed-up for tax incidence upon shareholder distribution, if any) to come to the Company to compensate for the Special Advance and balance (Part B) would be shared in 30:70 ratio between the Company and the EPC Contractor.

#### **vi. COST ESCALATION CLAIMS WITH NHAI**

Your Company has witnessed cost and time escalations on account of delay in hand over of land by NHAI which has adversely impacted the economics of the project. Your Company has submitted the relevant documents in this regard to NHAI highlighting the cost escalations suffered by the Company and has asked for compensation. As NHAI has not agreed for the same, your Company has approached DR&A cell of NHAI HQ for amicable settlement of the claims with NHAI under the 2013 NHAI policy for settlement of disputes through a three member Independent Settlement Advisory Committee.

#### **vii. OTHER ISSUES WITH NHAI**

NHAI owes various dues to the Company on account of Change of Scope, Utilities Shifting, delays in Annuity payments, Bonus Annuity, O&M deductions, etc. There is an inordinate procedural delay at various levels within NHAI with regard to processing of these payments. The project execution team is in continuous follow-up for an early release of these amounts, but no progress has been achieved with NHAI so far.

NHAI has recovered Works Contract Tax (WCT) on the 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> Annuities and Labour Cess on the 4<sup>th</sup> Annuity paid to the Company. These amounts have been deducted even on the works that are yet to be executed at the project site. Your Company has protested against the same with NHAI, but there has been no response from NHAI in this regard. Your Company has received a refund of WCT amounting to Rs.65.34 Lacs

during the Financial Year 2014-15 and balance amount of Rs. 1.22 Crore is outstanding as on 31<sup>st</sup> March 2016.

### 3. FUTURE OUTLOOK

The immediate priority of your Company is now to obtain the Final Completion Certificate for which the process has been initiated. In view of the Supplementary Concession Agreement and also in view of the receipt of Letter of Credit from NHAI, receipt of future Annuities is assured and thereby, your Company is confident of timely debt-servicing to the lenders.

#### ➤ **Debt re-financing:**

Your Company is also considering re-financing of the Term Loan to reduce the Interest costs and is in negotiations with various banks and financial institutions. In view of timely receipt of Annuities from NHAI, settlement of dispute on recovery of advances extended to its sponsors, project completion, healthy cash position which is adequate to meet the major maintenance and debt servicing requirements the Company should be able to secure better than existing debt terms. Obtaining the final completion certificate and improvement in Credit Rating can lead to further improvement in debt terms.

#### ➤ **Bonus Annuity & cost escalation claims:**

Since the Company has completed the project construction on the available stretch of the Project Highway as on the date of SPCD (Scheduled Project Completion Date), ahead of the schedule, this entitles the company for Bonus Annuity (x-factor). Also, the Company has witnessed cost escalations on account of delay in hand over to land by NHAI. Accordingly, your Company has made representations and submitted relevant documents in this regard to NHAI to ask for compensation. Your Company has approached DR&A cell of NHAI HQ for amicable settlement of the claims with NHAI under the 2013 NHAI policy for settlement of disputes through a three member Independent Settlement Advisory Committee.

### 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 ended 31<sup>st</sup> March, 2016, Four Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The dates on which the Board meetings were held are 20.05.2015, 26.08.2015, 08.12.2015 and 22.03.2016.

#### **Attendance of Directors at the meetings:**

The details of the attendance of the Directors at the Board meetings held during the year ended 31<sup>st</sup> March, 2016.

Name of the Director	Number of Board Meetings	
	Held	Attended
J. Brij Mohan Reddy	4	4
Nishit Sharma	3	2
Sachin Johri	4	2
M.V. Narasimha Rao	4	4
Bajrang Lal Gupta	1	0
K. Kiran Kumar Reddy	4	4
Dheeraj Kumar Singh	1	0

### Audit Committee Meetings

During the year ended 31<sup>st</sup> March, 2016, one Audit Committee Meeting was convened and held. The date on which the Audit Committee meeting was held is 20.05.2015.

### Attendance of Directors at the meetings:

The details of the attendance of the Directors at the Audit Committee meetings held during the year ended 31<sup>st</sup> March, 2016.

Name of the Director	Number of Audit Committee Meetings	
	Held	Attended
M.V. Narasimha Rao	1	1
K. Kiran Kumar Reddy	1	1
Sachin Johri	1	0

## 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, 2016, 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, 2016 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 had appointed Mr. M.V. Narasimha Rao and Mr. K. Kiran Kumar Reddy were Directors 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 in AGM 26.08.2015.

Mr. M.V. Narasimha Rao was re-appointed as Director of the Company in the category of Independent Director for the second term with effect from 3<sup>rd</sup> March, 2016 up to 2<sup>nd</sup> March, 2021 in the Board meeting held on 22.03.2016.

The Board of Directors had appointed Mr. Bajrang Lal Gupta as Additional Director of the Company in the category of Independent Directors with effect from 22<sup>nd</sup> March, 2016 to 21<sup>st</sup> March, 2021.

Mr. K. Kiran Kumar Reddy ceased as Independent Directors with effect from 3<sup>rd</sup> March, 2016.

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.

Mr. Nishit Sharma has resigned as Director with effect from 10<sup>th</sup> December, 2015.

Mr. Dheeraj Kumar Singh was appointed as Additional Director of the Company with effect from 22<sup>nd</sup> March, 2016.

Mr. Dheeraj Kumar Singh has resigned as Director of the Company with effect from 5<sup>th</sup> April, 2016.

Mr. Rautan Singh has been reappointed as Manager of the Company with effect from 17<sup>th</sup> September, 2015 up to 16<sup>th</sup> September, 2016.

## **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. J. Brij Mohan 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, 2016.

**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, 2016. Your Company has made shareholder distribution of Rs. 10 Crore through part repayment of Zero Interest Shareholder Loan in February, 2016.

**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**

The source of income for your Company is Annuity from NHAI as per the Concession Agreement and income earned out of temporary deployment of funds. Annuity from NHAI accounts for almost 98% of the total income of your Company. Since the Annuities are payable by NHAI in accordance with the Concession Agreement, your

Company does not foresee any significant risk in receipt of these Annuities, in view of the fact that a revolving Letter of Credit has been obtained from NHA, securing all future annuities. Your Company is ensuring that the conditions of the Concession Agreement are complied with, to ensure timely receipt of Annuities.

Your Company has also ensured that proper systems are planned, implemented and effectively monitored to ensure that all accounting and financial transactions are properly authorized and recorded, so as to ensure that the financial statements 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 2016, your Company had no subsidiaries and associate companies.

#### **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**

As the Company does not have any subsidiary or associate companies, the Consolidated Financial Statements are not applicable.

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

As the Company does not have any subsidiary or associate companies, the statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures is not applicable.

#### **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 during the Financial Year 2015-16.

**26. STATUTORY AUDITORS**

At the Annual General Meeting held on 26<sup>th</sup> August, 2015, M/s. Gianender & Associates, Chartered Accountants, New Delhi bearing ICAI Regd.No.004661N, were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2018. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting.

Accordingly, the appointment of M/s. Gianender & Associates, Chartered Accountants, New Delhi bearing ICAI Regd.No.004661N, as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

**27. PARTICULARS OF EMPLOYEES**

There are no employees who come under the purview of 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**

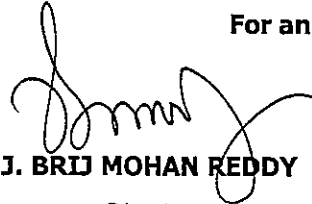
Your Company lays emphasis on competence and commitment of its human capital recognizing its pivotal role for organizational growth.

