Placement Document
Not for Circulation.
Serial No._____________
Private and Confidential
Dated March 12, 2018

GAYATRI PROJECTS LIMITED

*Gayatri Projects Limited (the "**Company**" or "**Issuer**") was originally incorporated as "Andhra Coastal Constructions Private Limited" in India pursuant to a certificate of incorporation dated September 15, 1989, issued by the Registrar of Companies, at Hyderabad, Andhra Pradesh, as a private company limited by shares under the provisions of the Companies Act, 1956. The name of our Company was changed to Gayatri Projects Private Limited and a fresh certificate of incorporation was issued on March 31, 1994. Our Company was converted into a public company with effect from December 2, 1994, pursuant to which our name was changed to Gayatri Projects Limited and a fresh certificate of incorporation was issued on December 2, 1994. Our Company has been allotted the following Corporate Identification Number: L99999TG1989PLC057289.*

Registered Office and Corporate Office: B-1, T.S.R. Towers, 6-3-1090 Raj Bhavan Road, Somajiguda, Hyderabad – 500 082.
Telephone No: 040 2331 4284; **Facsimile No**: 040 2339 8435 **Website:** www.gayatri.co.in **E-mail:** gplhyd@gayatri.co.in

Our Company is issuing up to 9,946,785 equity shares of face value of ₹ 2 each, of our Company, at a Price of ₹ 201.07 per equity share (the "**Issue Price**"), including a premium of ₹ 199.07 per equity share, aggregating up to ₹ 2,000.00 million, (the "**Issue**").

IN RELIANCE UPON CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, (THE "SEBI ICDR REGULATIONS"), AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, (THE "COMPANIES ACT 2013"), AND THE RULES MADE THEREUNDER.

The total outstanding number of issued and paid-up equity shares of our Company of face value of ₹ 2 each, ("**Equity Shares**"), is 177,251,900 Equity Shares, which are currently listed on the BSE Limited, ("**BSE**"), and, the National Stock Exchange of India Limited, ("**NSE**"), (the NSE and the BSE, are hereinafter jointly referred to as the "**Stock Exchanges**"). In-principle approvals under Regulation 28(1) (a) of the SEBI Listing Regulations, (as defined hereinafter), for listing of the Equity Shares have been received from the Stock Exchanges on March 7, 2018. The closing prices of the outstanding Equity Shares on the BSE and the NSE on March 6, 2018 were ₹ 205.40 and ₹ 207.15 per Equity Share, respectively. Applications shall be made, for the listing and trading approvals on the Stock Exchanges in connection with the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the said Equity Shares to trading on the Stock Exchanges should not be taken as an indication of the merits of the business of our Company or of the said Equity Shares.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE.

A copy of the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4, as defined hereinafter), has been delivered to the Stock Exchanges, and, a copy of this Placement Document will also be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the Registrar of Companies, Hyderabad, Telangana, (the "**RoC**"), and the Securities and Exchange Board of India, ("**SEBI**"), within the stipulated period as required under the Companies Act, 2013, and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended. This Placement Document has not been reviewed by SEBI, the Reserve Bank of India, ("**RBI**"), the Stock Exchanges, or any other regulatory or listing authority, and is intended only for use by eligible Qualified Institutional Buyers as defined in the SEBI ICDR Regulations, ("**QIBs**"). This Placement Document has not been and will not be registered as a prospectus with the RoC, and will not be circulated or distributed to the public in India, or in any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO QIBS IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, THE RULES MADE THEREUNDER, AND, CHAPTER VIII OF THE SEBI ICDR REGULATIONS. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBS. ONLY QIBs (AS DEFINED ABOVE), WHICH ARE NOT: (A) EXCLUDED PURSUANT TO REGULATION 86 OF THE SEBI ICDR REGULATIONS; AND/OR (B) RESTRICTED FROM PARTICIPATING IN THE ISSUE UNDER THE SEBI ICDR REGULATIONS AND OTHER APPLICABLE LAWS, ARE ELIGIBLE TO INVEST IN THIS ISSUE.

YOU ARE NOT AUTHORIZED TO AND MAY NOT: (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE "RISK FACTORS", ON PAGE 52, BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PLACEMENT DOCUMENT.

This Placement Document, (which includes disclosures prescribed under Form PAS-4), has been circulated only to such QIBs whose names are recorded by our Company prior to making an invitation to subscribe to the Equity Shares. Invitations, offers and sale of Equity Shares shall only be made pursuant to the Preliminary Placement Document together with the Application Form, this Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, please refer to "***Issue Procedure***" on page 197. The distribution of the this Placement Document, or the disclosure of its contents, without the prior consent of our Company to any person, other than QIBs, and persons retained by QIBs to advise them with respect to their purchase of Equity Shares, is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and agrees to not make copies of this Placement Document or any documents referred to in this Placement Document.

The information on the website of our Company, or any website directly or indirectly linked to the website of our Company, or the websites of the Book Running Lead Managers and their respective affiliates, does not form part of this Placement Document, and prospective investors should not rely on such information contained in, or available through, any such website.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the "**Securities Act**"), or the securities laws of any state of the United States, and may not be offered or sold in the United States (as defined in Regulation S under the Securities Act ("**Regulation S**")), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S. For a description of the selling restrictions in certain other jurisdictions, please refer to "***Selling Restrictions***" on page 210. The Equity Shares are transferrable only in accordance with the restrictions described in *"**Transfer Restrictions**"* on page 216.

This Placement Document is dated March 12, 2018.

BOOK RUNNING LEAD MANAGERS	
JM FINANCIAL	CREDIT SUISSE
JM Financial Limited	Credit Suisse Securities (India) Private Limited

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NOTICE TO INVESTORS

1. Accepting full responsibility for all of the information contained in this Placement Document: Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document, and confirms that to our best knowledge and belief, (having made all reasonable enquiries), that this Placement Document contains all information with respect to us, and our Subsidiaries (collectively, the "**Group**"), Associates and Joint Ventures, and, the Equity Shares, as is material in the context of the Issue.

2. True, accurate and not misleading statements: The statements contained in this Placement Document relating to the Group and the Equity Shares are, in every material respect, true, accurate, and not misleading.

3. Opinions and intentions based on information available and reasonable assumptions: The opinions and intentions expressed in this Placement Document with regard to the Group and the Equity Shares, are honestly held, have been reached after considering all relevant circumstances, are based on information presently available to us and are based on reasonable assumptions.

4. No misleading omission of facts: There are no other facts in relation to the Group and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by us to ascertain such facts and to verify the accuracy of all such information and statements. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as on any time subsequent to its date.

5. Each person receiving this Placement Document acknowledges that such person has not relied on the BRLMs and must rely on its own examination of our Group and the merits and risks involved in investing in the Equity Shares: JM Financial Limited and Credit Suisse Securities (India) Private Limited, (together the "**Book Running Lead Managers**" or "**BRLMs**"), have not separately verified the information contained in this Placement Document, (financial, legal or otherwise). Accordingly, neither the BRLMs nor any of their shareholders, employees, counsels, officers, directors, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by either of the BRLMs or their shareholders, employees, counsels, officers, directors, representatives, agents or affiliates, as to the accuracy or completeness of the information contained in this Placement Document, (or its distribution), or any other information supplied in connection with the Group or Equity Shares. Each person receiving this Placement Document acknowledges that such person has not relied on either the BRLMs, or on any of their shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with such person's investigation of the accuracy of such information, or such person's investment decision, and, each such person must rely on its own examination of our Group and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

6. Authorization: No person is authorized to give any information or to make any representation not contained in this Placement Document, and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of our Company, or the BRLMs.

7. The Issue has not been approved, disapproved or recommended by any regulatory authority: The Equity Shares issued pursuant to the Issue have not been approved, disapproved, or recommended, by any regulatory authority in any jurisdiction. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document.

8. Jurisdictional Restrictions: The distribution of this Placement Document and the offering of the Equity Shares may be restricted by law in certain countries or jurisdictions. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized, or to any person to whom it is unlawful to make such offer or solicitation. No action has been taken by our Company or the BRLMs which would permit an offering of the Equity Shares or distribution of this Placement Document in any country or jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

9. Regulation S: The Equity Shares have not been recommended by any foreign, federal or state securities commission or regulatory authority. Further, the Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Please refer to "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 210 and 216, respectively. The Equity Shares are transferable only in accordance with the restrictions described in "***Selling Restriction***" and "***Transfer Restrictions***" on pages 210 and 216, respectively, of this Placement Document. Any purchaser of the Equity Shares, will be deemed to make the representations, warranties, acknowledgments and agreements as set forth in the sections "***Representations by Investors***" and "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 5, 210 and 216, respectively of this Placement Document.

10. Prohibition of distribution of this Placement Document or the disclosure of its contents: The distribution of this Placement Document, or the disclosure of its contents, without the prior consent of our Company, to any person, other than QIBs specified by the BRLMs or their representatives, and those retained by such QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorized and prohibited. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any offering material in connection with the Equity Shares.

11. Investors must rely on their own examinations: In making an investment decision, prospective investors must rely on their own examination of our Group and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of the Preliminary Placement Document or this Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the BRLMs are making any representation to any offeree or purchaser of the Equity Shares regarding the legality or suitability of an investment in the Equity Shares by such offeree or purchaser under applicable laws or regulations.

12. Eligibility of the Purchaser: Each purchaser of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that: (A) it is eligible to invest in India and in our Company under Indian law, including Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013, and, (B) it is not prohibited by SEBI or any other statutory authority from buying, selling or dealing in securities. Each subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

13. Investors should not rely on information available on Company's website: The information available on or through our Company's website www.gayatri.co.in, or any website directly and indirectly linked to the website of our Company, or on the websites of the BRLMs, or their respective affiliates, does not constitute or form a part of this Placement Document, and prospective investors should not rely on such information. This Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

For information for investors in certain other jurisdictions, please refer to "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 210 and 216 of this Placement Document, respectively.

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" are to the prospective investors in the Issue. By bidding for and subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the BRLMs, as follows:

1. Qualified Institutional Buyer: You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 86(1)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India. You undertake to: (i) acquire, hold, manage or dispose, of any Equity Shares that are allocated to you in accordance with Chapter VIII of the SEBI ICDR Regulations, and undertake to comply with the SEBI ICDR Regulations, the Companies Act, and all other applicable laws; and, (ii) comply with all requirements under applicable law in relation to eligibility norms, as well as reporting obligations, if any, in this regard;

2. Eligibility to invest in India: You are eligible to invest in India under applicable laws, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended, ("**FEMA 2017**"), and any notifications, circulars or clarifications issued thereunder, and you have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities. You are eligible to invest if you are not a resident of India, but a QIB, and you are an Eligible FPI as defined in this Placement Document, (and have a valid and existing registration with SEBI under the applicable laws in India); or a multilateral or bilateral development financial institution; or an FVCI and have a valid and existing registration with SEBI under applicable laws in India, and are eligible to invest in India under applicable law, including the FEMA 2017, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities. Specifically, investments by FVCIs are required to be made in compliance with Schedule 1 of FEMA 2017;

3. Necessary filings: You will make all necessary filings with appropriate regulatory authorities (including the RBI), if required pursuant to applicable laws;

4. Lock in: If you are Allotted, (as defined hereinafter), Equity Shares pursuant to the Issue, you shall not sell the Equity Shares for a period of one year from the date of Allotment (as defined hereinafter), except on the Stock Exchanges. Please refer to "***Transfer Restrictions***" on page 216**.**

5. Placement Document not to be registered as Prospectus with RoC: You are aware that the Preliminary Placement Document and this Placement Document has not been, and will not be, registered as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations, or under any other law in force in India, and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India, or any other class of investors, other than QIBs. This Placement Document has not been reviewed by the SEBI, the RBI, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by QIBs. Further, this Placement Document has not been verified or affirmed by the SEBI or the Stock Exchanges;

6. No Jurisdictional restrictions: You are entitled to subscribe to and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you, and you have all necessary capacity, and have obtained all necessary consents and authorities, and have complied with and shall comply with, all necessary formalities to enable you to participate in the Issue, and to perform your obligations in relation thereto (including without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Placement Document), and will honor such obligations;

7. No recommendation or advice: Neither our Company, nor the BRLMs, or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions they may enter into in connection with the Issue.

8. You are not a client of any of the BRLMs: Your participation in the Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares, be a client of any of the BRLMs. Neither the BRLMs nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have any duty or responsibility to you for providing the protection afforded to their clients or

customers or for providing advice in relation to the Issue or you in any way acting in any fiduciary capacity;

9. Forward-looking statements: All statements other than statements of historical fact in this Placement Document, including those regarding our financial position, business strategy, plans and objectives of management for future operations, (including development plans and objectives relating to our Company's or our Subsidiaries business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from any future results, performance or achievements, as expressed or implied by such forward-looking statements. Such forward- looking statements are based on numerous assumptions regarding our Company's or our Subsidiaries present and future business strategies, and the environment in which our Company or our Subsidiaries, as applicable, will operate in the future. You should not place undue reliance on forward-looking statements, which are only applicable as of the date of this Placement Document. None of our Company, Subsidiaries, the BRLMs, or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, assumes any responsibility to update any of the forward-looking statements contained in this Placement Document;

10. Only to QIB's: You are aware that the Equity Shares are being offered only to QIBs on a private placement basis and are not being offered to the general public, and the Allotment, by our Company in consultation with the BRLMs, shall be on a discretionary basis;

11. Selling Restrictions and Transfer Restrictions: You have made, or been deemed to have made, as applicable, the representations set forth under "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 210 and 216, respectively;

12. Serially numbered copy of the Preliminary Placement Document and this Placement Document: You have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Document and have read it in its entirety, including in particular the "***Risk Factors***" on page 52;

13. Relied on your examinations: In making your investment decision, you have: (i) relied on your own examination of our Company, our Subsidiaries, and the terms of the Issue, including the merits and risks involved; (ii) made and will continue to make, as the case may be, your own assessment of our Company, our Subsidiaries, the Equity Shares, and the terms of the Issue, based on such information as is publicly available; (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, the effects of local laws; (iv) relied solely on the Company related information as contained in the Preliminary Placement Document and this Placement Document and no other disclosure or representation by our Company or any other party; (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares; and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;

14. No tax advice provided: The BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, have not provided you with any tax advice or otherwise made any representations regarding the tax consequences of the purchase, ownership and disposal of the Equity Shares (including the Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the BRLMs or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in connection with the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, the BRLMs or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

15. Knowledgeable and sophisticated investor: You have sufficient knowledge, sophistication and experience in financial and business matters, as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You and any managed accounts for which you are subscribing for the Equity Shares: (i) are each able to bear the economic risk of the investment in the Equity Shares; (ii) will not look to our Company and/or the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise; (iii) are able to sustain a complete loss on the investment in the Equity Shares; (iv) have no need for liquidity with respect to the investment in the Equity Shares; and, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or

distribution by you or them of all or any part of the Equity Shares. You are: (i) aware that investment in Equity Shares involves a high degree of risk, and that the Equity Shares are, therefore, a speculative investment; and, (ii) experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions, and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute.

16. Acquiring the Equity Shares for one or more managed accounts If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account, to acquire the Equity Shares for each managed account and make the representations, warranties, acknowledgements and agreements herein, for and on behalf of each such account, reading the reference to 'you' to include such accounts;

17. Not a promoter or related to promoters: You are not a promoter of our Company, (as defined in the SEBI ICDR Regulations), or are not a person related to the Promoters, either directly or indirectly and your Bid, (as defined hereinafter), does not directly or indirectly represent any Promoter/s or Promoter Group of our Company, (as defined in the SEBI ICDR Regulations), or persons or entities related thereto;

18. No rights under a shareholders' agreement or voting agreement: You have no rights under a shareholders' agreement, or voting agreement, with the Promoters or persons related to the Promoters, nor do you have any veto rights, or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares;

19. Bid withdrawal: You have no right to withdraw your Bid after the Issue Closing Date;

20. Aggregate holding shall not exceed the level permissible as per any applicable law: You are eligible to Bid for and hold Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. Your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

21. Takeover Regulations: The Bid made by you would not result in triggering an open offer under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**");

22. Aggregate holding of QIB's belonging to the same group: The number of Equity Shares Allotted to you pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50.00% of the Issue.

23. In-principle approval and final listing and trading approvals: You are aware that: (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made, and an approval has been received from the recognized stock exchanges having nationwide trading terminals, being, the BSE and the NSE; and, (ii) the application for final listing and trading approvals will be made only after Allotment. There can be no assurance that such approvals will be obtained on time or at all. Neither, our Company nor the BRLMs nor any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

24. Filings with RoC and SEBI: You agree in terms of Section 42(7) of the Companies Act, 2013, and Rule 14(3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, our Company shall file the list of QIBs to whom the Preliminary Placement Document is circulated, along with other particulars with the RoC and SEBI, within 30 days of circulation of the Preliminary Placement Document, and make other filings as required under the Companies Act, 2013;

25. Lock – in till final listing and trading approval: You understand that the Equity Shares allotted to you will be locked in and that you shall not be able to undertake any trade in the Equity Shares credited to your Depository Participant account until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

26. Disclosure of names of certain allottees: You are aware that if you, together with any other QIBs belonging to the same group, or under common control, are Allotted more than 5.00% of the Equity Shares in this Issue, our Company shall be required to disclose the name of such Allottees, and the number of Equity Shares Allotted to them, on the website of the Stock Exchanges, and you consent to such disclosures being made. You are aware and agree that, if you are one of the top ten equity shareholders, our Company will be required to make a filing with the RoC within 15 days of change in shareholding, in accordance with Section 93 of the Companies Act, 2013;

27. Pre-Issue and post-Issue shareholding pattern: You are aware that the pre-Issue and post-Issue shareholding pattern of our Company, in the format prescribed in the SEBI Listing Regulations, will be filed by our Company with the Stock Exchanges.

28. Placement Agreement: The BRLMs have entered into a Placement Agreement, (as defined below), with our Company, whereby the BRLMs have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

29. Contents of this Placement Document are exclusively the responsibility of our Company: The contents of this Placement Document are exclusively the responsibility of our Company, and that neither the BRLMs nor any person acting on their behalf, has or shall have any liability for any information, representation or statement contained in the Preliminary Placement Document and this Placement Document or any information previously published by or on behalf of our Company, and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document, or otherwise. By participating in the Issue, you agree to the same, and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares, is contained in the Preliminary Placement Document and this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares. You have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the BRLMs, or our Company, or any other person, and neither the BRLMs nor our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them. The BRLMs and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

30. No Obligation of BRLMs: The BRLMs do not have any obligation to purchase or acquire all or any part of the Equity Shares that may be purchased by you in the Issue, or to support any losses directly or indirectly sustained or incurred by you, for any reason whatsoever, in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

31. Other Confirmations: You confirm that either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents with regard to our Company or this Issue; or (ii) if you have participated in or attended any Company presentations with regard to our Company or this Issue, ("**Company Presentations**"): (a) that you understand and acknowledge that the BRLMs may not have the knowledge of the statements that our Company or its agents may have made at such Company Presentations, and are therefore unable to determine whether the information provided to you at such Company Presentations included any material misstatements or omissions, and, accordingly you acknowledge that the BRLMs have advised you not to rely in any way on any such information that was provided to you at such Company Presentations; and, (b) you confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

32. Reliance on truth and accuracy of the foregoing representations: Our Company and the BRLMs, their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the BRLMs, on their own behalf and on behalf of our Company, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the BRLMs.

33. Representations, warranties, acknowledgements and agreements: Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, and the listing and trading of the Equity Shares in the Issue;

34. Indemnification: You agree to indemnify and hold our Company and the BRLMs and their respective directors, employees, officers, associates and agents, harmless from any and all costs, claims, liabilities and expenses, (including legal fees and expenses), arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the accounts managed by you;

35. Dispute Resolution: Any dispute arising in connection with the Issue, will be governed and construed in accordance with the laws of the Republic of India, and the courts in Hyderabad, India, shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document.

36. Transfer Restrictions: You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "***Transfer Restrictions***" at page 216 herein, and you warrant that you will comply with those restrictions.

37. Securities Act: You understand that the Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly, may not be offered or sold, within the United States.

38. Necessary filings: You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws.

OFFSHORE DERIVATIVE INSTRUMENTS

1. SEBI FPI Regulations: Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals, and as better detailed in Regulation 22 of the SEBI FPI Regulations, an FPI, may issue, subscribe or otherwise deal in offshore derivative instruments as defined under the SEBI FPI Regulations, as amended, as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying and all such offshore derivative instruments are referred to herein as "**P-Notes**" for which they may receive compensation from the purchasers of such P-Notes. An FPI must ensure that the P-Notes are issued in compliance with all applicable laws including Regulation 22 of the SEBI FPI Regulations, and circular no. CIR/IMD/FIIC/20/2014 dated November 24, 2014, read with the clarifications issued by SEBI vide circular no. CIR/IMD/FPI&C/ 61/2016 dated June 29, 2016. P-Notes have not been and are not being offered or sold pursuant to this Placement Document. This Placement Document does not contain any information concerning P-Notes, including, without limitation, any information regarding any risk factors relating thereto. An FPI, seeking to issue, subscribe or otherwise deal in offshore derivative instruments, must additionally comply with the relevant statutory and regulatory requirements outside India.

2. P-Notes: Affiliates of the BRLMs which are Eligible FPIs, may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company, and do not constitute any obligations of, claims on, or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are solely the obligations of, third parties that are unrelated to our Company. Our Company and the BRLMs do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLMs, and do not constitute any obligations of, or claims on, the BRLMs.

3. Responsibility of prospective investors purchasing P-Notes: Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority, nor our Company has reviewed or approved any P-Notes or any disclosure/s related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors, regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

4. Selling Restrictions and Transfer Restrictions: Please also refer to "***Selling Restrictions***" and "***Transfer Restrictions***" on page 210 and 216, respectively.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document and this Placement Document has been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of the contents of the Preliminary Placement Document and this Placement Document; or

2. warrant that our Equity Shares issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company;

and it should not, for any reason be deemed or construed to mean that this Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares of our Company, pursuant to this Issue, may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

CERTAIN CONVENTIONS, FINANCIAL AND OTHER INFORMATION

A. Certain Conventions

Sr. No	In this Placement Document, unless the context otherwise indicates or implies, references to the following:	Meaning
1.	'you' , 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors' and 'potential investor'	prospective investors
2.	'Company', 'our Company' and 'Issuer'	Gayatri Projects Limited
3.	'we', 'our' or 'us'	Our Company and our Subsidiaries
4.	'₹', 'Rs.', 'Re.', 'Indian Rupees' and 'Rupees'	legal currency of India
5.	'U.S.', '$', 'USD' and 'U.S. Dollars'	legal currency of the United States
6.	'India'	Republic of India and its territories and possessions
7.	'Government' or 'GoI' or the 'Central Government' or the 'State Government'	the Government of India, central or state, as applicable
8.	'U.S.' or the 'United States'	United States of America and its territories and possessions
9.	million	1,000,000
10.	billion	1,000,000,000

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

B. Financial and Other Information

1. Financial year: We record and publish our financial statements in Rupees. The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year, so all references to a particular "Financial Year" or "Fiscal" or "Fiscal Year" or 'FY' are to the 12 months period ended on March 31 of that year.

2. Financial Statements prepared as per Indian GAAP: Our Company publishes its financial statements in Indian Rupees. The audited standalone and consolidated financial statements of our Company, including the notes thereto and reports thereon, as of and for the years ended March 31, 2015 and March 31, 2016 included herein have been prepared in accordance with the accounting principles generally accepted in India, ("**Indian GAAP**"), prescribed by the Institute of Chartered Accountants of India, ("**ICAI**"), the Companies Act, 1956, the Companies Act, 2013, Accounting Standards notified under the Companies Act and the requirements of the Listing Regulations, each as applicable.

3. Financial statements prepared as per Ind AS: The audited standalone and consolidated financial statements of our Company as of and for the year ended March 31, 2017, as well as the unaudited standalone financial results as of and for the nine months period ended December 31, 2017 (including comparative financial information for the nine months period ended December 31, 2016), included herein have been prepared in accordance with Indian Accounting Standard (herein after referred to as "**Ind AS**"). The Financial Year ended March 31, 2017 was the first year that our Company prepared the financial statements as per Ind AS. The financial statements for the year ended March 31, 2016 and the opening Balance Sheet as on April 1, 2015 have been restated in accordance with Ind AS for comparative information. Our Company's financial statements have been prepared to comply with generally accepted accounting principles in accordance with Ind AS as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendments rules 2016.

4. Indian GAAP: Prior to April 1, 2016, we prepared our financial statements in accordance with Indian GAAP and the Companies Act. Ind AS and Indian GAAP differ in certain significant respects from each other and from International Financial Reporting Standards and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Further, the degree to which the financial statements prepared in accordance with Ind AS and Indian GAAP included in this Placement Document provide meaningful information is dependent on the reader's familiarity with the respective accounting policies. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

5. The audited standalone and consolidated financial statements / results of our Company for the Financial Year ended March 31, 2017, were originally approved by the Board of Directors vide a meeting held on

May 29, 2017 and same were declared/published to the stock exchanges as per the listing agreement. However, pursuant to the Composite Scheme of Arrangement ("Scheme"), as approved by the Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench vide its order dated November 3, 2017, the accounting effect /impact of the said scheme was considered in the books of accounts for the Financial Year ended March 31, 2017 (due to appointed date for merger being April 1, 2016 and demerger March 31, 2017), and accordingly the financial statements were revised as per the Scheme above, which replaced the original audited financial statements approved by the Board of Directors vide their meeting held on May 29, 2017 as mentioned above. Pursuant to the Scheme, figures as at and for the Financial Year ended March 31, 2017 and as at/ for the nine months period ended December 31, 2017 are not comparable to the previous year's figures.

6. The standalone and consolidated financial statements of our Company as of and for the years ended March 31, 2015, 2016 and 2017, included in this Placement Document have been audited by our current Statutory Auditors, M O S & Associates LLP, Chartered Accountants. The unaudited standalone financial results as of and for the nine months period ended December 31, 2017 (including financial information for the nine months period ended December 31, 2016 included for comparison purposes) included in this Placement Document have been reviewed by our current Statutory Auditors, M O S & Associates LLP, Chartered Accountants, in accordance with the Standard on review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India.

7. Rounding adjustments: Rounding adjustments have been made in calculating some of the data included in this Placement Document. As a result, the totals in some tables may not be exact arithmetic aggregations of the figures which precede them.

INDUSTRY AND MARKET DATA

1. Basis of Information contained in this Placement Document: Information regarding market position, growth rates and other industry data pertaining to our businesses contained in this Placement Document consists of estimates based on data reports compiled by government bodies, professional organizations and analysts, data from other external sources and knowledge of the markets in which we compete.

2. CRISIL Report: The statistical information included in this Placement Document relating to the industry in which we or our Subsidiaries operates, has been reproduced from, the report titled "CRISIL Research - Infrastructure Industry Report - India January 2018" (the "**CRISIL Report**"). We confirm that such information and data has been accurately reproduced correctly.

3. Availability and reliability of data: This information is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information, (whether from trade or industry associations, government bodies or other organizations), to validate market-related analysis and estimates, so we have relied on internally developed estimates.

4. Representation regarding the accuracy of data: Neither we nor the BRLMs, have independently verified this data and do not make any representation regarding the accuracy of such data. Our Company confirms that such information and data has been accurately reproduced, and that as far as it is aware and is able to ascertain from information published by third parties, no material facts have been omitted that would render the reproduced information inaccurate or misleading. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the BRLMs can assure potential investors as to their accuracy.

5. Methodologies used in compiling market and industry data: The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

6. Disclaimer: CRISIL Limited has issued the following disclaimer in relation to the information contained in the CRISIL Report, which is also included in this Placement Document:

   "CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Gayatri Projects Limited will be responsible for ensuring compliances and consequences of non - compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

FORWARD-LOOKING STATEMENTS

1. Identification of forward-looking statements: Certain statements contained in this Placement Document that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'seek', 'shall', 'should', 'will', 'would', 'will likely result' 'is likely', 'are likely', 'believe', 'expect', 'expected to', 'will continue', 'will achieve' or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability and other matters discussed in this Placement Document that are not historical facts.

2. All forward-looking statements are subject to risks, uncertainties and assumptions: These forward-looking statements and any other projections include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements and any other projections contained in this Placement Document, (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

a. Ability to obtain financing in order to meet our working capital requirements and pursue our growth strategy;
b. Our ability to respond to any adverse ratings received from credit rating agencies in India.
c. Disruption in the supply of raw materials or increase in the price of raw materials, fuel costs, labor or other inputs;
d. Delays, modifications or cancellations of projects included in our order book and our future projects;
e. Inability to identify or acquire new projects or win bids for new projects;
f. Obsolescence, destruction, breakdowns of our equipment or failures to repair or maintain such equipment.
g. Interest rates and inflation;
h. General economic and business conditions and level of investment and activity in the infrastructure development and construction sector;
i. Changes in Government policies and budgetary allocations for investments in road infrastructure; and
j. Our ability to respond to competition;

3. Additional factors: Additional factors that could cause actual results, performance or achievements to differ materially, include but are not limited to, those discussed under "***Risk Factors***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", "***Industry Overview***" and "***Our Business***" on pages 52, 91, 134 and 155, respectively. By their nature, market risk disclosures are only estimates, and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net income, could materially differ from those that have been estimated, expressed or implied by forward looking statements or other projections. The forward-looking statements contained in this Placement Document are based on the beliefs of, as well as the assumptions made by, and information currently available to, our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on any forward-looking statements.

4. No obligation to update or otherwise revise any statements: Forward-looking statements made herein are relevant only as of the date of this Placement Document, or the respective dates indicated in this Placement Document, and neither our Company nor the BRLMs undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions, or changes in factors

affecting these forward looking statements, or otherwise. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

1. Difficulty for investors outside India: Our Company is a public limited company incorporated under the laws of India. The majority of our Directors and all Key Managerial Personnel named here are residents of India, and all or a substantial portion of assets of our Company, and such persons are located in India. As a result, it may be difficult for investors outside India to affect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India.

2. Recognition or enforcement of foreign judgments: India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, of the Code of Civil Procedure, 1908, as amended (the "**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except where: (i) the judgment has not been pronounced by a court of competent jurisdiction; (ii) the judgment has not been given on the merits of the case; (iii) it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) the proceedings in which the judgment was obtained were opposed to natural justice; (v) the judgment has been obtained by fraud; and/or (vi) where the judgment sustains a claim founded on a breach of any law in force in India. A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code, may be enforced either by a fresh suit upon the judgment or by proceedings in execution. Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record, and such presumption may be displaced by proving want of jurisdiction.

3. Section 44A of the Civil Procedure Code 1908: India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Procedure Code provides, that a foreign judgment rendered by a superior court, (within the meaning of that Section), in any jurisdiction outside India which the GoI has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution, as if the judgment had been rendered by a competent court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature, or in respect of a fine or other penalties, and does not include arbitration awards.

4. Reciprocating territory: Each of the United Kingdom, Singapore and Hong Kong, among others, have been declared by the GoI to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the U.S. has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court, if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI, to repatriate outside India, any amount recovered pursuant to the execution of such foreign judgment, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Further, any such amount may be subject to income tax in accordance with applicable laws. It is unlikely that an Indian court would enforce foreign judgments that would be contrary to or in violation of Indian law. We cannot assure you that Indian courts and/or authorities would not take a longer amount of time to adjudicate and conclude similar proceedings in their respective jurisdictions.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currency will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currency of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth, for the periods indicated, information with respect to the exchange rates between the Rupee and the U.S. dollar (in Rupees per U.S. dollar). The exchange rates are based on the reference rates released by the RBI, which are available on the website of the RBI. No representation is made that the Rupee amounts actually represent such U.S. dollar amounts or could have been or could be converted into U.S. dollar at the rates indicated, any other rate, or at all.

(₹ per U.S. $)

	Period end(1)	Average(2)(5)	High(3)(5)	Low(4)(5)
Financial Year:				
2017	64.84	67.09	68.72	64.84
2016	66.33	65.46	68.78	62.16
2015	62.59	61.15	63.75	58.43
Quarter ended:				
December 31, 2017	63.93	64.73	65.55	63.93
December 31, 2016	67.95	67.46	68.72	66.43
Month ended:				
February 28, 2018	65.10	64.37	63.61	65.10
January 31, 2018	63.69	63.64	63.98	63.35
December 31, 2017	63.93	64.24	64.54	63.93
November 30, 2017	64.43	64.86	65.52	64.41
October 31, 2017	64.77	65.08	65.55	64.76
September 30, 2017	65.36	64.44	65.76	63.87

Source: www.rbi.org.in

Notes:

1. *The price for the period end refers to the price as on the last trading day of the respective period. If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day has been disclosed.*
2. *Average of the official rate for each working day of the relevant period.*
3. *Maximum of the official rate for each working day of the relevant period.*
4. *Minimum of the official rate for each working day of the relevant period.*
5. *High, low and average are based on the RBI reference rates and rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

Our Company has prepared this Placement Document using certain definitions and abbreviations which you should consider while reading the information contained herein. The terms defined in this section shall have the meaning set forth herein, unless specified otherwise in the context thereof, and references to any statute or regulations or policies shall include amendments thereto, from time to time.

In this Placement Document, unless the context otherwise indicates or implies, references to the 'Company', 'our Company', the 'Issuer' are to Gayatri Projects Limited; and references to 'we', 'our' or 'us' are to our Company and our Subsidiaries.

Company Related Terms

Term	Description
"Audited Consolidated Financial Statements"	The audited consolidated financial statements of our Company as of and for the Fiscal Year ended March 31, 2015 and March 31, 2016 which have been prepared in accordance with Indian GAAP and for the Fiscal Year ended March 31, 2017 prepared in accordance with Ind AS and the Companies Act, 1956 and the Companies Act, 2013, read along with the respective notes thereto.
"our Company", "the Company" "the Issuer" or "GPL"	Gayatri Projects Limited
"our" or "we" or "us"	Gayatri Projects Limited and its Subsidiaries unless the context otherwise, requires.
Articles/Articles of Association/AOA	The Articles of Association of our Company, as amended from time to time.
Associates	Gayatri Highways Limited, (Formerly Known as Gayatri Domicile Private Limited).
Audited Financial Statements	The audited consolidated financial statements and audited standalone financial statements.
Audited Standalone Financial Statements	The audited standalone financial statements of our Company as of and for the Fiscal Year ended March 31, 2015 and March 31, 2016 which have been prepared in accordance with Indian GAAP and as of and for the Fiscal Year ended March 31, 2017 prepared in accordance with Ind AS and the Companies Act, 1956 and the Companies Act, 2013, read along with the respective notes thereto.
Auditor	The statutory auditor of our Company, M O S & Associates LLP, Chartered Accountants
BHHPL	Balaji Highways Holding Private Limited
Board / Board of Directors	The Board of Directors of our Company or any duly constituted committee thereof.
BTPCL	Bhandara Thermal Power Corporation Limited
CEL	Cyberabad expressways Limited
Companies Act	The Companies Act, 2013, as amended or the Companies Act, 1956 as may be applicable.
Completed Projects	1) Completed works include the value of work of evidenced by the work completion certificate. 2) It also includes the value of work evidenced by the Provisional completion certificate.
Consortium Lenders	Bank of Baroda, Canara Bank, Corporation Bank, Syndicate Bank, Indian Overseas Bank, Andhra Bank, IDBI Bank, The Federal Bank Limited, Union Bank Of India, United Bank of India, Punjab National Bank, State Bank of India, Bank of Maharashtra, Dena Bank and SREI Equipment Finance Limited.
DCPL	Deep Corporation Private Limited
Director(s)	The director(s) on the Board of our Company, as may be appointed from time to time.
Equity Shares	Equity shares of face value of ₹ 2 each of our Company.
GDPL	Gayatri Domicile Private Limited.

Term	Description
GEVPL	Gayatri Energy Ventures Private Limited
GHHL	Gayatri Hi-tech Hotels Limited
GHL	Gayatri Highways Limited
GHTPL	Gayatri Hotels and Theatres Private Limited
GIVL	Gayatri Infra Ventures Limited.
GJRL	Gayatri Jhansi Roadways Limited
GLRL	Gayatri Lalitpur Roadways Limited
GOBL	Gayatri Bio Organics Limited
GoI	Government of India.
GPVPL	Gayatri Property Ventures Private Limited
Group	Our Company and its Subsidiaries
Group Companies	Our Subsidiaries and such other companies as covered under the applicable Accounting Standards (IND AS 24) as per the Audited Consolidated Financial Statements for the Fiscal 2017 are considered to be our Group Companies. Following are our Group Companies: 1. Deep Corporation Private Limited 2. GSR Ventures Private Limited 3. Gayatri Hi-tech Hotels Limited 4. Invento Labs Private Limited 5. Gayatri Property Ventures Private Limited 6. Gayatri Highways Limited 7. Indira Constructions Private Limited 8. Gayatri Hotels and Theatres Private Limited 9. Gayatri Sugars Limited 10. Gayatri Tissue & Papers Limited 11. Gayatri Bio Organics Limited 12. Balaji Highways Holding Private Limited 13. Gayatri Energy Ventures Private Limited 14. Bhandara Thermal Power Corporation Limited 15. Yamne Power Private Limited 16. Indira Energy Holdings Private Limited 17. Gayatri Jhansi Roadways Limited 18. Gayatri Lalitpur Roadways Limited 19. Cyberabad expressways Limited 20. Hyderabad Expressways Limited 21. Indore Dewas Tollways Limited 22. HKR Roadways Limited 23. Sai Maatarini Tollways Limited 24. Western UP Tollways Limited (Pursuant to the disinvestment of the entire equity stake of our Group WUTL is not our Group Company as on date).
GSL	Gayatri Sugars Limited
GSRVPL	GSR Ventures Private Limited
GTPL	Gayatri Tissue & Papers Limited
HEL	Hyderabad Expressways Limited
HKRRL	HKR Roadways Limited
ICPL	Indira Constructions Private Limited
IDTL	Indore Dewas Tollways Limited
IEHPL	Indira Energy Holdings Private Limited
ILPL	Invento Labs Private Limited
Joint Ventures	1. Gayatri- RNS Joint Venture 2. IJM Gayatri Joint Venture 3. Gayatri-GDC Joint Venture 4. Gayatri-BCBPPL Joint Venture 5. Jaiprakash Gayatri Joint Venture 6. Gayatri ECI Joint Venture 7. Maytas-Gayatri Joint Venture 8. Gayatri – Ratna Joint Venture 9. MEIL- Gayatri –ZVS-ITT Consortium 10. Gayatri- JMC Joint venture

Term	Description
	11. Viswanath-Gayatri Joint Venture 12. GPL-RKTCPL Joint Venture 13. Gayatri-SPL Joint Venture 14. Vishwa – Gayatri Joint Venture 15. Gayatri-RNS-SIPL Joint Venture 16. SOJITZ-LNT-GAYATRI Joint Venture 17. Gayatri - PTPS Joint Venture 18. Gayatri – KMB Joint Venture
Key Management Personnel	The key management personnel of our Company in accordance with the provisions of the Companies Act, 2013. For details, please refer to "*Board of Directors and Key Managerial Personnel'*" beginning on page 184.
Memorandum/Memorandum of Association / MOA	The Memorandum of Association of our Company.
MRA	Master Restructuring Agreement dated January 23, 2015 as amended, which has been executed by our Company and Consortium Lenders.
Order Book	1. New orders received by our Company for which the letter of award is received by our Company. 2. For existing works the order contract value awarded less the value of works completed as on the date of the order book. 3. Value of works Completed would include the cumulative work done evidenced by RA bill as on the date on which the order book is drawn. 4. The Value of Work completed would also include the value of work completed as per the Site engineers certificate but uncertified by the client (adopted as per Ind As).
Promoter Group	Unless the context requires otherwise, the entities forming part of our promoter group in accordance with SEBI ICDR Regulations and which are disclosed by our Company to the Stock Exchanges from time to time.
Promoters	Mrs. T. Indira Subbarami Reddy and Mr. T.V. Sandeep Kumar Reddy.
Registered Office	B-1, T.S.R. Towers, 6-3-1090, Raj Bhavan Road, Somajiguda, Hyderabad, Telangana, India – 500 082.
Scheme	Composite Scheme of Arrangement approved by National Company Law Tribunal vide its order dated November 3, 2017 between Gayatri Projects Limited (Transferee Company / Demerged Company/ GPL), Gayatri Infra Ventures Limited (Transferor Company / GIVL) and Gayatri Domicile Private Limited (Resulting Company / GDPL) and their respective shareholders). For details of the Scheme please refer to "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 91.
SEBI Act	The Securities and Exchange Board of India Act, 1992.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEIL	M/s Sembcorp Energy India Limited (formerly known as M/s Thermal Powertech Corporation India Ltd. (TPCL)
SGPL	Sembcorp Gayatri Power Limited.
SMTL	Sai Maatarini Tollways Limited.
Subsidiaries	Subsidiaries of our Company including our step-down Subsidiaries, namely, Gayatri Energy Ventures Private Limited and, Bhandara Thermal Power Corporation Limited.
Unaudited Standalone Financial Results	The unaudited standalone financial results of our Company as of and for the nine months period ended December 31, 2017 and December 31, 2016 which have been prepared in accordance with Ind AS and the Companies Act read along with the respective notes thereto.
WUTL	Western UP Tollways Limited
YPPL	Yamne Power Private Limited

Issue Related Terms

Term	Description
Allocated/ Allocation	The allocation of Equity Shares by our Company (in consultation with the Book Running Lead Managers) following the determination of the Issue Price to Eligible QIBs on the basis of the Application Form submitted by them and in compliance with Chapter VIII of the SEBI ICDR Regulations.
Allot/ Allotment/ Allotted	Unless the context otherwise requires, the issue and allotment of Equity Shares to be issued pursuant to the Issue.
Allottee/s	Eligible QIBs to whom Equity Shares are issued and Allotted pursuant to the Issue.
Application Form	The form (including any revisions thereof) pursuant to which an Eligible QIB shall submit a Bid for the Equity Shares in the Issue.
Bid(s)	Indication of interest of a Eligible QIB, including all revisions and modifications thereto, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bid/Issue Closing Date	March 12, 2018 which is the last date up to which the Application Forms shall be accepted by our Company (or the Book Running Lead Managers, on behalf of our Company).
Bid/Issue Opening Date	March 07, 2018, the date on which the acceptance of the Application Forms shall have commenced by our Company (or the Book Running Lead Managers on behalf of our Company)
Bid/Issue Period or Bidding Period	Period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids including any revision and/ or modification thereof.
Bidder	Any prospective investor, an Eligible QIB, who makes a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form.
Book Running Lead Managers or Lead Managers or BRLMs	JM Financial Limited and Credit Suisse Securities (India) Private Limited.
CAN or Confirmation of Allocation Note	Note or advice to Eligible QIBs confirming Allocation of Equity Shares to such Eligible QIBs after determination of the Issue Price and requesting payment for the entire applicable Issue Price for all Equity Shares Allocated to such Eligible QIBs.
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, *i.e.*, on or about March 14, 2018.
Cut-off Price	The Issue Price of the Equity Shares to be issued pursuant to the Issue which shall be finalised by our Company in consultation with the BRLMs.
Designated Date	The date of credit of Equity Shares, pursuant to the Issue, to the Eligible QIB's demat account, as applicable to the respective Eligible QIBs.
Eligible FPI	FPIs that are eligible to participate in this Issue and does not include Category III FPIs who are not allowed to participate in the Issue
Eligible QIBs	A qualified institution buyer, as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations which are not, (a) excluded pursuant to Regulation 86 (1)(b) of the SEBI ICDR Regulations or (b) restricted from participating in the Issue under the SEBI ICDR Regulations.
Escrow Account	The account entitled "GAYATRI PROJECTS LIMITED –QIP ESCROW ACCOUNT" to be opened with the Escrow Agent, subject to the terms of the Escrow Agreement into which the application monies payable by Bidders in connection with subscription to Equity Shares pursuant to the Issue shall be deposited.
Escrow Agent	Bank of Baroda
Escrow Agreement	Agreement dated March 7, 2018, entered into amongst our Company, the Escrow Agent and the BRLMs for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders.

Term	Description
Floor Price	The floor price of ₹ 211.65, which has been calculated in accordance with Chapter VIII of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. Our Company may offer a discount of not more than 5 % on the Floor Price in terms of Regulation 85 of the SEBI ICDR Regulations.
Issue	The offer, issue and Allotment of 9,946,785 Equity Shares each at a price of ₹ 201.07 per Equity Share, including a premium of ₹ 199.07 per Equity Share, aggregating ₹ 2,000.00 million, to Eligible QIBs pursuant to Chapter VIII of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013.
Issue Price	₹ 201.07 per Equity Share.
Issue Size	The aggregate size of the Issue, which is up to ₹ 2,000.00 million.
JM Financial	JM Financial Limited.
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in the Issue, which is available for Allocation to Mutual Funds.
Pay-in Date	The last date specified in the CAN for payment of application monies by the Eligible QIBs.
Placement Agreement	Agreement dated March 7, 2018 entered into amongst our Company and the BRLMs.
Placement Document	This placement document to be issued by our Company in accordance with Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 and rules prescribed thereunder.
Preliminary Placement Document	The preliminary placement document dated March 7, 2018, issued in accordance with Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 and rules prescribed thereunder.
Pricing Date	The date of determination of the number of Equity Shares to be placed through the Issue and the Issue Price for the same.
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1) (zd) of the SEBI ICDR Regulations or such other persons as maybe permitted by applicable laws to acquire the Equity Shares to be issued pursuant to the Issue.
QIP	Qualified institutions placement, being private placement to Eligible QIBs under Chapter VIII of the SEBI ICDR Regulations and applicable sections of the Companies Act, read with applicable rules of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
Relevant Date	March 7, 2018, which is the date of the meeting of the Board, or a duly authorized committee thereof, deciding to open the Issue.

Technical and Industry terms

Term/Abbreviation	Full Form/Description
ADB	Asian Development Bank
BCCL	Bharat Coking Coal Limited
BOQ	Bill of Quantities
BOT	Build Operate And Transfer
BRTS	Bus Rapid Transit System
CAGR	Compounded Annual Growth Rate
CCEA	The Cabinet Committee on Economic Affairs
CGST Act	Central Goods And Services Tax Act, 2017
CIL	Coal India Limited
COD	Date of commencement of the commercial operation of project
Control of NH Act	The Control of National Highways (Land And Traffic) Act, 2002
CRF	Central Road Fund
CSO	Central Statistics Office

Term/Abbreviation	**Full Form/Description**
DFCs	Dedicated Freight Corridors
ECL	Eastern Coalfields Limited
EHS	Environment, Health and Safety
EI	Economic Importance
Environment Protection Act	Environment Protection Act, 1986
EPC	Engineering Procurement And Construction
EPS	Earnings Per Share
FDI	Foreign Direct Investment
FVTPL	Fair Value Through Profit & Loss Account
G-20	Group Of Twenty Nations
GDP	Gross Domestic Product
G-Sec	Government Securities
GST	Goods & Services Tax
GVA	Gross Value Added
HAM	Hybrid Annuity Model
HSD	High-Speed Diesel
HSR	High-Speed Rail
ICAI	Institute Of Chartered Accountants Of India
IGST Act	Integrated Goods And Services Tax Act, 2017
IIP	Index Of Industrial Production
Industries Regulation Act	Industries (Development And Regulation) Act, 1951
IoT	Internet-Of-Things
IPC	Irrigation Potential Created
IPU	Irrigation Potential Utilised
IRFC	Indian Railway Finance Corporation Ltd
ISC	Inter-State Connectivity
JBIC	Japanese Bank Of International Cooperation
JV	Joint Venture
MDO	Mine Developer Operator
MoEF	Ministry Of Environment And Forests
MoRTH	Ministry Of Road Transport And Highways
MOU	Memorandum Of Understanding
MRTS	Mass Rapid Transit System
NCC	Nagarjuna Construction Company Limited
NCLT	National Company Law Tribunal
NH Act	National Highways Act, 1956
NH Fee Rules	The National Highways Fee (Determination Of Rates And Collection) Rules, 2008
NHAI	National Highways Authority Of India
NHAI Act	National Highways Authority Of India Act, 1988
NIIF	National Infrastructure Investment Fund
PCBs	Pollution Control Boards
PMGSY	Pradhan Mantri Gram Sadak Yojana
PMKSY	Pradhan Mantri Krishi Sinchayee Yojana
PPP	Public Private Partnership
Public Liability Act	The Public Liability Insurance Act, 1991
PWD	Public Works Department
RDC	Road Development Corporation
RFQ	Request For Qualification
SEZ	Special Economic Zones
SPV	Special Purpose Vehicle
TP Act	The Transfer Of Property Act, 1882
UTGST Act	Union Territory Goods And Services Tax Act, 2017
WPI	Wholesale Price Inflation
WSS	Water Supply And Sanitation

Conventional and General Terms/Abbreviations

Term	Description
"Financial Year" or "Fiscal Year" or "FY" or "Fiscal"	Period of 12 months commencing on April 1 of each calendar year and ending on March 31 of the following calendar year, unless otherwise stated.
₹/Re./Rs./Rupees/INR	Indian Rupees
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
AOP	Association of persons
AS	Accounting Standards issued by ICAI, as required under Companies Act
AY	Assessment year
BSE	BSE Limited
Calendar Year	Year ending on December 31
Category III Foreign Portfolio Investor	An FPI registered as a category III foreign portfolio investor under the SEBI FPI Regulations
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
Civil Procedure Code	The Code of Civil Procedure, 1908, as amended
Companies Act	The Companies Act, 1956 or the Companies Act, 2013, as applicable
Companies Act, 1956	The Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act, 2013	The Companies Act, 2013 and the rules made thereunder, to the extent in force pursuant to notification of the Notified Sections.
Competition Act	The Competition Act, 2002, as amended.
CRISIL	CRISIL Limited.
CSR	Corporate social responsibility.
Depositories Act	The Depositories Act, 1996, as amended.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended.
Depository Participant	A depository participant as defined under the Depositories Act.
DIN	Director identification number.
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECB	External commercial borrowing
ECS	Electronic clearing service
EGM	Extraordinary general meeting
EPS	Earnings per share
FCCB	Foreign currency convertible bonds
FCNR(B)	Foreign currency non-resident (bank)
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified under Circular No. D/o IPP F. No. 5(1)/2017-FC-1, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
FEDAI	Foreign Exchange Dealers' Association of India
FEMA	The Foreign Exchange Management Act, 1999, as amended, and the regulations issued thereunder
FEMA 2017	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 dated November 07, 2017.
FICCI	Federation of Indian Chambers of Commerce and Industry

Term	Description
FIIs	Foreign institutional investors as defined under the SEBI FPI Regulations and registered as such with SEBI
FIPB	Foreign Investment Promotion Board of the Ministry of Finance, Government of India
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FRA/IRS	Forward rate agreements/interest rate swaps
FRRB	Financial Reporting and Review Board
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
GAAP	Generally accepted accounting principles
GAAR	General Anti-Avoidance Rules
GDP	Gross domestic product
GIR	General index registrar
GoI/Government	Government of India, unless otherwise specified
GST	Goods and services tax
HNIs	High net worth individuals
HR	Human resources
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards issued by the International Accounting Standards Board
IMF	International Monetary Fund
Ind-AS/ IND-AS / Ind AS	Indian accounting standards converged with IFRS, as notified by the Ministry of Corporate Affairs vide Companies (Indian Accounting Standards) Rules, 2015 in its general statutory rules dated February 16, 2015, as amended
Indian Accounting Standard Rules	Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally accepted accounting principles in India as prescribed under the Companies (Accounting Standard) Rules, 2006
Insolvency and Bankruptcy Code/ IBC	The Insolvency and Bankruptcy Code, 2016
IPO	Initial public offering
ISO	International Standards Organisation
IT	Information technology
IT Act	The Income Tax Act, 1961, as amended
JLF	Joint Lenders Forum
LOA	Letter of award
MAT	Minimum alternate tax
MCA	The Ministry of Corporate Affairs, Government of India
MIS	Management Information System
Mn/ million	Million
MNC	Multinational corporation
MoU	Memorandum of Understanding
MSEs	Micro and small enterprises
NEFT	National electronic fund transfer
NGOs	Non-government organisations
Notified Sections	Sections of the Companies Act, 2013 that have been notified by the Government of India
NRE	Non-resident (external)
NRI	Non-resident Indian
NRO	Non-resident Ordinary
NSDL	National Securities Depository Limited

Term	Description
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit after tax
PBT	Profit before tax
PDAI	Primary Dealers Association of India
PLM Act	Prevention of Money Laundering Act, 2002, as amended
PSUs	Public sector undertakings
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended
Regulation S	Regulation S under the Securities Act
RoC	Registrar of Companies
S4A	Scheme for Sustainable Structuring of Stressed Assets
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, as notified by the SEBI and Clearing
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI FII Regulations	The erstwhile Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI Insider Trading Regulations, 2015	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEC	United States Securities and Exchange Commission
Securities Act	The U.S. Securities Act of 1933, as amended
SENSEX	Index of 30 stocks traded on the BSE representing a sample of large and liquid listed companies
SEZ	Special economic zone
SICA	The Sick Industrial Companies Act, 1985, as amended
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011, as amended
U.S. $/U.S. dollar/ USD	United States Dollar, the legal currency of the United States of America
U.S. GAAP	Generally accepted accounting principles in the United States of America
USA/U.S./United States	The United States of America
VCF	Venture Capital Fund
WOS	Wholly owned subsidiary
WPI	Wholesale Price Index
WTO	World Trade Organisation

DISCLOSURE REQUIREMENTS UNDER FORM PAS-4, AS PRESCRIBED UNDER THE COMPANIES ACT, 2013

The table below sets out the disclosure requirements as provided in Form PAS-4, and, the relevant pages in this Placement Document where these disclosures, to the extent applicable, have been provided.

S. No.	Disclosure Requirements	Page No.
1.	**General Information**	
a.	Name, address, website and other contact details of our Company, indicating both registered office and corporate office.	Cover page
b.	Date of incorporation of our Company.	Cover page
c.	Business carried on by our Company and its Subsidiaries with the details of branches or units, if any.	155 - 178
d.	Brief particulars of the management of our Company.	184 – 191
e.	Names, addresses, DIN and occupations of the directors of our Company.	184 – 185
f.	Our management's perception of risk factors.	52 – 74
g.	Details of default, if any, including the amount involved, duration of default, and present status, in repayment of:	242 – 244
(i)	statutory dues;	242
(ii)	debentures and interest thereon;	NA
(iii)	deposits and interest thereon; and	242
(iv)	Loan/s from any bank/s or financial institution/s, and the interest thereon.	242 – 244
h.	Names, designation, address and phone number, email ID of the nodal/compliance officer of our Company, if any, for the private placement offer process.	485
2.	**Particulars Of The Offer**	
a.	Date of passing of board resolution.	36
b.	Date of passing of resolution in the general meeting, authorizing the offer of securities.	36
c.	Kinds of securities offered, (i.e. whether shares or debentures), and the class of the said security.	Cover Page and 36
d.	Price at which the security is being offered including the premium, if any, along with justification of the price.	Cover Page and 36
e.	Name and address of the valuer who performed valuation of the security offered.	Not applicable
f.	Amount which our Company intends to raise by way of securities.	Cover page
g.	Terms of raising of securities:	
(i)	Duration, if applicable;	Not applicable
(ii)	Rate of dividend;	Not applicable
(iii)	Rate of interest;	Not applicable
(iv)	Mode of payment; and	Not applicable
(v)	Mode of repayment.	Not applicable
h.	Proposed time schedule for which the offer letter is valid.	22
i.	Purposes and objects of the offer.	86
j.	Contribution being made by the promoters or directors of our Company, either as part of the offer or separately in furtherance of such objects.	86
k.	Principle terms of assets charged as security, if applicable.	Not applicable
3.	**Disclosures with Regard to Interest of Directors, Litigation etc.**	
a.	Any financial or other material interest of the directors, promoters or key managerial personnel of our Company, in the offer, and the effect of such interest in so far as it is different from the interests of other persons.	187 and 189
b.	Details of any litigation or legal action, pending or taken, by any Ministry or Department of the Government, or a statutory authority, against any promoter of the offeree company (our Company), during the last three years immediately preceding the year of the circulation of the offer letter, and any direction issued by such Ministry or Department or statutory authority, upon conclusion of such litigation or legal	242

S. No.	Disclosure Requirements	Page No.
	action.	
c.	Remuneration of our directors, (during the current year and last three Financial Years).	185 - 186
d.	Related party transactions entered during the last three Financial Years immediately preceding the year of circulation of offer letter, including with regard to loans made or, guarantees given or securities provided.	246 – 483
e.	Summary of reservations, or qualifications, or adverse remarks, of the auditors in the last five Financial Years immediately preceding the year of circulation of offer letter, and of their impact on the financial statements and financial position of our Company, along with the corrective steps taken and proposed to be taken by our Company, for each of the said reservations or qualifications or adverse remarks.	121-129
f.	Details of any inquiry, inspections or investigations, as initiated or conducted under the Companies Act, 2013, or any previous company law, in the last three years immediately preceding the year of circulation of offer letter, for our Company and all of its Subsidiaries. Also if there were any prosecutions filed, (whether pending or not), fines imposed, compounding of offences, in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for our Company and all of its Subsidiaries.	244
g.	Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company.	228
4.	**Financial Position of** our Company	
a.	The capital structure of our Company in the following tabular format:	88
(i)	**(a)** the authorized, issued, subscribed and paid up capital, number of securities, description and aggregate nominal value);	88
	(b) size of the present offer;	Cover page and 36
	(c) paid up capital:	36 and 88
	(A) after the offer; and	36 and 88
	(B) after conversion of convertible instruments (if applicable);	Not applicable
	(d) share premium account (before and after the offer).	88
(ii)	The details of the existing share capital of the issuer company, (our Company), in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.	88 and 89
	The number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case.	89
b.	Profits of our Company, before and after making provision for tax, for the three Financial Years immediately preceding the date of circulation of offer letter.	246 - 483
c.	Dividends declared by our Company in respect of the said three Financial Years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid).	90 and 120
d.	A summary of the financial position of our Company as in the three audited balance sheets immediately preceding the date of circulation of offer letter.	38 - 51
e.	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter.	50 – 51
f.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of our Company.	246 - 483
5.	**A Declaration by the Directors that**	
a.	Our Company has complied with the provisions of the Companies Act, 2013, and the Rules made thereunder.	487
b.	The compliance with the Companies Act, 2013, and the Rules made thereunder, does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government.	
c.	The monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter.	
	I am authorised by the Board of Directors of the company vide resolution number 06 dated February 7, 2018 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no	488

S. No.	Disclosure Requirements	Page No.
	information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association. It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form. *Signed:* *Date:* *Place:*	

SUMMARY OF OUR BUSINESS

Overview of our Company

Our Company is one of the leading construction company in the infrastructure development business having a dedicated thrust on executing construction projects on EPC basis in India. With five decades of experience in diversified sectors and currently present in sixteen states on pan India basis. We are engaged in execution of major infra works comprising of national highways, bridges, canals, airport runways, railways, mining, ports, irrigation, industrial construction projects and other civil works. Our Company is an ISO 9001 – 2015 certified company and had been undertaking civil and engineering works of various state governments, central governments, public / autonomous bodies / corporations and private companies.

In the year 2010, we invested in the business of developing power generation projects through our wholly-owned Subsidiary, Gayatri Energy Ventures Private Limited. Our Company, in partnership with Sembcorp Utilities Pte. Limited, (a subsidiary of Sembcorp Industries, Singapore), established two coal based power projects having combined capacity of 2640 MW (4 x 640 MW) at Krishnapatnam, Andhra Pradesh. Both the above projects have achieved CODs.

During the last three Financial Years ended March 31, 2017, we completed the construction of seven (7) highway/ state highway projects in the various states in India, with an aggregate length of approximately 336.69 kms, aggregating to ₹ 26,738.70 million and three (3) irrigation projects aggregating to ₹ 3,377.30 million.

In order to be an asset light company and to focus on the EPC business and to maximize shareholders value, our Company through a Scheme decided to demerge the infrastructure road BOT assets business into a separate entity. The Composite Scheme of Arrangement ("Scheme") was approved by the Hon'ble National Company Law Tribunal ("**NCLT**"), Hyderabad Bench vide its order dated November 3, 2017. For details of the Scheme please refer to "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 91.

As of December 31, 2017, we had an Order Book of ₹ 128,472.49 million, consisting of three third party road EPC projects, fifteen irrigation projects, five mining project and twenty one other key projects, diversified across several states in India. We have been awarded two new orders since January 1, 2018 aggregating up to ₹ 9,230 million. Currently our Order Book constitutes more than 50.00 % orders from NHAI.

Subsidiaries

As on date, we have one direct Subsidiary, namely Gayatri Energy Ventures Private Limited and one step down subsidiary namely Bhandara Thermal Power Corporation Limited.

Joint Ventures

Our Company enters into various joint ventures with domestic as well as international infrastructure companies as part of our business and as on December 31,2017, we have 18 joint ventures, namely (1) IJM Gayatri Joint Venture, (2) Gayatri ECI Joint Venture, (3) Gayatri RNS Joint Ventures, (4) Gayatri GDC Joint Venture, (5) Gayatri BCBPPL Joint Venture, (6) Jaiprakash Gayatri Joint Venture, (7) Gayatri-Ratna Joint Venture, (8) MEIL-Gayatri-ZVS-ITT Consortium, (9) Gayatri-JMC Joint Venture, (10) Maytas-Gayatri Joint Venture, (11) Gayatri SPL Joint Venture, (12) Gayatri RKTCPL Joint Venture, (13) Sojitz-LNT-Gayatri JV, (14) Vishwanath-Gayatri Joint Venture, (15) GAYATRI - PTPS (JV) (JSC "PURPETRUBOPROVODSTROY" (16) GAYATRI - KMB (JV) ("Kyivmetrobud" a Public Stock Company registered in Ukraine), (17) Vishwa – Gayatri JV and (18) Gayatri-RNS-SPL JV.

Our Competitive Strengths

Established track record in execution of construction projects on EPC basis.

Our Company has developed the requisite experience and expertise to execute and deliver a diverse range of infra projects in different regions and difficult terrains across various states in India over the past five decades. Our execution capabilities under EPC and BOT models include roads, toll ways, bridges, highways, dams, reservoirs, ports, civil work for industrial establishments, power transmission lines, airport runways, railway lines, hotels and multiplexes. We have also recently undertaken projects in railways and mining segments. Such diversification in different sectors enables us to reduce dependence on any one sector or type of construction and also mitigate the business risks. Our pan India presence in sixteen states helps us minimizing the business risks. Our project execution and delivery capabilities (on EPC segment) have seen a steady improvement. By leveraging on our exceptional engineering skills, competitive procurement through wide vendor base and project management expertise, enable us to meet the diverse range of orders efficaciously. Our Company has constructed approximately 1,926.01 kilometers (4 lanes on an average) of the roads and approximately 1,253.94 kilometers of irrigation canals. Our Company has completed execution of a total of 31 road projects amounting to ₹ 81,288.41 million, 29 irrigation projects amounting to ₹ 11,946.90 million, 11 projects for construction of dams and reservoir amounting to ₹ 1,691.10 million, 11 site leveling projects amounting to ₹ 3,563.90 million, 21 industrial projects amounting to ₹ 24,406.60 million, 1 railway project amounting to ₹ 3,845.30 million and 1 port project amounting to amounting to ₹ 450.00 million.

Diversified and robust growing Order Book

Our Order Book has grown over the last three years, from ₹ 62,517.48 million as of March 31, 2015, to ₹ 103,757.20 million as of March 31, 2016 and ₹ 124,742.10 million as of March 31, 2017, respectively growing at a CAGR of 41.84%. Our Company's aggregate Order Book is ₹ 128,472.49 million as on December 31, 2017. A robust order book coupled with a healthy mix of orders for the various segments of projects that we undertake, i.e. primarily roads, irrigation and industrial and commercial projects enables us to reduce our dependence on a particular segment. Our Order book is also geographically diversified which gives us more leverage to hedge against risks in specific areas or projects and protects us from concentration risk. We initially started our operations in 1989 in Andhra Pradesh, and over a period of time we have expanded operations across the Country, currently working in sixteen states. Furthermore, our large Order Book increases our operational efficiency by allowing us economies of scale. Our segment wise Order-Book as on December 31, 2017 is as mentioned below.

₹ in million

Segment wise Order Book	No. of Contracts	Total Contract Value	Outstanding Order Value	% of outstanding order value
Roads Division	17	100,815.90	74,696.18	58.14
Irrigation Division	15	46,305.32	35,999.60	28.02
Industrial Works	8	19,147.53	15,441.72	12.02
Power Transmission	3	2,046.89	406.24	0.32
Orders from BOT Projects	3	34,792.68	1,928.75	1.50
Total:	**46**	**203,108.31**	**128,472.49**	**100.00**

Our Order Book does not necessarily indicate our future earnings. We may not be able to achieve our expected margins or may even suffer losses on one or more of these contracts. For further information, please refer to "***Risk Factor***" - 40 *"Projects included in our Order Book and our future projects may be delayed, modified or cancelled for reasons beyond our control which may materially and adversely affect our business, prospects, reputation, profitability, financial condition and results of operation*" on page 67.

Well Established and extensive relationships with Reputed Clients across various business segments of our Company

Our Company has substantial expertise and cost competitive strategies in procuring orders (primarily on lowest cost basis) from central, state and local governments and various public sector undertakings in the power, roads and irrigation segments. In addition to the above we are also undertaking projects in railways, underground/open cast mining projects and catering to private sector companies such as Tata Steel Limited, NFCL, Reliance Petroleum, primarily for industrial construction works. Our pre-qualified status with these clients helps us to maintain a steady flow of work orders and at the same time enable us to provide cost and operational advantages. Our Company's credentials enable us to bid for projects with attractive returns in these segments and additionally allow us to tender for relevant projects, either singly, or in collaboration with joint venture partners. In a growing market, we continue to bid for the road and infrastructure related projects, with an object of leveraging and expanding our volume of business operations by spreading across various states and regions by taking up large projects. We have setup a base of operation capitalizing on our local experience, established contracts with local clients and suppliers and also familiarity with local working conditions.

Experienced senior management with proven execution capabilities and skilled employees

We have a strong management team with significant industry experience. Our Promoter Directors, Mrs. T. Indira Subbarami Reddy, Mr. J. Brij Mohan Reddy and Mr. T. V. Sandeep Kumar Reddy have approximately 50 years of experience. In addition, our Board of Directors includes independent directors who bring significant business expertise. The combination of our experienced Board of Directors and our dynamic management team, positions us well to capitalize on future growth opportunities.

We also have a requisite pool of qualified and experienced skilled manpower with a total base of more than 2,700 full-time employees and access to a large pool of contract workers. The skills and diversity of the employees gives the flexibility to adapt to the needs of various projects.

Partnerships and Collaborations with experienced domestic and international Entities

From time to time, we have entered into joint venture collaborations and/or bidding arrangements with different reputed domestic and international entities including the Jaiprakash Associates Limited (a diversified company engaged in the cement, steel, power, hospitality and constructions sectors), IJM Infrastructure (a Malaysian head quartered reputed international construction and infrastructure group) and China Coal Overseas Development Company. Our joint venture participation and collaborations with experienced national and international players allow our Company and our partners to pool in their own resources for pre-qualification as well as submission of the techno-commercial bid. This has enabled us to bid for prestigious projects with extensive qualification requirements, and at the same time enabled us to mitigate execution risk through sharing of resources, capital costs and profits / losses in connection with such projects.

Strong in house Designing and Engineering capabilities and sustained investment in in house fleet constructions.

Through our experienced design and engineering teams, we plan every step of the project, and over time, have developed strong project management and execution expertise and delivery capabilities. We have a team of specialists involved in integrated engineering and design works for implementing road construction and irrigation projects and also other infra projects like, special bridges, irrigation, railways, mining projects and other industrial projects. Further, we are involved with various design organizations, both indigenous and international, who capture our requirement and assist us with both, pre-bid and post- bid design and engineering works. Additionally we also have invested in modern construction equipment that allows us to meet the requirements of a broad spectrum of construction activity. We have a total fleet of about 2,300 pieces of construction equipment. Such an equipment base gives us the capability to execute and deliver a diverse range of projects on time schedule. Our Company has a skilled employee resource which has the requisite expertise and experience in the use and handling of modern construction equipment and machinery. Our plant & machinery department also utilizes IoT technology to track real time equipment usage. This data can also be used for better preventive maintenance so as to improve equipment health and reduce capital cost in the long term. These strategies give us a competitive advantage and allows us to achieve efficacious operating margins.

Financial strength and banking limits to assist our Company to execute our Order Book.

We have more than five decades of experience working with banks which facilitate our business. Any new work order that we bid for and win needs significant banking lines both on the funded and especially non-fund based limit side. When we bid for a construction work order we need to put up Bid Bonds and on award of a construction work order, we required give Performance Bank Guarantees (PBG). In order to manage our working capital and maximize the RoCE (Return on Capital Employed), we need to avail mobilization advance from our contractees. We are also required to give significant Bank Guarantees (BGs) to avail of these mobilization advances. Our long standing relationship and limits with our banking partners places us in a position to win construction order and maximize return for our shareholders. We currently have a total ₹ 37,000 million worth BG limits with our banking partners.

Our Strategy

Strategic focus on Asset Light model

We have more than five decades of experience in the construction sector with different kinds of business models. During Fiscal 2007 to Fiscal 2015 we saw our balance-sheet expand significantly primarily due to a build-up of development assets in BOT roads and power generation. As a result, there was a loss of shareholder value during the industry downturn. Since then we have decided to strictly focus on an asset-light model. In order to be an asset light company and to focus on the EPC business and to maximize shareholders value, a decision was taken to demerge the infrastructure assets business. A Scheme was implemented under which the infrastructure road BOT assets business were demerged into a separate entity named 'Gayatri Highways Limited'. This Scheme will help our Company deleverage our balance sheet and will help us in generating cash flows. Our Company has now become a pure EPC Company and will pursue new EPC contracts in diversified sectors. Our Company will extensively focus and pursue cash contracts like item rate, lump sum or EPC business in diversified sector. Our cluster based approach will enable us to lower the asset mobilization cost and efficient use of our resources. For further details on the Scheme please refer to "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 91.

Grow presence in core EPC segments

The Government of India approved the highway construction plan to develop nearly 83,677 km of roads at an investment of ₹ 692,324 crores. The program includes Government's Bharatmala scheme under which 24,800 km of highways would be constructed at the cost of ₹ 385,000 crores.
(Source: http://pibphoto.nic.in/documents/rlink/2017/oct/p2017102503.pdf)

In view of the opportunities in the construction sector, we propose to leverage on our construction and project execution capabilities to further actively bid in the core areas of expertise including highways, irrigation and industrials, etc.

(i) *Focus on Road Projects:* We will continue to bid for the road related infrastructure projects, leveraging and expanding our operations in pre-qualification and there by participating in more states and regions and gaining access to more complex projects. To capitalize on our local experiences, existing contracts with local clients and suppliers and also familiarity with local working conditions, we have setup a base of operation in the respective states. In pursuing our strategies, we seek to identify such markets where we can provide cost and operational advantages to our clients. Currently the road projects constitute approximately 58.00 % of our business portfolio and further focus of the Government on the highway projects will give our Company opportunity to bid and win projects.

(ii) *Focus on Irrigation Projects:* We have tied-up with Jaiprakash Associates Limited to bid for irrigation projects in State of Andhra Pradesh and Telangana. We intend to utilize our experience in the irrigation projects and our large equipment base to benefit from the increasing demand for irrigation projects in India. We also plan to extend our operations to other Irrigation Projects of various State Governments such as Orissa, Madhya Pradesh, Gujarat and Maharashtra.

(iii) *Expand our operations to industrial construction projects:* We have requisite knowledge and experience in handling multitude of industrial projects. In the past, we have executed various site preparation and grading, construction of roads, drains, ponds, reservoirs and industrial structures for reputed companies like NFCL, Reliance Petroleum, Jindal Vijzayanagar Steel, Visakhapatnam Steel Plant, HPCL, Tata Steel Works, Power Projects etc. We have also executed specialized works for Indian railways, Ports and Airport Authority. We have executed construction of Railway line in 3 sections i.e. KR-51, KR-55 & KR-57 for Koraput-Rayagada Lane, construction of approach berths and back-up area at Kakinada Port for Kakinada Sea Ports Ltd., State of Andhra Pradesh &Telangana and extension and strengthening of Runway at 28th end of Calicut Airport, Calicut. We intend to expand our existing execution capabilities in industrial construction projects and for this purpose, we have established a separate division for EPC works headed by a senior executive.

Explore new opportunities in EPC construction space including cluster based approach

In the next 20 years, India is looking at being a fully developed nation. To accelerate this notion, the Government of India is coming up with various infrastructure projects to develop urban infra and connectivity alike. As India is witnessing a marked move of population from rural villages to cities, development of urban infra has become a priority. The infrastructure is propose to be strengthen through developing transportation, power supply, water supply and housing. Intra -city connection through metro rail and monorail projects and intercity connection through high speed rail and bullet train projects will contribute towards India's ascent into being a developed nation. Our strategic objective is to continue improving and consolidate our position as one of the leading construction company. Two new areas of focus for us are Underground Mining and Urban Infrastructure. We believe that these are niche areas with potentially higher margins.

(i) *Mining* **-** Our Company has recently forayed into mining sector and has a tie up with China Coal Overseas Development Company, which is a subsidiary of China Coal Energy Company Ltd. The current order is worth approximately ₹ 3,487.20 million. We are also executing work of civil construction and infra works and supply of equipment including Shop Inspection, Testing and Supply of Plant & Equipment associated to Moonidih XV Seam Project, Jharkhand to Bharat Coking Coal Limited (a Subsidiary of Coal India Ltd.). We also aim to expand our operations in coal and Non - coal sector with opencast mining. The underground mining projects targeted by our Company are highly specialized and mechanized, and we are expecting to get further orders in the coming years, which will enhance our capabilities in this sector.

(ii) *Urban infrastructure* – As part our diversification in the urban infrastructure sector, we are executing project for the airport development of Navi Mumbai International Airport and railway EPC work for Western Dedicated Freight Corridor (DFCC).

(iii) *Taking a Cluster Approach:* Our cluster based approach will enable us to lower the asset mobilization cost and efficient use of our resources. Having multiple projects in a cluster will be helpful in reducing overheads, management cost, increase efficiency in usage of project resources thereby creating and operating cluster to improve the productivity.

Further improvise operational performance & turnaround times targeting on-time completion, quality execution & improved realizations

We intend to continue to focus on performance and project execution in order to maximize client satisfaction and profit margins by integrating best practices from different sectors and geographic regions. We attempt to utilize advanced technologies, designs, engineering and project management tools to increase productivity and maximize asset utilization in construction activities. We will also continue to invest in construction equipment, manpower resources and training to improve our ability to execute our projects with quality and efficiency and minimize our dependency on external sub-contractors and rented equipment.

Leveraging Technology for improved Project Execution:

Our Company firmly believes that technology can and should be used as a competitive advantage. We have built a technology backbone for the entire company and all the project operations, by leveraging what we believe are the most cutting-edge technologies such as IoT (Internet-of-Things), cloud computing and automation. Once the tendering stage is completed and the project is won, we prepare detailed plans using advanced planning and simulation software and ensure efficient project execution. The entire procurement of equipment and materials and appointment of sub-contractors and vendors are handled by our cloud-based in-house ERP software. On some of our project sites, we are using an integrated project & equipment management solution. We collect real-time production and utilization data from all plants, crushers, weigh-bridges, machinery, vehicles, and equipment using ruggedized and sophisticated IoT devices. We also collect daily work reports from our field-engineers from a mobile app. All of this data is consolidated on a cloud-based application which provides actionable insights about daily work, which project staff can use to evaluate and improve their performance. Finally, once the project is completed, the life-cycle data of completed projects is used to decide a prudent bidding strategy for future projects. As we gain experience on some of the pilot sites, we will expand this technology implementation to all our work sites.