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



**J. BRIJ MOHAN REDDY**

Director

DIN: 00012927



**SACHIN JOHRI**

Director

DIN:01181852

Place: **Hyderabad**

Date: **17<sup>th</sup> May, 2016**

Form No. MGT-9

Annexure-1

**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended 31.03.2016  
[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	U45203TG2006PLC050554
Registration Date	07/07/2006
Name of the Company	Gayatri Lalitpur Roadways Limited
Category / Sub-Category of the Company	Company Limited by Shares/ Indian Non Government Company
Address of the Registered Office and contact details	6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana. E Mail: <a href="mailto:raj कुमार@givl.co.in">raj कुमार@givl.co.in</a> , Tel: 040-23310330
Whether listed company	Unlisted
Name, address and contact details of Registrar and Transfer Agent, if any	VENTURES CAPITAL AND CORPORATE INVESTMENTS PVT. LTD. Registered Office: 12-10-167, Bharath Nagar, Hyderabad - 500018, Telangana. E Mail: <a href="mailto:info@vccilindia.com">info@vccilindia.com</a> , Tel: 040-23818475

<b>II. Principal Business Activities of the Company</b>			
All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:			
Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Construction of Roads	42101	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 Ltd 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad- 500082.	L99999TG1989PLC057289	Holding	0.0003	2(46)
2	Gayatri Infra Ventures Limited 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad- 500082.	U45209TG2008PLC057269	Holding	51.0029	2(46)

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

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	-	2	2	0.000006	-	2	2	0.000006	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	1,62,18,000	-	1,62,18,000	51.0029	1,62,18,000	-	1,62,18,000	51.0029	0
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1):</b>	<b>1,62,18,000</b>	<b>2</b>	<b>1,62,18,002</b>	<b>51.002906</b>	<b>1,62,18,000</b>	<b>2</b>	<b>1,62,18,002</b>	<b>51.002906</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2):</b>	<b>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>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>1,62,18,000</b>	<b>2</b>	<b>1,62,18,002</b>	<b>51.002906</b>	<b>1,62,18,000</b>	<b>2</b>	<b>1,62,18,002</b>	<b>51.002906</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
-a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	1,55,80,000	-	1,55,80,000	48.9968	1,55,80,000	-	1,55,80,000	49.99	0
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>1,55,80,000</b>	<b>-</b>	<b>1,55,80,000</b>	<b>48.9968</b>	<b>1,55,80,000</b>	<b>-</b>	<b>1,55,80,000</b>	<b>49.99</b>	<b>0</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	4	4	0.000012	-	4	4	0.000012	-
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>4</b>	<b>4</b>	<b>0.000012</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>0.000012</b>	<b>-</b>

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Total Public Shareholding (B)=(B)(1)+(B)(2)	1,55,80,000	4	1,55,80,004	48.996812	1,55,80,000	4	1,55,80,004	48.996812	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3,17,98,000	6	3,17,98,006	100	3,17,98,000	6	3,17,98,006	100	0

**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	100	0.0003	0.0003	100	0.0003	0.0003	-
2	T V Sandeep Kumar Reddy	1	0.000003	-	1	0.000003	-	-
4	T Indira Reddy	1	0.000003	-	1	0.000003	-	-
9	Gayatri Infra Ventures Limited	1,62,17,900	51.0029	51.0029	1,62,17,900	51.0029	51.0029	-
<b>Total</b>		<b>1,62,18,002</b>	<b>51.00321</b>	<b>51.0032</b>	<b>1,62,18,002</b>	<b>51.00321</b>	<b>51.0032</b>	<b>-</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	1,62,18,002	51.00321	-	-
	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	<b>1,62,18,002</b>	<b>51.00321</b>	-	-



**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	1,55,80,004	48.996812	-	-
	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)	1,55,80,004	48.996812	-	-

**(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**

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,07,74,99,558	28,20,20,000		2,35,95,19,558
ii) Interest due but not paid	33,03,398			33,03,398
iii) Interest accrued but not	23,49,240			23,49,240
<b>Total (i+ii+iii)</b>	<b>2,08,31,52,196</b>			<b>2,36,51,72,196</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	89,95,004			89,95,004
Reduction	12,49,72,973	10,00,00,000		22,49,72,973
<b>Net Change</b>	<b>11,59,77,969</b>			<b>21,59,77,969</b>
Indebtedness at the end of the financial year				
i) Principal Amount	1,95,27,07,698	18,20,20,000		2,13,47,27,698
ii) Interest due but not paid	1,22,98,402			1,22,98,402
iii) Interest accrued but not due	21,68,127			21,68,127
<b>Total (i+ii+iii)</b>	<b>1,96,71,74,227</b>	<b>18,20,20,000</b>		<b>2,14,91,94,227</b>

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

<b>Sl. no.</b>	<b>Particulars of Remuneration</b>	<b>Name of MD/WTD/ Manager</b>	<b>Total Amount</b>
<b>1.</b>	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	Mr. K. Kiran Kumar Reddy	
	-Fee for attending Board/Committee Meetings	Rs. 25,000/-	Rs.10,000/-	Rs.35,000/-
	-Commission			
	- Others, please specify			
	<b>Total (B)(1)</b>	<b>Rs. 25,000/-</b>	<b>Rs.10,000/-</b>	<b>Rs.35,000/-</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>	<b>Rs. 25,000/-</b>	<b>Rs.10,000/-</b>	<b>Rs.35,000/-</b>

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

(Rs.)

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		6,60,000/-	6,45,000/-	13,05,000/-
	(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>	-	<b>6,60,000/-</b>	<b>6,45,000/-</b>	<b>13,05,000/-</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

  
**J. BRIJ MOHAN REDDY**
  
**SACHIN JOHRI**
Date: 17<sup>th</sup> May, 2016

Director

Director

DIN: 00012927

DIN:01181852

## ANNEXURE-2

## Form No. AOC-2

(Pursuant to *clause (h) 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**

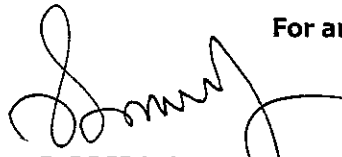
1. Details of contracts or arrangements or transactions not at arm's length basis

(a) Name(s) of the related party and nature of relationship	<b>Nil</b>
(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	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	
(e) Date(s) of approval by the Board, if any:	
(f) Amount paid as advances, if any:	

For and on behalf of the Board


**J. BRIJ MOHAN REDDY**

Director

DIN: 00012927


**SACHIN JOHRI**

Director

DIN:01181852

Place: **Hyderabad**Date: **17<sup>th</sup> May, 2016**

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GAYATRI LALITPUR ROADWAYS LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of **Gayatri Lalitpur Roadways Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.




## Report on Other Legal and Regulatory Requirements

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

For Gianender & Associates  
Chartered Accountants  
FRN: 004661N



  
Shashank Agrawal  
Partner  
M No. 536670

Place: Hyderabad  
Date: 17<sup>th</sup> May 2016



**Annexure to the Independent Auditor's Report of Gayatri Lalitpur Roadways Limited for the Year ended as on 31<sup>st</sup> March 2016**

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

- i.
  - a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b) The Fixed Assets have been physically verified by the management at regular intervals and no material discrepancies were noticed on such verification
  - c) The Company has no immoveable property as on 31.03.2016.
- ii. As the company is engaged in the business of infrastructure development, operations and its maintenance and there is no inventory in hand at any point of time, hence paragraph 3(ii) of the Order is not applicable to the company.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable.
- iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the company.
- v. The Company has not accepted deposits in terms of the provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there under. Therefore the paragraph 3(v) of the Order is not applicable to the company.
- vi. The Company is prima-facie maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii.
  - a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. As on 31<sup>st</sup> March 2016, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they become payable.
  - b) According to the information and explanations given to us, there were no statutory dues pending in respect of income tax, sales tax, VAT, custom duty and cess etc. on account of any dispute.
- viii. The company has taken term loans from various banks and a financial institution. During the year the company has not defaulted in repayment of loan to the banks and financial institution. The Company has not taken any loans or borrowings from any Government and has not issued any debentures during the year.
- ix. Money raised by way of term loans were applied for the purpose for which it was raised. The Company has not raised money by way of initial public offer or further public offer.
- x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during the period under audit.
- xi. The company has not paid any managerial remuneration, hence paragraph 3(xi) of the order is not applicable to the company.



- xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable to the company.
- xiii. In our opinion and according to the information provided to us, the transaction entered with the related parties are in compliance with section 177 and 188 of the Act and are disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, therefore para 3(xiv) of the Order is not applicable to the company.
- xv. According to the information provided to us, the company has not entered into any non-cash transaction with directors or the persons connected with him covered under section 192 of the Companies Act 2013. Therefore, paragraph 3(xv) of the Order is not applicable to the company.
- xvi. According to the information provided to us, the company is not required to be registered under section 451A of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the company.

For Gianender & Associates  
Chartered Accountants  
FRN: 004661N



A handwritten signature in black ink, appearing to read "Ashank Agrawal".

Ashank Agrawal  
Partner  
No. 536670

Place: Hyderabad  
Date: 17th May 2016

## Annexure-A

Annexure referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Gayatri Lalitpur Roadways Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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



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

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

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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

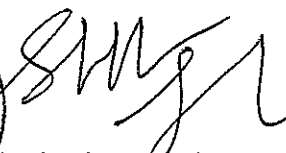
#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad  
Date: 17th May 2016

For Gianender & Associates  
Chartered Accountants  
FRN: 004661N



  
Shashank Agrawal  
Partner  
No. 536670

**GAYATRI LALITPUR ROADWAYS LIMITED**

Balance Sheet as at 31st March, 2016

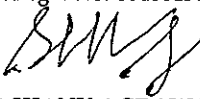
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	Note	As at 31.03.2016		As at 31.03.2015	
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. SHAREHOLDERS' FUNDS</b>					
a. Share Capital	3		31,79,80,060		31,79,80,060
b. Reserves and Surplus	4		(19,96,62,126)		(18,75,83,165)
<b>2. NON - CURRENT LIABILITIES</b>					
a. Long term borrowings	5	1,99,84,37,188		2,23,47,27,698	
b. Long term provisions	6	34,83,78,532	2,34,68,15,720	28,59,78,727	2,52,07,06,425
<b>3. CURRENT LIABILITIES</b>					
a. Trade payables	7	1,34,35,800		1,27,93,900	
b. Other current liabilities	8	16,13,88,517		14,22,63,463	
c. Short Term Provisions	6	19,78,837	17,68,03,154	19,82,879	15,70,40,242
<b>TOTAL</b>			<b>2,64,19,36,808</b>		<b>2,80,81,43,561</b>
<b>II. ASSETS</b>					
<b>1. NON-CURRENT ASSETS</b>					
a. Fixed Assets					
i. Tangible Assets	9 (a)	2,10,84,18,893		1,99,13,31,774	
ii. Capital Work -In- Progress	9 (b)	19,11,300	2,11,03,30,193	19,11,300	1,99,32,43,074
b. Long term loans and advances	10		2,40,97,669		32,19,45,109
<b>2. CURRENT ASSETS</b>					
a. Trade Receivables	11	52,79,194		23,99,89,194	
b. Cash and Cash Equivalents	12	48,92,86,830		25,00,87,984	
c. Short Term Loans and Advances	13	1,29,42,922	50,75,08,946	28,78,199	49,29,55,377
<b>TOTAL</b>			<b>2,64,19,36,808</b>		<b>2,80,81,43,561</b>
Significant Accounting Policies	2.1				

See accompanying Notes (1-38) are an integral part of the Financial Statements

As per our report of even date attached  
For GIANENDER & ASSOCIATES

Chartered Accountants  
ICAI Regn. No. 004661N

  
SHASHANK AGRAWAL

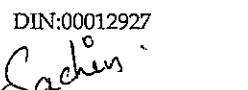
Partner  
Membership No. 536670

Place: Hyderabad  
Date: 17th May 2016

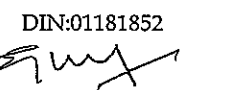


For and on behalf of the Board

  
J. BRIJ MOHAN REDDY  
Chairman

  
SACHIN RAJ P.  
Chief Financial Officer

  
SACHIN JOHRI  
Director

  
S. RAVI KUMAR  
Company Secretary

**GAYATRI LALITPUR ROADWAYS LIMITED**

**Statement of Profit and Loss for the year ended 31st March, 2016**

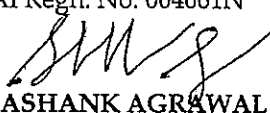
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Particulars	Note	For the year ended 31st March, 2016	For the year ended 31st March, 2015
I Revenue from operations	14	47,90,00,000	47,90,00,000
II Other income	15	2,02,23,189	1,62,67,233
<b>III Total Revenue</b>		<b>49,92,23,189</b>	<b>49,52,67,233</b>
<b>IV Expenses</b>			
Employee Benefits Expense	16	26,32,623	21,21,112
Finance Costs	17	22,95,75,119	24,45,41,921
Depreciation and Amortization	18	16,65,07,606	16,54,33,047
Operations and Maintenance expenses	19	3,36,60,429	3,38,94,958
Periodic Maintenance expenses	20	6,22,03,364	5,64,92,297
Other Expenses	21	1,67,23,009	1,54,35,998
<b>V Total Expenses</b>		<b>51,13,02,150</b>	<b>51,79,19,332</b>
<b>VI PROFIT / (LOSS) BEFORE TAX</b>		<b>(1,20,78,961)</b>	<b>(2,26,52,099)</b>
<b>VII Tax Expense</b>			
- Current Tax		-	-
- Deferred Tax		-	-
<b>VIII PROFIT / (LOSS) AFTER TAX</b>		<b>(1,20,78,961)</b>	<b>(2,26,52,099)</b>
Less: Prior period adjustments			-
<b>IX PROFIT / (LOSS) AFTER PRIOR YEAR ITEMS</b>		<b>(1,20,78,961)</b>	<b>(2,26,52,099)</b>
<b>X Earning / (Loss) per Equity Share</b>			
Basic & Diluted (Face value of ₹10 each)	31	(0.38)	(0.71)
<b>Significant Accounting Policies</b>	2.1		

See accompanying Notes (1-38) are an integral part of the Financial Statements

As per our report of even date attached  
For GIANENDER & ASSOCIATES

Chartered Accountants  
ICAI Regn. No. 004661N

  
**SHASHANK AGRAWAL**  
Partner  
Membership No. 536670

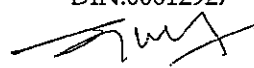


Place: Hyderabad  
Date: 17th May 2016

For and on behalf of the Board



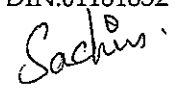
**J. BRIJ MOHAN REDDY**  
Chairman  
DIN:00012927