SUMMARY OF THE ISSUE

*The following is a general summary of the terms of the Issue and should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including "**Risk Factors**", "**Use of Proceeds**", "**Placement and Lock-Up**", "**Issue Procedure**" and "**Description of the Equity Shares**" beginning* on page 52, 86, 208 and 197 and 220 respectively:

The following table contains certain details in relation to the summary of the Issue:

Issuer	Gayatri Projects Limited
Face value	₹ 2 per Equity Share
Issue Size	Issue of 9,946,785 Equity Shares aggregating up to ₹ 2,000.00 million. A minimum of 10.00% of the Issue Size, i.e. up to 994,679 Equity Shares, shall be available for allocation to Mutual Funds only, and balance up to 8,952,106 Equity Shares shall be available for allocation to all QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof may be Allotted to other QIBs. The minimum value of the issue or invitation to subscribe to each QIB shall not be not less than ₹20,000 of the face value of the Equity Shares.
Floor Price	₹ 211.65 per Equity Share. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 85 of the SEBI ICDR Regulations.
Issue Price	₹ 201.07 per Equity Share. The Issue and Allotment Committee, on March 12, 2018, has approved a discount of 5.00 % (i.e. up to ₹ 10.58) on the Floor Price in accordance with the terms of the approval of the shareholders and Regulation 85 of the ICDR.
Date of Board Resolution	December 6, 2017
Date of Shareholders' Approval	December 30, 2017
Equity Shares issued and outstanding immediately before the issue	177,251,900 Equity Shares.
Equity Shares issued and outstanding immediately after the issue	187,198,685 Equity Shares.
Dividend	Please refer to "*Description of Equity Shares*" and "*Dividends*" on pages 220 and 90 respectively
Listing	Our Company has received in-principle approvals from recognized stock exchanges having nationwide trading terminals, being, the BSE and the NSE in terms of Regulation 28(1) of the SEBI Listing Regulations for the listing of the Equity Shares on March 7, 2018, and March 7, 2018, respectively. Our Company will make applications to each of the Stock Exchanges to obtain final listing and trading approvals for the Equity Shares after completion of Allotment in this Issue.
Eligible Investors	QIBs, as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 86(1)(b) of the SEBI ICDR Regulations who are outside of the United States acquiring the Equity Shares in an offshore transaction in reliance on Regulation S. The list of QIBs to whom the Preliminary Placement Document and Application Form is delivered will be determined by the BRLMs in consultation with our Company, at their sole discretion.

	Please refer to "***Issue Procedure – Eligible QIBs***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 201, 210 and 216, respectively.
Lock-up	Please refer to "*Placement and Lock-up*" on page 210 for a description of restrictions on our Company and our Promoters in relation to Equity Shares.
Trading	The trading of the Equity Shares would be in dematerialized form only in the cash segment of each of the Stock Exchanges.
Transferability Restrictions	Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. Please refer to "***Transfer Restrictions***" beginning on page 216.
Risk Factors	Please refer to "*Risk Factors*" on page 52 for a discussion of risks that you should consider before participating in the Issue
Pay-in Date	Last date specified in the CAN sent to the Eligible QIBs for payment of application money.
Taxation	Please refer to "*Statement of Tax Benefits*" on page 223.
Status and Ranking	The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including the rights in respect of dividends after the Closing Date. The holders of such Equity Shares as on the record date will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act.
Security Codes for the Equity Shares	ISIN Number: INE336H01023 BSE Scrip Code – 532767 NSE Scrip ID – GAYAPROJ
Use of Proceeds	The gross proceeds from the Issue are ₹ 2,000.00 million. The net proceeds from the Issue (after deduction of fees, commissions and expenses in relation to the Issue) will be approximately ₹ 1,892.38 million. For further details please refer to "*Use of Proceeds*" on page 86.
Closing Date	The allotment of the Equity Shares offered pursuant to the Issue is expected to be made on or about March 14, 2018.

SELECTED FINANCIAL INFORMATION

The following tables set out selected financial information derived from our Audited Consolidated Financial Statements, Audited Standalone Financial Statements and Unaudited Standalone Financial Results, in each case prepared in accordance with the applicable accounting standards, Companies Act, 2013, Companies Act, 1956 and the requirements of SEBI Listing Regulations, as applicable, and presented in "Financial Statements" on page 246. The selected financial information presented below should be read in conjunction with "Management's Discussion and Analysis of Our Financial Conditions and Results of Operations" and "Financial Statements" on pages 91 and 246, respectively.

The financial statements for the financial year ended March 31, 2016 and March 31, 2015 have been prepared as per Indian GAAP. The financial statements for the financial year ended March 31, 2017 was the first year that our Company prepared the financial statements as per Ind AS. The financial statements for the year ended March 31, 2016 and the opening Balance Sheet as on 1st April, 2015 have been restated in accordance with Ind AS for comparative information. Our Company's financial statements have been prepared to comply with generally accepted accounting principles in accordance with Ind AS notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendments rules 2016.

The audited standalone and consolidated financial statements of our Company for the financial year ended March 31, 2017, were originally approved by the Board of Directors vide a meeting held on May 29, 2017 and same were declared/published to the stock exchanges as per the listing agreement. However, pursuant to the Composite Scheme of Arrangement ("Scheme"), as approved by the Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench vide its order dated November 3, 2017, the accounting effect /impact of the said scheme was considered in the books of accounts for the financial year ended March 31, 2017 (due to appointed date for merger being April 1, 2016 and demerger March 31, 2017), and accordingly the financial statements were revised as per the Scheme above, which replaced the original audited financial statements approved by the Board of Directors vide their meeting held on May 29, 2017 as mentioned above. Pursuant to Composite Scheme of Arrangement, figures as at and for the financial year ended March 31, 2017 and as at/ for the nine months period ended December 31, 2017 are not comparable to the previous year's figures.

Summary of Consolidated Statement of Profit and Loss

Particulars	**For the year ended March 31, 2017 (Ind AS) (Post merger)**	**For the year ended March 31, 2016 (Ind AS) (Pre merger)**
	(₹ in million)	**(₹ in million)**
Revenue from operations	21,153.50	17,262.41
Other income	305.84	193.80
Total Income	**21,459.34**	**17,456.21**
Expenses		
Cost of Materials consumed and cost of Purchases and Services	6,793.69	8,704.40
Work Expenditure	10,657.37	5,338.98
Changes in work-in progress	(554.28)	564.38
Employee benefits expenses	586.70	296.64
Finance costs	2,569.37	1,855.54
Depreciation and amortization expense	431.55	437.37
Other expenses	439.85	290.37
Total expenses	**20,924.26**	**17,487.67**
Profit/ (Loss) before Exceptional Items and Tax	**535.08**	**(31.46)**
Exceptional Items (net)	(153.86)	5.94
Share of Profit/(Loss) of Joint Ventures & Associates	(147.69)	(322.17)
Profit / (Loss) before tax	**233.52**	**(347.69)**
Tax Expense		

Particulars	For the year ended March 31, 2017 (Ind AS) (Post merger)	For the year ended March 31, 2016 (Ind AS) (Pre merger)
	(₹ in million)	**(₹ in million)**
Current tax (including previous year taxations)	229.78	176.79
Deferred tax (net)	6.73	(60.09)
Profit / (Loss) for the year from continuing operations	**(2.99)**	**(4,64.39)**
Non-Controlling Interest		192.22
Profit / (Loss) for the year	**(2.99)**	**(272.16)**
Items that will not be reclassified to profit or loss :		
Re-measurement gains/(losses) on actuarial valuation of Post-employment defined benefits	2.62	(9.71)
Income tax relating to Items that will not be reclassified to profit or loss	(0.91)	3.15
Total Other comprehensive income	**1.71**	**(6.55)**
Total comprehensive income for the year	**(1.28)**	**(278.71)**
Earnings per share (of ₹ 2/- each)		
Basic (₹)	(0.02)	(1.62)
Diluted (₹)	(0.02)	(1.62)

Particulars	For the year ended March 31, 2016 (Indian GAAP) (Pre merger)	For the year ended March 31, 2015 (Indian GAAP) (Pre merger)
	(₹ in million)	(₹ in million)
Revenue:		
Revenue from operations	16,204.09	15,007.69
Other income	131.92	78.49
Total Revenue	**16,336.01**	**15,086.19**
Expenses		
Cost of Materials and cost of Purchase and Services	3,104.62	4,817.68
Work Expenditure	7,783.37	6,232.62
Changes in inventories of work-in progress	564.38	(58.84)
Employee benefits expense	332.27	294.07
Finance costs	2,851.81	2,652.80
Depreciation and amortization expense	1,514.91	1,197.10
Other expenses	333.82	305.47
Total	**16,485.17**	**15,440.91**
Profit/(Loss) before exceptional items & Extraordinary items and tax	**(149.17)**	**(354.73)**
Exceptional item	-	-
Profit /(Loss) before Extraordinary items and tax	**(149.17)**	**(354.73)**
Extraordinary items		
Profit /(Loss) before Tax		
Tax Expenses		
Current tax - paid	185.34	144.42
Current tax – for earlier years	0.10	
Deferred tax)	(56.73)	(23.84)
Profit /(Loss) for the year before Minority Interest	**(277.86)**	**(475.32)**
Less: Share of Profit / (Loss) transferred to Minority interest	(290.15)	(158.38)
Profit/ (Loss) for the year after Minority Interest	12.29	(316.94)
Earnings per share: (of ₹10/- each)		
Basic (₹)	0.35	(10.49)
Diluted (₹)	0.35	(10.49)

Summary of Standalone Statement of Profit and Loss

Particulars	For the nine month ended December 31, 2017 (Ind AS) (Post merger) (Unaudited)	For the nine month ended December 31, 2016 (Ind AS) (Pre merger) (Unaudited)
	(₹ in million)	**(₹ in million)**
Revenue from operations	19,790.87	13,028.65
Other Income	131.69	97.35
Total Income	**19,922.56**	**13,126.01**
Expenses		
Cost of raw materials consumed and Work Expenditure	14,909.44	10,595.33
Changes in work-in progress	682.37	(295.15)
Employee benefits expense	722.17	420.08
Finance costs	1,756.00	1,352.24
Depreciation and amortization expense	390.84	332.04
Other expenses	355.15	329.23
Total expenses	**18,815.97**	**12,733.77**
Profit before Exceptional Items and Tax	**1,106.59**	**392.24**
Exceptional Items (net)	-	-
Profit before tax	**1,106.59**	**392.24**
Tax Expense (including previous year taxations and Deferred tax Liability)	(46.85)	(29.01)
Profit after tax	**1,153.44**	**421.25**
Other Comprehensive Income (OCI)	**1,153.44**	**421.25**
Items that will not be reclassified to profit or loss :		
Re-measurement gains / (losses) on actuarial valuation of Post-Employment defined benefits	1.84	(26.53)
Income tax relating to Items that will not be reclassified to profit or loss	(0.64)	-
Items that will be reclassified to profit or loss:	-	-
Total Other Comprehensive Income :	1.21	(26.53)
Total comprehensive income for the year	**1,154.64**	**394.72**
Earnings per share: (of ₹ 2/-)		
Basic (₹)	6.51	2.38
Diluted (₹)	6.51	2.38

Particulars	For the year ended March 31, 2017 (Ind AS) (Post merger)	For the year ended March 31, 2016 (Ind AS) (Pre merger)
	(₹ in million)	(₹ in million)
Revenue from operations	21,153.50	18,122.12
Other Income	305.83	69.97
Total Income	**21,459.34**	**18,192.09**
Expenses		
Cost of raw materials consumed and Cost of Purchases and Services	6,793.69	5,057.42
Work Expenditure	10,657.37	9,132.94
Changes in work-in progress	(554.28)	564.38
Employee benefits expense	586.65	411.51
Finance costs	2013.82	1,601.75
Depreciation and amortization expense	431.55	374.75
Other expenses	435.90	352.49
Total expenses	**20,364.71**	**17,495.24**
Profit before Exceptional Items and Tax	**1,094.63**	**696.85**
Exceptional Items (net)	(153.86)	-
Profit before tax	**940.77**	**696.85**
Tax Expense		
Current tax (including previous year taxations)	229.78	176.79
Deferred tax Liability / (Asset) (Net)	6.74	(60.09)
Profit after tax	**704.25**	**580.15**
Other Comprehensive Income (OCI)		
Items that will not be reclassified to profit or loss :		
Re-measurement gains / (losses) on actuarial valuation of Post-Employment defined benefits	2.62	(9.11)
Income tax relating to Items that will not be reclassified to profit or loss	(0.10)	3.15
Items that will be reclassified to profit or loss:		
Total Other Comprehensive Income :	1.71	(5.96)
Total comprehensive income for the year	**705.96**	**574.19**

Particulars	For the year ended March 31, 2017 (Ind AS) (Post merger)	For the year ended March 31, 2016 (Ind AS) (Pre merger)
	(₹ in million)	(₹ in million)
Earnings per share: **(of ₹ 2/-)**		
Basic (₹)	3.97	3.46
Diluted (₹)	3.97	3.46

Particulars	For the year ended March 31, 2016 (Indian GAAP) (Pre merger)	For the year ended March 31, 2015 (Indian GAAP) (Pre merger)
	(₹ in million)	(₹ in million)
Revenue Revenue from operations	18,122.12	16,011.42
Other Income	65.99	43.92
Total Revenue	**18,188.11**	**16,055.34**
Expenses Cost of Materials and Cost of Purchases and Services	5,057.42	5,833.88
Work Expenditure	9,132.94	7,474.46
Changes in inventories of work-in progress	564.38	(58.84)
Employee benefits expense	420.62	363.28
Finance costs	1,579.29	1,486.72
Depreciation and amortization expense	374.75	282.01
Other expenses	352.17	322.94
Total Expenses	**17,481.57**	**15,704.45**
Profit / (Loss) before Exceptional & Extraordinary items and tax	**706.54**	**350.89**
Exceptional item	-	-
Profit/ (Loss) Before Extra-ordinary items and Tax	**706.54**	**350.89**
Extraordinary items	-	-
Profit/ (Loss) before Tax	**706.54**	**350.89**
Tax Expenses		
Current Tax – paid	176.79	143.92
Deferred Tax (net)	(56.73)	(13.56)
Profit for the year	**586.48**	**220.53**
Earnings per share: **(of ₹ 10/- each)**		
Basic (₹)	17.50	7.30
Diluted (₹)	17.50	7.30

Summary of Balance Sheet (Consolidated basis)

Particulars	As at March 31, 2017 (Ind AS) (Post merger)	As at March 31, 2016 (Ind AS) (Pre merger)
	(₹ in million)	**(₹ in million)**
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	3,714.66	2,891.96
(b) Intangible Assets	222.02	8,381.59
(c) Intangible Assets Under Development	-	13,039.12
(d) Capital Work in Progress	304.70	63.69
(e) Investment in Property	-	0.31
(f) Financial Asset		
(i) Investments	9,779.45	7,643.51
(ii) Loans	5,102.35	4,372.81
(iii) Other Financial Assets	218.05	1,533.69
Total Non-Current Assets	**19,341.24**	**37,926.67**
Current assets		
(a) Inventories	3,600.52	1,548.84
(b) Financial Assets		
Investments	-	945.16
Trade receivables	8,503.64	5,624.30
Cash and cash equivalents	1,970.41	2,244.15
Loans	579.53	1,204.26
Other financial assets	-	7.52
(c) Income tax assets (net)	407.45	815.77
(d) Other current assets	10,027.98	8,485.19
Total Current assets	**25,089.53**	**20,875.19**
Total assets	**44,430.77**	**58,801.86**
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	354.50	354.50
(b) Other equity	4,760.01	5,144.44
Non-controlling interest	-	(182.33)
Total of Equity	**5,114.51**	**5,316.61**
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
Borrowings	9,776.98	27,280.53
Other financial liabilities	9,239.18	9,196.51
(b) Provision	97.83	91.01
(c) Deferred tax liabilities (net)	232.02	224.38
Total Non-Current Liabilities	**19,346.01**	**36,792.42**
Current liabilities		

Particulars	As at March 31, 2017 (Ind AS) (Post merger)	As at March 31, 2016 (Ind AS) (Pre merger)
	(₹ in million)	**(₹ in million)**
(a) Financial liabilities		
Borrowings	9,596.08	9,455.11
Trade payables	6,607.92	4,321.18
Other financial liabilities	3,321.64	2,255.17
(b) Other liabilities	443.64	660.43
(c) Provision	0.97	0.94
Total Current Liabilities	**19,970.24**	**16,692.83**
Total equity and liabilities	**44,430.77**	**58,801.86**

Particulars	As at March 31, 2016 (Indian GAAP) (Pre merger)	As at March 31, 2015 (Indian GAAP) (Pre merger)
	(₹ in million)	(₹ in million)
Equity and liabilities		
Shareholders' funds		
Share capital	354.50	302.27
Reserves and surplus	7,252.08	7,013.45
Minority interest	**13.42**	**303.57**
Non-current liabilities		
Long-term borrowings	33,453.98	30,158.82
Deferred tax liabilities (net)	195.17	251.90
Other long term liabilities	19,171.71	6,252.06
Long-term provisions	870.83	805.77
Current liabilities		
Short-term borrowings	9,079.78	8,539.54
Trade payables	4,600.81	3,993.46
Other current liabilities	5,902.14	5,690.50
Short-term provisions	218.80	185.89
Total	**81,113.22**	**63,497.24**
Assets		
Non-current assets		
Fixed assets		
Tangible assets	2,892.85	2,743.33
Intangible assets	24,523.95	10,659.45
Capital work-in-progress	63.68	58.29
Intangible Assets under Development	14,996.08	14,748.52
Non-current investments	7,121.12	7,386.28
Long-term loans and advances	4,563.02	5,250.00
Other non-current assets	1,000.00	3,185.15
Current assets		
Current investments	3.00	7.68
Inventories	1,549.73	2,420.23
Trade receivables	8,112.01	5,917.63
Cash and bank balances	3,264.00	2,508.36
Short-term loans and advances	9,817.16	8,075.22
Other current assets	3,206.62	537.09
Total Assets	**81,113.22**	**63,497.24**

On the basis of information available with the Group, there are no dues outstanding for more than 45 days to Small Scale Industrial Undertaking (SSI). Our Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year-end together with interest paid/payable as required under the said Act have not been given.

Summary of Balance Sheet (Standalone basis)

Particulars	As at March 31, 2017 (Ind AS) (Post merger)	As at March 31, 2016 (Ind AS) (Pre merger)
	(₹ in million)	**(₹ in million)**
ASSETS		
Non-current assets		
(a) Property, plant and equipment	3,092.55	2,268.62
(b) Capital work-in-progress	240.97	-
(c) Financial assets	-	-
Investments	10,561.21	11,822.09
Loans	5,102.35	5,102.60
Other financial assets	-	-
Total Non-Current Assets	**18,997.08**	**19,193.31**
Current assets		
(a) Inventories	3,600.52	1,548.84
(b) Financial Assets	-	-
Investments	-	-
Trade receivables	8,503.64	6,239.93
Cash and cash equivalents	1,970.07	1,800.49
Loans	1,759.43	1,507.12
(c) Current tax assets (net)	407.45	757.12
(d) Other current assets	9,542.96	7,825.41
Total Current Asset	**25,784.07**	**19,678.92**
Total assets	**44,781.16**	**38,872.23**
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	354.50	354.50
(b) Other equity	7,055.54	8,105.67
	7,410.04	**8,460.17**
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
Borrowings	9,677.73	9,719.71
Other financial liabilities	9,239.18	6,271.17
(b) Provision	97.83	89.46
(c) Deferred tax liabilities (net)	232.02	224.38
Total Non-Current Liabilities	**19,246.76**	**16,304.71**

Particulars	As at March 31, 2017 (Ind AS) (Post merger)	As at March 31, 2016 (Ind AS) (Pre merger)
	(₹ in million)	(₹ in million)
Current liabilities		
(a) Financial liabilities		
Borrowings	9,596.08	8,902.14
Trade payables	6,607.92	4,191.11
Other financial liabilities	1,488.67	684.12
(b) Other liabilities	430.72	329.03
(c) Provision	0.96	0.94
Total Current Liabilities	**18,124.36**	**14,107.34**
Total Equity and Liabilities	**44,781.16**	**38,872.23**

Particulars	As at March 31, 2016 (Indian GAAP) (Pre merger)	As at March 31, 2015 (Indian GAAP) (Pre merger)
	(₹ in million)	(₹ in million)
Equity and liabilities		
Shareholders' funds		
Share capital	354.50	302.27
Reserves and surplus	8,032.22	6,523.10
Non-current liabilities		
Long-term borrowings	9,719.71	9,271.54
Deferred tax liabilities (net)	230.89	287.62
Other long term liabilities	6,271.17	4,972.16
Long-term provisions	89.46	69.42
Current liabilities		
Short-term borrowings	8,902.14	7,917.88
Trade payables	4,180.14	4,456.12
Other current liabilities	1,001.33	1,275.30
Short-term provisions	86.28	46.34
Total	**38,867.84**	**35,121.75**
Assets		
Non-current assets		
Fixed assets	2,268.62	2,081.21
Non-current investments	11,817.70	9,467.70
Long-term loans and advances	5,102.60	5,104.10
Other non-current assets	-	2,185.15
Current assets		
Current investments	-	7.18
Inventories & Work in progress	1,548.84	2,420.23

Particulars	As at March 31, 2016 (Indian GAAP) (Pre merger)	As at March 31, 2015 (Indian GAAP) (Pre merger)
	(₹ in million)	**(₹ in million)**
Trade receivables	7,876.61	5,718.33
Cash and cash equivalents	1,800.50	1,451.58
Short-term loans and advances	8,430.38	6,673.20
Other current assets	22.59	13.07
Total	**38,867.84**	**35,121.75**

On the basis of information available with the Group, there are no dues outstanding for more than 45 days to Small Scale Industrial Undertaking (SSI). Our Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year-end together with interest paid/payable as required under the said Act have not been given.

Summary of Cash Flow Statement (Consolidated basis)

Particulars	For the year ended March 31, 2017 (Ind AS) (₹ in Million) (Post merger)	For the year ended March 31, 2016 (Ind AS) (₹ in Million) (Pre merger)
Net Cash (used in) / generated from Operating Activities	2,341.51	4,697.18
Net Cash (used in) / generated from Investing Activities	(6.73)	(6,631.87)
Net Cash (used in) / generated from Financing Activities	(2,166.22)	2,255.40
Net increase/ (decrease) in cash and cash equivalents	168.56	320.71
Cash and cash equivalents at beginning of the year	1,801.85	1,923.44
Cash and cash equivalents at end of the year	**1,970.41**	**2,244.15**

Particulars	For the year ended March 31, 2016 (Indian GAAP) (₹ in million) (Pre merger)	For the year ended March 31, 2015 (Indian GAAP) (₹ in million) (Pre merger)
Net Cash (used in) / generated from Operating Activities	2,958.89	(235.37)
Net Cash (used in) / generated from Investing Activities	(4,081.29)	(9,002.80)
Net Cash (used in) / generated from Financing Activities	1,878.03	4,879.98
Net increase/ (decrease) in cash and cash equivalents	755.63	(4,358.19)
Cash and cash equivalents at beginning of the year	2,508.37	6,866.56
Cash and cash equivalents at end of the year	**3,264.00**	**2,508.36**

Summary of Cash Flow Statement (Standalone basis)

Particulars	For the year ended March 31, 2017 (Ind AS) (₹ in Million) (Post merger)	For the year ended March 31, 2016 (Ind AS) (₹ in Million) (Pre merger)
Net Cash (used in) / generated from Operating Activities	2,569.38	149.09
Net Cash (used in) / generated from Investing Activities	(1,754.24)	(488.99)
Net Cash (used in) / generated from Financing Activities	(645.58)	688.80
Net increase/ (decrease) in cash and cash equivalents	169.57	348.91
Cash and cash equivalents at beginning of the year	1,800.49	1,451.58
Cash and cash equivalents at end of the year	**1,970.06**	**1,800.49**

Particulars	For the year ended March 31, 2016 (Indian GAAP) (₹ in million) (Pre merger)	For the year ended March 31, 2015 (Indian GAAP) (₹ in million) (Pre merger)
Net Cash (used in) / generated from Operating Activities	136.91	(1,311.56)
Net Cash (used in) / generated from Investing Activities	(488.99)	(26.74)
Net Cash (used in) / generated from Financing Activities	700.99	776.41
Net increase/ (decrease) in cash and cash equivalents	348.91	(561.90)
Cash and cash equivalents at beginning of the year	1,451.58	2,013.48
Cash and cash equivalents at end of the year	**1,800.49**	**1,451.58**

Reservations, qualifications or adverse remarks by Auditor: For details of Reservations, qualifications or adverse remarks by Auditor for the last five Financial Years please refer to "*Management's Discussion and Analysis of our financial condition and Results of Operations*" on page 91.

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors together with all other information set forth in this Placement Document before making an investment in our Equity Shares. The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, prospects, results of operations, cash flows and financial condition. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition and results of operations could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussions and Analysis of our Financial Condition and Results of *Operations" on pages 155, 134 and 91, respectively, as well as the financial, statistical and other information contained in this Placement Document. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.*

This Placement Document also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Placement Document. Please refer to "Forward-Looking Statements" on page 15. Unless otherwise stated, all financial information of our Company used in this section has been derived from the Consolidated Financial Statements. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.

Risk relating to our business

1. ***Our Company, on September 19, 2017, requested its Consortium Lenders that they invoke the Scheme for Sustainable Structuring of Stressed Assets of the Reserve Bank of India, ("S4A Scheme"). The Consortium Lenders on October 21, 2017, agreed to invoke the S4A Scheme, and were in the process of drawing up the resolution plan for submission to RBI. This exercise of debt restructuring pursuant to the S4A Scheme is incomplete, and has been repealed by the RBI, pursuant to the RBI's Circular dated February 12, 2018, bearing reference number RBI/2017-18/131 DBR.No.BP.BC.101/21.04 in connection with the "Resolution of Stressed Assets – Revised Framework", ("Circular"). The Circular provides a detailed, revised framework, for, inter-alia: (a) the monitoring of loan facilities and attendant defaults, (b) reporting the same to a repository, and, (c) drawing up and implementing appropriate resolution plans, (namely debt restructuring packages), (the "Revised Framework"). Our Company, and our lenders, will have to migrate from the Previous Regime, (as defined below), to the Revised Framework. We cannot assure you of: (a) the manner in which the Revised Framework will be interpreted and implemented, (b) the categorization of our account by the lenders and whether we would be downgraded as a Non-Performing Asset, (c) how the said implementation will affect the consummation of this Qualified Institutional Placement, (d) how the said implementation will impact our operations, growth and profitability or our ability to raise further capital, or, (e) the timeframe within which the said Revised Framework same will be implemented and completed and whether the terms of the same will be favourable or not for our Company, (f) whether the Revised Framework would require us to implement a plan whereby there could be significant dilution to the shareholdings of the Promoter, or, (g) whether the debt restructuring under implementation as of the date of the Circular will be implemented. Nor can we assure you that debt restructuring in India will not be subjected to further statutory/regulatory requirements in the future. Please review the details of the said Revised Framework Circular at (https://rbidocs.rbi.org.in/rdocs/notification/PDFs/131DBRCEC9D8FEED1C467C9FC15C74D01745A7.PDF), and please obtain independent professional advice in this regard, before preferring any application for subscription in the present issue. In light of the said Revised Framework of the RBI, the exercise of debt restructuring pursuant to the S4A Scheme may not be implemented, thereby causing our Company's account with the Consortium Lenders to be categorized as a Non-Performing Asset, which would in turn adversely affect our operations, profitability and ability to raise capital or borrowings.***

   Our Company has been unable to service the debt repayment obligations under the loan agreements with the respective lenders in a timely manner. For details of the said defaults and over dues, please refer to "*Legal* Proceedings" on page 228. This inability of our Company to service the relevant loans has led to: (a) our Company being in default of the relevant provisions in the loan/facility agreements with regards to payment of principal amounts and interest thereon, (b) a material increase in the over dues which are payable by our Company, by virtue of the provisions of the relevant loan facility, and, (c) the need for restructuring of the debt of our Company. In the meeting of the Joint Lenders Forum, ("**JLF**"), on September 19, 2017, our Company, amongst other things, requested the consortium lenders for the implementation of the S4A Scheme of the RBI.

In the JLF meeting that was held on October 21, 2017, the Consortium Lenders agreed, subject to certain conditions, to invoke the S4A Scheme with a reference date of October 15, 2017. The last date for completion of the Resolution Plan under the S4A was April 14, 2018. For details of the S4A Scheme, please refer to "*Our Business*" on page 155. The exercise of debt restructuring pursuant to the S4A Scheme is incomplete, and has been repealed by the RBI on February 12, 2018, pursuant to the RBI's Revised Framework for stressed assets and debt restructuring packages.

In light of the said Revised Framework, the exercise of debt restructuring pursuant to the S4A Scheme may not be completed and implemented and as a result: (a) our Company's account with the Consortium Lenders may be categorized as a "Non-Performing Asset", (b) the Consortium Lenders may exercise their right to convert the outstanding amounts into the equity shares of our Company, which, if implemented, could amount to a significant dilution of the shareholding of our Promoters and of existing shareholders, and these rights may be exercised either as a contractual remedy against defaults, or, pursuant to the revised debt restructuring plan that will be formulated for the debt restructuring of our Company under the Revised Framework of the RBI, (c) the said classification as a "Non-Performing Asset" could further adversely impact our operations and profitability due to additional difficulties that we may face in obtaining the funds required for our operations, including the ability to bid for projects and complete existing projects in a timely manner, (d) adversely impact our operations and profitability, and/or, (e) may have any other adverse impact which may be unforeseen impacting the state of affairs of our Company.

For the sake of clarity it is mentioned herein, that, the Revised Framework seeks to simplify and harmonize the manner in which debt restructuring is carried out in India, and accordingly, 28 circulars of the Reserve Bank of India which dealt with debt restructuring, have been repealed, (the "**Previous Regime**"). Our Company has been involved in debt restructuring under the Previous Regime. Our Company is raising finances in the present issue so as to service our debt in furtherance of our debt restructuring efforts under the Previous Regime. The said debt restructuring exercise under the Previous Regime was pending completion, when the RBI released the said Revised Framework for debt restructuring. Our Company, and our lenders, will now have to migrate from the Previous Regime to the Revised Framework. We cannot assure you of the manner in which the Revised Framework will be interpreted and implemented, how the said implementation will affect this Issue, our operations, growth and profitability. We can neither assure you about the timeframe within which the same will be implemented and completed, nor can we assure you that debt restructuring in India will not be subjected to further statutory/regulatory requirements in the future. Please review the details of the said Revised Framework at **(**https://rbidocs.rbi.org.in/rdocs/notification/PDFs/131DBRCEC9D8FEED1C467C9FC15C74D01745A7.PDF**)**, and please obtain independent professional advice in this regard, before preferring any application for subscription in the present issue. For further details on the restructuring under the Previous Regime please refer to "*Our Business*" on page 155.

2. ***We have in the past defaulted in payment of interest and principal on our debt obligations. If in the future our Company fails to make interest and principal payments to our lenders in a timely manner or at all, we may be liable for pre-mature repayments of the relevant loans with interest or otherwise face action for default under the relevant borrowing agreements.***

We have in the past defaulted in payment of interest and principal due to financial constraints. The details of the delay in payment of principal and interest on a standalone basis are as follows:

As on January 31, 2018:

Nature of the Loan	Period of Default	Default amount (₹ in million)	
	(in Days)	Principal	Interest
Term Loans from Banks	Upto 30	118.52	109.5
	31-60	237.46	207.19
	61-90	447.44	99.65
	91-120	118.94	96.18

	121-150	291.44	85.97
	151-180	72.76	60.66
Total (A)		**1286.56**	**659.15**
Working Capital	Upto 30	28.50	97.06
	31-60	90.00	195.28
	61-90	11.60	90.05
	91-120	-	7.42
Total (B)		**130.10**	**389.81**
Grand Total (A+B)		**1416.66**	**1048.96**

As on March 31, 2017

Nature of the Loan	Period of Default	Default amount (₹ in million)	
		Principal	**Interest**
Working Capital	0-30 days	-	80.90
Total (A)			**80.90**
Term Loans	Upto 30	-	72.90
Total (B)			**72.90**
Grand Total (A+B)	-	-	**153.80**

As on March 31, 2016

Nature of the Loan	Period of Default	Default amount (₹ in million)	
		Principal	**Interest**
Working Capital	0-30 days		82.80
Grand Total			**82.80**

As on March 31, 2015

Nature of the Loan	Period of Default (in Days)	Default amount (₹ in million)	
		Principal	**Interest**
Term Loans from Banks	Upto 30	21.33	2.11
	31 to 60	67.95	28.25
Total (A)		**89.28**	**30.36**
Working Capital	Upto 30	-	62.05
	31 to 60	-	131.79
Total (B)		-	**193.84**
Letter of Credit Facilities from Banks	Upto 30	1.97	-
	31 to 60	178.13	-
Total (C)		**180.10**	**-**
Grand Total (A+B+C)		**269.38**	**224.20**

If in the future our Company fails to make interest payments or principal repayments to our lenders in a timely manner or at all, our Company's account with the lenders may be categorized as a "Non-Performing Asset". The said classification as a "Non-Performing Asset" could affect the credit rating of our Company. We could face difficulties in obtaining additional funding required for our operations, including the ability to bid for projects and complete existing projects in a timely manner. Additionally, we may be liable for pre-mature repayments of the relevant loans with interest or otherwise face action for default under the relevant borrowing agreements.

3. ***Legal proceedings have been initiated against our Company, Promoter, Joint Ventures and Group Companies. Any adverse developments in any or all of such litigations could adversely affect our business, reputation, financial condition and results of operations.***

We, our Promoter, our Joint Ventures and our Group Companies are involved in various legal proceedings including criminal proceedings in the ordinary course of our business. These legal proceedings are pending at different levels of adjudication before various courts, tribunals, statutory and regulatory authorities/ other judicial authorities. These legal proceedings may not be decided in our favor and we may incur significant expenses and management time in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If any new developments arise, for example, rulings against us by the appellate courts or tribunals, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, liquidity, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares.

For further details of the legal proceedings which materially affect our financial condition and results of operations, please refer to "*Legal Proceedings*" on page 228.

4. ***Our Auditors have, in their audit report on our Standalone and Consolidated Financial Statements listed certain qualifications and 'Emphasis of Matter' which may adversely impact our results of operations and financial condition.***

Our Auditors have in their Audit Report on our Consolidated Financial Statements and Standalone Financial Statements listed the following qualifications and Emphasis of Matter for Fiscal 2017, Fiscal 2016 and Fiscal 2015:

Financial Year ended March 2017

The Emphasis of matter pertain to: (i) loans given to some of the sub-contractors and accumulated interest thereon which are long pending for recovery, (ii) certain contract and work advances given to some of the sub-contractors which are long pending for recovery, (iii) Investments of Company pursuant to Scheme and (iv) associate company i.e Gayatri Domicile Private Limited, has not been considered for consolidation for in Fiscal 2017.

Financial Year ended March 2016

Qualified Opinion: which stated that, "M/s Gayatri Infra Ventures Limited ("GIVL"), a subsidiary of the company, has entered into a definitive sale agreement for divestment of its entire equity stake amounting to ₹ 460.61 million held in Western UP Tollway Limited, a jointly controlled entity of GIVL. The Independent Auditors of GIVL in their audit report on consolidated financial statements of GIVL have qualified the above said matter by stating that pending final outcome of the said process, they are unable to comment upon the consequential effects, if any, of the said matter, on the financial statements of GIVL."

The Emphasis of matter pertain to certain loans and advances and work advances given to some of the sub-contractors which are long pending for recovery

Financial Year ended March 2015

The Emphasis of matter pertain to: (i) regarding excess managerial remuneration paid by the company, (ii) regarding recovery of loans and advances and work advances given to some of the subcontractors, (iii) conversion of long pending Trade Receivables for which necessary statutory formalities / compliances are pending, (iv) pending confirmation of balances in respect of certain items and balances reported in the financial statements, (v) qualifications made by the independent auditors of a subsidiary company in their consolidated audit report.

For further details, on the Qualifications in the Audit Report and the emphasis of matters please refer to "*Management's discussion and analysis of our financial condition and results of operations*" on page 91 of this Placement Document.

5. ***The failure of any joint venture partners to perform its obligations could impose additional financial and performance obligations on our Company, which we may not be in a position to fulfill at all times, in a timely manner or at all, which in turn, could adversely affect our ability to complete projects undertaken by such joint ventures and impair our ability to realize profits therefrom.***

Our Company enters into various joint ventures with domestic as well as international infrastructure companies as part of its business and as on the date of this Placement Document we have 18 joint ventures. The success of these joint ventures depends significantly on the satisfactory performance by our Company's joint venture partners of their obligations. If our Company's joint venture partners fail to perform these obligations satisfactorily, the joint venture may be unable to perform adequately or deliver its contracted services. In such a case, our Company may be required to make additional investments and/or provide additional services to ensure the adequate performance and delivery of the contracted services. We may not in all cases be in a position to fulfill such additional obligations in a timely manner or at all which could adversely affect the ability of such joint venture to continue with a project, which in turn, could impair our ability to realize profits from such Joint Venture.

In Fiscal 2016, our Joint Ventures, Jaiprakash-Gayatri JV, Gayatri- BCBPPL JV and Maytas-Gayatri JV had incurred total losses of ₹ 0.01 million, ₹ 0.07 million and ₹ 2.31 million respectively, as per its audited financial statements. If the aforesaid Joint Ventures fails to improve or sustain its operating performance, as the case may be, our overall profitability will be materially and adversely impacted.

6. ***The credit ratings assigned for our long term and short term debt facilities have recently been downgraded by Credit Analysis and Research Limited. Any such downgrade of our credit ratings could result in an increase in borrowing costs and constrain our access to lending markets and, as a result, could negatively affect our business and financial position.***

Pursuant to a letter dated October 31, 2017, Credit Analysis and Research Limited has revised the rating assigned to long-term debt facilities of our Company from CARE BBB; Stable to CARE BB; Negative and has revised the rating assigned to our Company's long term/ short term debt facilities from CARE A3 to CARE A4, on a review of recent developments in connection with our Company. The above ratings have been placed under credit watch is on account of stretched liquidity position leading to over drawals on account of working capital intensive business with high reliance on bank borrowings and high repayment obligations over the medium term. Our Company has contested for the review of the rating.