**S. RAVI KUMAR**  
Company Secretary



**SACHIN JOHRI**  
Director  
DIN:01181852



**SACHIN RAJ P.**  
Chief Financial Officer

**GAYATRI LALITPUR ROADWAYS LIMITED**

Cash Flow Statement for the year ended 31st March, 2016

PARTICULARS	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>(A) Cash Flow from Operating Activities:</b>		
Net Profit / (Loss) Before Tax	(1,20,78,961)	(2,26,52,099)
Add: Interest on Term Loans	22,75,37,415	24,32,99,667
Add: Depreciation	16,65,07,606	16,54,33,047
Add: Provisions for Expenses	6,24,01,316	5,64,92,297
<b>Operating Profit before Working Capital Changes</b>	<b>44,43,67,376</b>	<b>44,25,72,912</b>
<u>Adjustments for:</u>		
(Increase) / Decrease in Trade receivables	23,47,10,000	28,451
Increase / (Decrease) in Trade payables	6,41,900	6,08,580
(Increase) / Decrease in Long term Loans and Advances	1,42,52,715	-
Increase / (Decrease) in Other current liabilities	76,26,406	39,51,611
Increase / (Decrease) in Short Term Loans and Advances	(1,00,64,723)	(5,19,017)
Increase / (Decrease) in Short Term Provisions	(5,553)	(35,857)
<b>Net Cash flow from Operating Activities ( A )</b>	<b>69,15,28,121</b>	<b>44,66,06,680</b>
<b>(B) Cash Flow from Investing Activities:</b>		
Purchase/Capitalisation of Fixed Assets	(28,35,94,725)	(66,63,265)
Capital Work in Progress and Pre-operative Expenditure	-	(49,12,502)
Capital Advance	28,35,94,725	-
<b>Net Cash used in Investing Activities ( B )</b>	<b>-</b>	<b>(1,15,75,767)</b>
<b>(C) Cash Flow from Financing Activities:</b>		
Proceeds from Loan Term borrowings	-	17,00,991
Repayment of Loan Term borrowings	(22,47,91,860)	(11,16,01,220)
Interest paid	(22,75,37,415)	(24,34,08,002)
<b>Net Cash from Financing Activities ( C )</b>	<b>(45,23,29,275)</b>	<b>(35,33,08,231)</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>23,91,98,846</b>	<b>8,17,22,683</b>
Cash and Cash Equivalents at the beginning of the year	25,00,87,984	16,83,65,302
<b>Cash and Cash Equivalents at the close of the year</b>	<b>48,92,86,830</b>	<b>25,00,87,984</b>
<b>Components of Cash &amp; Cash equivalents</b>		
Cash on Hand	10,244	27,141
Balance with Scheduled Banks - in Current accounts	48,92,76,586	25,00,60,843
<b>Total</b>	<b>48,92,86,830</b>	<b>25,00,87,984</b>

See accompanying Notes (1-38) are an integral part of the Financial Statements

Note:

- The Cash Flow statement is prepared in accordance with the indirect method stated in Accounting Standard 3 issued by ICAI on Cash Flow Statements and presents Cash Flow by Operating, Investing and Financing Activities.
- Figures in brackets represent Cash Outflows.
- Notes on Accounts form an integral part of the Cash Flow Statement.

As per our report of even date attached

For GIANENDER & ASSOCIATES

Chartered Accountants

ICAI Regn. No. 004661N

SHASHANK AGRAWAL

Partner

Membership No. 536670



For and on behalf of the Board

*[Signature]*  
J. BRIJ MOHAN REDDY  
Chairman

DIN:00012927

*[Signature]*  
SACHIN JOHRI

Director

DIN:01181852

*[Signature]*  
SACHIN RAJ P.  
Chief Financial Officer

*[Signature]*  
S. RAVI KUMAR  
Company Secretary

Place: Hyderabad

Date: 17th May 2016

**NOTE NO.****1. CORPORATE INFORMATION**

M/s Gayatri Lalitpur Roadways Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956.

The Company is a Special Purpose Vehicle (SPV) incorporated on 7th July 2006 for execution of the project "Improvement, Operation and Maintenance, Rehabilitation and Strengthening of existing 2-lane Road and widening to 4-lane Divided Highway of NH-25/26 in the state of Uttar Pradesh on Build Operate Transfer (BOT)-Annuity Basis. The company has entered into a Concession Agreement with National Highways Authority of India, which specified a two and a half year of construction period and seventeen and a half years of Operation & Maintenance period.

The project has achieved the Commercial Operations Date on 31st July 2010 for 45.22 Kms of the Project Highway, out of 49.305 Kms. The balance project is under implementation and NHAI is yet to hand-over around 300 metres of land to the Company.

**2. BASIS OF PREPARATION**

The Company maintains its accounts on accrual basis following the historical cost convention, except for the revaluation of certain fixed assets, in accordance with generally accepted accounting principles ["GAAP"] in compliance with the provisions of the Companies Act, 2013 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of The Companies (Accounts) Rules, 2014 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and relevant provisions of the Companies Act, 1956 read with the Circular No.07/2014 dated April 1, 2014 of the Ministry of Corporate Affairs. Further, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations override the same requiring a different treatment.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of tangible and intangible fixed assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

**2.1 SIGNIFICANT ACCOUNTING POLICIES****a) Use of Estimates:**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

**b) Revenue Recognition**

Annuity and other income is accounted for on accrual basis. Annuity and other income earned /accrued prior to the Commercial Operation Date (COD) is reduced from the capitalized amount of Carriageway and Annuity and other income earned/accrued thereafter is recognized as revenue in the Profit and Loss Account.

Interest income is recognized on a time proportion basis. Other items of income are accounted as and when the right to receive arises.

**c) Fixed Assets and Depreciation:**

Fixed assets are stated at cost of acquisition, less accumulated depreciation thereon. For this purpose, cost includes purchase price and all other attributable costs of bringing the assets to working condition for intended use. Assessment of indication of impairment of an asset is made at the year end and impairment loss, if any is recognized.

Depreciation on assets has been provided on straight-line basis at the rates specified in Schedule II to the Companies Act, 2013.

Depreciation on carriageway and additions thereto is provided on proportionate basis from the date of commercial operations/subsequent capitalisation over the remaining concession period ending on March 27, 2027, as the life of Carriageway is co-terminus with the Concession Period i.e. useful life of the asset, in the manner provided under Schedule II to the Companies Act, 2013.

**d) Borrowing Costs:**

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. All other borrowing cost are recognized as an expenses in the period in which they are incurred.

**e) Pre-operative Expenditure:**

Incidental expenditure incurred during construction period towards "Concessionaire Asset" is capitalised on completion of construction and obtaining related COD.





f) **Capital Work-in-Progress:**

Capital Work-in-Progress represents cost incurred towards EPC/Construction Cost and Pre-operative expenditure till the completion of the project for its intended use.

g) **Investments:**

Current Investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for decline in value is made to recognize a decline other than temporary in the value of investment.

h) **Earnings per Share:**

Basic and Diluted Earnings per Share (EPS) is reported in accordance with Accounting Standard (AS) – 20, "Earnings per Share", 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. EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity Shares outstanding during the year.

i) **Employee Benefits:**

Provisions for/contributions to retirement benefit schemes are made as follows (as per AS – 15):

- i. Provident fund on actual liability basis
- ii. Gratuity based on actuarial valuation
- iii. Leave encashment benefit on retirement on actuarial valuation basis.

j) **Provisions and Contingent Liabilities/Assets:**

- a. Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if:
  - i) The Company has a present obligation as a result of a past event;
  - ii) Probable outflow of resources is expected to settle the obligation; and
  - iii) The amount of the obligation can be reliably estimated.
- b. Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.
- c. Contingent Liability is disclosed in the case of
  - i) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation
  - ii) A present obligation when no reliable estimate is possible, and
  - iii) A possible obligation arising from past events where the probability of outflow of resources is not remote.
- d. Contingent Assets are neither recognized, nor disclosed.
- e. Provisions, Contingent Liabilities, and Contingent Assets are reviewed at each Balance Sheet date.