The total outstanding borrowing of our Company as on March 31, 2017 on standalone basis was ₹ 20,736.33 million. Any such downgrade of our credit ratings could increase our borrowing costs, constrain our access to lending markets, and affect the ability of our Company to raise funds, which could consequently, negatively affect our business and financial position. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions in our financing agreements including increase in the cost of borrowing, being added to any additional financing or refinancing arrangements in the future. Any such development could adversely affect our business and financial position

7. ***Our operations are working capital intensive and accordingly, we require adequate capital and financing from time to time to meet our working capital requirements. Inability to obtain adequate financing to meet our Company's capital resource requirements, in a timely manner, on commercially favorable terms to us, or at all, may have an adverse effect on our results of operations.***

Our Company has had, and expects to have, substantial liquidity and capital resource requirements. As at March 31, 2017, our Company had aggregate outstanding borrowings on a standalone basis in the form of working capital facilities for amounts aggregating ₹ 9,596.08 million. Project financing is a combination of net working capital, advances from customers and bank financing. Further, typically our operations have net working capital cycles ranging between two to three months. The inability of our Company to obtain such financing, in a timely manner, on commercially favorable terms to us, or at all may impair our business, results of operations, financial condition and prospects.

8. ***As on March 31, 2017, our Company has issued corporate guarantees for an amount of ₹ 31,054.80 million on standalone basis and an amount of ₹ 32,970.80 million for our Group Companies which if invoked would materially adversely affect our financial condition.***

Our Company has provided corporate guarantees for amounts as mentioned above, in favour of certain lenders of our Group Companies. Most of these corporate guarantees given to lenders of the Group Companies which had BOT road business. These Group Companies have now been demerged into GHL pursuant to the Scheme. The current cash flows of such Group Companies may not be sufficient to meet their debt obligations. The lenders may enforce the guarantees against our Company, if any of such Group Companies, breach its obligations under the relevant loan agreements. The lenders may also require alternate or additional guarantees, collaterals, accelerated payments of outstanding amounts or terminate the relevant loan facilities if they determine that our Company's guarantees are inadequate. We may not be successful in providing the required guarantees or at all and may need to repay outstanding amounts or seek additional sources of capital, which could affect our cash flows, financial condition and results of operation.

9. ***Our Promoters have pledged their Equity Shares as additional/collateral security under agreements with various lenders in connection with various credit facilities obtained by our Group Companies. In the event of any default under the relevant agreements, the lenders may enforce aforementioned pledges, which could result in a change in control of our Company and may also have an adverse impact of the market price of our Equity Shares.***

As on December 31, 2017, an aggregate of 78,803,225 Equity Shares held by our Promoters, representing 44.46% of the paid-up equity share capital of our Company and representing 93.63% of the aggregate holding of Equity Shares by our Promoter Group, are pledged with banks and financial institutions. The following table provides the details of Equity shares pledged by our Promoters with banks and financial institutions as on December 31, 2017:

Sr. No.	Name of the Promoter	Number of shares pledged or otherwise encumbered	% of the Aggregate Paid-up Equity Shares as on December 31, 2017	% of the Aggregate Paid-up Equity Shares held by Promoter Group as on December 31, 2017
1	Mrs. T. Indira Subbarami Reddy	51,783,415	29.21	61.53
2	Mr. T.V. Sandeep Kumar Reddy	27,019,810	15.25	32.10
	Total	78,803,225	44.46	93.63

In the event of any default under the relevant agreements with such banks and financial institutions, the lenders may enforce aforementioned pledges, which could result in a change in control of our Company.

10. ***As on March 31, 2017 our Promoters and some of the family members of our Promoters have issued a personal guarantee for an amount aggregating to ₹ 5,285.86 million which could be invoked.***

Our Promoters and some of the family members of our Promoters have provided personal guarantees for an amount of aggregating to ₹ 5,285.86 million to the lenders of our Company for securing certain loans. If any of these guarantees are revoked, our Company's lenders may require alternative guarantees or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. If our Company is unable to procure alternative guarantees satisfactory to the lenders, our Company may need to seek alternative sources of capital, which may not be available to them at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Further, if such guarantees are invoked, it could adversely affect our Promoters' ability to manage the affairs of our Company and this in turn could adversely affect our business, prospects, financial condition and results of operations.

11. ***Our contingent liabilities, on consolidated basis in our financial statements as on March 31, 2017 aggregated to ₹ 46,597.69 million. If such contingent liabilities materialize, our financial condition could be adversely affected.***

Our contingent liabilities as of March 31, 2017 aggregated to ₹ 46,597.69 million on a consolidated basis. The contingent liabilities consist of corporate guarantees given to Group Companies, bank guarantees given towards performance and contractual commitments and disputed liability of Income Tax, Sales Tax, Service Tax and seigniorage charges. In the event that any of these contingent liabilities materialize, our results of operation and financial condition may be adversely affected.

As on March 31, 2017, we had the following contingent liabilities on a consolidated basis that have not been provided for in our financial statements:

(₹ in million)

Sr. No	Particulars	March 31, 2017
1.	Bank guarantees given towards performance and contractual commitments.	12,878.90
2.	Corporate Guarantees given to group companies	32,970.80
3.	Disputed Liability of Income Tax, Sales Tax, Service Tax and	747.99

Sr. No	Particulars	March 31, 2017
	Seigniorage charges	
	Total	**46,597.69**

12. ***Conflicts of interest may arise out of common business objects shared by our Company and certain of our Group Companies.***

Our Promoter has interests in other companies and entities, namely Gayatri Highways Limited, Yamne Power Private Limited, Bhandara Thermal Power Corporation Limited, Balaji Highways Holding Private Limited whose main objects and objects ancillary thereto in their respective memorandum of association permit such entities to carry out activities similar to those of our Company and such entities may compete with us. Further, our Company also has significate shareholding in some of these companies. As a result, conflict of interests may arise in allocating or addressing business opportunities and strategies amongst our Company and the aforementioned entities in circumstances where our interests differ from theirs. There can be no assurance that the interests of our Promoter will be aligned in all cases with the interests of our minority shareholders or the interests of our Company. There can be no assurance that the aforementioned entities will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours.

13. ***We have experienced negative cash flows from operating activities in Financial Year 2015. Any negative cash flows in the future could adversely affect our financial condition and the trading price of our Equity Shares.***

We have experienced negative cash flows from operating activities on consolidated basis in the past, as follows:

Particulars	Financial Year		
	March 2017	March 2016	March 2015
	(₹ in million)		
Net cash generated/(used) in operating activities	2,341.51	2,958.89	(235.37)

Any negative operating cash flows in the future could adversely affect our financial condition, ability to do business and carry on our operations and also the trading price of our Equity Shares. During the course of our business, we have entered into various capital commitments. In the event that the proposed Issue is not completed or is delayed and we are unable to make other alternative arrangements to raise funds to meet our cash flows requirements, it would have an adverse effect on our business, financial condition and results of operations.

14. ***In the past our Company has been highly dependent on water-related infrastructure projects and road work contracts. In the event our Company is unable to procure sufficient orders in connection with such water infrastructure projects or road work contracts in the future, our operations and revenues could substantially reduce which in turn could affect our profitability.***

As on December 31, 2017 approximately 28.00% and 58.00 % of our Order Book was represented by contracts for (a) water supply projects such as construction of canals and irrigation facilities and (b) roadways contracts, including job works for construction and/or maintenance of state and national highways and other roadways, respectively. Our Company has historically depended on water-related projects and roadwork contracts to generate a bulk of our revenues. These two segments collectively represented 84.00 % of our total revenues for the Financial Year ended March 31, 2017 on a standalone basis and 89.00 % of our total revenues for the nine months period ended December 31, 2017 on a standalone basis. However, the number and nature of infrastructure projects and/or roadwork contracts that are being contemplated or undertaken at any given time in India depend upon factors such as budgetary allocation, development objectives and priorities of the Government, among others.

Additionally, competitors may in future gain the necessary pre-qualification to bid for such projects and/or contracts and the resulting increase in competition may reduce the margins that our Company currently enjoys in these divisions. In the event that the budgetary allocation or external funding for projects in these divisions is reduced, or our Company's bids for water-related projects and/or roadwork contracts are not successful due to increased competition, our operations and revenues could significantly reduce which in turn would affect our profitability.

15. ***Historically, we have relied upon a limited number of customers for securing repeat orders and/or contracts. Our top 5 customers for nine months period ended December 31, 2017, Fiscals 2017, 2016 and 2015 on a standalone basis have constituted 77.01 %, 75.39%, 74.03 % and 71.54 % of our total revenue of operations, respectively. Our inability to maintain our relationship with such customers and/or procure orders in significant numbers and/or size could adversely affect our revenues and thereby our profitability.***

    A significant proportion of our Company's revenues are derived from a limited number of customers. Our top 5 customers for nine months period ended December 31, 2017, Fiscals 2017, 2016 and 2015 on a standalone basis have constituted 77.01 % 75.39%, 74.03 % and 71.54 % of total revenue of operations, respectively. If we are unable to competitively bid for and/or otherwise secure orders and/or contracts with such customers in commercially favorable terms, in sufficient numbers, and/or for sufficient value, or at all, our revenues may be adversely affected, which in turn would affect our profitability.

16. ***Our Company's revenues are highly dependent upon orders/contracts from Central and State Governments and public sector undertakings ("PSUs"). As on December 31, 2017, March 31, 2017, March 31, 2016 and March 31, 2015 contracts and/or orders awarded by the Central and State Governments and PSUs have constituted 95.27 %, 97.45%, 91.02%, 69.48% of our Order Book respectively, on a standalone basis. Any change in the Central and State Governments, changes in policies and/or our inability to recover payments therefrom in a timely manner, would adversely affect our operations and revenues which in turn would adversely affect our profitability.***

    Our Company relies heavily upon Central and State Governments and PSUs who appoint our Company on large-scale infrastructure projects in India. As on December 31, 2017, March 31, 2017, March 31, 2016 and March 31, 2015 contracts and/or orders awarded by the Central and State Governments and PSUs have constituted 95.27 %, 97.45%, 91.02%, 69.48% of our Order Book respectively, on a standalone basis.

    Additionally, many of our Company's projects are public sector sponsored projects and which are often subject to delay. Such delays could be on account of a change in the Central and State Governments, changes in policies impacting the public at large, scaling back of Government policies or initiatives, changes in governmental or external budgetary allocation, or insufficiency of funds, which can significantly and adversely affect the business, financial condition and results of operations of our Company .Further, infrastructure contracts awarded by the Central and State Governments may include provisions which enable the client to terminate the contract after providing our Company with appropriate notice. Performance guarantees are also common features of our Company's contracts and are typically unconditional and payable on demand, and can be invoked by the client without cause. Our Company is susceptible to such termination or invocation. In the event that a contract is so terminated or invoked without cause, our Company's revenues will be adversely affected. Further, we may not be able to recover our payments in connection with such contracts in a timely manner, which could adversely affect our operations and revenues which in turn would adversely affect our profitability.

17. ***Our government contracts usually contain terms that favour government clients who may terminate our contracts prematurely under various circumstances that are beyond our control, and therefore, we have limited ability to negotiate terms of these contracts and may have to accept onerous provisions.***

    The counterparties to a number of our construction contracts are governmental entities and these contracts are usually based on forms chosen by the government entities. We thus have had only a limited ability to negotiate the terms of these contracts, which tend to favour our government clients. The contractual terms may present risks to our business, including but not limited to:

    - our design and engineering liability, in particular relating to latent defects, where designs are reviewed and approved by our client;
    - risks we have to assume and lack of recourse to our government client where defects in site or geological conditions were unforeseen or latent from our preliminary investigations, design and engineering prior to submitting a bid;
    - liability for defects arising after the termination of the agreement;
    - clients' discretion to grant time extensions, which may result in project delays and our cost overruns;
    - our liability as a contractor for consequential or economic loss to our clients; and
    - the right of the government client to terminate our contracts for convenience at any time after providing us with the required written notice within the specified notice period.

Additionally, our ability to recover compensation, on account of termination by the government entities is limited. As a result, the terms that favour our government clients may put us in disadvantageous positions when we perform government contracts.

18. ***Our Company and certain of our Joint Ventures have applied for an extension of time for completion of certain outstanding work orders which could be cancelled if the concerned customer does not extend their completion date, which could adversely affect our results of operations and profitability.***

Our Company and certain of our Joint Ventures have applied for an extension of time for completion of certain outstanding work orders. If the relevant customers do not give their approval and/or extension or refuse the extension sought by our Company or by the Joint Ventures, the orders could stand cancelled and to that extent our Order Book will not translate into revenues. Further, our Company or our Joint Ventures, as the case may be, may not be able to recover any additional expenses that it may incur, if any, in connection with the delay in execution of the relevant projects, that were due to external reasons and not in our control, and their outstanding contract amounts, in part or entirety could adversely impact the profitability of our Company.

19. ***Given the long term nature of the projects we undertake, we face various kinds of implementation risks and our inability to successfully manage such risks could have an adverse impact on the functioning of our business.***

Some of our projects are under construction or development. The construction or development of these new projects involves various implementation risks including construction delays, delay or disruption in supply of raw materials, delays in acquisition of land, unanticipated cost increases, force majeure events, cost overruns or disputes with our joint venture partners. We may be further subject to regulatory risks, financing risks and the risks that these projects may ultimately prove to be unprofitable. In particular:

- long completion periods and significant capital outlay before project completion and generation of positive cash flows;
- delays in the construction and execution of projects, due to environmental, rehabilitation and resettlement risks, giving rise to potential liabilities and lower than expected returns;
- significant financial exposure to, and uncertainty as to, the long-term viability of large turnkey projects;
- change in government policies and/or regulatory requirements political and economic conditions;
- we may experience shortages of, and price increases in, materials and skilled and unskilled labor, and inflation in key supply markets; and
- unforeseen conditions, such as adverse weather conditions and natural disasters, encountered during project execution.

In addition, increases in the prices of construction materials, fuel, labor and equipment, their availability and cost overruns could have an adverse effect on us and we may not receive bulk discounts on our purchases. Our construction operations require various bulk construction materials including steel, cement, sand and aggregate. We do not have any long term arrangements with our suppliers for the raw materials. At certain times, there can be a scarcity of raw materials, which may cause substantial increases in the prices of such raw materials. We may experience unanticipated increases in costs due to fluctuations in the supply and demand in the national and international markets for construction materials. We may negotiate bulk discounts with our suppliers due to the large sizes of our purchases. However, we cannot assure you that we will continue to receive bulk discounts in our future purchases. We may need to divide our orders among several suppliers to reduce reliance on a limited number of suppliers, which may result in fewer discounts for us. Our ability to pass on increased costs may be limited under our fixed price contracts, which may have limited or no price escalation provisions. Further, our customers may dispute the increased costs. If we are unable to pass on such unanticipated price increases to our clients in EPC projects we may have to absorb such increases and our business, financial condition and results of operations may be adversely affected.

20. ***We may be seriously affected by delays in the collection of receivables from our clients and may not be able to recover adequately on our claims.***

There may be delays in the collection of receivables from our clients. As of March 31, 2017, March 31, 2016 and March 31, 2015 on a consolidated basis, ₹1191.40 million, ₹ 1811.22 million and ₹ 329.85 million or 14.01%, 22.33% 5.57 % of our total trade receivables had been outstanding for a period exceeding six months from their respective due dates. Additionally, we may claim for more payments from our clients for the additional work and costs incurred in excess of the contract price or amounts not included in the contract price. These claims typically arise from changes in the initial scope of work or from delays caused by the clients. The costs associated with these changes or client caused delays include additional direct costs, such as labor and material costs associated with the performance of the additional work, as well as indirect costs that may arise due to delays in the completion of the project, such as increased labor costs resulting from changes in labor markets. As on the date of this Placement Document, there are civil and arbitration proceedings to recover costs, including in relation to costs incurred for performing additional work in connection with construction of certain road projects. For further details, please refer to "*Legal Proceedings*" on page 228. We may not always have the protection of escalation clauses in our construction contracts or supplemental agreement in respect of the additional work to support our claims. Where we have escalation clauses in our agreements, we may seek to enforce our contractual rights. However, our clients may interpret such clauses restrictively and dispute our claims. These claims are thus often subject to lengthy arbitration, litigation or other dispute resolution proceedings. We cannot assure you that we can recover adequately on our claims. Our debtors may have insufficient assets to pay the amounts owed to us even if we win our cases. In addition, we may incur substantial costs in collecting against our debtors and such costs may not be recovered in full or at all from the debtors. As we often need to fulfil significant working capital requirements in our operations, delayed collection of receivables or inadequate recovery on our claims could materially and adversely affect our business, cash flows, financial condition and results of operations.

21. ***The failure of our Subsidiaries to complete its projects in a timely or a profitable manner, or at all, could affect the profitability of our Subsidiaries, which in turn could require us to write down our investments in such Subsidiaries and would adversely impact our operations and profitability on a consolidated basis. Our subsidiaries have incurred losses in the past and may continue to do so which may adversely impact our consolidated financial position.***

Our Company has made and may continue to make certain capital investments, loans, advances and other commitments to support certain of its Subsidiaries. These investments and commitments inter-alia include capital contributions and providing corporate guarantees to lenders in order to enhance the financial condition or liquidity position of the Subsidiaries of our Company. As on the date of this Placement Document, we have one direct Subsidiary, namely Gayatri Energy Ventures Private Limited and one step down Subsidiary, namely, Bhandara Thermal Power Corporation Limited.

In the past, our Subsidiaries (including respective step-down subsidiaries in relation to such Subsidiaries) have incurred losses as per their respective Audited Financial Statements, as set forth in the table below:

Entity	**Year Ended March 31 (₹ in Million)**	
	2017	**2016**
Gayatri Energy Ventures Private Limited	(707.25)	(41.83)
Gayatri Infra Ventures Limited *	-	(329.08)
Sai Maatarini Tollways Limited *	-	(0.83)
Indore Dewas Tollways Limited *	-	(241.18)

* Pursuant to the Scheme, these companies ceased to be our Subsidiaries and were transferred to Gayatri Highways Limited with effect from March 30, 2017.

Further, if the business and operations of the Subsidiaries deteriorate our Company's investments may be required to be written down or written off or further capital injections may be required to be made. If these Subsidiaries fail to improve or sustain their operating performance, as the case may be, our overall profitability on a consolidated basis will be materially and adversely impacted.

22. ***The logo "Gayatri" is not registered in the name of our Company. Our ability to use the trademark, trade name and logo may be impaired.***

The logo "Gayatri" does not belong to us. The logo "Gayatri" belongs to TSR Holdings Pvt. Limited, which is owned by our Promoter and Promoter family members, who permitted us to use the logo. TSR Holdings Pvt. Limited has vide its letter dated August 18, 2012 licensed our Company to use this logo subject to the terms and conditions mentioned therein for a royalty of ₹ 0.50 million per annum. If TSR Holdings Pvt. Limited, increases royalty fees or withdraws or terminates this arrangement, we will not be able to make use of our logo in connection with our business and consequently, we may be unable to capitalize on the brand recognition. This may adversely affect our business prospects and reputation.

23. ***We may be unable to pre-qualify to bid on certain larger infrastructure projects on our own and if we are unable to enter into joint venture agreements with third parties, we may be precluded from bidding for those large infrastructure projects, which could have an adverse effect on our growth prospects and operations.***

We enter into contracts primarily through a competitive bidding process or on negotiated rate basis. Our competition varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. In selecting contractors for major projects, clients generally limit the tender to contractors who are pre-qualified based on several criteria, including experience, technical ability, past performance, reputation for quality, safety record, financial strength and the size of previous contracts executed in similar projects with them or otherwise. Additionally, while these are important considerations, price is a major factor in most tender awards and in negotiated contracts and our business is subject to intense price competition. In competitive bidding, once the prospective bidders satisfy the technical requirements of the tender, the project is usually awarded based on the price of the contract quoted by the prospective bidder. There could be no assurance that our Company would in such cases be able to attain an award of such contracts at commercially favorable and/or expected terms or at all, which could have a material negative effect on our Company's financial condition, results of operations and prospects.

Further, if we are unable to pre-qualify to bid on certain large projects on our own, we may have to enter into memoranda of understanding or joint venture agreements with various other companies. In cases where we are unable to enter into joint venture agreements with appropriate companies to meet pre-qualification requirements, we may lose out on opportunities to bid, which could have an adverse effect on our growth prospects and operations.

24. ***We have substantial existing debt and may incur additional debt, which could adversely affect our ability to obtain additional financing in the future, on attractive terms, or at all. This in turn would adversely impact our operations and profitability.***

As on March 31, 2017, the amount of our total standalone borrowings was ₹ 20,736.33 million. Our business requires a high amount of working capital to finance the purchase of materials and the performance of engineering, construction and other work on the projects before payments are received from client. We may incur additional indebtedness in the future. Our ability to meet our debt service obligations and our ability to repay our outstanding borrowings will depend primarily upon the cash flow produced by our businesses. We cannot assure you that we will generate sufficient revenue from our businesses to service existing or proposed borrowings. If we fail to meet our debt service obligations, our lenders could declare us to be in default under the terms of our borrowings and may accelerate the maturity of our obligations. We cannot assure you that, in the event of any such acceleration, we would have sufficient resources to repay these borrowings. If our cash flow and capital resources are insufficient to fund our debt service obligations, we may be forced to seek additional equity capital, or restructure our debt. In the future, our cash flow and capital resources may not be sufficient for interest or principal payments on our indebtedness, and any remedial measures may not be successful and therefore may not permit us to meet our scheduled debt service obligations.

23.70 % of our borrowings are at fixed rate and are subject to adjustment at specified intervals. We are exposed to interest rate risk. Any such increase in interest expense may have an adverse effect on our business, prospects, financial condition and results of operation. Furthermore, if we decide to enter into agreements to hedge our interest rate risk, there can be no assurance that we will be able to do so on commercially viable terms, that our counterparties will perform their obligations, or that such agreements, if entered into, will protect us fully against our interest rate risk. Such instances could adversely affect our business operations, cash flows and financial condition.

25. ***Our operations and profitability may be adversely affected if the Master Restructuring Agreement dated January 23, 2015, (in terms of the guidelines of the Reserve Bank of India), can no longer be effective due to the RBI's Circular dated February 12, 2018, in connection with "Resolution of Stressed Assets – Revised Framework", (for details please refer to Risk Factor - 1 on page 52).***

The operations of our Company had come under strain due to various internal and external reasons including but not limited to factor like stretched working capital cycles, increased cost of inputs, higher interest cost, slowdown in Infrastructure sector etc. which has led to a strain on the cash flows of our Company. Hence, our Company had requested the lead bank i.e. Bank of Baroda for debt restructuring on August 9, 2013. The request of our Company was referred to the Joint Lenders' Forum, (hereinafter referred to as the "**JLF**"), in the meeting which was convened by the JLF on August 13, 2014, (the "**Joint Lenders' Meeting**"). The JLF decided to restructure the loans as of such date, and pursuant thereto, the members of our Company, accorded approval vide Postal Ballot on September 1, 2014, to the Board of Directors of our Company for borrowing from time to time any sums of money not exceeding ₹ 90,000 million. Subsequent thereto, MITCON Consultancy & Engineering Services Limited was requested to draw a Techno Economic Viability Report (the "**TEV Report**") and based on it a restructuring package was drawn by IDBI Capital Market Service Limited ("**IDBI**") and was approved by the Board of Directors in its meeting held on December 30, 2014. A Master Restructuring Agreement ("**MRA**") was drawn up in accordance with the restructuring package devised by IDBI. The said Package was approved by the JLF on January 19, 2015 (hereinafter referred to as the "**Approved JLF Package**"). To implement the Approved JLF Package, our Company executed the MRA and other financing documents on January 23, 2015. The Reserve Bank of India has, on February 12, 2018, repealed, inter-alia, the existing restructuring schemes/ mechanisms, and has sought to implement a revised framework in connection with debt restructuring packages. In light of the RBI's aforesaid Revised Framework, our Company and our lenders, will now have to migrate to the said Revised Framework, and the erstwhile package created by IDBI and approved by JLF may stand repealed. The operations and profitability of our Company may be adversely affected if the Master Restructuring Agreement can no longer be implemented due to the RBI's Circular dated February 12, 2018, in connection with "Resolution of Stressed Assets – Revised Framework". For details of Resolution of Stressed Assets – Revised Framework please refer to ***Risk Factor*** – 1 on page 52.

26. ***Most of our arrangements with our lenders contain various restrictive covenants, which may restrict our ability to take various business decisions and measures in a timely manner or at all, which in turn may adversely affect our growth prospects. Further, any non-compliance with such covenants could potentially subject us to action for breach of such arrangements.***

Most of our Company's loan agreements contain covenants which restrict certain activities and require our Company to obtain lenders' consents before, among other things, undertaking new projects, issuing new securities, altering the memorandum and articles of association, declaring dividends and making certain investments beyond the approved amount, prepayment of such loans, issue any debentures, raise any loans, deposits from public, mergers, consolidation, commissions, major capital expenditure etc. As is typical of loan agreements, there are also a significant number of non-financial covenants in our loan agreements. These range from not being able to open ordinary accounts without some lenders' consent to not effecting any change in management. There can be no assurance that the relevant lenders would provide required consents and/or waivers in a timely manner or at all, which could adversely impact our ability to take various decisions and/or could restrict the manner in which we operate. This could adversely affect our growth prospects. In the event that any lender calls an event of default, including for breach of non-financial covenants, it would trigger cross defaults in our loan agreements, most, if not all, whereby all our loans could be accelerated and due immediately. Any such action could materially adversely affect our operations and financial condition.

27. ***As of March 31, 2017, our Company has loans repayable on demand amounting to ₹ 9,596.08 million on a consolidated basis, which may be recalled by lenders at any time. In such event, we may have to raise funds to refinance these obligations.***

As of March 31, 2017, our Company had secured working capital facilities from banks for an amount of ₹ 9,596.08 million on a consolidated basis, which may be recalled by lenders at any time. Such loans have customarily been used in India to finance working capital requirements of businesses. In such event, we may have to raise funds to refinance these obligations. This requirement to refinance loans on short notice may have a material and adverse effect on our business operations and financial condition.

28. ***As of March 31, 2017, our Company has given unsecured loans to associates and third parties amounting to ₹ 5,097.81 million on a consolidated basis. In an event, such loans are not received or recovered by our Company, it may adversely affect our business and financial condition.***

As of March 31, 2017, our Company had given unsecured loans of ₹1,794.60 million to associates (primarily to fund the Road BOT projects now owned by Gayatri Highways Limited) and ₹ 3,303.21 million to other third parties (primarily to support sub-contractors) aggregating to ₹ 5,097.81million on a consolidated basis. In an event, such loans are not received or recovered by our Company, it may adversely affect our business and financial condition.

29. ***As on December 31, 2017 3.20% of our outstanding Order Book comprised of fixed price contracts. Typically, in case of fixed price contracts, any cost escalations on account of delay, inaccurate estimate of the amount of work or quantity of material required etc. cannot be passed on to the clients which in turn could adversely affect our profitability and results of operations.***

Typically, contract prices are established in part on cost and scheduling estimates, which are based on a number of assumptions, such as the future economic conditions, the price and availability of labour, equipment and materials and other relevant factors. If any of these estimates prove inaccurate or if circumstances change, cost overruns may occur and our Company could experience reduced profits or, in some cases, a loss. In addition to the risk of cost overruns, our Company also bears the risk of underestimating the amount of work or the quantity of material required. Further, a proportion of our Company's contracts is, and will continue to be, fixed-price contracts awarded through competitive bidding. As on December 31, 2017, 3.20 % of our Order Book was represented by fixed price contracts. In fixed-price contracts our Company bears all or a portion of the risks of cost increases and therefore tries to account for any contingencies when determining its contract price. Further, our business requires various materials including, steel, cement and aggregates (sand, bricks and sized metals). Materials consumed constituted approximately 33.36 % of our total expenditure for Fiscal 2017 on a standalone basis and approximately 30.87 % of our total costs for the nine months period ended December 31, 2017 on a standalone basis. Our ability to pass on increases in the price of materials and other project related inputs may be limited in the case of fixed-price contracts Unanticipated increases in the price of materials consumed and other project related inputs may also have compounding effects by increasing costs of performing other parts of the contract. This may contribute to our profits on such projects being less than originally estimated or may even result in us experiencing losses. Depending on the size of the project, the variation from the estimated contract value could have a significant adverse effect on the results of our operations, profitability and financial condition.

30. ***We may not be able to implement our business strategies or sustain and manage our growth, which may adversely affect our business, results of operations and financial condition***

We aim to implement our business strategies to ensure future business growth, which may be subject to various risks and uncertainties, such as failure to maintain our competitive edge due to cost overruns or failure to execute our construction projects in a timely manner or according to quality specifications, intensified competition, delayed payments or non-payments by our clients and associated litigation or arbitration proceedings and inability to enforce escalation clauses in our construction contracts, failure to implement our bidding strategy or geographically cluster our projects, inability to make an efficient use of or improve our execution system or fail to maintain or operate our equipment bank, IT systems and centralized procurement system in an effective and efficient manner, lack of ability to properly manage financing resources and unavailability of funds at affordable costs or maintain financial discipline, adverse changes in applicable laws, regulations or policies or political or business environments, failure to correctly identify market trends relating to the demand for our services, inability to carry out our strategy of bidding for new construction projects portfolio and increases in costs of raw materials, fuel, labour and equipment and adverse movements in interest rates and foreign exchange rates.

Implementation of our strategies may be subject to a number of risks and uncertainties including the ones mentioned above, some of which are beyond our control. There can be no assurance that we will be able to execute our growth strategy on time and within the estimated costs, or that we will meet the expectations of our clients. As part of our growth strategy, we have diversified portfolio of projects. We entered into the mining project and urban infrastructure projects such as railways, airports etc. We do not have a long-term, established track record in executing construction projects in these new business segments which may expose us to unanticipated risks. Due to our limited experience in undertaking certain types of projects or offering certain services, our entry into new business segments may not be successful, which could hamper our growth and damage our reputation. We may be unable to compete effectively for projects in these segments or areas or execute the awarded projects efficiently. Any failure or delay in the implementation of any of our strategies may have a material adverse effect on our business, prospects, financial condition and results of operations.

31. ***In the past, we have incurred additional costs in order to complete some of our projects and have also completed certain projects beyond the stipulated completion dates. There can be no assurance that we will be able to complete our projects under construction or development, or any of our future projects, according to schedule or without incurring cost overruns.***

The construction or development of our projects involves various implementation risks. In the past, we incurred cost overruns with respect to some of our projects. However, project delays, modifications in the scope or cancellations may occur from time to time due to either a client's or our default, incidents of force majeure or legal impediments.

We may incur significant additional costs due to project delays and our counterparties may seek liquidated damages due to our failure to complete the required milestones or even terminate the construction contract totally or refuse to grant us any extension. We may not have the full protection in our construction contracts against such delays or associated liabilities and/or additional costs. There can be no assurance that we will be able to complete our projects under construction or development according to schedule or without incurring cost overruns. Any delay or cost overruns in the development, construction or operation of any of our new projects or existing projects is likely to adversely affect our business, prospects, financial condition, cash flows and results of operations.

32. ***If we have inadequate volume of business it may cause underutilization of our workforce and equipment bank. We will also continue to incur our operating expenses including fixed costs. As a result, any decline in our operating performance may be magnified because we may be unable to reduce our expenses immediately, or at all. This may affect our financial condition and results of operation may be adversely.***

We estimate our future workload largely based on whether and when we will receive certain new contract awards. While our estimates are based upon our best judgment, these estimates can be unreliable and may frequently change based on newly available information. In a project where timing is uncertain, it is particularly difficult to predict whether or when we will receive a contract award. The uncertainty of contract awards and timing can present difficulties in matching our workforce size and equipment bank with our contract needs. In planning our growth, we have been adding to our workforce and equipment bank as we anticipate inflow of additional orders. As of December 31, 2017, the size of our workforce was 2,700 employees and the fleet of our equipment comprised 2,300 construction vehicles and other equipment. Further, we will continue to incur operating expenses including various fixed costs such as construction materials, fuel, employee benefits expenses, finance costs, tender expenses etc. irrespective of the contracts for projects undertaken by us. If we do not receive future contract awards or if these awards are delayed or reduced, we may incur significant costs from maintaining the under-utilized workforce, equipment bank, and our fixed costs. This may affect our financial condition and results of operation may be adversely.

33. ***Our operations are subject to physical hazards and similar risks that could expose us to liabilities, loss in revenues and increased expenses material adverse effect on our reputation, business, financial condition and results of operation***

While construction companies, including us, conduct various scientific and site studies during the course of bidding for projects, there are always unanticipated or unforeseen risks that may come up due to adverse weather conditions, geological conditions, specification changes and other reasons. Additionally, our operations are subject to hazards inherent in providing engineering and construction services, such as the risk of equipment failure, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. Our policy of covering these risks through contractual limitations of liability, indemnities and insurance may not always be effective and this may have a material adverse effect on our reputation, business, financial condition and results of operation.

34. ***Failure on the part of our sub-contractors to perform their obligations in a timely manner or at all could adversely affect our ability to complete projects in a timely manner or at commercially viable terms, which in turn could subject us to time and cost overruns, defaults under the contracts for such projects and loss of revenue and profitability.***

Our Company relies on sub-contractors in relation to specific aspects of a particular project. If our sub- contractors, for any reason, fail to meet their specified completion dates, and/or do not perform their obligations in accordance with the contracts executed with them, our ability to complete the project in a timely manner or at commercially viable terms, could be adversely impacted. Furthermore, failure to meet the specifications (including technical requirements and quality standards) prescribed by our customers on the part of such sub-contractors could result in the breach of our contracts with our customers, and/or us having to incur additional expenses to remedy such failure on the part of our sub-contractors. In addition, our Company could be liable to pay penalties to our customers due to the insufficiency of performance guarantees in our Company's agreements with sub-contractors. Further, such failure could also result in us losing our relationship with aggrieved customers. Accordingly, any or all of aforementioned events could subject us to a loss of business, revenues and profitability.

35. ***If our Company is not able to obtain, renew or maintain the permits and approvals required to operate our businesses, this may have a material adverse effect on our businesses.***

Our operations are subject to the receipt of required licenses, permits and authorizations, including local land use permits, building and zoning permits, environmental permits, and health and safety permits. Our Company is required to renew such permits and approvals or to obtain new permits and approvals from time to time. While our Company believes that it will be able to obtain such permits and approvals and has not experienced any difficulty in renewing and maintaining these permits and approvals in the past, as and when required, there can be no assurance that the relevant authorities will issue any such permits or approvals in the time-frame anticipated by our Company or at all. Failure by our Company to renew, maintain or obtain the required permits, approvals and licenses may interrupt our Company's operations and may have a material adverse effect on our Company's results of operations, financial condition and prospects.

36. ***Our results of operations of our infrastructure business may be adversely affected if we are unable to attract and/or deploy sufficient labor on our projects and/or to pass on unanticipated increases in labor costs.***

Our operations are labour intensive and subject to the availability of labour in sufficient numbers. If we are unable to attract and/or deploy sufficient labour resources to our projects, our operations may be adversely affected. Further, our ability to pass on increases in labour costs may be limited. This may contribute to our profits on such projects being less than originally estimated or may even result in us experiencing losses. Depending on the size of the project, the variation from the estimated contract value could have a significant adverse effect on our results of operations and financial condition.

37. ***We may be unable to identify or acquire new projects and our bids for new projects may not always be successful, which may stunt our business growth.***

Undertaking new projects depends on various factors such as our ability to identify projects on a cost effective basis or integrate acquired operations into our existing business. Our undertakings may require consents from the regulatory authorities and sometimes, consents from our lenders in relation to our expansion plans. If we are unable to identify or acquire new projects matching our expertise or profit expectations or obtain the requisite consents from the authorities or other relevant parties when required or at all, we may be subject to uncertainties in our business.

As a part of our business, we bid for new projects on an ongoing basis. Projects are awarded following competitive bidding processes and satisfaction of other prescribed pre-qualification criteria. Once the prospective bidders satisfy the pre-qualification criteria of the tender, the project is usually awarded based on the price of the contract quoted by the prospective bidder. We generally incur significant onetime costs in the preparation and submission of bids. Where we cannot pre-qualify for a project on a standalone basis, we may collaborate with other construction companies at the national and local levels to submit a joint bid and undertake the project on a joint and several basis after winning the bid. Our collaboration with a joint venture partner is often subject to various factors beyond our control. In addition, due to factors beyond our control, bidding procedures and criteria may be changed without our notice and may not be in our favour and we may be disqualified due to such changes. We cannot assure you that we would bid where we are pre-qualified to submit a bid, that we can collaborate well with our joint venture partner to submit a bid successfully, that we will remain qualified during the bidding process, that our bids, when submitted or if already submitted, would be accepted or that we could be awarded the project we are bidding for. Further, there may be delays in the bid selection process owing to a variety of reasons which may be outside our control and our bids, once selected, and may not be finalized within the expected time frame.

38. ***Seasonality and weather conditions, from time to time, restrict our ability to carry on construction activities and fully utilize our resources, which in turn could adversely affect our business.***

Our business operations may be adversely affected by severe weather, which may require us to evacuate personnel or curtail services, may result in damage to a portion of our fleet of equipment or facilities resulting in the suspension of operations, and may prevent us from delivering materials to our project sites in accordance with contract schedules or generally reduce our productivity. Our operations are also adversely affected by difficult working conditions and extremely high temperatures during summer months and during the monsoon season, each of which may restrict our ability to carry on construction activities and fully utilize our resources. During periods of curtailed activity due to adverse weather conditions, we may continue to incur overhead and financing expenses, but our revenues from operations may be delayed or reduced.

39. ***We face significant competition and if we fail to compete effectively, our business, prospects, financial condition and results of operations will be adversely affected.***

We operate in a competitive environment and our industry has been frequently subject to intense price competition for the acquisition and bidding of projects. Our contracts are awarded following competitive bidding processes and satisfaction of other prescribed pre-qualification criteria. We compete against major construction companies at the national and local levels and in multiple segments of construction business. Some of our competitors may be larger than us, have stronger financial resources or a more experienced management team, or have stronger engineering capabilities in executing technically complex projects. They may also benefit from greater economies of scale and operating efficiencies and may have greater experience in infrastructure development business. While service quality, technological capacity equipment bank and performance, health and safety records and personnel, as well as reputation and experience, are important considerations in clients' decisions, price is a major factor in most tender awards. The competitive nature of this process may necessitate us and other prospective bidders to submit low bids to win the award of the contract to maintain our market share. In particular, we derive part of our revenue from performing government contracts and are striving to increase the order book of and revenue contribution by our government contracts. We may thus be compelled to bid for new projects more aggressively than we expected and may accept terms and conditions that are not in our favour.

If we fail to win new projects, we may not be able to increase, or maintain, our volume of business or revenues. Failure to compete effectively against our current or future competitors may have a material and adverse effect on our business, financial condition and results of operation.

40. ***Projects included in our Order Book and our future projects may be delayed, modified or cancelled for reasons beyond our control which may materially and adversely affect our business, prospects, reputation, profitability, financial condition and results of operation***

Our Company's aggregate Order Book was ₹ 128,472.49 million, as on December 31, 2017 and ₹124,742.10 million March 31, 2017. Our Order Book sets forth our expected revenues from uncompleted portions of the construction contracts received. However, project delays, modifications in the scope or cancellations may occur from time to time due to either a client's or our default, incidents of force majeure or legal impediments. For example, in some of our projects, we or our clients are obliged to take certain actions, such as acquiring land, securing right of way, clearing forests, securing required licenses, authorizations or permits, making advance payments or opening of letters of credit or moving existing utilities, which may be delayed due to our client's nonperformance, our own breaches or force majeure factors. In an EPC project, we may incur significant additional costs due to project delays and our counterparties may seek liquidated damages due to our failure to complete the required milestones or even terminate the construction contract totally or refuse to grant us any extension. The schedule of completion may need to be reset and we may not be able to recognize revenue if the required percentage of completion is not achieved in the specified timeframe.

As a result, our future earnings may be different from the amount in the order book. Our contracts may be amended, delayed or cancelled before work commences or during the course of construction. Due to unexpected changes in a project's scope and schedule, we cannot predict with certainty when or if expected revenues as reflected in the order book will be achieved. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed or receivables due to us. If any or all of these risks materialize, our business, prospects, reputation, profitability, financial condition and results of operation may be materially and adversely affected.

41. ***If our Company is not able to successfully manage the growth of its operations, in a cost effective and efficient manner, our results of operations and financial condition could be adversely affected.***

Our Company has been rapidly expanding its operations in recent years. As it continues to grow, our Company must continue to improve its managerial, technical and operational knowledge and allocation of resources, and implement an effective management information system. In order to fund its ongoing operations and future growth, our Company needs to have sufficient internal sources of liquidity or access to additional financing from external sources. Further, our Company will be required to manage relationships with a greater number of customers, suppliers, contractors, service providers, lenders and other third parties. Our Company will need to further strengthen its internal control and compliance functions to ensure that it will be able to comply with its legal and contractual obligations and it's operational and compliance risks. There can be no assurance that our Company will not suffer from capital constraints, operational difficulties or difficulties in expanding existing business and operations, and training an increasing number of personnel to manage and operate the expanded business. Further, there can be no assurance that our Company will be able to successfully manage its growth or that its expansion plans will not adversely affect its existing operations and thereby have a material adverse effect on its business, financial condition, results of operations and future prospects.

In addition, the projects undertaken by our Company are increasing in scale and complexity. Our Company will need to continue to improve its project management system and supporting infrastructure, such as its information technology and human resources systems, and training programmes, in order to ensure that it will be able to continue to successfully execute large, complex projects on a timely basis. There can be no assurance that our Company will be able to improve its project management system and supporting infrastructure at a rate commensurate with the increase in size and complexity of the projects that it undertakes, and any resulting impairment in our Company's project management and execution capabilities may have a material adverse effect on its business, financial condition, results of operations and future prospects.

42. Our Company's success depends largely upon its highly-skilled professionals and its ability to attract and retain these professionals. If our Company is unable to attract and retain professionals and skilled workers, its business and results of operations may be adversely affected.

Our Company's ability to successfully complete projects and to attract new clients depends largely on its ability to attract, train, motivate and retain highly-skilled professionals, particularly project managers and engineers, and other skilled workers. If our Company cannot hire and retain highly-skilled personnel, its ability to bid for, and win, new projects and to continue to expand its business will be impaired, and consequently its revenues could decline. Further, our Company may not be able to re-deploy and retrain its professionals to keep pace with continuing changes in technology, evolving standards and changing needs of its clients. In addition, a significant increase in the wages paid by competing employers could result in increased attrition among our Company's skilled workforce, increases in the wage rates that it pays or both. As a result of the growth in the infrastructure industry in India and the expected future growth, the demand for highly- skilled professionals and workers has significantly increased in recent years, and if our Company is unable to attract and retain professionals and skilled workers, its business and results of operations may be adversely affected.

43. Our operations could be adversely affected by any labor, strikes, work stoppages or increased wage demands by our employees and/or contract labourers or any other kind of disputes with our employees and/or contract laborers.

Our operations are highly labour intensive and we employ a combination of in-house labour and contract labourers for the purposes of our projects. Although historically, we have not faced any labour related disputes or disruptions, there can be no assurance that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our operations.

Further, we enter into contracts with independent contractors to complete specified assignments and these contractors are required to source the labour necessary to complete such assignments. Although we do not engage these labourers directly, it is possible under the Contract Labor (Regulation and Abolition) Act, 1970, and judicial interpretation of the provisions thereof, that we may be held responsible for wage payments and/or compensation for accidents and/or death at the work site in the course of employment to labourers engaged by contractors should the contractors default on wage and/or compensation payments. Any requirement to fund such payments may adversely affect our profitability.

Furthermore, pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, we may be required to retain such contract labourers as our employees. Any such order from a court or any other regulatory authority would require us to incur additional fixed costs which in turn may adversely affect our profitability.

44. ***Changes in technology may render our Company's current technologies obsolete or require our Company to make substantial capital investments. The cost of implementing new technologies or expanding capacity could be significant and could adversely affect our Company's results of operations.***

Our Company's business is subject to rapid and significant changes in technology. Although our Company strives to keep its technology in accordance with the latest technological standards, the technologies currently employed may become obsolete or subject to competition from new technologies in the future. The cost of implementing new technologies or expanding capacity could be significant and could adversely affect our Company's results of operations.

45. ***The nature of our construction business exposes us to liability claims and contract disputes, which are not all covered by our insurance.***

We are involved in large projects where design, construction or systems failures can result in substantial injury or damage to third parties. We could face significant claims for damages in respect of defects in the quality of our or our subcontractors' design, construction, engineering or planning; latent defects in the structures we built; commercial and environmental damage relating to or arising from our projects.

We may be exposed to liabilities arising under our warranties or from defects during construction. We have executed a number of EPC contracts. A majority of these contracts specify a period (generally for a period of five years from the date of completion) as the defects liability period during which we would have to rectify any defects arising from construction services provided by us within the warranty periods stipulated in our contracts at our cost. Our contracts also usually include liquidated damages clauses with the liability amount maximum up to 5.00% of the relevant contract price, which may be enforced against us if we do not meet specified targets during the course of a contract.

Although we maintain insurance in respect of our projects in accordance with the industry standards and we selectively seek backup guarantees from our third-party service providers, there can be no assurance that such measures will be sufficient to cover liabilities resulting from claims. Any liability in excess of our insurance payments, reserves or backup guarantees could result in additional costs, which would reduce our profits. These claims, liabilities, costs and expenses, if not fully covered, thus could have a material adverse effect on our business, prospects, financial condition and results of operation.

46. ***No independent third party verification has been carried out with regard to the compliance with, all of the provisions, of all of the loan facilities, as availed of by our Company. Our Company believes that, save as disclosed herein, they are in compliance with the same, and our Company has sought to have the same confirmed from the relevant lenders. One of these lenders, namely IL&FS Financial Services Limited, has however neither confirmed nor denied the same.***

Our Company has not been in compliance with all of the provisions of the loan facilities as availed of by our Company, as better detailed in ***Risk Factor*** - 2 "*We have in the past defaulted in payment of interest and principal on our debt obligations. If in the future our Company fails to make interest and principal payments to our lenders in a timely manner or at all, we may be liable for pre-mature repayments of the relevant loans with interest or otherwise face action for default under the relevant borrowing agreements*" and ***Risk Factor*** - 60 "*Our Company has to enter into, and has entered into various, financing arrangements with third parties. As part of these transactions, our Company has to comply with various reporting and other requirements. In some cases, any default under a particular loan facility, is viewed as a default of another loan facility, which triggers certain additional rights and obligations. While our management cannot assure you that our Company will have at all times complied with every statutory and regulatory requirement, they are not aware of any lapse in such compliance, which could have a material adverse effect on the operations and/or profitability of our Company, and which has not been disclosed herein.*" on pages 53 and 73 respectively. While we have been able to ascertain with the assistance of the relevant lenders, as to whether there are any additional areas of such non-compliance, we have not received the required confirmation from one of our lenders, namely IL&FS Financial Services Limited. Nor have we been intimated by IL&FS Financial Services Limited about them being aware of any such non-compliance. While our Company believes that they are currently in compliance with the provisions of the loan facilities as availed of from IL&FS Financial Services Limited, no independent third party verification has been carried out in this regard.

47. ***Our Company depends on the knowledge and experience of one of our Promoters and Key Management Personnel for our growth. The loss of their services may have a material adverse effect on our business, financial condition and results of operations.***

Our Company depends on the management skills and guidance of one of our Promoters, Mr. T. V. Sandeep Kumar Reddy, for development of business strategies, monitoring its successful implementation and meeting future challenges. Our Key Management Personnel collectively have several years of experience in managing our various businesses and are difficult to replace. In the event, we are unable to attract and retain managerial personnel or our Key Management Personnel join our competitors, our ability to conduct efficient business operations may be impaired. Further, we do not have any keyman insurance policy. The loss of the services of such personnel or any of our Promoters and our inability to hire and retain additional qualified personnel may have an adverse effect on our business, financial condition and results of operations.

48. ***Non-compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect our business, financial condition and results of operations***

Most of our projects are subject to extensive Indian national and state environmental laws and regulations which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our businesses. These laws and regulations include the Environmental Protection Act 1986, the Air (Prevention and Control of Pollution) Act 1981, the Water (Prevention and Control of Pollution) Act, 1974 and other regulations promulgated by the Ministry of Environment and the Pollution Control Boards of the relevant states. We believe environmental regulation of industrial activities in India will become more stringent in the future. The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with certainty. The costs and management time required to comply with these requirements could be significant. The measures we implement in order to comply with these new laws and regulations may not be deemed sufficient by government entities and our compliance costs may significantly exceed our estimates. If we fail to meet environmental requirements, we may also be subject to administrative, civil and criminal proceedings by government entities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us as well as revocation of approvals and permits and orders that could limit or halt our operations. While as of the date of this Placement Document, we are not subject to any environmental legal proceedings, we may be impleaded in such legal proceedings in the course of our business in the future. There can be no assurance that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future, could divert management time and attention, and consume financial resources in defense or prosecution of such legal proceedings or cause delays in the construction, development or commencement of operations of our projects. No assurance can be given that we will be successful in all, or any, of such proceedings. Further, clean-up and remediation costs, as well as damages, other liabilities and related litigation, could adversely affect our business, financial condition and results of operations.

49. ***There can be no assurance that our Company will at all times benefit from the related party transactions it enters into from time to time.***

Our Company has from time to time engaged in a variety of transactions with related parties. The summary of our aggregate related party transactions for the Financial Year ended March 31, 2017 on a standalone basis are as follows:

Sr. No.	Description	Subsidiary & Step-down Subsidiaries	Associate Companies	Entities in which KMP are interested	Joint ventures	KMP& their Relatives
1	Equity contribution	444.39	—	—	—	—
2	Contract Receipts	—	6,145.16	2.69	2,411.20	—
3	Contract payments	—	—	58.68	—	—
4	Office Rent & Maintenance	—	—	10.21	—	—
5	Other Payments	—	—	—	—	9.78
6	Interest Received	—	24.41	—	4.31	—
7	Donations	—	—	16.94	—	—

Sr. No.	Description	Subsidiary & Step-down Subsidiaries	Associate Companies	Entities in which KMP are interested	Joint ventures	KMP& their Relatives
8	Remuneration Paid	—	—	—	—	54.00
9	Contract Advances / Other Adv.	586.51	527.94	21.50	—	—
10	Unsecured Loans received	—	—	—	1,053.36	—
11	Corporate Guarantees	—	—	—	—	—
12	Closing balances – Debit	1,179.91	3,292.18	121.27	2505.51	—
13	Closing balances – Credit	—	214.71	61.36	2,187.66	0.62

For further details, please refer to "*Financial Statements*" on page 246 of this Placement Document. Our Company transacts with a Related Party only after taking prior approval of the Audit Committee. Our Company may enter into additional transactions with its related parties in the future.

50. ***Our inability to maintain adequate insurance coverage could adversely affect our operations and profitability.***

Our Company is involved in large projects where design, construction or systems failures can result in substantial injury or damage to third parties. Furthermore, our operations are subject to inherent risks, such as burglary and break-ins, defects, malfunctions and failures of equipment, fire and natural disasters. Our insurance may not be adequate to completely cover any or all our liabilities. Further, there is no assurance that the insurance premiums payable by us will be commercially justifiable. Our inability to procure and/or maintain adequate insurance cover in connection with our business/ assets may adversely affect our operations and profitability.

51. ***There is no assurance that our Company will always have access to sufficient supplies of water and electricity in the future to accommodate our project requirements and planned growth. Any prolonged business interruption, inter-alia including any disruption or discontinued supply of power or water at our project sites could have a material adverse effect on our business.***

Irregular or interrupted supply of power or water, electricity shortages or government intervention, particularly in the form of power rationing are factors that could adversely affect our Company's operations. There is no assurance that our Company will always have access to sufficient supplies of electricity and/or water in the future to accommodate project requirements and planned growth. If there is an insufficient supply of electricity or water to satisfy our Company's requirements or a significant increase in electricity prices, we may need to limit or delay our production, which could adversely affect the business, financial condition and results of operations of our Company.

52. ***Of the three properties used by our Company, one of the properties used as our registered office is on lease. Any termination of lease agreements in connection with such property or our failure to renew the same on favorable could adversely affect our activities.***

We don't own the premises where our registered office is located, the same is used on a lease basis. Any termination of the lease agreement in connection with such property which is not owned by us or our failure to renew the same and upon favorable conditions, in a timely manner or at all, could require us to vacate such premises at short notice, could adversely affect our operations, financial condition and profitability. For further details please refer to "*Our Business*" on page 155.

53. ***Our Promoters, Directors and Key Managerial Personnel of our Company may have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits***

Our Promoters are interested in us to the extent of any transactions entered into or their shareholding and dividend entitlement in us. Our Directors are also interested in us to the extent of remuneration paid to them for services rendered as our Directors and reimbursement of expenses payable to them. Our Directors may also be interested to the extent of any transaction entered into by us with any other company or firm in which they are directors or partners or in their individual capacity. Our Promoters and some of our Directors may also be deemed to be interested to the extent that our Company has leased certain premises pursuant to arrangement with one of our Group Company. Further, our Company has entered into a Technical Consultancy Agreement dated October 1, 2017 with our Director Mr. Brij Mohan Reddy for a period of three years. Mr. Brij Mohan Reddy may also be deemed to be interested to the extent of the consultancy fee received from our Company. For further details please refer to "*Board of Directors and Key Managerial Personnel*" on page 184.

54. ***Some of our records relating to forms filed with the Registrar of Companies are not traceable.***

We have been unable to locate the copies of certain of our corporate records, i.e. prescribed forms filed by us with the Registrar of Companies, in respect of the allotments of share capital for the allotments made for the period October 1993 to November 2005. While these forms / filings were duly filed, we cannot assure you that these filings will be available in the future or that we will not be subject to any penalty imposed by the competent regulatory authority in this respect.

55. ***NSE vide its letter dated December 26, 2014 advised our Company to ensure the compliance of SEBI Circular No. CIR/CFD/DIL/ 7/2012 dated August 2012 ("SEBI Circular") and restate the financial statements pertaining to financial year ended March 31, 2013 suitably on the qualifications raised by the Statutory Auditors of our Company.***

In the Auditor's Report for the Fiscal 2013 there was a qualification pertaining to the non-provision of the share of joint ventures losses amounting to ₹ 463.00 million. Had the provision been made for these losses, the reserves and surplus ad short term loans and advance of our Company would have been lower by ₹ 463.00 million. NSE vide its letter dated December 26, 2014, advised our Company to restate our financial statements for the year ended March 31, 2013 under Clause 5(d) (ii) of the SEBI Circular. In the year 2014-15 our Company as per the directions of the FRRB made a provision to the extent of ₹ 450.10 million equivalent to its share of 40.00% in the JV.

56. ***We were required to prepare and present our financial statements under IND AS with effect from April 1, 2016. In this Placement Document, we have included our IND AS Audited Financial Statements for Fiscal 2017 and IND AS Unaudited Standalone Financial Results for the nine months period ended December 31, 2017 which are not comparable with the historical Indian GAAP Audited Financial Statements for Fiscal 2015 and Fiscal 2016 included herein or with any interim period financials published by our Company.***

Our Company was required to prepare financial statements in accordance with Ind AS for Fiscal 2017 (together with the corresponding comparative financial statements for Fiscal 2016). Our historical audited standalone and consolidated financial statements for Fiscal 2015 and for Fiscal 2016 were originally prepared in accordance with Indian GAAP. The financial statements for the year ended March 31, 2016 and the opening balance sheet as on 1st April, 2015 have been restated in accordance with Ind AS for comparative information. Ind AS varies in many respects from Indian GAAP, and accordingly our Ind AS financial statements are not comparable with our historical Indian GAAP financial statements.

In this Placement Document we have included (i) the audited standalone and consolidated financial statements under Indian GAAP for Fiscal 2015 and Fiscal 2016 (the "Indian GAAP Audited Financial Statements"), and (ii) the audited standalone and consolidated financial statements under IND AS for Fiscal 2017 (the "IND AS Audited Financial Statements"). (iii) Unaudited Standalone Financial Results for nine months period ended December 31, 2017 under IND AS.

In this Placement Document, we have therefore included in the Management's Discussion and Analysis of our Financial Condition and Results of Operations section, discussions (i) comparing IND AS Unaudited Standalone Financial results for the nine months period December 31, 2017 with IND AS Unaudited Standalone Financial results for the nine months period December 31, 2016 (ii) comparing IND AS Audited Financial Statements for Fiscal 2017 with the IND AS Audited Financial Statements for Fiscal 2016; and (iii) comparing the Indian GAAP Audited Financial Statements for Fiscal 2016 with the Indian GAAP Audited Financial Statements for Fiscal 2015.

57. ***The Audited Financial Statements for Fiscal 2017 and Unaudited Standalone Financial Results for nine months period ended December 31, 2017 are not comparable to the financial statements of prior years.***

The original audited financial statements of our Company for the financial year ended March 31, 2017 were approved by the Board of Directors of our Company on May 29, 2017 and the same were declared/published to the Stock Exchanges. However, pursuant to the Scheme, approved by the Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench vide its order dated November 3, 2017, the accounting effect /impact of the said Scheme was considered in the books of accounts for the financial year ended March 31, 2017. Accordingly, the financial statements for Fiscal 2017 were revised as per the Scheme and approved by our Board of Directors on December 6, 2917. The revised financial statements replaced the original audited financial statements approved by the Board of Directors held on May 29, 2017.

Further, the Unaudited Standalone Financial Results for nine months period ended December 31, 2017 have also been prepared after considering the impact of the Scheme. Pursuant to Scheme and the financial statements for Fiscal 2017 being revised as per the Scheme as stated above, the figures of the Fiscal 2017 and Unaudited Standalone Financial Results for nine months period ended December 31, 2017 are not comparable to any prior period.

58. The statutory Auditors of our Company, derive a significant portion of their annual income from the services that they provide to our Company and our group entities. There may be jurisdictions outside India where this may be considered as being a potential risk for an investor.

The statutory Auditors of our Company, have been acting as our statutory auditors since FY 2013-2014. They also provide services to six other group entities of our Company, (collectively, the "**GPL Group**"). The statutory Auditors of our Company, derive a significant portion of their annual income from GPL Group. There may be jurisdictions outside India where this may be considered as being a potential risk for an investor.

59. Our Company works in a statutory and regulatory environment which is constantly changing. For example, our Company is obliged to make various disclosures to the Stock Exchanges, pursuant to the provisions of the SEBI Listing Obligations and Disclosure Requirements, 2015. While our management cannot assure you that our Company will have at all times complied with every statutory and regulatory requirement, they are not aware of any lapse in such compliance, which could have a material adverse effect on the operations and/or profitability of our Company, and which has not been disclosed herein.

Our Company works in a statutory and regulatory environment which is constantly changing. Our Company has implemented systems so as to comply with the relevant requirements in a timely manner. Our Company management believes that these systems are adequate and that there have been no lapses of a material nature in connection with the said compliance. While our management cannot assure you that our Company will have at all times complied with every statutory and regulatory requirement, save as otherwise disclosed herein, they are not aware of any lapse in such compliance, which could have a material adverse effect on the operations and/or profitability of our Company.

60. Our Company has to enter into, and has entered into various, financing arrangements with third parties. As part of these transactions, our Company has to comply with various reporting and other requirements. In some cases, any default under a particular loan facility, is viewed as a default of another loan facility, which triggers certain additional rights and obligations. While our management cannot assure you that our Company will have at all times complied with every statutory and regulatory requirement, they are not aware of any lapse in such compliance, which could have a material adverse effect on the operations and/or profitability of our Company, and which has not been disclosed herein.

Our Company has entered into financing arrangements with various third parties, which makes it obligatory on our Company to comply with various reporting and other requirements. Our Company has implemented systems so as to comply with the relevant requirements in a timely manner. Our Company management believes that these systems are adequate and that there have been no lapses except as mentioned herein, of a material nature, in connection with the said compliance. One of our Subsidiary, Gayatri Energy Ventures Limited, (**"GEVL"**) and our Group Company Gayatri Hotels and Theaters Private Limited ("**GHTL**") each have issued secured redeemable non-convertible debentures to certain investors. GEVL and GHTL, have both executed a Debenture Trust Deed dated October 11, 2017 (**"Trust Deed"**) with Catalyst Trusteeship Limited, (**"CTL"**) being the Debenture Trustees. Pursuant to the Trust Deed, our Company has issued two separate corporate guarantees (**"CGs"**) for GEVL and GHTL, in favor of CTL. In terms of the MRA dated January 23, 2015, between our Company and the Consortium Lenders, our Company was required to take prior approval of our Consortium Lenders for providing any corporate guarantee/s to third parties. Our Company has not obtained the said prior approval for the issuing the aforesaid CGs. Our Company believes that the said lapse will not materially affect any of its loan facilities, its current or future operations, or its profitability. Accordingly, while our management cannot assure you that our Company has at all times complied with each of the aforesaid requirements, save as otherwise disclosed herein, they are not aware of any lapse in such compliance, which could have a material adverse effect on the operations and/or profitability of our Company.

61. Advance given to Indira Energy Holdings Private Limited ("IEHPL") may not recoverable.

During the preceding Financial Years, the Step-down Subsidiary Company had awarded contract works by a letter of award ("LOA") dated September 01, 2011, of an approximate contract value of ₹ 865.80 million to IEHPL, a Company in which our directors and the relatives of our directors hold substantial interest. As per the terms of the said LOA the work was to be completed within a period of 120 calendar months from the date of issue of work order and a mobilization advance subject to a maximum of 25.00% of value of the work order will be released as per request for mobilization advance from IEHPL. As at March 31, 2017 the cumulative amount of mobilization advance outstanding given to IEHPL is ₹ 215.70 million. Since it has been more than six years the work has not commenced, these advances given to IEHPL may not be recoverable which may affect our profitability and results of operations.

62. If we are unable to accurately forecast the demand for our services and plan construction schedules in advance, our business, cash flows, financial condition, results of operations and prospects may be adversely affected.

Planning and implementation of our schedules, including for deployment of formwork, machinery and labor is based on and subject to our ability to accurately forecast demand for our services from our various clients. If we are unable to accurately forecast the demand for our services and plan our construction schedules in advance, we may face instances of inability to deploy adequate resources and commence construction as per the schedules provided by our clients. Any such delays in deployment of resources may lead to termination of contracts, penalties for delays, reputational losses and loss of qualification for future project, which could affect adversely on the operations and/or profitability of our Company.

63. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.

While we have paid dividends in the past, there can be no assurance as to whether we will pay dividends in the future and, if so, the level of such future dividends. Our declaration, payment and amount of any future dividends are subject to the discretion of the Board of Directors, and will depend upon, among other factors, our earnings, financial position, cash requirements and availability of profits, as well as the provisions of relevant laws in India from time to time. Additionally, our ability to pay dividends is and may be subject to restrictive covenants contained in the financing related agreements we have entered into and will enter into in the future.

As per the conditions stipulated by the lenders in the Master Restructuring Agreement dated January 23, 2015, which is in force, approval of the lender is required for declaration of dividend to the shareholders. The lenders of our Company have not accorded their approval for dividend declared by the Board of Directors for the Financial Year 2016-17. Hence the recommended dividend for the Financial Year ended March 31, 2017 was cancelled. There is no assurance that we will pay dividends in the future.

64. Fluctuations in foreign currency exchange rates could affect our financial results.

Our Company has availed an ECB loan from IDBI Bank for an amount aggregating to USD 24.42 million. This loan was partly utilized for the purpose of redemption of outstanding Foreign Currency Convertible Bonds issued by our Company. The exchange rate between the Indian Rupee and the U.S. dollar, has fluctuated in the past and our results of operations may be impacted by such fluctuations. While we seek to hedge our foreign currency exchange risk, we may incur certain losses due to such fluctuations. Such fluctuation could affect our financial results.

EXTERNAL RISK FACTORS

1. ***Changing laws, rules and regulations and legal uncertainties including adverse application of tax laws and regulations such as application of Goods and Service Tax (GST), may adversely affect our business results of operations, cash flows and financial performance.***

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. There can be no assurance that the central or the state governments may not implement new regulations and policies which will require us to obtain approvals and licenses from the governments and other regulatory bodies or impose onerous requirements and conditions on our operations. Any new regulations and policies and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on all our business, financial condition and results of operations. Which may also materially harm our results of operations. The GoI has recently enacted the Central Goods and Services Tax Act, 2017 which lays down a comprehensive national GST regime which has combined taxes and levies collected by the central and state governments into a unified rate structure. This legislation was notified and made effective from July 1, 2017.

Based on such available information and to the best of our understanding we are of the view that there will be an Increase in overall taxes on procurement which will lead to an additional working capital requirement. While there will be an increase in overall taxes on procurement, the procurement cost is likely to reduce on account of the free flow of credits under GST regime. The ability of our company to take the benefit of reduction in procurement cost shall be dependent on its ability to increase or maintain the sale price of its products and negotiation of the purchase price with its vendors. Further in the transition period, our company expects some disruptions in the procurement and sale of goods, which could affect the immediate financial performance, however this is expected to a temporary and short term event.

The Government has also proposed major reforms in Indian tax laws with respect to the provisions relating to the general anti-avoidance rule (**GAAR**). With respect to GAAR, the provisions have been introduced in the Finance Act, 2017 and have come into effect from April 1, 2017. The GAAR provisions intend to catch arrangements declared as "impermissible avoidance arrangements", which is any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. If GAAR provisions are invoked, then the Indian tax authorities have wide powers, including denial of tax benefit or a benefit under a tax treaty. As the taxation system is intended to undergo significant overhaul, its consequent effects on us cannot be determined at present and there can be no assurance that such effects would not adversely affect our business and future financial performance.

2. ***Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP, Ind-AS and IFRS, which may be material to investors' assessments of our financial condition.***

Our financial statements are extracted from our Consolidated Financial Statements as of and for the Financial Year ended March 31, 2017 and Financial Years, 2016 and 2015 are prepared in accordance with Ind AS and Indian GAAP respectively. No attempt has been made to reconcile any of the information given in this Placement Document to any other principles or to base it on any other standards. Ind AS, Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles and auditing standards with which prospective investors may be familiar with in other countries. We do not provide a reconciliation of our financial statements to IFRS or U.S. GAAP or a summary of principal differences between Indian GAAP, IFRS and U.S. GAAP relevant to our business. As there are significant differences between Indian GAAP and IFRS and between Indian GAAP and U.S. GAAP, there may be substantial differences in the results of operation, cash flows and financial positions discussed in this Placement Document, if the relevant financial statements were prepared in accordance with IFRS or U.S. GAAP. Accordingly, the degree to which the financial information included in this Prospectus will provide meaningful information is dependent on your familiarity with Ind AS, Indian GAAP and the Companies Act, any reliance by persons not familiar with Ind AS, Indian GAAP or the financial disclosures presented in this Prospectus should accordingly be limited

3. ***Political instability or changes in the Government in India or in the Government of the states where we operate could cause us significant adverse effects.***

The Central Government has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Further, our business is also impacted by regulation and conditions in the various states in India where we operate. Our business, and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in central or state Government policies, taxation and other political, economic or other developments in or affecting India. Since 1991, successive central Governments have pursued policies of economic liberalisation and financial sector reforms. Any slowdown in these demand drivers or change in Government policies may adversely impact our business and operations. Generally a significant adverse change in the central Government's policies could adversely affect our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline.

4. ***All of our revenue is derived from India, and a decline in economic growth in India could adversely affect our business.***

We derive most of our revenue from our operations in India and so the performance and the growth of our business are dependent on the performance of the Indian economy. In the recent past, Indian economy has been affected by global economic uncertainties and liquidity crisis, domestic policy and political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture, rising inflation rates and various other factors. The RBI, in its recent monetary policy reviews, has indicated that inflation continues to be a concern and further tightening measures may be required.

Risk management initiatives by banks and lenders in such circumstances could affect the availability of funds in the future or the withdrawal of our existing credit facilities. The Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operation and the trading price of our Equity Shares.

5. ***The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

6. ***Our ability to raise foreign capital may be constrained by Indian law.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financings on competitive terms and refinance future indebtedness. In addition, it cannot be assured to the prospective investor that the required approvals will be granted to us without onerous conditions, or at all. The limitations on foreign debt may have an adverse impact on our business growth, financial condition and results of operations.

7. ***You may be subject to Indian taxes arising out of capital gains on the sale of Equity Shares.***

Under current Indian tax laws, capital gains arising from the sale of the Equity Shares within 12 months in an Indian company are generally taxable in India. Any gain realized on the sale of listed Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction

Tax ("**STT**") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of the Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. The above statements are based on the current tax laws, as per the Finance bill 2018 long term Capitals Gains are taxable at the rate of 10% however the finance bill is yet to be enacted as a bill.

8. The Indian economy has had sustained periods of high inflation.

The majority of our direct costs are incurred in India. In recent years, India's wholesale price inflation index has indicated an increasing inflation trend compared to prior periods. We may experience inflations-driven increases in certain of our costs, such as salaries, travel costs and related allowances, which are typically linked to general price levels. However, we may not be able to increase the tariffs that we charge for our products and our services sufficiently to preserve operating margins. Accordingly, high rates of inflation in India could increase our employee costs and decrease our operating margins, which could have an adverse effect on our results of operation and financial condition.

9. We have commissioned an industry report from CRISIL Research which has been used for industry related data in this Placement Document and such data has not been independently verified by us.

We have commissioned CRISIL Research to produce reports on the construction industry. CRISIL has provided us with a report titled CRISIL Research -Infrastructure Industry Report - India in January 2018 which has been used for industry related data that has been disclosed in this Placement Document. We have not independently verified such data disclosed in this Placement Document, and therefore we are unable to confirm the accuracy of such data. Such information may be inconsistent with the facts and statistics compiled by other studies within or outside India. We are also unable to assure you that that such data is complete or accurate. Moreover, the industry report referred to in this Placement Document includes projections that by their very nature are estimations. Therefore, discussions of matters relating to India, its economy and the industries in which we currently operate and their growth prospects, in this Placement Document, are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete and are speculative. For further details, please refer to "*Industry Overview*" on page 134."

10. The market value of an investor's investment may fluctuate due to the existing shareholders of our Company who may liquidate their investments in our Company any time and also due to volatility of the Indian securities markets.

The prices of our Equity Shares on the stock exchange/s may fluctuate as a result of several factors, including:

- volatility in the Indian and global securities market or in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
- our profitability and performance;
- performance of our competitors in the Indian infrastructure industry and the perception in the market;
- significant developments in India's fiscal, environmental and other regulations;
- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues and cost structures;
- the existing shareholders of our Company who may liquidate their investments in our Company any time and
- the present state of our development.

Further, there can be no assurance the prices at which our Equity Shares have historically traded will correspond to the prices at which our Equity Shares will trade in the market subsequent to this Issue.

11. There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the Stock Exchanges in a timely manner or at all and prospective investors will not be able to immediately sell their Equity Shares on a Stock Exchange.

In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be applied for or granted until after our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of our Equity Shares. Accordingly, there could be a failure or delay in listing our Equity Shares on the NSE and BSE, which would adversely affect your ability to sell our Equity Shares.

12. An investor will not be able to sell any of our Equity Shares purchased in the Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of issue of such Equity Shares.

Pursuant to the SEBI Regulations, for a period of 12 months from the date of the issue of our Equity Shares in the Issue, investors purchasing our Equity Shares in the Issue may only sell their Equity Shares on the NSE or the BSE and may not enter into any off-market trading in respect of their Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of our Equity Shares.

13. Since our Equity Shares are quoted in Indian rupees, foreign investors may be subject to potential losses arising out of exchange rate risk on the Indian rupee and risks associated with the conversion of Indian rupee proceeds into foreign currency.

Foreign investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian rupees on the Indian Stock Exchanges on which they are listed. Dividends on our Equity Shares will also be paid in Indian rupees. Hence the foreign investors may be subject to potential losses arising out of exchange rate risk on the Indian rupee and risks associated with the conversion of Indian rupee proceeds into foreign currency.

14. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

The Equity Shares will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond a certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the stock exchanges based on historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform us of the percentage limit of the circuit breaker and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

15. Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association and applicable law govern our corporate affairs. Legal principles related to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company incorporated under the laws of another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Consequently, investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation incorporated under the laws of another jurisdiction.

16. Investors may have difficulty enforcing foreign judgments against us or our management.

We are a limited liability company incorporated under the laws of India. Substantially all of our Directors and key management personnel are residents of India and a large part of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside India, or to enforce judgments obtained against such parties outside India.

Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy. For further details, please refer to "***Enforcement of Civil Liabilities***" on page 17. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

17. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.

The Competition Act regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the CCI. Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, we cannot predict the impact of the provisions of the Competition Act on the agreements entered into by us at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations and prospects.

18. A third party could be prevented from acquiring control of us because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

19. Any downgrading of India's debt rating by an international rating agency could adversely affect our business and the price of our Equity Shares.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our business, our future financial performance, our shareholders' funds and the price of our Equity Shares.

20. Applicants to the Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

In terms of the SEBI Regulations, applicants in the Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date. The allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately seven days and up to ten days from the Bid/Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our Company's business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/Issue Closing Date and the date of allotment of Equity Shares in the Issue. The occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence without the prior approval of the SEBI. Our Company may complete the allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

MARKET PRICE INFORMATION

1. **Details of Equity shares:** As on the date of this Placement Document, 177,251,900 Equity Shares have been issued, subscribed and are fully paid up and are currently listed on the BSE and the NSE. As of March 6, 2018, the closing price of the Equity Shares on the BSE and the NSE was ₹ 205.40 and ₹ 207.15 per Equity Share, respectively. Since the Equity Shares are available for trading on the BSE and NSE, the market price and other information for each of the BSE and the NSE has been given separately. Further, in Fiscal Year 2017 the face value of shares of our Company was split from ₹ 10.00 per share to ₹ 2.00 per share with effect from February 10, 2017. Accordingly, the market price and other information for the periods prior to and post the said corporate action have been given separately.