Maintenance Obligations: Contractual obligations to maintain, replace or restore the infrastructure (principally resurfacing costs and major repairs and unscheduled maintenance which are required to maintain the carriageway in operational condition except for any enhancement element) are recognized and measured at the expenditure required to settle the present obligation at the balance sheet date. The provision for the resurfacing is accounted for in accordance with the provisions of AS 29, Provisions, Contingent Liabilities and Contingent Assets.

k) **Claims:**

- 1 Company's claims against NHAI for additional scope of work, utility shifting and SDBC overlay are accounted for as and when
- 2 Contractor's claims regarding additional scope of work, utility shifting and SDBC overlay are admissible and accounted for when related claims of the Company are received from NHAI.
- 3 Other claims against/by the company are accounted for as and when accepted.

l) **Taxes:**

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

Deferred Tax Assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

m) **Impairment of Assets:**

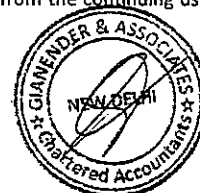
As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

- i) The provision for impairment loss, if any required; or
- ii) The reversal, if any, required of impairment loss recognized in previous period.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- i) In the case of an individual assets, at the higher of the net selling price and the value in use;
- ii) In the cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's net selling price and the value in use;

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset from its disposal at the end of its useful life).



n) **Current & Non Current classification :**

## i) Current asset :

An asset shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;  
 (b) it is held primarily for the purpose of being traded.  
 (c) It is expected to be realized within twelve months after the reporting date, or  
 (d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other Assets shall be classified as Non-current

## ii) Current liabilities :

A liability shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;  
 (b) it is held primarily for the purpose of being traded;  
 (c) it is due to be settled within twelve months after the reporting date : or  
 (d) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could at the option of the counterparty, result in its settlement by the issue of equity instruments do not

All other Liabilities shall be classified as Non-Current.

3. **SHARE CAPITAL**a. **Number and amount of shares authorized:**

Particulars	As at 31.03.2016 (₹)	As at 31.03.2015 (₹)
3,50,00,000 (Previous Year: 3,50,00,000) Equity Shares of ₹10 each	35,00,00,000	35,00,00,000

b. **Number and amount of equity shares issued, subscribed and fully paid up**

Particulars	As at 31.03.2016 (₹)	As at 31.03.2015 (₹)
3,17,98,006 (Previous Year: 3,17,98,006 ) shares of ₹ 10 each fully paid up	31,79,80,060	31,79,80,060

c. **Reconciliation of equity shares outstanding at the beginning and at the end of the year**

Particulars	As at 31.03.2016		As at 31.03.2015	
	No.	₹	No.	₹
At the beginning of the year	3,17,98,006	31,79,80,060	3,17,98,006	31,79,80,060
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>3,17,98,006</b>	<b>31,79,80,060</b>	<b>3,17,98,006</b>	<b>31,79,80,060</b>

d. **Rights / Preferences / Restrictions attaching to Equity Shares**

The Company has only one class of equity shares having 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 14th May 2007.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. During the quarter ended 31st March 2016, no dividend is declared by Board of Directors. (Previous year - Nil)

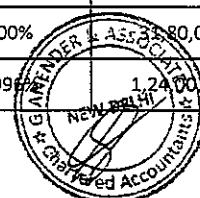
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the proportion to the number of equity shares held by the shareholders.

e. **Equity Shares held by the Holding Company and the Ultimate Holding Company**

S.No	Particulars	No. of Shares As on 31.03.2016	No. of Shares As on 31.03.2015
1	Gayatri Infra Ventures Limited - (Holding Company)	1,62,17,900	1,62,17,900
2	Gayatri Projects Limited – Ultimate Holding Company	100	100

f. **Equity Shares in the Company held by each shareholder holding more than 5% of shares**

S.No	Particulars	As on 31.03.2016		As on 31.03.2015	
		No. of Shares	% of Holding	No. of Shares	% of Holding
1	Gayatri Infra Ventures Limited - (Holding Company) & its nominees	1,62,17,900	51.00%	1,62,17,900	51.00%
2	Infrastructure Development Finance Company Limited	31,80,000	10.00%	31,80,000	10.00%
3	India Infrastructure Fund	1,24,00,000	38.99%	1,24,00,000	38.99%



**4. RESERVES AND SURPLUS****Surplus / (Deficit) in the Statement of Profit and Loss**

S.No	Particulars	As on 31.03.2016 (₹)	As on 31.03.2015 (₹)
1	Balance as per last Financial Statements	(18,75,83,165)	(16,49,31,066)
2	Add/(Less): Surplus/(Deficit) for the year	(1,20,78,961)	(2,26,52,099)
3	Closing Balance	(19,96,62,126)	(18,75,83,165)

**5. LONG TERM BORROWINGS**

S.No	Particulars	Non-current portion		Current maturities	
		As on 31.03.2016	As on 31.03.2015	As on 31.03.2016	As on 31.03.2015
I.	<b>Secured Loans</b>				
A	<b>Loans From Banks</b>				
1	Canara Bank	35,75,53,400	38,47,03,400	2,71,50,000	2,49,00,000
2	Punjab National Bank	35,75,31,592	38,46,81,592	2,71,50,000	2,49,00,000
3	United Bank of India	35,75,30,357	38,46,80,357	2,71,50,000	2,49,00,000
		<b>1,07,26,15,349</b>	<b>1,15,40,65,349</b>	<b>8,14,50,000</b>	<b>7,47,00,000</b>
B	<b>Loans from others</b>				
	<b>Senior Debt -</b>				
	Infrastructure Development Finance Company Ltd.	23,29,09,850	25,05,95,360	1,76,85,510	1,62,19,860
	India Infrastructure Finance Company Ltd.	36,47,04,269	39,23,97,269	2,76,93,000	2,53,98,000
	<b>Subordinate Debt -</b>				
	Infrastructure Development Finance Company Ltd.	14,61,87,720	15,56,49,720	94,62,000	84,74,000
		<b>74,38,01,839</b>	<b>79,86,42,349</b>	<b>5,48,40,510</b>	<b>5,00,91,860</b>
	<b>Total Secured Loans</b>	<b>1,81,64,17,188</b>	<b>1,95,27,07,698</b>	<b>13,62,90,510</b>	<b>12,47,91,860</b>
II.	<b>Unsecured Loans</b>				
	<b>Loans and advances from Related</b>				
	Zero Interest Loan - GIVL	9,38,20,000	14,38,20,000	-	-
	Zero Interest Loan - IIF	8,82,00,000	13,82,00,000	-	-
		<b>18,20,20,000</b>	<b>28,20,20,000</b>	<b>-</b>	<b>-</b>
I+II	<b>Total Long Term Borrowings</b>	<b>1,99,84,37,188</b>	<b>2,23,47,27,698</b>	<b>13,62,90,510</b>	<b>12,47,91,860</b>

**I Nature of Security for Secured Loans:****A. Term Loans from banks and others are secured by:**

- i) First mortgage and charge of all the borrower's immovable properties, present and future.
- ii) First charge by way of hypothecation of
  - a. all the movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future.
  - b. Operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future.
  - c. All intangibles, including but not limited to goodwill, uncalled capital, present and future.
  - d. 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.
  - e. Escrow Account, Debt Service Reserve, other reserves and any other bank accounts of the borrower wherever maintained.
  - f. Pledge of all the shares (equity and preference) held by the sponsors representing 51% of the paid up share capital.