2. **The following tables set forth the reported high, low and average closing prices of the Equity Shares and the number of Equity Shares traded on the days such high and low closing prices were recorded on Stock Exchanges during the Fiscal Years 2017, 2016 and 2015:**

BSE

Fiscal Year/ Period	High (₹)	Date of High	Number of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (in ₹ million)	Low (₹)	Date of Low	Number of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (in ₹ million)	Average price for the year / period (₹)
From February 10, 2017 to March 31, 2017[(1)]	150.70	February 10, 2017	253,674	38.57	133.75	March 14, 2017	3,805	0.51	139.05
From April 1, 2016 to February 09, 2017[(1)]	723.60	February 09, 2017	3,497	2.52	514.55	May 24, 2016	2,300	1.18	630.52
2016	758.00	November 30, 2015	20,324	15.18	141.30	April 24, 2015	429	0.06	470.40
2015	184.60	July 07, 2014	50,680	9.16	57.00	April 01, 2014	9,907	0.56	143.49

Source: www.bseindia.com
1. *In Fiscal 2017, our Company undertook a sub-division of equity shares of face value of ₹ 10/- each to equity shares of face value of ₹ 2/- each (ex-split effective from February 10, 2017)*
2. *High, low and average prices are of the daily closing prices*
3. *In case of two days with the same closing price, the date with the higher volume has been chosen.*
4. *In the case of a year/period, average price for the year/period represents the average of the closing prices on each day of each year/ period.*

NSE

Fiscal Year/ Period	High (₹)	Date of High	Number of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (in ₹ million)	Low (₹)	Date of Low	Number of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (in ₹ million)	Average price for the year / period(₹)
From February 10, 2017 to March 31, 2017(1)	148.95	February 10, 2017	595,525	89.45	133.90	March 09, 2017	23,345	3.13	139.26
From April 1, 2016 to February 09, 2017(1)	722.8	February 09, 2017	22,577	16.32	516.6	May 24, 2016	15,418	7.93	631.00
2016	758.95	November 30, 2015	286,820	215.06	142.55	April 20, 2015	12,707	1.83	470.65
2015	185.2	July 07, 2014	62,785	11.39	56.8	April 01, 2014	36,580	2.09	143.53

Source: www.nseindia.com
1. *In Fiscal 2017, our Company undertook a sub-division of equity shares of face value of ₹ 10/- each to equity shares of face value of ₹ 2/- each (ex-split effective from February 10, 2017)*
2. *High, low and average prices are of the daily closing prices*
3. *In case of two days with the same closing price, the date with the higher volume has been chosen.*
4. *In the case of a year/period, average price for the year/period represents the average of the closing prices on each day of each year/ period.*

3. The following tables set forth the details of the number of Equity Shares traded and the total trading volume during the Fiscal Years 2017, 2016 and 2015:

BSE

Fiscal Year	Number of Equity Shares traded	Turnover of Equity Shares traded (in ₹ million)
From February 10, 2017 to March 31, 2017*	4,349,039	613.11
From April 1, 2016 to February 09, 2017*	1,815,931	1,126.13
2016	5,572,389	2,560.04
2015	4,468,163	601.43

Source: www.bseindia.com
**In Fiscal 2017, our Company undertook a sub-division of equity shares of face value of ₹ 10/- each to equity shares of face value of ₹ 2/- each (ex-split effective from February 10, 2017).*

NSE

Fiscal Year	Number of Equity Shares traded	Turnover of Equity Shares traded (in ₹ million)
From February 10, 2017 to March 31, 2017*	9,001,536	1,272.58
From April 1, 2016 to February 09, 2017*	6,208,029	3,928.51
2016	22,179,922	10,319.20
2015	14,475,876	1,995.51

Source: www.nseindia.com
**In Fiscal 2017, our Company undertook a sub-division of equity shares of face value of ₹ 10/- each to equity shares of face value of ₹ 2/- each (ex-split effective from February 10, 2017).*

4. The following tables set forth the reported monthly high, low and average of the closing prices of the Equity Shares and the total trading volume on Stock Exchanges during the six months immediately preceding the date of filing of this Placement Document:

BSE

Month	High (₹)	Date of High	Number traded on date of high	Total Volume traded on date of high (in ₹ Million)	Low (₹)	Date of Low	Number traded on date of low	Total Volume traded on date of low (in ₹ Million)	Average price for month (₹)
February 2018	227.50	February 14, 2018	148,518	33.19	192.05	February 6, 2018	13,301	2.54	210.03
January 2018	237.55	January 2, 2018	38,319	8.81	202.00	January 30, 2018	57,745	1.20	216.63
December 2017	226.40	December 29, 2017	59,835	13.39	205.45	December 15, 2017	187,167	38.52	213.78
November 2017	215.90	November 29, 2017	26,119	5.60	191.45	November 01, 2017	9,866	1.90	200.72
October 2017	195.70	October 30, 2017	1,509,378	292.91	186.10	October 09, 2017	10,265	1.91	190.51
September 2017	195.75	September 20, 2017	33,555	6.65	174.35	September 04, 2017	4,904	0.86	182.22

Source: www.bseindia.com
1. *High, low and average prices are of the daily closing prices*
2. *In case of two days with the same closing price, the date with the higher volume has been chosen.*
3. *In the case of a month, average price for the month represents the average of the closing prices on each day of each year/ period.*

NSE

Month	High (₹)	Date of High	Number traded on date of high	Total Volume traded on date of high (in ₹ Million)	Low (₹)	Date of Low	Number traded on date of low	Total Volume traded on date of low (in ₹ Million)	Average price for month (₹)
February 2018	223.40	February 14, 2018	720,957	161.54	190.80	February 6, 2018	171,888	32.79	210.03

Month	High (₹)	Date of High	Number traded on date of high	Total Volume traded on date of high (in ₹ Million)	Low (₹)	Date of Low	Number traded on date of low	Total Volume traded on date of low (in ₹ Million)	Average price for month (₹)
January 2018	239.00	January 2, 2018	283,861	65.52	199.00	January 30, 2018	364,638	75.95	207.61
December 2017	226.15	December 29, 2017	375,970	84.65	205.15	December 15, 2017	415,176	86.19	213.64
November 2017	216.00	November 29, 2017	295,513	63.10	191.40	November 02, 2017	89,112	17.24	201.05
October 2017	195.90	October 30, 2017	1,487,941	293.72	186.30	October 03, 2017	82,314	15.21	190.65
September 2017	195.85	September 19, 2017	1,036,535	205.31	175.85	September 11, 2017	110,736	19.50	182.83

Source: www.nseindia.com

1. *High, low and average prices are of the daily closing prices*
2. *In case of two days with the same closing price, the date with the higher volume has been chosen.*
3. *In the case of a month, average price for the month represents the average of the closing prices on each day of each year/ period.*

5. The following tables set forth the details of the number of Equity Shares traded and the total trading volume during the six months immediately preceding the date of filing of this Placement Document:

BSE

Month	Number of Equity Shares traded	Volume of Equity Shares traded (in ₹ million)
February 2018	1,035,383	212.87
January 2018	19,678,929	4,209.62
December 2017	932,015	197.76
November 2017	1,315,931	253.31
October 2017	2,112,151	408.96
September 2017	978,558	190.52

Source: www.bseindia.com

NSE

Month	Number of Equity Shares traded	Volume of Equity Shares traded (in ₹ million)
February 2018	5,710,920	119,805
January 2018	19,717,537	4,294.59
December 2017	3,803,567	816.17
November 2017	3,363,110	682.56
October 2017	3,789,656	740.69
September 2017	5,972,996	1,116.01

Source: www.nseindia.com

6. The following table sets forth the market price on the Stock Exchanges on December 7, 2017, the first working day following the approval of the Board of Directors for the Issue:

BSE

Open (₹)	**High (₹)**	**Low (₹)**	**Close (₹)**	**Number of Equity Shares traded**	**Volume of Equity Shares traded (in ₹ million)**
217.95	220.65	212.75	214.40	25,338	5.46

Source: www.bseindia.com

NSE

Open (₹)	**High (₹)**	**Low (₹)**	**Close (₹)**	**Number of Equity Shares traded**	**Volume of Equity Shares traded (in ₹ million)**
215.95	219.75	211.35	213.65	120,837	26.10

Source: www.nseindia.com

USE OF PROCEEDS

1. Proceeds: The total gross proceeds of the Issue will aggregate up to ₹ 2,000.00 million. After deducting fees and expenses of approximately ₹ 107.62 million, the Net Proceeds of the Issue will be approximately ₹ 1,892.38 million (the "**Net Proceeds**").

2. Purpose of the Issue: Subject to compliance with applicable laws and regulations, our Company intends to use the net proceeds of the Issue for reduction of debt.

3. No specific project: The Net Proceeds of the Issue are not proposed to be utilized towards any specific project. Accordingly, the requirement to disclose (i) the break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, are not applicable.

4. No contribution from any promoter or director of our Company: Neither the Promoters nor the Directors are making any contribution either as part of the Issue or separately in furtherance of the use of the proceeds.

CAPITALIZATION STATEMENT

The following table sets forth our capitalization and total outstanding borrowings as on March 31, 2017, being the latest available audited financial statements, extracted from the Audited Financial Statements and as adjusted to give effect to the receipt of the gross proceeds of the Issue and the application thereof. This table should be read in conjunction with the "***Selected Financial Information***", "***Risk Factors***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and other financial information contained in the "***Financial Statements***" on pages 38, 52, 91 and 246, respectively.

The following table sets forth our Company's capitalization and total outstanding borrowings on a standalone and consolidated basis as on March 31, 2017 and as adjusted to give effect to the Issue.

(₹ in million)

Particulars	**(Standalone)**		**(Consolidated)**	
	As of March 31, 2017	**As Adjusted for the Issue***	**As of March 31, 2017**	**As Adjusted for the Issue***
Short term borrowings:				
Secured	9,596.08	9,596.08	9,596.08	9,596.08
Unsecured	-	-	-	-
Long term borrowings:				
Secured	9,628.86	9,628.86	9,628.86	9,628.86
Unsecured	48.87	48.87	148.12	148.12
Current Maturities of Long Term borrowings #	1,462.52	1,462.52	3,291.92	3,291.92
Total borrowings	**20,736.33**	**20,736.33**	**22,664.98**	**22,664.98**
Shareholders funds:				
Share capital	354.50	374.39	354.50	374.39
Securities premium	1,881.45	3861.56	1,881.45	3861.56
Reserves and surplus(excluding securities premium)	5,174.09	5,174.09	2,878.56	2,878.56
Total Shareholders funds	**7,410.04**	**9410.04**	**5,114.51**	**7114.51**
Total capitalization	**28,146.37**	**30,146.34**	**27,779.49**	**29,779.49**

* *This adjustment only includes the share premium due for 9,946,785 Number of equity shares to be issued at ₹ 201.07/- per equity share pursuant to the Issue.*

* *This Statement does not give effect to any long term or short term secured or unsecured borrowing taken by our Company on a stanadlone and Consolidated Basis post March 31, 2017 and also any changes in the Reserves and Surplus Account (Excluding Secutities premium) on a Standalone and Consolidated Basis Post March 31, 2017.*

\# *Current Maturities of Long Term borrowing include Interest accrued and due on Borrowings.*

CAPITAL STRUCTURE

Share Capital Details: The details of the equity share capital of our Company as on the date of this Placement Document is as follows:

	Particulars	Aggregate Nominal Value (₹)
A	**Authorized Share Capital:**	
	400,000,000 Equity Shares of ₹ 2/- each	800,000,000
B	**Issued, Subscribed and Paid-Up Capital before the Issue:**	
	177,251,900 Equity Shares of ₹ 2/- each	354,503,800
C	**Present Issue(1)**	
	Up to 9,946,785 Equity Shares aggregating up to ₹ 2,000.00 million	19,893,570
D	**Paid-Up Equity Share Capital after the Issue:**	
	187,198,685 Equity Shares of ₹ 2/- each	374,397,370
E	**Securities Premium Account:**	
	Before the Issue(2)	1,881,446,482.86
	After the Issue (3)	3,861,552,972.81

Notes:

1. *The Issue has been authorized by the Board vide their resolution dated December 6, 2017 and by the Shareholders pursuant to their special resolution passed in the Annual General Meeting held on December 30, 2017.*
2. *As on December 31, 2017.*
3. *The Securities Premium Amount after the Issue is calculated on the basis of gross proceeds from the Issue Adjustments do not include issue related expenses.*

Equity Share Capital History of our Company:

The history of the Equity share capital of our Company is provided in the following table:

Date of Allotment	No. of Equity Shares Allotted	No. of Equity Shares (Cumulative)	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Form of Consideration	Reason for allotment
September 15, 1989	100	100	10	10	Cash	Subscription to MOA
October 1, 1993	2,479,900	2,480,000	10	10	Cash	Private Placement
November 21, 1994	1,520,000	4,000,000	10	107	Cash	Private Placement
December 29, 1995	1,000,000	5,000,000	10	-	Bonus Issue 1:4	Bonus Issue
November 7, 2005	4,000,000	9,000,000	10	-	Bonus Issue 4:5	Bonus Issue
October 10, 2006	1,000,000	10,000,000	10	295	Cash	Public Issue
February 26, 2008	104,761	10,104,761	10	378.35	Cash	Conversion of FCCB
September 8,	1,000,000	11,104,761	10	185	Cash	Preferential Allotment

Date of Allotment	No. of Equity Shares Allotted	No. of Equity Shares (Cumulative)	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Form of Consideration	Reason for allotment
2009						
May 6, 2010	57,343	11,162,104	10	288	Cash	Conversion of FCCB
May 28, 2010	229,375	11,391,479	10	288	Cash	Conversion of FCCB
October 29, 2010	597,521	11,989,000	10	142.52	Cash	Conversion of Warrants
March 27, 2012	11,979,242	23,968,242	10	120	Cash	Rights Issue
December 20, 2012	6,258,752	30,226,994	10	120.18	Cash	QIP issue
August 7, 2015	3,604,000	33,830,994	10	203.78	Cash	Preferential Allotment-FIIs
September 3, 2015	1,619,386	35,450,380	10	203.78	Cash	Preferential Allotment-Promoters
February 10, 2017	N.A.	177,251,900	2	N.A.	N.A.	Sub-division of equity shares of face value of ₹ 10 each to Equity Shares of face value of ₹ 2 each*

**The face value of the equity share of ₹ 10 each of our Company was sub-divided into face value of ₹ 2 each through a shareholders resolution dated January 31, 2017, (passed through postal ballot including e-voting). The effective date of sub-division was February 10, 2017. The resulting increase in total number of issued equity shares was from 35,450,380 equity shares to 177,251,900 Equity Shares.*

Our Company has not made any allotment of Equity Shares for consideration other than cash in the one year immediately preceding the date of filing of the Placement Document.

DIVIDENDS

The declaration and payment of dividends by our Company is governed by the applicable provisions of the Companies Act, our Articles of Association, and the dividend distribution policy formulated by our Company in terms of Regulation 43A of the SEBI Listing Regulations. The declaration and payment of dividends by our Company will depend on our Company's revenues, cash flows, financial condition, (including capital position), and other factors. Our Articles of Association grant discretion to the Board to declare and pay interim dividends as appear to it to be justified by the position of our Company. Our dividend distribution is also be subject to prior approval of the Consortium Lenders to the MRA Agreement dated January 23, 2015. For further information, please refer to "***Description of the Equity Shares***" on page 220 and ***Risk Factor*** – 63 *"Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements"* on page 74.

Dividends for 2015, 2016 and 2017: The dividend paid by our Company on the Equity Shares for each of the Fiscal Years 2017, 2016 and 2015, is as follows:

(₹ in millions, except per share data).

Class of Shares	**For the year ended March 31,**		
	2017	**2016**	**2015**
Face value per share (in ₹)	2	10	10
Equity Dividend			
Equity Share Capital (as at year end)	354.50	354.50	302.27
Rate of interim dividend	-	-	-
Amount of interim dividend	-	-	-
Aggregate amount of Equity Dividend (interim)	-	-	-
Rate of final dividend	-	20%	10%
Aggregate amount of Equity Dividend (final)	-	70.90	33.83#
Dividend per Equity Share (in ₹)	-	2	1
Tax on Dividend per Equity Share (in ₹)	-	0.41	0.17#
Total Dividend	-	70.90	33.83#
Amount of Dividend Distribution Tax	-	14.43	5.75#

Includes dividend and dividend distribution tax paid on 3,604,000 number of equity shares issued on preferential basis post March 31, 2015.

The amounts paid as dividends in the past are not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future. The form, frequency and amount of future dividends will depend on our Company's cash flows, financial condition, working capital, other financing requirements, lender approvals (if required), and other factors, and shall be at the discretion of the Board, (subject to the approval of our Company's shareholders).

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our standalone and consolidated financial statements under section "Financial Statements". For further information please refer to "Financial Statements" on page 246.

Our standalone and consolidated financial statements as of and for the Financial Year ended March 31, 2017 and standalone financial results for nine months period ended December 31, 2017, including the schedules and notes thereto and the review report thereon, included elsewhere in this Placement Document, have been prepared in accordance with Ind AS ("Ind AS Financial Statements"). Ind AS differs in certain material respects from Indian GAAP, US GAAP and International Financial Reporting Standards. Historically we have prepared our standalone and consolidated financial statements for Fiscal 2016 and Fiscal 2015, in accordance with Indian GAAP. The audited financial statements as of and for the year ended March 31, 2016, has been extracted from the audited financial statements for the year ended March 31, 2017 which have been prepared in accordance with Ind AS and the Companies Act, 2013, for the purpose of comparison of financial statements as of and for the year ended March 31, 2017.

The audited standalone and consolidated financial statements / results of our Company for the Financial Year ended March 31, 2017, were originally approved by the Board of Directors vide a meeting held on May 29, 2017 and same were declared/published to the stock exchanges as per the listing agreement. However, pursuant to the Composite Scheme of Arrangement ("Scheme"), as approved by the Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench vide its order dated November 3, 2017, the accounting effect /impact of the said scheme was considered in the books of accounts for the Financial Year ended March 31, 2017 (due to appointed date for merger being April 1, 2016 and demerger March 31, 2017), and accordingly the financial statements were revised as per the Scheme above, which replaced the original audited financial statements approved by the Board of Directors vide their meeting held on May 29, 2017 as mentioned above. Pursuant to the Scheme, figures as at and for the Financial Year ended March 31, 2017 and as at/ for the nine months period ended December 31, 2017 are not comparable to the previous year's figures.

In this section any reference to "our Company" refers to Gayatri Projects Limited on a standalone basis and "our Group", "we", "us" or "our" refers to Gayatri Projects Limited and/or its Subsidiaries, on a consolidated basis, as the context may require. Unless stated otherwise, the financial data in this section is as per our Consolidated Financial Statements, as set forth elsewhere in this Placement Document.

This discussion contains certain forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section "Risk Factors" and "Forward Looking Statements" included in this Placement Document. Our Fiscal ends on March 31 of each year. Accordingly, all references to a particular Fiscal are to the 12 month period ended March 31 of that year.

OVERVIEW

Introduction and History

Our Company is one of the leading construction company in the infrastructure development business having a dedicated thrust on executing construction projects on EPC basis in India. With five decades of experience in diversified sectors and currently present in sixteen states on pan India basis. We are engaged in execution of major infra works comprising of national highways, bridges, canals, airport runways, railways, mining, ports, irrigation, industrial construction projects and other civil works. Our Company is an ISO 9001 – 2015 certified company and had been undertaking civil and engineering works of various state governments, central governments, public / autonomous bodies / corporations and private companies.

Subsidiaries

As on date we have one Subsidiary, Gayatri Energy Ventures Private Limited and one step down Subsidiary, namely, Bhandara Thermal Power Corporation Limited.

Joint Ventures

Our Company enters into various joint ventures with domestic as well as international infrastructure companies as part of our business and as on the date we have 18 joint ventures. For details of the joint ventures please refer to

"***Our Business*** "on page number 155 of this Placement Document.

Details of the our Lines of Business

a. We are primarily engaged in the business of executing construction projects on EPC (engineering, procurement & Construction) basis. Our qualified and experienced senior management team is responsible for execution of diverse projects. In addition, our Board of Directors includes independent directors who bring in significant business expertise.

We are engaged in the business of executing various construction projects on a lump sum turnkey, fixed price and management basis. We undertake following types of construction projects:

- Irrigation projects such as gravity irrigation, lift irrigation works involving constructing reservoirs, canals, dams and barrages, spill ways, raising mains aqueducts and pipelines, etc;

- Roadway projects such as constructing greenfield expressways, state and national highways both rigid and flexible pavements including pipe and slab culverts, minor and major bridges, flyovers, aqueducts and dedicated service corridors, construction of new bypasses, inter changes, vehicular passes, under passes, widening and strengthening of existing carriageways, rehabilitation and upgrading of existing roads,;

- Industrial and commercial projects such as integrated steel factory, petrochemical refinery, ports, SEZs, hotels, multiplexes and related works;

- Construction of Balance of Plant in Power generation projects, power transmission lines and distribution projects; and

- We have also successfully executed various power EPC works in the power projects

- We have recently forayed in the mining sector, and have tied up with China Coal Overseas Development Company Ltd., a subsidiary of China Coal Energy Company Ltd.

- We have also ventured into airport development and have won an award order of ₹ 6,994.40 million for development of Navi Mumbai International Airport.

- We have also made a strong foray into the fast-growing railway EPC sector, by winning a ₹ 47,440.00 million contract for designing and building the Iqbalgarh - Vadodara section of the Western Dedicated Freight Corridor ("**DFCC**") in a consortium with M/s Sojitz Corporation and M/s L&T Ltd.

b. Development of Power Generation Projects: In the year 2010, we invested in the business of developing power generation projects through our wholly-owned Subsidiary, Gayatri Energy Ventures Private Limited. Our Company, in partnership with Sembcorp Utilities Pte. Limited, (a subsidiary of Sembcorp Industries, Singapore), established two coal based power projects having combined capacity of 2640 MW (4 x 640 MW) at Krishnapatnam, Andhra Pradesh. Both the above projects have achieved CODs.

Our Company has made a total investment of ₹ 6,398.33 million in Equity Shares as on March 31, 2017, in a wholly owned subsidiary, M/s Gayatri Energy Ventures Private Limited (GEVPL) and advanced a loan of ₹ 1,179.91 million. GEVPL has significant investments in the following companies - M/s Thermal Powertech Corporation India Limited (TPCIL), M/s NCC Infrastructure Holdings Limited (NCCIHL) and M/s Bhandara Thermal Power Corporation Limited (BTPCL).

Order Book

Our total Order Book was ₹ 62,517.48 million, ₹ 103,757.18 million, and ₹ 124,742.06 million, as of March 31, 2015, 2016 and 2017, representing an increase of 65.97% and 20.22% for Financial Years 2016 and 2017 respectively. Our Company's Order Book is ₹ 128,472.49 million as on December 31, 2017. For further details on our Order Book please refer to "***Our Business***" on page 155 of this Placement Document.

Significant Customers and Completed Projects

Our significant clients in the public sector include central, state and local governments and the NHAI. Our private sector clientele comprises of recognized companies such as Tata Steel Limited, NFCL and Reliance Petroleum Limited. For the details of our Completed Projects please refer to "*Our Business*" on page 155.

Scheme of Arrangement

Composite Scheme of Arrangement between Gayatri Projects Limited (Transferee Company / Demerged Company/ GPL), Gayatri Infra Ventures Limited (Transferor Company / GIVL) and Gayatri Domicile Private Limited (Resulting Company / GDPL) and their respective Shareholders ('Scheme'):

The Board of Directors of our Company in the Board Meeting held on July 16, 2016 approved the Scheme Arrangement between GPL, GIVL and GDPL. The Shareholders approved the Scheme through Court convened meeting held on January 23, 2017 and through postal ballot announced on January 24, 2017.

As per the Scheme, the BOT road business and activities of GPL was vertically split into a separate company i.e. GDPL. The Scheme was divided into the following parts:

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

The salient features of the Scheme and its accounting treatment in the books of accounts and financial statements are summarized as below:

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

b) The relevant dates of the Scheme are as follows:

Particulars	**Relevant date**
Appointed date for amalgamation of GIVL	April 1, 2016
Appointed date for Demerger of BOT Business	March 31, 2017
Effective date of the Scheme (Date of filing with the ROC)	November 23, 2017

c) Pursuant to the Scheme, all the assets and liabilities pertaining to the Transferor Company (GIVL) have been transferred to and vested in the Transferee Company (GPL) with retrospective effect from the appointed date i.e. April 1, 2016 at their respective book values appearing in the books of Transferor Company i.e., GIVL.

Financial Statements of GIVL for Fiscal 2016 and 2017 were audited and financial statements of Fiscal 2017 were approved in its Board meeting held on May 30, 2017 and also adopted in the Annual General Meeting of GIVL held on September 19, 2017. These approved and adopted financial statements were considered for the purpose of accounting of Assets, Liabilities, Income and expenses of GIVL in the books of accounts and in the restated financial statements of GPL so as to give effect of the merger.

d) Further pursuant to the Scheme, all Infrastructure Road BOT Assets business (i.e all Fixed Assets, all Investments, Current Assets, and Liabilities of BOT Assets business including Investments in Infrastructure Road BOT Assets business held by GPL) of the Demerged Company (GPL) were transferred to and be vested in the resulted Company (GDPL) with effect from the appointed date i.e. March 31, 2017 at their respective book values appearing in the books of Demerged Company. Accordingly, the Scheme has been given effect to in the books of accounts and in the restated financial statements of GPL so as to give effect of the demerger.

e) As stated in the above, Investments held by the Demerged Company in the Road BOT Assets business companies i.e Sai Maatarani Tollways Ltd, HKR Roadways Ltd, Balaji Highways

Holdings Pvt. Ltd and Indore Dewas Tollways Ltd shall stand transferred and vested in the Resulting Company (GDPL) with effect from the appointed date i.e. March 31, 2017

f) **The Consideration for demerger by the resulting company shall be as under :**

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

The investments of GPL in SMTL are transferred to GDPL at book value. As at March 31, 2016, the GPL investment in SMTL was at ₹1,801.60 million. The consideration for transfer of investments in SMTL held by GPL to GDPL was discharged by the Resulting Company i.e., Gayatri Domicile Private Limited in lump sum consideration to GPL amounting to ₹ 1,801.60 million in the form of issuance of 12,460,000 equity shares of ₹ 10/- each and 167,700,300 redeemable preference shares of ₹ 10/- each, issued and redeemable at par. Pursuant to Scheme, effect is given in the books of accounts and financial statements of demerged company (GPL) as on March 31, 2017, the consideration receivable by GPL in the form of Equity and Preference shares have been accounted in the books of accounts as investments in Equity and Preference shares and grouped under Investments in the restated financial statements based on opinion obtained from independent Company Secretary although the shares are yet to be issued and allotted by the resulting company (GDPL**).**

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

Pursuant to the scheme coming into effect, the resulting company shall, without any further application or deed, issue and allot to every member of the demerged company (GPL), holding fully paid up equity shares in the demerged company and whose names appear in the Register of Members of the demerged company on the Record Date in the ratio of 1 (One) equity share of ₹ 10/- (At present the ₹ 10 share split into 5 shares ₹ 2/- each) each fully paid up held by such member in the demerged company, 1 (One) equity share in the resulting company of ₹ 10/- each. The demerged company shareholders will be allotted 177,251,900 equity shares of ₹ 2/- each (after sub-division of equity shares of GDPL from ₹ 10/- each to ₹ 2/- each) fully paid in the resulting company.

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

₹ in million

Particulars	**As on March 31, 2017**
Value of Investments of BOT Assets business Transferred:	
i) 16,65,304 Equity Shares of ₹10/- each, fully paid in Gayatri Infra Ventures Limited	1,607.42
ii) 1,00,00,843 Equity Shares of ₹10/- each, fully paid in Sai Maatarani Tollways Ltd.	1,801.60
iii) 12,07,000 Equity Shares of ₹10/- each, fully paid in HKR Roadways Ltd.	12.07
iv) 49,000 Equity Shares of ₹10/- each, fully paid in Balaji Highways Holding Ltd.,	0.49
v) 16,660 Equity Shares of ₹10/- each, fully paid in Indore Dewas Tollways Ltd.	0.16
vi) Liability towards pending share purchase	90.00
Sub Total :	3,511.75
Consideration to be received in the form of Shares:	

i) 12,460,000 Equity Shares of ₹ 10/- each, fully paid in Gayatri Domicile Private Limited.	124.60
ii) 167,700,300 Preference Shares of ₹10/- each, fully paid in Gayatri Domicile Private Limited.	1,677.00
Sub Total :	**1,801.60**
Net Effect (Amount) adjusted in Securities Premium Account	**1,710.15**

h) The outcome of the scheme is that merger of GIVL into GPL and Demerger of all Infrastructure Road BOT Assets business. The consideration receivable for the said Demerger is in the form of Equity and Preference Shares amounting to ₹1,801,603,000 (Rupees One Hundred and Eighty Crores Sixteen Lakhs Three Thousand Only) and hence there is no changes / impact in cash flows of the company for the current reporting period.

The original Consolidated Audited Financial Statements / results of our Company for the Financial Year ended March 31, 2017 had been approved by the Board of Directors of our Company vide its meeting held on May 29, 2017 and the same were declared/published to the stock exchanges as per the listing agreement. However, pursuant to the Scheme, as approved by the Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench vide its order dated November 3, 2017, the accounting effect /impact of the said scheme as stated above in the salient features of the Scheme is considered in the books of accounts for the Financial Year ended March 31, 2017 and accordingly the Consolidated Financial Statements for Fiscal 2017 were revised as per the Scheme above and replace the original Consolidated Audited Financial Statements which were approved by the Board of Directors vide their meeting held on May 29, 2017.

Pursuant to Scheme and the consolidated financial statements for Fiscal 2017 being revised as per the Scheme as stated above, the figures of the Fiscal 2017 are not comparable to the Fiscal 2016.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by a number of factors. Some of the factors affecting our results of operations include:

Performance of our Subsidiaries and Joint Venture partners

Our Company has made and may continue to make certain capital investments, loans, advances and other commitments to support certain of its Subsidiaries. These investments and commitments inter-alia include capital contributions and providing corporate guarantees to lenders in order to enhance the financial condition or liquidity position of the Subsidiaries of our Company. As on date we have one direct Subsidiary, namely Gayatri Energy Ventures Private Limited and one step down Subsidiary Bhandara Thermal Power Corporation Limited. Accordingly, the consolidated financial results of our Company depend upon the performance of such Subsidiaries.

Our Company enters into various joint ventures with domestic as well as international infrastructure companies as part of our business. The success of these joint ventures depends significantly on the satisfactory performance by our Company's joint venture partners of their obligations. Further, our Company may be required to make additional investments and/or provide additional services to ensure the adequate performance and delivery of the contracted services. We may be required to book losses in our financial statements if any of such Joint Ventures incur losses in proportion to the investment made by our Company. Any losses incurred by or in case of any successful claims against or failure to realize claims made by such Joint Ventures.

Cost escalation in fixed priced contracts

Most of our contracts are covered with the risk of price variation and very few are fixed price contracts. When our Company bids for such projects we already account for the price variation, however if there is any increase beyond such price variation our Company bears all or a portion of the risks of cost increases. Typically, contract prices are established in part on cost and scheduling estimates, which are based on a number of assumptions, such as the future economic conditions, the price and availability of labour, equipment and materials and other relevant factor. Further, our business requires various materials including, steel, cement and aggregates (sand, bricks and sized metals). Material costs are included in the line item "Cost of Materials consumed and Cost of Purchases and Services" in our statements of profit and loss. Materials consumed and cost of spares and consumables of our mechanical and other equipment, included in Work Expenditure constituted approximately 34.65 % of our total costs for Fiscal 2017. If any of these estimates prove inaccurate or if circumstances change, cost overruns may occur and our Company could experience reduced profits or, in some cases, a loss. In addition to the risk of cost overruns, our Company also bears the risk of underestimating the amount of work or the quantity of material required. A proportion of our Company's contracts is, and will continue to be, fixed-price contracts awarded through competitive bidding

Major revenue are from highways and irrigation related infrastructure projects

As on December 31, 2017, approximately 58.00 % and 28.00 % of our Order Book was represented by orders and/or contracts for highways and irrigation, respectively. Our Company has historically generated substantial proportion of significant revenues from highways and irrigation projects. The two segments collectively represented 84.00 % of our total revenues for the Financial Year ended March 31, 2017 on a standalone basis and 89.00 % of our total revenues for the nine months period ended December 31, 2017, on a standalone basis. However, the number and nature of infrastructure projects and/or roadwork contracts that are being contemplated or undertaken at any given time in India depend upon factors such as budgetary allocation, development objectives and priorities of the Government, among others.

Dependence upon Top 5 clients and government and public sector clients

A significant proportion of our Company's revenues are derived from a limited number of customers. Our top 5 customers for Fiscals 2017, 2016 and 2015 on standalone basis constituted 75.39 %, 74.03 % and 71.54 % of our total revenues, respectively. Our results of operations and financial condition accordingly depend upon our ability to competitively bid for and/or otherwise secure orders and/or contracts with such customers in commercially favorable terms, in sufficient numbers, and/or for sufficient value, or at all. Further, our Company relies heavily upon Central and State Governments and public sector undertakings who appoint our Company on large-scale infrastructure projects in India. As on December 31, 2017, 95.27% of our Order Book was represented by contracts and/or orders awarded by the Central and State Governments and public sector undertakings. Additionally, many of our Company's projects are public sector sponsored projects. Accordingly, our ability to successfully bid for, complete and/or realize revenues from such projects depends significantly on the constitution of the Central and State Governments, policies impacting the public at large, government policies or initiatives, governmental or external budgetary allocation, availability of public funds with such governments. Our Company's business is also directly affected by changes in Central and State Governments spending.

Maintenance of Pre-qualified Status

We enter into contracts primarily through a competitive bidding process or on negotiated rate basis. Our competition varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. Our ability to participate and successfully bid for infrastructure projects depend upon our ability to maintain pre-qualifications based on financial and execution experience. Further, to bid on certain large projects, we may have to enter into memoranda of understanding or joint venture agreements with various other companies, so as to be able to achieve such pre-qualification parameters. Our ability to secure contracts and works accordingly, depends upon our ability to compete with other players by forging opportune alliances with appropriate companies or to otherwise meet prequalification requirements.

Working with Sub-contractors

While our Company primarily executes work in-house, we outsource general works such as earthworks, piece rate works to other sub-contractors. Our ability to complete the project in a timely manner or at commercially viable terms if at all, realise revenues and profits from projects being executed by us, accordingly depends upon our sub-contractors' ability to meet their specified completion dates, and/or to perform their obligations in accordance with the contracts executed with them. Although we constantly monitor the execution of work by our subcontractors, our profitability depends upon our sub-contractors' ability to meet the specifications (including technical requirements and quality standards) prescribed by our customers.

Adequate capital and financing from time to time to meet our working capital requirements

Our operations typically need two to three months of net working capital. Accordingly we require adequate capital and financing from time to time to meet our working capital requirements. Our Company has had, and expects to have, substantial liquidity and capital resource requirements. As at March 31, 2017, our Company had aggregate outstanding borrowings on a standalone basis in the form of working capital facilities for amounts aggregating ₹ 9,596.08 million. Project financing is a combination of net working capital, advances from customers and bank financing. Further, typically our operations have long working capital cycles, particularly in connection with projects with long gestation periods and government contracts. The ability of our Company to obtain such financing, in a timely manner, on commercially favorable terms to us, or at all affects our business, results of operations, financial condition and prospects.

Interest payment to our lenders

Due to the nature of our business, our Company is heavily dependent on external financing from banks and financial institutions. In the past we have delayed payment of interest due to financial constraints. If in the future our Company fails to make interest payments to our lenders in a timely manner, we may be liable for pre-mature repayments of the relevant loans with interest or otherwise face action for default under the relevant borrowing agreements.

Compliance with environmental laws

As an infrastructure company, our Company is required to comply with various laws and regulations relating to the environment. Our Company may incur substantial costs to comply with requirements of environmental laws and regulations in the future. Environmental laws and regulations in India are not as extensive as they are in other countries. They have, however, been increasing in stringency and it is possible that they will become significantly more stringent in the future. If any of our projects are shut down, our Company will continue to incur costs in complying with regulations, appealing any decision to stop construction, continuing to pay labour and other costs which continue even if construction has ceased.

Changes in tax regulation

The Indian Income Tax Act provides certain tax benefits to companies engaged in infrastructure development and construction, including (i) a deduction of 100 %of the profits (for a period of 10 consecutive assessment years) derived from the business of developing an infrastructure facility; and (ii) tax-free status on certain income by way of dividends, interest on long-term finance and long-term capital gains from investments/long-term loans, subject to specified conditions. Some of these benefits are available only for a specified period of time and others are available only in respect of specific projects. As and when the specified period of time expires or specified projects are completed, our Company's and/or our Subsidiary's tax liabilities may increase, reducing our Company's profitability. Further the Central or State Governments will not amend these provisions to our Company's and/or our Subsidiary's detriment, or that, after the expiry of the specified period of time, our Government will extend these tax benefits or that it will not enact laws in the future that could adversely impact our Company's and/or our Subsidiary's tax incentives and, consequently, tax liabilities and profits.

Slowdown in economic growth

Our Company's financial performance and the quality and growth of our Company's business depend significantly on the health of the overall Indian economy and the government policy on the infrastructure expenditure. Any slowdown in the Indian economy or volatility of global commodity prices, in particular crude oil, cement, steel and bitumen prices, could adversely affect our Company's source of raw materials and contractual counterparties, its business and its financial performance.

CRITICAL ACCOUNTING POLICIES

Our Audited Financial Statements are prepared and presented in accordance with Ind AS. The most significant accounting conventions and principles used by us and our critical accounting policies followed by us in preparing our financial statements are set out below. For details, please refer to "*Significant Accounting Policies*" in "*Financial Statements*" on page 246.

First time adoption of Ind AS

The Consolidated Financial Statements for the Financial Year ended March 31, 2017 was the first year that our Company has prepared the Consolidated Financial Statements as per Ind AS. The Consolidated Financial Statements for the year ended March 31, 2016 and the Opening Balance Sheet as on April 1, 2015 have been restated in accordance with Ind AS for comparative information only.

Ind AS 101 allows certain exemptions from the retrospective application of certain requirements under Ind AS. The following exemptions are availed by our Company in first time adoption of Ind AS:

(i) Our Company has elected to consider the carrying values for all property, plant and equipment as deemed cost at the date of the transition i.e on April 1, 2015 and further our Company has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for investments in subsidiaries and associates on the date of transition to Ind AS i.e on April 1, 2015.

(ii) As per the requirement of Ind AS 101 for first time adopters of Ind AS, our Company has elected to apply the de-recognition requirements for financial assets and financial liabilities as stated in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

The estimates as at April 1, 2015 and March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation. The estimates used by our Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015 (transition date) and as of March 31, 2016.

Basis of Preparation and Presentation of Financial Statements

The Consolidated Financial Statements are prepared on accrual basis following the historical cost convention except in case of certain financial instruments which are measured at fair values. The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss are prepared and presented in the format prescribed under Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Indian Accounting Standard (Ind AS) - 7 on “Statement of Cash Flows”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with other notes required to be disclosed under the notified Ind AS and the Listing Agreement. 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 viz. SEBI guidelines override the same requiring a different treatment. Accounting Policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy used previously.

Fair value for measurement adopted in these financial statements is determined on such a basis, except leasing transactions that are within the scope of Ind AS 17, Net Realizable value as per Ind AS 2 or value in use as per Ind AS 36.Fair value measurements under Ind AS are categorized as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

Principles of Consolidation

The consolidated financial statements have been prepared on the following basis:

i. Investments in Subsidiaries:

The Financial Statements of our Company and its Subsidiary companies have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as per Indian Accounting Standard - 110 “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India.

ii. Investments in Associates:

Investments in associate companies have been accounted for, by using equity method “Accounting for Investments in Associates in Consolidated Financial Statements, whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post-acquisition change in the Company's share of net assets of the associate. The carrying amount of investment in associate companies is reduced to recognize any decline which is other than temporary in nature and such determination of decline in value, if any, is made for each investment individually. The unrealized profits/losses on transactions with associate companies are eliminated by reducing the carrying amount of investment.

iii. Investments in Joint Ventures:

A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in Joint Venture are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in joint ventures includes goodwill identified on acquisition.

Revenue recognition

a. Revenue from Construction activity:

i) Income is recognized on fixed price construction contracts in accordance with the percentage of completion basis, which necessarily involve technical estimates of the percentage of completion, and costs to completion, of each contract / activity, on the basis of which profits and losses are accounted. When the outcome of the contract is ascertained reliably, contract revenue is recognized at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed up to the date, to the total estimated contract costs

ii) The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract

iii) Price escalation and other variations in the contract work are included in contract revenue only when:

a) Negotiations have reached at an advanced stage such that it is probable that customer will accept the claim and

b) The amount that is probable will be accepted by the customer and can be measured reliably.

iv) Incentive payments, as per customer-specified performance standards, are included in contract revenue only when:

a) The contract has sufficiently advanced such that it is probable that the specified performance standards will be met; and

b) The amount of the incentive payment can be measured reliably.

v) Contract claims raised by the company which can be reliably measured and have reached an advanced stage of arbitration and pending in High court have been recognized as income.

b. Revenue from supply of materials:

Revenue from supply of materials is recognized when substantial risks and rewards of ownership are transferred to the buyer and invoice for the same are raised.

c. Revenue receipts on Joint Venture Contracts

a. In work sharing Joint Venture arrangements, revenues, expenses, assets and liabilities are accounted for in the Company's books to the extent work is executed by the Company.

b. In Jointly Controlled Entities, the share of profits or losses is accounted as and when dividend/ share of profit or loss are declared by the entities.

d. Other Operational Revenue:

a. All other revenues are recognized only when collectability of the resulting receivable is reasonably assured.

b. Revenue is reported net of discounts, if any.

e. Other Income

i) Interest income is accounted on accrual basis as per applicable interest rates and on time proportion basis taking into account the amount outstanding. ii) Dividend income is accounted in the year in which the right to receive the same is established. iii) Insurance claims are accounted for on cash basis.