**B. Term Loans – Subordinated Debt from IDFC is secured by:**

- i) Second mortgage and charge of all the borrower's immovable properties, present and future.
- ii) Second charge by way of hypothecation of
  - a. all the movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future.
  - b. Operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future.
  - c. All intangibles, including but not limited to goodwill, uncalled capital, present and future.



- d. 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.
- e. Escrow Account, Debt Service Reserve, other reserves and any other bank accounts of the borrower wherever maintained.
- f. Pledge of all the shares (equity and preference) held by the sponsors representing 51% of the paid up share capital.

## ii. Terms of repayment of Secured Loans

- a. The Senior Debt from banks and others, amounting to ₹2,33,57,00,000/-, is repayable in 29 unequal half yearly installments ranging from 1.68% to 7.38% commencing from 15th December 2011 till 15th December 2025.
- b. The Subordinate Debt availed from Infrastructure Development Finance Company Ltd. amounting to ₹19,00,00,000/- is repayable in 30 unequal half yearly installments ranging from 1.50% to 10.08% commencing from 15th June 2012 till 15th December 2026.
- c. In case of surplus cash flows, the Company has to accelerate the repayments pro-rata amongst Senior and Sub-Debt.
- d. Additional funds received, if any, from NHA as damages towards cost escalation will be utilized towards acceleration of the loan repayment to the extent of escalation in Interest on Term Loans.

## iii. Terms of repayment of Unsecured Loans

- a. The Company shall repay the principal amount of the unsecured loan after the expiry of the tenor of loan read with (b) below:
- b. Clause 6.1 (B) of the Common Loan Agreement dated 14th May 2007, provides following conditions for making Restricted Payments to unsecured lenders.
- a. No event of default under the financing documents has occurred and continuing;
- b. Ratio of the cash-flow before debt service for the preceding 12 months period to the debt service requirement for the same period exceeds 1.15 times for Loan A and 1.10 times for Loan B;
- c. Completion certificate for the Project has been obtained;
- d. All reserves including the DSR, MMR are maintained as required by the Lender;
- e. The repayments of Loan A and Loan B has commenced;"
- As the Company has complied with the above conditions, an amount of Rs. 10,00,00,000/- has been repaid during the Financial Year.

## 6. PROVISIONS

S.No	Particulars	Long Term Provisions		Short Term Provision	
		As on 31.03.2016	As on 31.03.2015	As on 31.03.2016	As on 31.03.2015
	<b>Other Provisions</b>				
1	Provision for Periodic Maintenance	34,81,82,091	28,59,78,727	-	-
2	Provision for Gratuity	1,96,441	-	1,511	-
3	Provision for Expenses	-	-	19,77,326	19,82,879
	<b>Total</b>	<b>34,83,78,532</b>	<b>28,59,78,727</b>	<b>19,78,837</b>	<b>19,82,879</b>

## 7. TRADE PAYABLES

S.No	Particulars	As on 31.03.2016 (₹)	As on 31.03.2015 (₹)
1	Operation & Maintenance expenses payable	1,34,35,800	1,27,93,900
	<b>Total</b>	<b>1,34,35,800</b>	<b>1,27,93,900</b>

## 8. OTHER CURRENT LIABILITIES

S.No	Particulars	As on 31.03.2016 (₹)	As on 31.03.2015 (₹)
1	Current maturities of long-term borrowings (Note No 5)	13,62,90,510	12,47,91,860
2	Interest Accrued and due	1,22,98,402	33,03,398
3	Interest Accrued but not due	21,68,127	23,49,240
4	Independent Consultant Fee payable	4,88,644	3,35,382
5	EPC Work bill payable	8,14,823	30,53,469
6	Consultancy charges payable	3,44,034	3,44,034
7	Statutory Liabilities		
	TDS payable	5,88,306	4,05,696
	Professional Tax Payable	400	400
8	Salaries & Wages Payable	2,10,224	1,94,907
9	Audit Fee payable	4,33,255	2,70,650
10	Other Payables	77,51,792	72,14,427
	<b>Total</b>	<b>16,13,88,517</b>	<b>14,22,63,463</b>



GLRL - Notes to the Provisional Financial Statements for the year ended 31st March 2016  
**9. FIXED ASSETS**

a. Tangible Assets

S. No.	Particulars	Gross Block			Depreciation			Net Carrying Value		
		As at 01.04.2015	Additions during the year	Adjusted against opening reserves	As at 31.03.2016	Upto 01.04.2015	For the year	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
1	Office Equipments	67,090	-	-	67,090	67,090	-	67,090	-	-
2	Furniture and Fixtures	44,218	-	-	44,218	44,218	-	44,218	-	-
3	Computers & Software	3,13,924	-	-	3,13,924	3,13,924	-	3,13,924	-	-
4	Air Conditioner	25,400	-	-	25,400	25,400	-	25,400	-	-
5	Carriageway (Refer Footnote # 1)	2,68,65,57,173	28,35,94,725	-	2,97,01,51,898	69,52,25,399	16,65,07,606	86,17,33,005	2,10,84,18,893	1,99,13,31,774
	<b>Total</b>	<b>2,68,70,07,805</b>	<b>28,35,94,725</b>	<b>-</b>	<b>2,97,06,02,530</b>	<b>69,56,76,030</b>	<b>16,65,07,606</b>	<b>86,21,83,637</b>	<b>2,10,84,18,893</b>	<b>1,99,13,31,774</b>
	<b>Previous year figures</b>	<b>2,68,03,44,540</b>	<b>66,63,265</b>	<b>-</b>	<b>2,68,70,25,975</b>	<b>53,02,42,983</b>	<b>16,54,33,047</b>	<b>69,56,76,030</b>	<b>1,99,13,31,774</b>	<b>2,15,01,01,557</b>

Footnote # : Carriageway represents the project asset under Concession Agreement signed between M/s Gayatri Lalitpur Roadways Limited and NHAI on September 29, 2006 for Design, Construction, Development, Finance, Operation and Maintenance of Km 49.700 to Km 99.005 on National Highway No.26 in the state of Uttar Pradesh on BOT (Annuity) basis (UP - 3 Package). The company has been set up to design, construct, develop, finance, operate and maintain the road under BOT annuity basis. The above said project shall be handed over to NHAI at the end of concession period, in accordance with clause 33.1 of Concession Agreement.



9. b. **CAPITAL WORK IN PROGRESS**

S.No	Particulars	As on 31.03.2016 (₹)	As on 31.03.2015 (₹)
A	Opening Balance	19,11,300	19,11,300
B	Add: Expenditure incurred during the year		
1	EPC cost	-	66,63,265
2	Utility expenses	27,16,270	-
C	Total (A+B)	46,27,570	85,74,565
1	Utility receipts	27,16,270	-
		19,11,300	85,74,565
	Transferred to Carriageway	-	(66,63,265)
	Balance as at the end of the year	19,11,300	19,11,300

10. **LONG TERM LOANS AND ADVANCES**

S.No	Particulars	As on 31.03.2016 (₹)	As on 31.03.2015 (₹)
1	Unsecured, Considered good Loans and Advances to Related Party- Gayatri Projects Limited		
	Special Advance (Refer footnote below)	-	28,35,94,725
2	Income Tax Receivable	1,18,74,859	2,61,27,574
3	Work Contract Tax Receivable	1,22,22,810	1,22,22,810
	Total	2,40,97,669	32,19,45,109

Footnote: In view of the settlement Deed dated \_\_\_\_\_ executed between the company and the EPC Contractor( Gayatri Projects Ltd.), the arbitration dispute stands withdrawn and an amount of Rs.28,35,94,725/- has been capitalised with carriage way as the same was then certified by Lenders Independent Engineer as and when the work was executed.

11. **TRADE RECEIVABLES**

S.No	Particulars	As on 31.03.2016 (₹)	As on 31.03.2015 (₹)
	Unsecured, considered good Recoverable from NHA1		
1	Outstanding for a period exceeding six months from the date due for payment	44,221	44,221
2	Outstanding for a period less than six months from the date due for payment	52,34,973	23,99,44,973
	Total	52,79,194	23,99,89,194

12. **CASH AND CASH EQUIVALENTS**

S.No	Particulars	As on 31.03.2016 (₹)	As on 31.03.2015 (₹)
1	Cash and cash equivalents		
a	Balances with banks		
	- On current accounts	48,92,76,586	25,00,60,843
b	Cash on hand	10,244	27,141
	Total	48,92,86,830	25,00,87,984



**13. SHORT-TERM LOANS AND ADVANCES**

S.No	Particulars	As on 31.03.2016 (₹)	As on 31.03.2015 (₹)
1	Loans and advances to Related Party (Unsecured, considered good) Gayatri Projects Ltd. a. Gayatri Projects Ltd (HO) -	-	22,38,646
	b. GPL-Major Maintenance Expenses- Advance	1,23,00,000	
2	Works Contract Tax recoverable – Utility Bills	2,72,342	2,72,342
3	Withheld money by NHAI - Utility Bills	5,456	5,456
4	Prepaid Expenses	1,32,008	1,32,370
5	Prepaid Insurance	2,33,116	2,29,385
	<b>Total</b>	<b>1,29,42,922</b>	<b>28,78,199</b>

**14. REVENUE FROM OPERATIONS**

S.No	Particulars	For the Year Ended 31.03.2016 (₹)	For the Year ended 31.03.2015 (₹)
1	Revenue from Sale of Services – Annuity from NHAI	47,90,00,000	47,90,00,000
	<b>Total</b>	<b>47,90,00,000</b>	<b>47,90,00,000</b>

**15. OTHER INCOME**

S.No	Particulars	For the Year Ended 31.03.2016 (₹)	For the Year ended 31.03.2015 (₹)
1	Interest Income Interest on Income Tax Refund	17,25,999	-
2	Dividend Dividend from Mutual Funds	1,84,97,190	1,62,67,233
	<b>Total</b>	<b>2,02,23,189</b>	<b>1,62,67,233</b>

**16. EMPLOYEE BENEFITS EXPENSE**

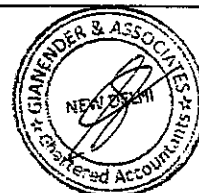
S.No	Particulars	For the Year Ended 31.03.2016 (₹)	For the Year ended 31.03.2015 (₹)
1	Salaries	24,34,671	21,21,112
2	Gratuity	1,97,952	-
	<b>Total</b>	<b>26,32,623</b>	<b>21,21,112</b>

**17. FINANCE COSTS**

S.No	Particulars	For the Year Ended 31.03.2016 (₹)	For the Year ended 31.03.2015 (₹)
1	Interest on Term Loans	22,75,37,415	24,32,99,667
2	Other Borrowing Costs a Annual Review and other charges b Security Trustee Fee c Lenders' Agent Fee	9,13,742 5,61,981 5,61,981	1,18,654 5,61,800 5,61,800
	<b>Total</b>	<b>22,95,75,119</b>	<b>24,45,41,921</b>

**18. DEPRECIATION**

S.No	Particulars	For the Year Ended 31.03.2016 (₹)	For the Year ended 31.03.2015 (₹)
1	Depreciation for the year	16,65,07,606	16,54,33,047
	<b>Total</b>	<b>16,65,07,606</b>	<b>16,54,33,047</b>



**19. OPERATIONS AND MAINTENANCE EXPENSES**

Operations and Maintenance Expenditure of ₹ 3,36,60,429/- (Previous Year ₹3,38,94,958/-) comprises of amounts paid/payable to the O&M Contractor, M/s Gayatri Projects Ltd.

**20. PERIODIC MAINTENANCE EXPENSES**

Provision for periodic maintenance amounting to ₹ 6,22,03,364/- (Previous year ₹ 5,64,92,297/-) has been provided in accounts for the year ended 31.03.2016, in terms of clause 5.1 of the Operation and Maintenance Agreement with Gayatri Projects Limited.

**21. OTHER EXPENSES**

S.No	Particulars	For the Year Ended 31.03.2016 (₹)	For the Year ended 31.03.2015 (₹)
1	Insurance Expenses	2,61,239	2,60,017
2	Rent	12,51,682	11,75,909
3	Audit Fee	4,60,820	2,80,900
4	Conveyance	65,930	96,000
5	Legal & Professional charges	39,68,439	26,39,075
6	Travelling expenses	45,898	2,71,069
7	Site office expenses	19,25,017	12,88,214
8	Printing & Stationery	51,103	36,150
9	Other Expenses	56,03,771	54,30,119
10	NHAI IC Fee	30,89,110	39,58,545
	<b>Total</b>	<b>1,67,23,009</b>	<b>1,54,35,998</b>

**22. Contingent Liabilities:**

a. Claims against the Company not acknowledged as debts are as follows.

S.No	Particulars	For the Year Ended 31.03.2016 (₹)	For the Year ended 31.03.2015 (₹)
1	Claims Made by DFO, Lalitpur towards transit fee on Forest Produce disputed by the Company *	23,54,36,252	23,54,36,252
	<b>Total</b>	<b>23,54,36,252</b>	<b>23,54,36,252</b>

In accordance with the EPC Agreement entered into with the EPC Contractor, inter-alia, the EPC Contractor has agreed to "indemnify and save harmless the Employer from and against all claims, liabilities, expenses, costs and losses suffered or incurred by the Employer which may arise out of or in connection with the execution of the Works"

Accordingly, even in case the abovesaid amount of ₹23,54,36,252/- is demanded from the Company by NHA, the same can be recovered from the EPC Contractor as per the above covenant(s) of the EPC Agreement. However, the EPC Contractor has obtained stay order against above claims from Hon'ble Supreme Court.

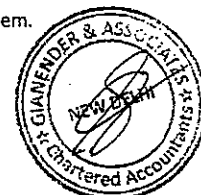
**23. Capital and Other Commitments****a. Capital Commitments:**

Estimated amount of contracts remaining to be executed on Capital Account are ₹ 5,98,13,688/- (As at 31.03.2015 ₹ 5,98,13,688/-).