Depreciation and amortization

In respect of Property, Plant & Equipment (other than Land and Capital Work in Progress) depreciation / amortization is charged on a straight line basis over the useful lives as specified in Schedule II to the Companies Act 2013. Assets individually costing ₹ 5,000/- or less and temporary structures are fully depreciated in the year of acquisition. The residual values and useful lives are reviewed at the end of the reporting period. The Group has adopted the carrying amount of the previous GAAP as its deemed cost on the date of the transition to Ind AS i.e April 1, 2015.

Financial Assets

Financial Asset is any Asset that is – (a) Cash, (b) Equity Instrument of another entity, (c) Contractual right to – (i) receive Cash / another Financial Asset from another entity, or (ii) exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially favorable to the Entity.

Investment in Equity Shares issued by Subsidiary, Associate and Joint Ventures are carried at cost less impairment.

Investment in preference shares are classified as debt instruments and carried at Amortized cost if they are not convertible into equity instruments and are not held to collect contractual cash flows.

Other Investment in preference shares which are classified as Debt instruments are mandatorily carried at Fair value through Profit & loss Account (FVTPL).

All investments in equity instruments other than as classified above under Financial Assets are initially carried at fair value. The Group has adopted to measure the fair value of equity instruments through FVTPL Fair value changes on an equity instrument are recognized in the Statement of Profit & Loss.

Investments in equity instruments are classified as at FVTPL, unless the related instruments are not held for trading and the company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income.

Inventories and Work in Progress

Raw Materials, Construction Materials and Stores &Spares are valued at lower of weighted average cost or net realizable value. Cost includes direct material, work expenditure, labour cost and appropriate overheads excluding refundable duties and taxes. Work in Progress is valued at contracted rates less profit margin / estimates.

Foreign Currency Transactions

The reporting currency of the Group is Indian Rupee. Foreign Currency Transactions are translated at the functional currency spot rates prevailing on the date of transactions. Monetary assets and current liabilities related to foreign currency transactions remaining unsettled are translated at the functional currency spot rates prevailing on the balance sheet date. The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions are recognized in the Statement of Profit and Loss.

Employee Benefits

Payments to Defined Contribution schemes are charged as an expense as they fall due. Company's provident fund in respect of certain employees is made to a government administrated fund and charged as an expense to the Statement of Profit and Loss. Liability for employee benefits, both short and long term, for present and past service which are due as per the terms of employment are recorded in accordance with Indian Accounting Standard 19 “Employee Benefits” issued by the Companies (Accounting Standard) Rules, 2015. Re-measurement gains /losses on post-employment defined benefits comprising gains/ losses is reflected immediately in the balance sheet with a charge or credit to other comprehensive income in the period in which it arises.

i) **Gratuity:** In accordance with the Payment of Gratuity Act, 1972 the Group provides for Gratuity covering eligible employees. The liability on account of Gratuity is provided on the basis of valuation of the liability by an independent actuary as at the year end.

ii) **Provident Fund:** In accordance with applicable local laws, eligible employees of the Group are entitled to receive benefits under the provident fund, a defined contribution plan to which both the employee and employer contributes monthly at a determined rate (currently up to 12% of an employee’s salary). These contributions are either made to the respective Regional Provident Fund Commissioner, or the Central Provident Fund under the State Pension Scheme, and are recognized as expenses incurred.

iii) **Compensated Absences:** The employees are entitled to accumulate leave subject to certain limits, for future encashment and availment, as per the policy of the Group. The liability towards such unutilized leave as at the end of each balance sheet date is determined based on independent actuarial valuation and recognized in the Statement of Profit and Loss.

Deferred Revenue Expenditure

Projects and other related expenditure incurred up to March 31, 2017, the benefit of which is spread over more than one year is accounted as Project Promotion Expenses grouped under Other Advances and is amortized over the period in which benefits would be derived.

Leases: (a) Finance Lease: Assets taken on finance lease are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

(b) Operating Leases: Operating Leases range from 11 months to 36 months and are usually cancellable / renewable by mutual consent on agreed terms. Further Lease payments under an operating lease are recognized as an expense in the Statement of Profit and Loss.

Earnings per Share (EPS): In arriving at the EPS, the Group’s Net Profit after Tax, is divided by the weighted average number of equity shares outstanding. The EPS thus arrived at is known as ‘Basic EPS’. To arrive at the diluted EPS, the net profit after tax, referred above, is divided by the weighted average number of equity shares, as computed above and the weighted average number of equity share that could have been issued on conversion of shares having potential dilutive effect subject to the terms of issue of those potential shares. The date(s) of issue of such potential shares determine the amount of the weighted average number of potential equity shares.

Taxation:

i) **Current Tax:** Provision for Current tax is made based on the liability computed in accordance with the relevant tax rates and provisions of Income Tax Act, 1961 as at the balance sheet date and any adjustments to taxes in respect of the previous years, penalties if any related to income tax are included in the current tax expense.

ii) **Deferred Taxes:** Deferred Tax is the tax expected to be payable or recoverable on differences between the carrying amount of the assets and liabilities for financial reporting purpose and the corresponding tax bases used in computation of taxable profit. Deferred tax assets are recognized and carried forward only 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.

Current and deferred tax is recognized in profit or loss, except to the extent that it related to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Borrowing Cost:

Borrowing costs net of any investment income from the temporary investment of related borrowings that are attributable to the acquisition or construction of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

DESCRIPTION OF PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income: Our income consists of income from operations and other income.

Income from operations

Our income from operations comprises (i) contract revenue, (ii) supply of materials (iii) other operational revenue, (iv) share of profits from joint venture.

Other Income

Other income primarily includes (i) interest income, and (ii) dividend income and (iii) insurance claims.

Expenditure

Our expenditure comprises of (i) cost of materials consumed, (ii) work expenditure, (iii) changes in inventories of work-in-progress, (iv) employee benefits expense, (v) finance costs, (vi) depreciation and amortization expense, and (vii) other expenses.

Description of expenditures items

Cost of materials consumed

Our cost of materials consumed comprises of consumption of raw materials such as steel, cement, bitumen metal, sand, gravel electrical materials, railway lime materials, coal handling system materials, RCC & GI pipes, HSD oils & Lubricants, stores and consumables and other materials.

Work Expenditure

Our expenses on work expenditure comprises of departmental recoveries. work executed by sub-contractors, earth work concrete, work transport charges, hire charges, road work, repairs and maintenance taxes and duties, insurance, Commission to Banks on Bank Guarantees/ Letter of Credit and other works expenditure.

Changes in inventories of work-in-progress

Our expenses due to changes in inventories of work in progress comprises of opening work in progress but does not include closing work in progress which is deducted from the opening work in progress.

Employee benefits expense

Our employee benefits expenses comprise of salaries and wages, directors' remuneration, contribution to statutory fund and staff welfare expenses.

Finance Costs

Our finance costs comprise of interest expenses on term loans, working capital facilities, debentures, equipment loans, other borrowing costs and other financial charges.

Depreciation and amortization expense

Depreciation is provided on property, (other than land and capital work in progress) using the straight line basis over the useful lives as specified in Schedule II to the Companies Act 2013.

Other Expenses

Our other expenses comprises advertisement expenses, audit fee, donations , CSR expenditure, insurance, consultancy, legal and professional charges, general expenses, power and fuel, miscellaneous expenses, printing and stationery, rent, taxes and licenses, tender expenses, telephones, traveling and conveyance and loss on sale of assets**.**

Nine months period ended December 31, 2017 compared to nine months period ended December 31, 2016

The following table presents a summary of our financial results, on a standalone basis, containing significant items of our income and expenditure for the periods indicated below. The financial information in the below table has been extracted from our Unaudited Standalone Financial Results for the nine months period ended December 31, 2017. Our Company presents the quarterly financial results on standalone basis and not on a consolidated basis.

Particulars	**Nine months period ended December 31, 2017 (Ind AS)**		**Nine months period ended December 31, 2016 (Ind AS)**	
	(₹ in million)	**% of total revenue**	**(₹ in million)**	**% of total revenue**
Revenue				
Revenue from operations	19,790.87	99.34	13,028.65	99.26
Other income	131.69	0.66	97.35	0.74
Total Revenue	**19,922.56**	**100.00**	**13,126.00**	**100.00**
Expenses				
Cost of materials consumed & Work Expenditure	14,909.44	74.84	10,595.33	80.72
Changes in inventories of finished goods, work-in-progress and stock in trade	682.37	3.43	(295.15)	(2.25)
Employee benefits expense	722.17	3.62	420.08	3.20
Finance costs	1,756.00	8.81	1,352.24	10.30
Depreciation and amortization expense	390.84	1.96	332.04	2.53
Other expenses	355.15	1.78	329.23	2.51
Total expenses	**18,815.97**	**94.45**	**12,733.77**	**97.01**
Profit before tax	**1,106.59**	**5.55**	**392.23**	**2.99**
Tax Expense				
Current tax	(46.85)	(0.24)	(29.01)	(0.22)
Deferred tax	-	-	-	
Tax for earlier periods	-	-	-	
Profit after tax	**1,153.44**	**5.79**	**421.24**	**3.21**
Other comprehensive income for the period	**1.21**	**0.01**	**(26.53)**	**(0.20)**
Non-Controlling Interest				
Total comprehensive income for the year	**1,154.65**	**5.80**	**394.71**	**3.01**

Revenue

Total revenue: Our total revenue was higher by ₹ 6,796.56 million, or 51.78 %, and was ₹ 19,922.56 million for the nine months period ended December 31, 2017 compared to ₹ 13,126.00 million for the nine months period ended December 31, 2016 primarily due to an increase in our revenue from operations.

Our revenue from operations was higher by ₹ 6,762.22 million or 52 % and was ₹ 19,790.87 million for the nine months period ended December 31, 2017 compared to ₹ 13,028.65 million for the nine months period ended

December 31, 2016. Revenue from operations was higher primarily due to increase in construction revenue derived from road projects.

Other Income: Other income was higher by ₹ 34.34 million, or 35.27%, and was ₹ 131.69 million for the nine months period ended December 31, 2017 compared to ₹ 97.35 million for the nine months period ended December 31, 2016 primarily due to increase of interest received.

Expenses

Total expenses
Our total expenses were higher by ₹ 6,082.20 million, or 47.76 %, and were ₹ 18,815.97 million for the nine months period ended December 31, 2017 compared to ₹12,733.77 million for the nine months period ended December 31, 2016.

Cost of materials consumed & Work Expenditure

Our expenses in relation to cost of raw materials consumed and work expenditure increased by ₹ 4,314.11 million, or 40.72%, and were ₹ 14,909.44 million for the nine months period ended December 31, 2017 compared to ₹ 10,595.33 million for the nine months period ended December 31, 2016, primarily due to increase of revenue from operation.

Employee benefits expense
Employee benefits expense was higher by ₹ 302.09 million, or 71.91 %, and was ₹ 722.17 million for the nine months period ended December 31, 2017 compared to ₹ 420.08 million for the nine months period ended December 31, 2016 The higher employee benefits expense was primarily due to increase of employees and increase om number of projects.

Finance costs
Our finance costs were higher by ₹ 403.76 million, or 29.86 %, and were ₹ 1,756.00 million for the nine months period ended December 31, 2017 compared to ₹ 1,352.24 million for the nine months period ended December 31, 2016 primarily attributable to increase of equipment loans for the nine months period ended December 31, 2017.

Depreciation and Amortization expense
Depreciation and amortization expenses were higher by ₹ 58.80 million, or 17.71 %, and were ₹ 390.84 million for the nine months period ended December 31, 2017 compared to ₹ 332.04 million for the nine months period ended December 31, 2016 in line with increase of plant and machinery.

Other expenses
Our other expenses were higher by ₹ 25.92 million, or 7.87 %, and were ₹ 355.15 million for the six months ended December 31, 2017 compared to ₹ 329.23 million for the nine months ended December 31, 2017

Profit before tax

Our profit before tax was higher/lower by ₹ 714.36 million, or 182.13%, and was ₹ 1,106.59million for the nine months period ended December 31, 2017 compared to ₹ 392.23 million for the nine months period ended December 31, 2016 primarily for the reasons mentioned above. Profit before tax represented 5.55 % and 2.99 % of our total revenue for the nine months period ended December 31, 2017 and 2016, respectively.

Tax expense

Our tax expense for the nine months period ended December 31, 2017 was comprised of current tax of ₹ 46.85 million compared to tax expense for the nine months period ended December 31, 2016 which comprised of current tax of ₹ 29.01 million.

Profit after tax
Our profit after tax was higher by ₹ 732.20 million, or 173.82 %, and was ₹ 1,153.44 million for the nine months period ended December 31, 2017 compared to ₹ 421.24 million for the nine months period ended December 31, 2016 primarily for the reasons mentioned above. Profit after tax represented 5.79 % and 3.21 % of our total revenue for the nine months period ended December 31, 2017 and 2016, respectively.

Total comprehensive income for the year

Our total comprehensive income for the year was higher by ₹ 759.94 million, or 192.53 %, and was ₹ 1,154.65 million for the nine months period ended December 31, 2017 compared to ₹ 394.71 million for the nine months period ended December 31, 2016.

Fiscal 2017 compared to Fiscal 2016

Our Results of Operation

The original Ind AS Financial Statements for Fiscal 2017 were approved by the Board of Directors of our Company on May 29, 2017. Pursuant to the Scheme, as approved by the Hon'ble National Company Law Tribunal (NCLT), Hyderabad vide its order dated November 3, 2017, the revised Ind AS Financial Statements for the year ended March 31, 2017 were prepared and presented our Company by giving effect to the Scheme having an Appointed Date for merger as April 1, 2016 and demerger as of March 31, 2017. The revised Ind AS Financial Statements for the year ended March 31, 2017 were approved by the Board of Directors on December 6, 2017. Hence, the figures of the Fiscal Year 2017 are not comparable to the previous year's figures on a consolidated basis since the road assets forming part of our consolidated financial statements as on Fiscal 2016 have been demerged into GHL with effect from March 31, 2017 pursuant to the Scheme. For Fiscal 2017, the statement of consolidated Profit & Loss account included the losses of the demerged road assets of GHPL (erstwhile GDPL) and the same will not form a part of Fiscal 2018.

The following table sets forth the breakdown of our results of operations for the periods Fiscal 2017 and Fiscal 2016 on a standalone basis as prepared under Ind AS. The figures for Fiscal 2017 and Fiscal 2016 have been extracted from the audited standalone financial statements for the Financial Year ended March 31, 2017. For the details, please refer to the '*Financial Statements*' on page 246 of this Placement Document.

₹ in million

Particulars	**Fiscal**			
	2017		**2016**	
	Amount	**% of Total Revenue**	**Amount**	**% of Total Revenue**
REVENUE				
Revenue from Operations	21,153.50	98.57%	18,122.12	99.62%
Other Income	305.83	1.43%	69.97	0.38%
Total Revenue	**21,459.34**	**100.00%**	**18,192.09**	**100.00%**
EXPENSES				
Cost of raw materials consumed	6,793.69	31.66%	5,057.42	27.80%
Work Expenditure	10,657.38	49.66%	9,132.94	50.20%
Changes in inventories of finished goods and work-in progress and stock in trade	(554.28)	(2.58)%	564.38	3.10%
Employee benefits expenses	586.65	2.73%	411.51	2.26%
Finance costs	2,013.82	9.38%	1,601.75	8.80%
Depreciation and amortization expense	431.55	2.01%	374.75	2.06%
Other Expenses	435.90	2.03%	352.49	1.94%
Total Expenditure	**20,364.71**	**94.90%**	**17,495.24**	**96.17%**
Profit/ (Loss) before Exceptional Items and Tax	**1,094.63**	**5.10%**	**696.85**	**3.83%**
Exceptional items	(153.86)	(0.72)%	0.00	0.00%
Tax Expense				
Current tax	229.78	1.07%	176.79	0.97%
Deferred tax	6.74	0.03%	(60.09)	(0.33)%
Profit after tax	**704.25**	**3.28%**	**580.15**	**3.19%**
Other comprehensive income for the year-net of tax	**1.71**	**0.01%**	**(5.96)**	**(0.03)%**
Total comprehensive income for the year	**705.96**	**3.29%**	**574.19**	**3.16%**

Revenue:

Our income from operations comprises (i) construction revenue, (ii) supply of materials (iii) other operational revenue and (iv) share of profits from joint venture.

₹ in million

Total Income	**2017**	***% of total revenue***	***2016***	***% of total revenue***
Construction Revenue	20,495.67	95.51%	17,016.97	93.54%
Materials Supply Revenue	346.58	1.62%	1,016.06	5.59%
Claims	289.82	1.35%	0.00	0.00%
Revenue from Electricity Generation	20.68	0.10%	50.19	0.28%
Share of profit from Joint Ventures	0.76	0.00%	38.89	0.21%

Total revenue: Our total revenue increased by ₹ 3,267.25 million or 17.96%, from ₹ 18,192.09 million in the Fiscal 2016 to ₹ 21,459.34 million in the Fiscal 2017.

Increase in total revenue was primarily attributable to increase in revenue from operations by 16.73% from ₹ 18,122.12 million in the Fiscal 2016 to ₹ 21,153.50 million in the Fiscal 2017. This was on account of increase in the Order Book and subsequent commencement in new orders. Our company has been able to get ₹ 107,850.00 million of new orders during Fiscal 2016 and Fiscal 2017. The execution of these new orders started in Fiscal 2017. During the year, our Company commenced execution of six new major road works i.e. four project in the Uttar Pradesh, one project in Haryana and one project in Bihar. Further, revenues from claims increased at a value of ₹ 289.82 million.

Other Income: Other income increased by ₹ 235.87 million or 337.10%, from ₹ 69.97 million for the Fiscal 2016 to ₹ 305.83 million for the Fiscal 2017. This increase was primarily due to receipt of interest on income tax refund of 79.13 million and additional interest income generated by the Group Companies which had the road BOT projects and which demerged during Fiscal 2017 (these entities were merged from April 1, 2016 and demerged on March 31, 2017 as part of the scheme of arrangement) of ₹ 177.06 million.

Expenditure

Our total expenditure increased by 16.40% from ₹ 17,495.24 million in Fiscal 2016 to ₹ 20,364.71 million in Fiscal 2017 primarily due to increase in the Order Book and commencement of the aforesaid new orders.

Cost of Materials Consumed

Our cost of material consumed increased by 34.33% from ₹ 5,057.42 million in Fiscal 2016 to ₹6,793.69 million in Fiscal 2017, which was due to increase in operations and expenses incurred in connection with execution of higher percentage of road works which consumed high proportion of raw materials such as bitumen steel cement high speed diesel HSD.

Work Expenditure

Our work expenditure increased by 16.69% from ₹ 9,132.94 million in Fiscal 2016 to ₹ 10,657.38 million in Fiscal 2017, which was due to increase in expenses incurred towards the new projects undertaken in Fiscal 2017.

Employee benefit expenses

Our employee benefit expenses has increased by 42.56 % from ₹ 411.51 million in Fiscal 2016 to ₹ 586.65 million in Fiscal 2017 primarily on account of increase of 538 number of skilled employees, for execution of road works.

Finance Costs

Our finance costs increased by 25.73 % from ₹ 1,601.75 million in Fiscal 2016 to ₹ 2,013.82 million in Fiscal 2017 primarily on account of new borrowings, increase in rate of interest and adjustment made on account of the Scheme.

Depreciation and Amortization Expense

Our depreciation and amortization costs increased by 15.16 % from ₹ 374.75 million in Fiscal 2016 to ₹ 431.55 million in Fiscal 2017. The increase in depreciation and amortization expense is primarily on account of increase of asset base.

Other Expenses

Other expenses increased by 23.66 % from ₹ 352.49 million in Fiscal 2016 to ₹ 435.90 million in Fiscal 2017. This is primarily on account of increase in: (i) the consultancy, legal & professional charges paid for feasibility and survey reports for new projects and (ii) expenses incurred in approvals obtained for execution of new projects.
Profit before tax:

Our profit before tax increased by ₹ 397.78 million, from ₹ 696.85 million in Fiscal 2016 to ₹ 1,094.63 million excluding exceptional item (153.86 million) in Fiscal 2017. This increase is primarily on account of the reasons mentioned above.

Tax expense (current tax and deferred tax):

Our tax expense for Fiscal 2016 was ₹ 116.70 million and ₹ 236.52 million for Fiscal 2017. The increase in tax expenses was in line with the increase in profit before tax during Fiscal 2017.

Profit after tax:

Our profit after tax increased by ₹ 124.11 million from ₹ 580.15 million in Fiscal 2016 to ₹ 704.25 million in Fiscal 2017 primarily for the reasons mentioned above.

Total comprehensive income for the year:

Our total comprehensive income for the year increased by ₹ 131.78 million, from ₹ 574.19 million in the Fiscal 2016 to ₹ 705.96 million in the Fiscal 2017.

Cash Flows

The following table sets forth certain information relating to our cash flows on a standalone basis for the periods indicated:

(₹. in million)

	Fiscal	
	2017	**2016**
Net cash generated from/(used in) operating activities	2,569.38	149.10
Net cash generated from/(used in) investing activities	(1,754.24)	(488.99)
Net cash generated from/(used in) financing activities	(645.58)	688.80
Net increase/ (decrease) in cash and cash equivalents	**169.57**	**348.91**

Fiscal 2017

Operating Activities

Our net cash generated from operating activities for Fiscal 2017 was ₹ 2,569.38 million. This was primarily due to operating profit generated from the EPC business with moderate net working capital requirements to fund the growth in business. While both receivables and inventories increased significantly they were funded by mobilization advances from our customers and normal credit available from our material suppliers. In terms of numbers, increase of ₹ 2,263.71 million and ₹ 2,051.68 million in trade receivables and inventory respectively, an increase in other current assets of ₹ 1,367.88 million, this was partially offset by an increase in non-current financial current liabilities of ₹ 2,905.08 million and an increase in trade payables of ₹ 2,416.81 million.

Investing Activities

Net cash used in investing activities was ₹ 1,754.24 million for the Fiscal 2017, mainly due to purchase of ₹ 1,954.26 million of property, plant and equipment and ₹409.89 of non-current investments, (purchase of stake in GIVL from AMP Capital Mauritius Limited of 520,833 equity shares at the price of ₹ 883.25) which was partially offset by the sale proceeds of property, plant and equipment of ₹ 304.08 million and investment income of ₹ 305.83 million.

Financing Activities

Net cash used in financing activities was ₹ 645.59 million for the Fiscal 2017, primarily due to a rise in borrowings cost of ₹ 1,942.49 million, which was partially offset by receipts of loans of ₹ 1,382.24 million.

Fiscal 2016

Operating Activities

Our net cash generated from operating activities was only ₹ 149.10 million for the Fiscal 2016. Most of the operating profit generated during the year (₹ 2,594 million) was used up in working capital needs of the business. The working capital changes involved increase of ₹ 2,297.87 million, ₹ 1,528.46 million in trade receivables and other current assets respectively, this was partially offset by decrease of ₹ 871.39 in inventory and increase in non-current financial current liabilities of ₹ 1,454.33 million.

Investing Activities

Net cash used in investing activities was ₹ 488.99 million for the Fiscal 2016, mainly due to purchase of ₹ 562.15 million of property, plant and equipment, which was partially offset by investment income of ₹ 69.97 million.

Financing Activities

Net cash generated from financing activities was ₹ 688.80 million for the Fiscal 2016, primarily due issuance of share capital of ₹ 1,064.42 million receipts of loans of ₹ 1,703.83 million, this was offset by rise in borrowings cost of ₹ 1,747.09 million

Statement of Reconciliation between Ind AS and Indian GAAP

1. Statement of reconciliation of equity under Ind AS and Indian GAAP as of March 31, 2016

2. Statement of reconciliation of Profit and Loss and Other Comprehensive Income under Ind AS under Indian GAAP for the year ended March 31, 2016;

Reconciliation of equity as previously reported under Previous GAAP to Ind AS

₹ in million

Particulars	**Year Ended March 31, 2016**	**As at April 01, 2015**
Equity reported under previous GAAP	8,386.73	6,825.38
Impact of account of Equity Instruments at fair value through Profit and Loss	4.38	0.40
Effect of application of effective interest rate on financial liabilities / borrowings	(22.79)	—
Deferred Tax effect on above adjustments	6.51	—
Dividend & Dividend Distribution Tax	85.34	35.36
Equity reported under Ind AS on March 31, 2016	8,460.17	6,861.14

Reconciliation of Statement of Profit and Loss and Other Comprehensive Income

₹ in million

Particulars	**Year Ended March 31, 2016**
Net profit under previous GAAP for the year ended March 31, 2016	586.48
Impact of account of Equity Instruments at fair value through Profit and Loss	3.98
Re-measurement gains / losses on actuarial valuation of Post-employment defined benefits	9.11
Effect of application of effective interest rate on financial liabilities / borrowings	(22.79)

Particulars	Year Ended March 31, 2016
Effect of Application of Effective rate of interest for borrowings	
Deferred Tax effect on above adjustments	3.35
Net profit recast to Ind AS for the year ended March 31, 2016	**580.15**
Other Comprehensive Income as per Ind AS	(5.96)
Total Comprehensive Income as per Ind AS	**574.19**

*You should read the following discussion of our financial condition and results of operations together with our consolidated and standalone financial statements as of and for Fiscals 2015 and 2016, including the schedules and notes thereto and the audit report thereon which are prepared in accordance with Indian GAAP ("**Indian GAAP Financial Statements**") included under section "Financial Statements". For further information please refer to "Financial Statements" on page 246. Indian GAAP differs in certain material respects with Ind AS, US GAAP and International Financial Reporting Standards.*

Significant Accounting Policies – Indian GAAP

Basis of Preparation and Presentation of Financial Statements

The Consolidated Financial statements of our Company and its Subsidiaries and Jointly Controlled Entities (constitutes the 'Group') have been prepared to comply with generally accepted accounting principles (Indian GAAP) including the Accounting Standards notified under Section 133 of the Companies Act 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Act (to the extent notified). 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 viz. SEBI guidelines override the same requiring a different treatment. Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy used previously.

The financial statements are prepared on accrual basis following the historical cost convention except in certain cases of fixed assets which are carried at revalued amounts and in case of certain financial instruments which are measured at fair values. The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) - 3 "Cash Flow Statements". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the Listing Agreement

a) **Principles of Consolidation**

The consolidated financial statements have been prepared on the following basis:

a. The financial statements of our Company and its subsidiary companies have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as per Accounting Standard - 21 "Consolidated Financial Statements" issued by Institute of Chartered Accountants of India ('AS-21') specified Under Section 133 of the Companies Act, 2013.

b. Investments in associate companies have been accounted for, by using equity method as per Accounting Standard - 23 "Accounting for Investments in Associates in Consolidated Financial Statements" specified Under Section 133 of the Companies Act, 2013, whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post-acquisition change in the Company's share of net assets of the associate. The carrying amount of investment in associate companies is reduced to recognize any decline which is other than temporary in nature and such determination of decline in value, if any, is made for each investment individually. The unrealized profits/losses on transactions with associate companies are eliminated by reducing the carrying amount of investment.

c. The Company's interests in joint ventures are consolidated as follows:

Type of Joint Venture	Accounting treatment
Jointly controlled operations	Company's share of revenues, common expenses, assets and liabilities are included in revenues, expenses, assets and liabilities respectively.
Jointly controlled assets	Share of the assets, according to nature of the assets, and share of the liabilities are shown as part of gross block and liabilities respectively. Share of expenses incurred on maintenance of the assets is accounted as expense. Monetary benefits, if any, from use of the assets are reflected as income.
Jointly controlled entities	The Company's interest in jointly controlled entities are proportionately consolidated on a line-by-line basis by adding together the book values of assets, liabilities, income and expenses, after eliminating the unrealized profits/losses on intra-group transactions.

d. The financial statements are presented to the extent possible, in the same manner as the parent company's independent financial statements.

e. Goodwill/Capital Reserve arrived on account of consolidation of Associates in accordance with AS-23 is included /adjusted in the carrying amount of the investment.

f. Minority interest in the net assets of the consolidated subsidiaries is computed and presented in consolidated balance sheet separately from current liabilities and equity of our Company.

g. Minority interest in the net assets of consolidated subsidiaries consists of:

   i) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and

   ii) The minorities' share of changes in the equity since the date the parent subsidiary relationship came into existence.

h. Minority interest in the net profit/(loss) for the year of consolidated subsidiaries is computed and adjusted against the net profit/(loss) after tax of the group

1. Revenue recognition

A. Revenue from Operations

a. Revenue from Construction activity:

   i) Income is recognized on fixed price construction contracts in accordance with the percentage completion basis, which necessarily involve technical estimates of the percentage of completion, and costs to completion, of each contract / activity, on the basis of which profits and losses are accounted.

   ii) The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract

   iii) Price escalation and other variations in the contract work are included in contract revenue only when:

a) Negotiations have reached at an advanced stage such that it is probable that customer will accept the claim and

b) The amount that is probable will be accepted by the customer can be measured reliably.

   i) Incentive payments, as per customer-specified performance standards, are included in contract revenue only when:

c) The contract is sufficiently advanced that it is probable that the specified performance standards will be met and

d) The amount of the incentive payment can be measured reliably.

i) Insurance claims are accounted for on cash basis.

ii) Contract Claims raised by the company which can be reliably measured and have reached an advanced stage of arbitration pending in High court have been recognized as income.

b. Revenue from supply of materials:

Revenue from supply of materials is recognized when substantial risks and rewards of ownership are transferred to the buyer and invoice for the same is raised.

c. Revenue form generation and distribution of Wind Power:

Revenue from wind power operations is recognized when the units are reliably measured and billed and it is reasonable to expect ultimate collection.

d. Income from development of highways i.e Toll Revenue & Annuity Income:

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

e. Revenue receipts on Joint Venture Contracts

i) In work sharing Joint Venture arrangements, revenues, expenses, assets and liabilities are accounted for in the Company's books to the extent work is executed by the Company.

ii) In jointly controlled entities, the share of profits or losses is accounted as and when dividend/ share of profit or loss are declared by the entities.

f. Other Operational Revenue:

All other revenues are recognized only when collectability of the resulting receivable is reasonably assured.

B. Other Income

i. Interest income is accounted on accrual basis as per applicable interest rates and on time proportionate basis taking into account the amount outstanding.

ii. Dividend income is accounted in the year in which the right to receive the same is established

Depreciation and amortization

In respect of fixed assets (other than land and Capital Work in Progress) depreciation / amortization is charged on a straight line basis over the useful lives as prescribed in Schedule II to the Companies Act 2013. For the assets acquired prior to April 1, 2014 the carrying amount is depreciated over the remaining useful life as stipulated in the Act.

However, the remaining use-full life of certain class of plant & machinery is considered as 6 years (w.e.f. 01.04.2014) based on the technical assessment, managements experience of use of those assets, present condition of the asset etc.

Leasehold improvements or assets are amortized over the period of lease

Inventories and Work in Progress

Raw Materials, construction materials and stores & spares are valued at weighted average cost. Expenditure incurred towards construction work and yet to be certified is carried forward as work in progress. Cost includes direct material, work expenditure, labour cost and appropriate overheads.

Foreign Currency Transactions

The reporting currency of the Group is Indian Rupee. Foreign exchange transactions are accounted at the rates prevailing on the date of transactions. Monetary assets and current liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates. The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions are recognized in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Employee Benefits

Liability for employee benefits, both short and long term, for present and past service which are due as per the terms of employment are recorded in accordance with Accounting Standard (AS) 15 "Employee Benefits" issued by the Institute of Chartered Accountants of India.

i) Gratuity: In accordance with the Payment of Gratuity Act, 1972 the company provides for Gratuity covering eligible employees. The liability on account of Gratuity is provided on the basis of valuation of the liability by an independent actuary as at the year end.

ii) Provident Fund: In accordance with applicable local laws, eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan to which both the employee and employer contributes monthly at a determined rate (currently up to 12% of an employee's salary). These contributions are either made to the respective Regional Provident Fund Commissioner, or the Central Provident Fund under the State Pension Scheme, and are expenses as incurred.

iii) Compensated Absences: Liability for compensated absence is treated as a long term liability and is provided on the basis of valuation by an independent actuary as at the year end.

Actuarial gains and losses are immediately recognized and taken to the profit and loss account and are not deferred

.

Deferred Revenue Expenditure

Projects and Other amenities expenditure incurred up to March 31, 2016, the benefit of which is spread over more than one year is accounted as Project Promotion Expenses grouped under Other Advances and is amortized over the period in which benefits would be derived

Leases: Assets taken on finance lease are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

Lease payments under an operating lease are recognized as an expense in the Profit and Loss Account

.

Earnings per Share (EPS): In arriving at the EPS, the Company's net profit after tax, computed in terms of the Indian GAAP, is divided by the weighted average number of equity shares outstanding on the last day of the reporting period. The EPS thus arrived at is known as 'Basic EPS'. To arrive at the diluted EPS the net profit after tax, referred above, is divided by the weighted average number of equity shares, as computed above and the weighted average number of equity share that could have been issued on conversion of shares having potential dilutive effect subject to the terms of issue of those potential shares. The date/s of issue of such potential shares determine the amount of the weighted average number potential equity shares

Taxation:

i) Current Tax: Provision for Current tax is made based on the liability computed in accordance with the relevant tax rates and provisions of Income Tax Act, 1961.

ii) Deferred Taxes: Deferred Tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods. Deferred tax assets are recognized and carried forward only 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

.

Borrowing Cost: Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such asset. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue

Components of Revenue and Expenses

Income: Our income consists of income from operations and other income.

Income from operations

Our income from operations comprises (i) contract revenue, (ii) supply of materials (iii) other operational revenue and (iv) share of profits from joint venture.

Other Income

Other income primarily includes (i) interest income, (ii) dividend income and (iii) insurance claims.

Expenditure

Our expenditure comprises of (i) cost of materials consumed, (ii) work expenditure, (iii) changes in inventories of work-in-progress, (iv) employee benefits expense, (v) finance costs, (vi) depreciation and amortization expense, and (vii) other expenses.

Description of expenditures items

Cost of materials consumed

Our cost of materials consumed comprises of consumption of raw materials such as steel, cement, bitumen metal, sand, gravel electrical materials, railway lime materials, coal handling system materials, RCC & GI pipes, HSD oils & Lubricants, stores and consumables and other materials.

Work Expenditure

Our expenses on work expenditure comprises of departmental recoveries. work executed by sub-contractors, earth work concrete, work transport charges, hire charges, road work, repairs and maintenance taxes and duties, insurance, commission to banks on bank guarantees/ letter of credit and other works expenditure.

Changes in inventories of work-in-progress

Our expenses due to changes in inventories of work in progress comprises of opening work in progress but does not include closing work in progress which is deducted from the opening work in progress.

Employee benefits expense

Our employee benefits expenses comprise of salaries and wages, directors' remuneration, contribution to statutory fund and staff welfare expenses.

Finance Costs

Our finance costs comprise of interest expenses on term loans, working capital facilities, debentures, equipment loans, other borrowing costs and Bank Guarantee and other financial charges.

Depreciation and amortization expense

Depreciation is provided on property, (other than land and capital work in progress) using the straight line basis over the useful lives as specified in Schedule II to the Companies Act 2013.

Other Expenses

Our other expenses comprises advertisement expenses, audit fee, donations, CSR expenditure, insurance, consultancy, legal and professional charges, general expenses, power and fuel, miscellaneous expenses, printing and stationery, rent, taxes and licenses, tender expenses, telephones, traveling and conveyance and loss on sale of assets**.**

Our Results of Operation

The following table sets forth the breakdown of our results of operations for Fiscal 2016 compared to Fiscal 2015 on a consolidated basis as prepared under Indian GAAP. The figures for Fiscal 2016 and Fiscal 2015 have been extracted from the audited consolidated financial statements for the financial year ended March 31, 2016 and March 31, 2015 respectively. For the details, please refer to the '*Financial Statements*' on page 246 of this Placement Document.

₹ in million

Particulars	**Fiscal**			
	2016		**2015**	
	Amount	**% of Total Revenue**	**Amount**	**% of Total Revenue**
REVENUE				
Revenue from Operations	16,204.09	99.19%	15,007.69	99.48%
Other Income	131.92	0.81%	78.50	0.52%
Total Revenue	**16,336.01**	**100.00%**	**15,086.19**	**100.00%**
EXPENSES				
Cost of materials consumed (including packing material consumed)	3,104.62	19.00%	4,817.68	31.93%
Work Expenditure	7,783.37	47.65%	6,232.62	41.31%
Changes in inventories of finished goods and work-in progress and stock in trade	564.38	3.45%	(58.84)	(0.39)%
Employee benefits expenses	332.27	2.03%	294.08	1.95%
Finance costs	2,851.81	17.46%	2,652.80	17.58%
Depreciation and amortization expense	1,514.91	9.27%	1,197.11	7.94%
Other Expenses	333.82	2.04%	305.47	2.02%
Total Expenditure	**16,485.18**	**100.91%**	**15,440.91**	**102.35%**
Profit before Exceptional items and Tax	**(149.17)**	**(0.91)%**	**(354.73)**	**(2.35)%**
Exceptional items	-	-	-	0.00%
Profit Before Tax	**(149.17)**	**(0.91)%**	**(354.73)**	**(2.35)%**
Tax Expense				
Current tax	185.33	1.13%	144.43	0.96%
Current Tax - for earlier years	0.10	0.00%	0.00	0.00%
Deferred tax expense /(benefit)	(56.74)	(0.35)%	(23.84)	(0.16)%
Profit after tax and before minority interest	**(277.86)**	**(1.70)%**	**(475.32)**	**(3.15)%**
Minority interest	(290.15)	(1.78)%	(158.38)	(1.05)%
Profit for the year	**12.29**	**0.08%**	**(316.94)**	**(2.10)%**

Revenue:

Our income from operations comprises (i) contract revenue, (ii) supply of materials (iii) other operational revenue and (iv) share of profits from joint venture.