**b. Other Commitments:**

The Company has firm commitment of Operations & Maintenance (O&M) Service Fee in terms of the O&M Agreement dated 14th May 2007 entered into with M/s Gayatri Projects Ltd

24. In terms of provisions of Accounting Standard 22 issued by ICAI, no deferred tax asset/ liability has been recognized as the tax on timing difference between accounting income and taxable income that arise during the year is reversing during the tax holiday period, which the Company is eligible to avail under section 80IA of the Income Tax Act, 1961
25. There are no amounts claimed/payable by entities covered under the Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 as on 31st March 2016.
26. The Directors have been paid sitting fees for the Board and Committee meetings attended by them.



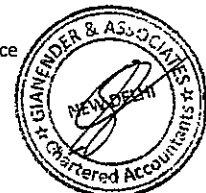


**27. Employee Benefits:**

Provision for Gratuity is made on actuarial basis as summarized below. The Company does not have any policy for Compensated Absences.

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Expenses recognized in the Statement of Profit &amp; Loss for the year ended 31st March, 2016</b>		
Current Service Cost	13,660	-
Interest Cost	-	-
Expected Return on Planned Assets	-	-
Net Actuarial (Gain)/Loss recognized during the year	1,84,292	-
Settlement costs/others	-	-
<b>Total Expenses</b>	<b>1,97,952</b>	<b>-</b>
<b>Net Asset / (Liability) recognized in the Balance Sheet</b>		
Present value of the Obligations	1,97,952	-
Fair value of Planned Assets	-	-
Funded Status (surplus/deficit)	-	-
Net Asset / (Liability) recognized in the Balance Sheet	1,97,952	-
<b>Change in Present Value of Obligation</b>		
Opening defined benefit obligation	-	-
Current Service Cost	13,660	-
Interest Cost	-	-
Others	-	-
Benefits Paid	-	-
Net Actuarial (Gain)/Loss recognized during the year	1,84,292	-
Closing defined benefit obligation	1,97,952	-
<b>Principal Actuarial Assumptions:</b>		
Discounting Rate	8.00%	-
Average Salary Growth Rate	4.00%	-
Attrition Rate	3.00%	-
Mortality Rate	LIC (2006-08)	-

28. The Payment of Gratuity Act, 1972 and Employees Provident fund and Miscellaneous Provisions Act, 1952 are not applicable to the Company as the Company does not have requisite number of employees on its rolls. The Company has no policy of encashment of leaves. Accordingly, no provision has been made in respect of employee benefits in terms of AS-15 "Employee Benefits".
29. The Company is engaged only in the business of Constructing and Operating the BOT Project. Further, the Company is carrying its business in only one geographical segment.
30. Related Party Disclosures:
- List of Related parties
    - Gayatri Projects Ltd – The Ultimate Holding Company.
    - Gayatri Infra Ventures Limited – Holding Company.
    - India Infrastructure Fund – Entity having substantial interest (more than 20% interest in the voting power).
  - Key Management personnel
    - T.V.Sandeep Kumar Reddy
    - J.Brij Mohan Reddy – Director
    - Sachin Raj P. - Chief Financial Officer
    - S. Ravi Kumar - Company Secretary
  - Relatives of Key Management personnel
    - T. Subbarami Reddy
    - T. Indira Reddy
  - List of Enterprises in which Key Management personnel and /or their relatives have significant influence
    - Gayatri Projects Limited – Enterprise in which the Key Management personnel have significant influence
    - Gayatri Lalitpur Roadways Limited – Fellow Subsidiary



## v. Details of transactions with related parties during the year ended March 31, 2016 and balances as at March 31, 2016:

S.No	Particulars	Amount of Transaction	Dabit Balance as on 31.03.2016	Credit Balance as on 31.03.2016
I	Gayatri Infra Ventures Limited			
	Subscription of Equity	-		16,21,79,000
		-		(16,21,79,000)
	Unsecured loan	5,00,00,000		9,38,20,000
				(14,38,20,000)
II	Gayatri Projects Limited			
A	Subscription of Equity	-		1,000
		-		(1,000)
B				
1	Capital Work in Progress- EPC Work	(66,63,265)		8,14,823
				(30,53,469)
2	O & M Expenses	3,36,60,429		1,34,35,800
		(3,38,94,958)		(1,27,93,900)
3	Utility Shifting Expenses	27,16,270		20,51,025
		(-)		(16,20,384)
4	Major Maintenance Advance	1,23,00,000	1,23,00,000	
		-		
5	Reimbursement of Site Expenses	-		7,32,932
		-		(7,32,932)
6	Reimbursement of HO Expenses	-	(22,38,646)	-
		-		
7	Special Advance	-	(28,35,94,725)	-
		-		
III.	India Infrastructure Fund			
1	Subscription of Equity	-		12,40,00,000
		-		(12,40,00,000)
2	Unsecured loan	5,00,00,000		8,82,00,000
		-		(13,82,00,000)
IV.	Remuneration to Key Management Personnel			
1	Salary to Chief Financial Officer	6,45,000		58,650
		(3,15,000)		(44,800)
2	Salary to Company Secretary	6,60,000		54,800
		(6,60,000)		(53,095)

Figures in brackets relate to previous year.

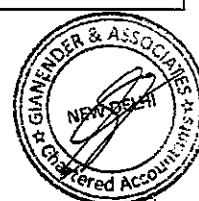
## 31. EARNINGS PER SHARE

Basic and Diluted earnings per share are calculated as per Accounting Standard 20 "Earnings per Share" issued by the Institute of Chartered Accountants of India.

S.No	Particulars	For the Year Ended 31.03.2016 (₹)	For the Year ended 31.03.2015 (₹)
1	Net Profit/(Loss) after tax attributable to Equity shareholders :: A	(1,20,78,961)	(2,26,52,099)
2	Weighted Average number of Equity Shares outstanding :: B	3,17,98,006	3,17,98,006
	Basic and Diluted Earnings (Loss) per share of Rs.10/- each :: A / B	(0.38)	(0.71)

## 32. REMUNERATION PAID TO AUDITORS:

S.No	Particulars	For the Year Ended 31.03.2016 (₹)	For the Year ended 31.03.2015 (₹)
1	For Statutory Audit (incl. Service Tax)	3,45,000	2,24,720
2	For Tax Audit (incl. Service Tax)	57,500	56,180
3	For Other Services (incl. Service Tax)	61,740	37,641
	Total	4,64,240	3,18,541



33. Earnings and Expenditure in Foreign Currency: ₹ Nil (Previous Year ₹ Nil)
34. C.I.F value of imports ₹ Nil (Previous Year ₹ Nil)
35. Based on the review of the future discounted cash flow, the recoverable amount of the project facility is more than its carrying account. Accordingly, no provision for the impairment is made in the books of accounts
36. In the opinion of the Board, assets other than fixed assets and non-current investments have a value in the ordinary course of business at least equal to the amount at which they are stated
37. Balances of loans and advances, suppliers and contractors are subject to confirmation and reconciliation.
38. Previous Year figures have been regrouped/reclassified to conform to the classification adopted in the current year.


For Gianender & Associates  
Chartered Accountants  
ICAI Regn. No. 004661N




SHASHANK AGRAWAL  
Partner  
Membership No. 536670



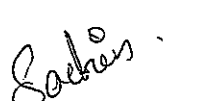
For and on behalf of the Board



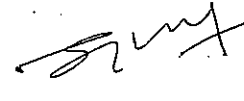
J. BRAH MOHAN REDDY  
Chairman  
DIN:00012927



SACHIN JOHRI  
Director  
DIN:01181852



SACHIN RAJ P.  
Chief Financial Officer



S. RAVI KUMAR  
Company Secretary

Place: Hyderabad  
Date: 17th May 2016