₹ in million

Total Income	***2016***	***% of total revenue***	***2015***	***% of total revenue***
Construction Revenue	12,544.42	76.79%	8,671.80	57.48%
Materials Supply Revenue	1,016.06	6.22%	3,563.12	23.62%
Claims	-	0.00%	451.82	2.99%
Revenue from Electricity Generation	50.19	0.31%	57.95	0.38%
Share of profit from Joint Ventures	38.89	0.24%	18.64	0.12%
Annuity Income	1,777.90	10.88%	1,777.90	11.78%
Toll Revenue	776.63	4.75%	466.46	3.09%

Total revenue: Our total revenue increased by ₹ 1,249.82 million, or 8.28%, from ₹ 15,086.19 million in Fiscal 2015 to ₹ 16,336.01 million in Fiscal 2016. This was primarily due to increase by ₹ 1,196.40 million or 7.97 % increase in revenue from operations from ₹ 15,007.69 million in the Fiscal 2015 to ₹ 16,204.09 million in the Fiscal 2016. This was primarily on account of the road projects awarded by NHAI.

Other Income: Other income increased by ₹ 53.42 million, or 68.06 %, from ₹ 78.50 million for the Fiscal 2015 to ₹ 131.92 million for the Fiscal 2016. This increase was on account of refund of bank guarantee commission received by our Company in irrigation projects by Government of Andhra Pradesh and interest received by our Subsidiaries

Expenditure

Our total expenditure increased by 6.76% from ₹ 15,440.91 million in Fiscal 2015 to ₹ 16,485.18 million in Fiscal 2016 primarily due to the following:

Cost of Materials Consumed

Our cost of material consumed decreased by 35.56 % from ₹ 4,817.68 million in Fiscal 2015 to ₹ 3,104.62 million in Fiscal 2016, which was due to initial stages of work being undertaken for new road projects awarded by NHAI in the states of Odisha, Chhattisgarh and Haryana, which did not warrant the requirement of raw materials. Our Company had outsourced the earthwork for the above projects to third party contractors. Further during the Fiscal Year the requirement for raw materials decreased on account of near completion of projects relating to (i) the coal handling system in our Krishnapatnam works and (ii) railway line materials at our Tata work site in Kalingnagar Odisha.

Work Expenditure

Our work expenditure increased by 24.88% from ₹ 6,232.62 million in Fiscal 2015 to ₹ 7,783.37 million in Fiscal 2016, which was due to increase in expenses incurred initial stages of work for Mizoram, Odisha, Chattisgarh were sub contracted to third parties. Also, irrigation project at the Polvaram which were awarded in 2014 – 2015 and stalled, resumed during the year and hence our work expenditure increased.

Employee benefit expenses

Our employee benefit expenses has increased by 12.99 % from ₹ 294.08 million in Fiscal 2015 to ₹ 332.27 million in Fiscal 2016 primarily on account of customary annual increase in salaries and wages paid to employees of our Company.

Finance Costs

Our finance costs increased by 7.50% from ₹ 2,652.80 million in Fiscal 2015 to ₹ 2,851.81 million in Fiscal 2016 primarily on account of higher interest rate on the additional borrowings taken for the term loans/project loans in Subsidiary Companies.

Depreciation and Amortization Expense

Our depreciation and amortization costs increased by 26.55% from ₹ 1,197.11 million in Fiscal 2015 to ₹ 1,514.91 million in Fiscal 2016. The increase in depreciation and amortization expense is primarily on account of increase in asset base.

Profit before tax:

Our loss before tax decreased by ₹ 205.56 million, from ₹ (354.73) million in Fiscal 2015 to ₹ (149.17) million in Fiscal 2016 primarily for the reasons mentioned above.

Tax expense (current tax and deferred tax):

Our tax expense for Fiscal 2015 was ₹ 120.59 million and ₹ 128.60 million for Fiscal 2016.

Profit after tax:

Our profit after tax increased by ₹ 329.23 million, from loss of ₹ 316.94 million in Fiscal 2015 to profit of ₹ 12.29 million in Fiscal 2016 primarily for the reasons mentioned above.

Cash Flows

The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods indicated:

(₹ in million)

	Fiscal	
	2016	**2015**
Net cash generated from/(used in) operating activities	2,958.89	(235.37)
Net cash generated from/(used in) investing activities	(4,081.29)	(9,002.80)
Net cash generated from/(used in) financing activities	1,878.03	4,879.98
Net increase/ (decrease) in cash and cash equivalents	**755.63**	**(4,358.20)**

<u>Fiscal 16</u>

Operating Activities

Our net cash generated from operating activities was ₹ 2,958.89 million for the Fiscal 2016, which was primarily due to an increase of ₹ 2,194.38 million, ₹ 1,741.93 million and ₹ 2,669.53 million in trade receivables, short term loans and advances and current assets respectively, payment of finance costs of ₹ 2,847.19 million, payment of taxes of ₹ 183.81 million, this was partially offset by decrease of ₹ 870.50 million in inventory, an increase in other long term liabilities of ₹ 1,626.85 million, increase of ₹ 607.35 million in trade payable and increase of ₹ 1,979.44 million in other current liabilities.

Investing Activities

Net cash used in investing activities was ₹ 4,081.29 million for the Fiscal 2016, mainly due to purchase of ₹ 4,304.34 million of property, plant and equipment.

Financing Activities

Net cash generated from financing activities was ₹ 1,878.03 million for the Fiscal 2016, primarily due to issuance of share capital of ₹ 1,064.42 million receipts of loans of ₹ 2,389.54 million, receipts of capital grants of ₹ 1,647.68 million, this was offset by rise in borrowings cost of ₹ 2,984.60 million.

<u>Fiscal 2015</u>

Operating Activities

Our net cash used in operating activities was ₹ 235.37 million for the Fiscal 2015, which was primarily due to an increase of ₹ 3,998.56 million and ₹ 1,177.97 million of long term loans and advances and other non current assets, payment of finance costs of ₹ 2,632.86 million, payment of taxes of ₹ 144.43 million, this was partially offset by decrease of ₹ 5,223.65 million in trade payables and a decrease in other long term liabilities of ₹ 1,041.86 million.

Investing Activities

Net cash used in investing activities was ₹ 9,002.80 million for the Fiscal 2015, mainly due to purchase of ₹ 5,131.41 million of property, plant and equipment, purchase of ₹2,197.34 million of non current investments and adjustment of change in status of erstwhile Associate into Subsidiary of ₹ 2,040.78 million.

Financing Activities

Net cash generated in financing activities was ₹ 4,879.98 million for the Fiscal 2015, primarily due to receipts of loans of ₹ 7,439.83 million, which was offset by rise in borrowings cost of ₹ 2,626.81 million.

The following table sets forth the breakdown of our results of operations for the periods indicated Fiscal 2016 compared to Fiscal 2015 on a standalone basis as prepared under Indian GAAP.

₹ in million

Particulars	Fiscal			
	2016		2015	
	Amount	% of Total Revenue	Amount	% of Total Revenue
REVENUE				
Revenue from Operations	18,122.12	99.64%	16,011.42	99.73%
Other Income	65.99	0.36%	43.92	0.27%
Total Revenue	**18,188.11**	**100.00%**	**16,055.34**	**100.00%**
EXPENSES				
Cost of materials consumed (including packing material consumed)	5,057.42	27.81%	5,833.88	36.34%
Work Expenditure	9,132.94	50.21%	7,474.46	46.55%
Changes in inventories of finished goods and work-in progress and stock in trade	564.38	3.10%	(58.84)	(0.37)%
Employee benefits expenses	420.62	2.31%	363.28	2.26%
Finance costs	1,579.29	8.68%	1,486.72	9.26%
Depreciation and amortization expense	374.75	2.06%	282.01	1.76%
Other Expenses	352.17	1.94%	322.94	2.01%
Total Expenditure	**17,481.57**	**96.12%**	**15,704.45**	**97.81%**
Profit before Exceptional items and Tax	**706.54**	**3.88%**	**350.89**	**2.19%**
Exceptional items	0.00	0.00%	0.00	0.00%
Profit Before Tax	**706.54**	**3.88%**	**350.89**	**2.19%**
Tax expenses				
Current tax	176.79	0.97%	143.92	0.90%
Deferred tax expense /(benefit)	(56.73)	0.31%	(13.56)	0.08%
Profit for the year	**586.48**	**3.22%**	**220.53**	**1.37%**

Revenue:
Our income from operations comprises (i) contract revenue, (ii) supply of materials (iii) other operational revenue and (iv) share of profits from joint venture.

₹ in million

Total Income	**2016**	*% of total revenue*	**2015**	*% of total revenue*
Contract revenue,	17,016.98	93.56%	11,919.88	74.24%
Supply of materials	1,016.06	5.59%	3,563.12	22.19%
Claims	-	0.00%	451.82	2.81%
Revenue from Electricity Generation	50.19	0.28%	57.95	0.36%
Share of profit from Joint Ventures	38.89	0.21%	18.64	0.12%

Total revenue: Our total revenue increased by ₹ 2,132.78 million, or 13.28 %, from ₹ 16,055.34 million in the Fiscal 2015 to ₹ 18,188.11 million in the Fiscal 2016.

Revenue from Operations: Our revenue from operations increased by ₹ 2,110.71 million, or 13.18%, from ₹ 16,011.42 million in the Fiscal 2015 to ₹ 18,122.12 million in the Fiscal 2016. This was primarily on account of the new road projects awarded by NHAI in the states of Odisha, Chhattisgarh and Haryana. Further, the irrigation projects at Polvaram and Chintalpudi which were awarded in 2014 – 2015 were stalled. These projects, resumed during the year, which added to the turnover in Fiscal 2016.

Other Income: Other income increased by ₹ 22.07 million or 50.24% from ₹ 43.92 million for the Fiscal 2015 to ₹ 65.99 million for the Fiscal 2016. This increase was on account refund of ₹ 27.35 million of bank guarantee commission in irrigation projects by Government of Andhra Pradesh.

Expenditure

Our total expenditure increased by 11.32% from ₹ 15,704.45 million in Fiscal 2015 to ₹ 17,481.57 million in Fiscal 2016 primarily due to the following:.

Cost of Materials Consumed

Our cost of material consumed decreased by 13.31 % from ₹ 5,833.88 million in Fiscal 2015 to ₹ 5,057.42 million in Fiscal 2016, due to initial stages of work being undertaken for new road projects awarded by NHAI in the states of Odisha, Chhattisgarh and Haryana, which did not warrant the requirement of raw materials. Our Company had outsourced the earthwork for the above projects to third party contractors.

Further during the Fiscal Year the requirement for raw materials decreased on account of near completion of projects relating to (i) the coal handling system in our Krishnapatnam works and (ii) railway line materials at our Tata work site in Kalingnagar Odisha.

Work Expenditure

Our work expenditure increased by 22.19% from ₹ 7,474.47 million in Fiscal 2015 to ₹ 9,132.94 million in Fiscal 2016, which was due to increase in expenses incurred in connection with initial stages of work for Mizoram project including all items of the bill of quantity was sub-contracted to third parties.

Employee benefit expenses

Our employee benefit expenses has increased from ₹ 363.28 million in Fiscal 2015 to ₹ 420.62 million in Fiscal 2016 primarily on account of customary annual increase in salaries and wages paid to employees of our Company.

Finance Costs

Our finance costs increased by 6.23% from ₹ 1,486.72 million in Fiscal 2015 to ₹ 1,579.29 million in Fiscal 2016 primarily on account of higher interest rate on additional borrowings.

Depreciation and Amortization Expense

Our depreciation and amortization costs increased by 32.89% from ₹ 282.01 million in Fiscal 2015 to ₹ 374.75 million in Fiscal 2016. The increase in depreciation and amortization expense is primarily on account of increase in machinery.

Profit before tax:

Our profit before tax increased by ₹355.66 million, from ₹350.89 million in Fiscal 2015 to ₹706.54 million in Fiscal 2016 primarily for the reasons mentioned above.

Tax expense (current tax and deferred tax):

Our tax expense for Fiscal 2015 was ₹130.35 million and for Fiscal 2016 was ₹120.06 million. The increase in tax expenses (excluding deferred tax) was in line with the increase in profit before tax during Fiscal 2016.

Profit after tax:

Our profit after tax increased by ₹ 365.95 million, from ₹ 220.53 million in Fiscal 2015 to ₹ 586.48 million in Fiscal 2016 primarily for the reasons mentioned above.

Cash Flows

The following table sets forth certain information relating to our cash flows on a standalone basis for the periods indicated:

(₹ in million)

	Fiscal	
	2016	**2015**
Net cash generated from/(used in) operating activities	136.91	(1,311.56)

	Fiscal	
	2016	2015
Net cash generated from/(used in) investing activities	(488.99)	(26.74)
Net cash generated from/(used in) financing activities	700.99	776.41
Net increase/ (decrease) in cash and cash equivalents	**348.91**	**(561.89)**

Fiscal 2016

Operating Activities

Our net cash generated from operating activities was ₹ 136.91 million for the Fiscal 2016, which was primarily due to an increase of ₹ 2,323.13 million and ₹ 1,757.19 million in trade receivables and short term loans and advances respectively, payment of finance costs of ₹ 1,574.67 million, payment of taxes of ₹ 176.79 million, this was partially offset by decrease of ₹ 871.39 million in inventory and an increase in other long term liabilities of ₹ 1,299.00 million.

Investing Activities

Net cash used in investing activities was ₹ 488.99 million for the Fiscal 2016, mainly due to purchase of ₹ 562.15 million of property, plant and equipment, which was partially offset by investment income of ₹ 65.99 million.

Financing Activities

Net cash generated from financing activities was ₹ 700.99 million for the Fiscal 2016, primarily due to issuance of share capital of ₹ 1,064.42 million and receipts of loans of ₹ 1,703.83 million which was offset by rise in borrowings cost of ₹ 1,720.00 million.

Fiscal 2015

Operating Activities

Our net cash used in operating activities was ₹ 1,311.56 million for the Fiscal 2015, which was primarily due to an increase of ₹ 2,954.04 million and ₹ 740.18 million of short term and long term loans and advances, payment of finance costs of ₹ 1,457.39 million, payment of taxes of ₹ 143.92 million and decrease in other long term liabilities of ₹ 1,143.10 million, which was partially offset by the decrease of ₹ 985.97 in trade receivables and increase of ₹ 599.72 million in trade payable.

Investing Activities

Net cash used in investing activities was ₹ 26.74 million for the Fiscal 2015, mainly due to purchase of ₹ 95.75 million of property, plant and equipment, which was partially offset by investment income of ₹ 43.91 million.

Financing Activities

Net cash generated in financing activities was ₹776.41 million for the Fiscal 2015, primarily due to receipts of loans of ₹2,429.23 million, this was offset by rise in borrowings cost of ₹1,491.82 million

Our Indebtedness as on March 31, 2017

As of March 31, 2017 our total standalone borrowings were ₹ 20,736.33 million. Our borrowings comprised secured and unsecured borrowings from banks, non-banking financial institutions and our Directors. The following table summarizes our consolidated long-term and short-term indebtedness as of March 31, 2017:

Our Indebtedness	As of March 31, 2017 (₹ in million)	As of March 31, 2017 (₹ in million)
	Standalone	Consolidated
Short-term Borrowings		
Secured	9,596.08	9,596.08
Unsecured	-	-

Our Indebtedness	As of March 31, 2017 (₹ in million)	As of March 31, 2017 (₹ in million)
	Standalone	**Consolidated**
Total Short-term Borrowings	**9,596.08**	**9,596.08**
Long-term Borrowings:		
Secured	9,628.86	9,628.86
Unsecured	48.87	148.12
Total Long-term Borrowings	**9,677.73**	**9,776.98**
Current maturities of Long-term Borrowings	1,462.52	3,291.92
Total	**20,736.33**	**22,664.98**

Contingent Liabilities, Contractual Obligations, Commitments and Other Off-balance Sheet Arrangements

As of March 31, 2017, we had the following contingent liabilities and commitments to the extent not provided are as follows on a standalone basis:

Particulars	As of March 31, 2017 (₹ in million)
Guarantees given by the Banks towards performance & Contractual Commitments	12,878.90
Corporate Guarantees given to Group Companies	31,054.80
Disputed Liability of Income Tax, Sales Tax,	668.15

Interest coverage ratio:

Our Company's interest coverage ratio as per its Standalone Financial Statements as of March 31, 2017, 2016 and 2015:

Particulars	Financial Year 2016-17	Financial Year 2015-16	Financial Year 2014-15
Interest Coverage Ratio**	1.39	1.34	1.18

** Interest Coverage Ratio = Earnings before interest and tax/interest expense***

*** Interest Expense excludes foreign exchange losses, commissions/charges to banks on Bank Guarantee/ Letter of Credit and other financial charges.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties, including with our affiliates and certain key management members on an arm's lengths basis. Such transactions could be for provision of services, intercompany loans, lease or purchase of assets or property, sale or purchase of equity shares or entail incurrence of indebtedness. For details of our related party transactions, please refer to "*Financial Statements*" on page 246.

Quantitative and Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk, commodity risk, credit risk, inflation risk and foreign currency exchange risk.

Interest Rate Risk

We are exposed to interest rate risk resulting from fluctuations in interest rates. While all of our long term borrowings from banks and financial institutions are at fixed rate basis with an average yield of 12.04% as at the date of this Placement Document. The term loans taken for the purchase of the equipment/ plant and machinery primarily consist of floating rate obligations linked to the applicable benchmark rates, which may typically be adjusted at certain intervals in accordance with prevailing interest rates. Increases in interest rates would increase interest expenses relating to our outstanding floating rate borrowings and increase the cost of new debt. In addition, an increase in interest rates may adversely affect our ability to service long-term debt and to finance development of new projects, all of which in turn may adversely affect our results of operations. We do not have a policy to enter into hedging arrangements against interest rate fluctuations.

Commodity Price Risk

We are exposed to market risk with respect to the prices of the materials used for our construction business. These commodities include high speed diesel and fuel oil, bitumen, stone, sand, steel, crushed boulder and cost of spares. The costs for these materials are based on commodity prices and subject to fluctuations. The costs of components sourced from outside manufacturers may also fluctuate based on their availability from suppliers.

Inflation

In recent years, India has experienced relatively high rates of inflation. Inflation could affect the prices of raw materials, spares etc. required for construction business which could impact on our business and results of operations. In some of our contracts we are compensated by escalation clauses to some extent.

Reservations, qualifications or adverse remarks by Auditors

Please see below a summary of reservations, qualifications or adverse remarks of statutory auditors in the last five Financial Years and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations, qualifications or adverse remarks:

#	Qualification / Reservation / Adverse Remark	Impact on the Company's Financial Statements and Financial Position	Our comments on the Qualification / Reservation / Adverse Remark
Financial Year 2016-17			
Standalone Financial Statements - Reservation			
1.	Loans given to some of the sub-contractors and accumulated interest thereon which are long pending for recovery.	-	Our Management is confident that the recovery process of these loans will commence in due course and that the recovery will be effected.
2.	Certain contract and work advances given to some of the sub-contractors which are long pending for recovery.	-	Our Management is of the opinion that the said works for which the advances are given have not commenced due to extraneous factors and the delay is not attributable to the sub-contractor. Further the company has recovered advances amounting to ₹ 1435.60 million during the Financial Year 2017-18 and further more recovery is expected in the coming months.
3.	Pursuant to Composite Scheme of	-	The consideration

#	Qualification / Reservation / Adverse Remark	Impact on the Company's Financial Statements and Financial Position	Our comments on the Qualification / Reservation / Adverse Remark
	Arrangement ('Scheme'), the consideration receivable by the Company in the form of Equity and Preference Shares amounting to ₹ 1,801.60 million have been grouped under Investments in the revised standalone financial statements although the shares are yet to be issued and allotted by the resulting Company.		receivable of ₹ 1801.60 million by our Company in the form equity & preference shares is grouped under Investments based on an opinion received from an independent Company Secretary who has opined as under "Pending issue and allotment of shares by the resulting company i.e. GDPL the consideration receivable by GPL in the form of equity & preference shares can be accounted in the books of GPL as investments in equity & preference shares pursuant to clause 21 of the Composite Scheme of Arrangement as the allotment of securities is subject to necessary statutory and regulatory approvals for listing of securities in the Stock Exchanges" .
Consolidated Financial Statements - Reservation			
4.	Loans given to some of the sub-contractors and accumulated interest thereon which are long pending for recovery.	-	Our Management is confident that the recovery process of these loans will commence in due course and that the recovery will be effected.
5.	Certain contract and work advances given to some of the sub-contractors which are long pending for recovery.	-	Our Management is of the opinion that the said works for which the advances are given have not commenced due to extraneous factors and the delay is not attributable to the sub-contractor. Further the company has recovered advances amounting to ₹ 1435.60 million during the Financial Year 2017-18 and further more recovery is expected in the coming months.
6.	Pursuant to Composite Scheme of Arrangement ('Scheme'), the consideration receivable by the Company in the form of Equity and Preference Shares amounting to ₹ 1,801.60 million have been	-	The consideration receivable of ₹ 1801.60 million by our Company in the form equity & preference shares is grouped under Investments based on

#	Qualification / Reservation / Adverse Remark	Impact on the Company's Financial Statements and Financial Position	Our comments on the Qualification / Reservation / Adverse Remark
	grouped under Investments in the revised standalone financial statements although the shares are yet to be issued and allotted by the resulting Company.		an opinion received from an independent Company Secretary who has opined as under "Pending issue and allotment of shares by the resulting company i.e. GDPL the consideration receivable by GPL in the form of equity & preference shares can be accounted in the books of GPL as investments in equity & preference shares pursuant to clause 21 of the Composite Scheme of Arrangement as the allotment of securities is subject to necessary statutory and regulatory approvals for listing of securities in the Stock Exchanges" .
7.	Pursuant to Composite Scheme of Arrangement ('Scheme'), Gayatri Domicile Private Limited (GDPL) becomes Associate Company as on March 31, 2017 by virtue of Equity Shareholding held by the Holding Company in the said GDPL. The said associate company i.e GDPL has not been considered for consolidation in the consolidated Ind AS financial statements.	-	The consideration receivable by our Company in the form of Equity & Preference shares amounting to ₹ 1801.60 million have been grouped under Investments though the shares are yet to be allotted. Pending issue and allotment of equity shares and filing of necessary forms with the ROC the said associate Company i.e. GDPL has not been considered for consolidation in the financial statements.
Financial Year 2015-16			
Standalone Financial Statements - Reservation			
1.	Certain loans & advances and work advances given to some of the sub-contractors which are long pending for recovery.	-	Our Management is confident that the recovery process of these loans will commence in due course and that the recovery will be effected. Our Management is of the opinion that the said works for which the advances are given have not commenced due to extraneous factors and the delay is not attributable to the sub-contractor. Further the

#	Qualification / Reservation / Adverse Remark	Impact on the Company's Financial Statements and Financial Position	Our comments on the Qualification / Reservation / Adverse Remark
			company has recovered advances amounting to ₹ 1435.60 million during the Financial Year 2017-18 and further more recovery is expected in the coming months.
Consolidated Financial Statements - Qualification			
2.	M/s Gayatri Infra Ventures Limited (GIVL), a subsidiary of the company, has entered into a definitive sale agreement for divestment of its entire equity stake amounting to ₹ 460.61 million held in Western UP Tollway Limited, a jointly controlled entity of GIVL. The Independent Auditors of GIVL in their audit report on consolidated financial statements of GIVL have qualified the above said matter by stating that pending final outcome of the said process.	The Independent Auditors of GIVL in their audit report on consolidated financial statements, they are unable to comment upon the consequential effects, if any, of the said matter, on the financial statements of GIVL.	Our Management clarifies that the sale was concluded in the subsequent year and the consolidated audit report for the Financial Year 2016-17 is devoid of the said qualification
Reservation			
3.	Certain loans & advances and work advances given to some of the sub-contractors which are long pending for recovery.	-	Our Management is confident that the recovery process of these loans will commence in due course and that the recovery will be effected. Our Management is of the opinion that the said works for which the advances are given have not commenced due to extraneous factors and the delay is not attributable to the sub-contractor. Further the company has recovered advances amounting to ₹ 1435.60 million during the Financial Year 2017-18 and further more recovery is expected in the coming months.
Financial Year 2014-15			
Standalone Financial Statements - Reservation			
1.	Excess managerial remuneration paid by the Company.	-	The excess managerial remuneration paid was recovered in the subsequent year i.e. Fiscal 2016.
2.	Recovery of loans & Advances and work advances given to some of the subcontractors.	-	Our Management is confident that the recovery process of these loans will commence in due course and that the

#	Qualification / Reservation / Adverse Remark	Impact on the Company's Financial Statements and Financial Position	Our comments on the Qualification / Reservation / Adverse Remark
			recovery will be effected.
3.	Conversion of long pending trade receivables of ₹ 2,185.10 million for which necessary statutory formalities / compliances are pending.	-	Our Company has executed the hotel project of Gayatri Hitech Hotels Ltd under EPC grouped under Receivables. On mutual consent in the subsequent year 2015-16 the Receivables has been converted into 23500000, 9% Cumulative Redeemable Preference Shares (CRPS) of ₹ 10/- each at a premium of ₹ 90/- per share. Our Management is also confident of commencing monetising the investment in the current year.
4.	Pending confirmation of balances in respect of certain items and balances reported in the financial statements.	-	Our Management is of the opinion that some of the creditors don't send a separate confirmation other than the statement of account in the regular course of business. The qualified opinion has been removed in the subsequent years.
Consolidated Financial Statements - Reservation			
1.	Excess managerial remuneration paid by the company.	-	The excess managerial remuneration paid was recovered in the subsequent year i.e. Fiscal 2016.
2.	Recovery of loans & Advances and work advances given to some of the subcontractors.	-	Our Management is confident that the recovery process of these loans will commence in due course and that the recovery will be effected.
3.	Conversion of long pending trade receivables of ₹ 2,185.10 million for which necessary statutory formalities / compliances are pending.	-	Our Company has executed the hotel project of Gayatri Hitech Hotels Ltd under EPC grouped under Receivables. On mutual consent in the subsequent year 2015-16 the Receivables has been converted into 23500000, 9% Cumulative Redeemable Preference Shares (CRPS) of ₹ 10/-

#	Qualification / Reservation / Adverse Remark	Impact on the Company's Financial Statements and Financial Position	Our comments on the Qualification / Reservation / Adverse Remark
			each at a premium of ₹ 90/- per share. Our Management is also confident of commencing monetising the investment in the current year.
4.	Pending confirmation of balances in respect of certain items and balances reported in the financial statements.	-	Our Management is of the opinion that some of the creditors don't send a separate confirmation other than the statement of account in the regular course of business. The qualified opinion has been removed in the subsequent years.
5.	Qualifications made by the independent auditors of a subsidiary company in their Consolidated Audit Report.	-	Our Company had during the year filed an application for claims in the High court for which the proceedings are in progress. Subsequently the parties have agreed that any claims received by the SPV would be passed on to the EPC contractor after deducting the loan amount of ₹ 300 million. The qualification has hence been removed in the subsequent years.
Financial Year 2013-14			
	Standalone Financial Statements - Qualification		
1.	Non provision for its share of joint venture losses by the Company amounting to ₹ 463.00 million.	Had the provision been made for the losses, the reserves and surplus and the short term loans and advances of the Company would have been lower by ₹ 463.00 million.	Our Management has clarified that in view of the various claims pending with the NHAI for their contractual failures the losses are not considered in the JV books. The claims which are primarily attributed to such employer failures were expected to be awarded in favour of the JV and hence no provision was made in the books of account. In the year 2014-15 the JV got a favorable award amounting to ₹ 619.90 million including interest. In the same year SEBI had referred the non-provision of the JV loss to the FRRB for examination. In the year

#	Qualification / Reservation / Adverse Remark	Impact on the Company's Financial Statements and Financial Position	Our comments on the Qualification / Reservation / Adverse Remark
			2015-16 the Company as per the directions of the FRRB made a provision to the extent of ₹ 450.10 million equivalent to its share of 40% in the JV.
	- Reservation		
2.	Pending confirmation of balances in respect of certain items and balances reported in the financial statements.	-	Our Management is of the opinion that some of the creditors don't send a separate confirmation other than the statement of account in the regular course of business. The qualified opinion has been removed in the subsequent years.
	Consolidated Financial Statements **- Qualification**		
1.	Non provision for its share of joint venture losses by the Company amounting to ₹ 463.00 million.	Had the provision been made for the losses, the reserves and surplus and the short term loans and advances of the Company would have been lower by ₹ 463.00 million.	Our Management has clarified that in view of the various claims pending with the NHAI for their contractual failures the losses are not considered in the JV books. The claims which are primarily attributed to such employer failures were expected to be awarded in favour of the JV and hence no provision was made in the books of account. In the year 2014-15 the JV got a favorable award amounting to ₹ 619.90 million including interest. In the same year SEBI had referred the non-provision of the JV loss to the FRRB for examination. In the year 2015-16 the Company as per the directions of the FRRB made a provision to the extent of ₹ 450.10 million equivalent to its share of 40% in the JV.
	- Reservation		
2.	Pending confirmation of balances in respect of certain items and balances reported in the financial statements.	-	Our Management is of the opinion that some of the creditors don't send a separate confirmation other than the statement of account in the regular course of business. The qualified opinion has been removed in the

#	Qualification / Reservation / Adverse Remark	Impact on the Company's Financial Statements and Financial Position	Our comments on the Qualification / Reservation / Adverse Remark
			subsequent years.
3.	Qualifications and certain observations made on the entity's ability to continue as a going concern by the Independent Auditors of a subsidiary company.	-	GIVL has been regular in clearing its financial obligations to all the banks and financial institutions and there has been no irregularity since the year 2014. Further, the Independent auditors of GIVL have not qualified the same in the subsequent years. Pursuant to the NCLT order dated November 3, 2017 for the implementation of the Composite Scheme of Arrangement, GIVL merged with our Company and GIVL is dissolved.
Financial Year 2012-13			
	Standalone Financial Statements - Qualification		
1.	Non provision for its share of joint venture losses by the Company amounting to ₹ 463.00 million.	Had the provision been made for the losses, the reserves and surplus and the short term loans and advances of the Company would have been lower by ₹ 463.00 million.	Our Management has clarified that in view of the various claims pending with the NHAI for their contractual failures the losses are not considered in the JV books. The claims which are primarily attributed to such employer failures were expected to be awarded in favour of the JV and hence no provision was made in the books of account. In the year 2014-15 the JV got a favorable award amounting to ₹ 619.90 million including interest. In the same year SEBI had referred the non-provision of the JV loss to the FRRB for examination. In the year 2015-16 the Company as per the directions of the FRRB made a provision to the extent of ₹ 450.10 million equivalent to its share of 40% in the JV.
	Consolidated Financial Statements Qualification		
2.	Non provision for its share of joint venture losses by the Company amounting to ₹ 463.00 million.	Had the provision been made for the losses, the reserves and surplus and the short term loans and	Our Management has clarified that in view of the various claims pending with

#	Qualification / Reservation / Adverse Remark	Impact on the Company's Financial Statements and Financial Position	Our comments on the Qualification / Reservation / Adverse Remark
		advances of the Company would have been lower by ₹ 463.00 million.	the NHAI for their contractual failures the losses are not considered in the JV books. The claims which are primarily attributed to such employer failures were expected to be awarded in favour of the JV and hence no provision was made in the books of account. In the year 2014-15 the JV got a favorable award amounting to ₹ 619.90 million including interest. In the same year SEBI had referred the non-provision of the JV loss to the FRRB for examination. In the year 2015-16 the Company as per the directions of the FRRB made a provision to the extent of ₹ 450.10 million equivalent to its share of 40% in the JV.

Note: *Reservation for the purpose of the above table includes Emphasis of Matters.*

SUMMARY OF CERTAIN DIFFERENCES BETWEEN INDIAN GAAP AND IND-AS

M/s M O S & Associates LLP, Chartered Accountants, are the Statutory Auditors of the Company. The financial statements for the year ended March 31st, 2017 is the first year the Company has prepared financial information as per Ind AS. The financial statements for the year ended March 31st, 2016 and the opening balance sheet as at April 01st, 2015 have been restated in accordance with Ind AS.

The following is a summary of significant differences between Indian GAAP and Ind AS.

Sr. No.	Ind AS No.	Particulars	Indian GAAP	Ind AS
1.	Ind AS 1	Presentation of financial Statements	**Other Comprehensive Income:** There is no concept of 'Other Comprehensive Income' under Indian GAAP.	**Other Comprehensive Income:** Ind AS 1 introduces the concept of Other Comprehensive Income ("**OCI**"). Other comprehensive income comprises items of income and expense (including reclassification adjustments) that is not recognized in profit or loss as required or permitted by other Ind AS.
			Extraordinary items: Under Indian GAAP, extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.	**Extraordinary items:** Under Ind AS, presentation of any items of income or expense as extraordinary is prohibited.
			Change in Accounting Policies: Indian GAAP requires changes in accounting policies to be presented in the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material.	**Change in Accounting Policies:** Ind AS requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied,

Sr. No.	Ind AS No.	Particulars	Indian GAAP	Ind AS
			If a change in the accounting policy has no material effect on the financial statements for the current period, but is expected to have a material effect in the later periods, the same should be appropriately disclosed.	unless transitional provisions of an accounting standard require otherwise.
2.	Ind AS 12	Deferred Taxes	Under Indian GAAP, the Company determines deferred tax to be recognized in the financial statements with reference to the income statement approach i.e. with reference to the timing differences between profit offered for income taxes and profit as per the financial statements.	As per Ind AS 12 *Income Taxes*, deferred tax is determined with reference to the balance sheet approach i.e. based on the differences between carrying value of the assets/ liabilities and their respective tax base. Using the balance sheet approach, there could be additional deferred tax charge/income on account of all Ind AS opening balance sheet adjustments.
3.	Ind AS 16	Property, plant and equipment – reviewing depreciation and residual value	Under Indian GAAP, the Company currently provides depreciation on straight line method (except buildings wherein the depreciation is provided on written down value method) over the useful lives of the assets estimated by the Management.	Ind AS 16 mandates reviewing the method of depreciation, estimated useful life and estimated residual value of an asset at least once in a year. The effect of any change in the estimated useful and residual value shall be taken prospectively. Ind AS 101 allows current carrying value under Indian GAAP for items of property, plant and equipment to be carried forward as the cost under Ind AS.
4.	Ind AS 19	Accounting for Employee benefits	Currently, under Indian GAAP the Company recognizes all short term and long term employee benefits in the profit and loss account as the services are received. For long term employee benefit, the Company uses actuarial valuation to determine the liability.	Under Ind AS 19, the change in liability is split into changes arising out of service, interest cost and re-measurements and the change in asset is split between interest income and re- measurements. Changes due to service cost and net interest cost/ income need to be recognized in the income statement and the

Sr. No.	Ind AS No.	Particulars	Indian GAAP	Ind AS
				changes arising out of re-measurements are to be recognized directly in OCI.
5.	Ind AS 24	Related Parties	Under Indian GAAP, the scope of related parties is limited	Under Ind AS, the scope of related parties is extensive.
6.	Ind AS 27	Separate Financial Statements	Accounting for investments in subsidiaries is governed by Accounting Standard 13 depending on the classification of the investment as current or long term	Accounting for investments in subsidiaries is governed by Ind AS 27 which gives an option to account the same at cost or in accordance with Ind AS 109
7.	Ind AS 37	Provisions, contingent liabilities and contingent assets	Under Indian GAAP, provisions are recognized only under a legal obligation. Also, discounting of provisions to present value is not permitted.	Under IND AS, provisions are recognized for legal as well as constructive obligations. INDAS requires discounting the provisions to present value, if the effect of time value of money is material
9.	Ind AS 31/107/109	Presentation and classification of Financial Instruments and subsequent measurement	Currently, under Indian GAAP, the financial assets and financial liabilities are recognized at the transaction value. The Company classifies all its financial assets and liabilities as short term or long term. Long term investments are carried at cost less any permanent diminution in the value of such investments determined on a specific identification basis. Current investments are carried at lower of cost and fair value. Financial liabilities are carried at their transaction values. Disclosures under Indian GAAP are limited. Currently under Indian GAAP, interest subsidy is recognized when right to receive the payment is established and loan processing fees and/or fees of similar nature are	Ind AS 109 requires all financial assets and financial liabilities to be recognized on initial recognition at fair value. Financial assets have to be either classified as measured at amortized cost or measured at fair value. Where assets are measured at fair value, gains and losses are either recognized entirely in profit or loss, (FVTPL), or recognized in other comprehensive income (FVOCI). Financial assets include equity and debts investments, interest free deposits, loans, trade receivables etc. Assets classified at amortized cost and FVOCI and the related revenue (including interest subsidy, processing fees and fees of similar nature) net of related costs have to be measured using the Effective Interest Rate (EIR) method. Interest subsidy and loan processing fees and/or fees of similar nature would be measured and recognized using the Effective Interest Rate (EIR) method over the

Sr. No.	Ind AS No.	Particulars	Indian GAAP	Ind AS
			recognized upfront in the Statement of Profit and Loss.	period of loan. There are two measurement categories for financial liabilities – FVTPL and amortized cost. Fair value adjustment on transition shall be adjusted against opening retained earnings on the date of transition. Disclosures under Ind AS are extensive.
10.	Ind AS 31/ 107/ 109	Financial Instruments – Impairment	Under Indian GAAP, the Company assesses the provision for doubtful debts at each reporting period, which in practice, is based on relevant information like past experience, financial position of the debtor, cash flows of the debtor, guidelines issued by the regulator etc.	The impairment model in Ind AS is based on expected credit losses and it applies equally to debt instruments measured at amortized cost or FVOCI, lease receivables, contract assets within the scope of Ind AS 15 (currently deferred) and certain written loan commitments and financial guarantee contracts.

Note: The above mentioned list of differences is not exhaustive.

INDUSTRY OVERVIEW

The information in this section is derived from a combination of CRISIL Research, a division of CRISIL Limited. Neither we nor any other person connected with the Issue has verified this information. Industry reports and publications generally state that their accuracy, adequacy or completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and investment decisions should not be based on such information. Accordingly, prospective investors are advised not to unduly rely on the information in this section when making their investment decisions.

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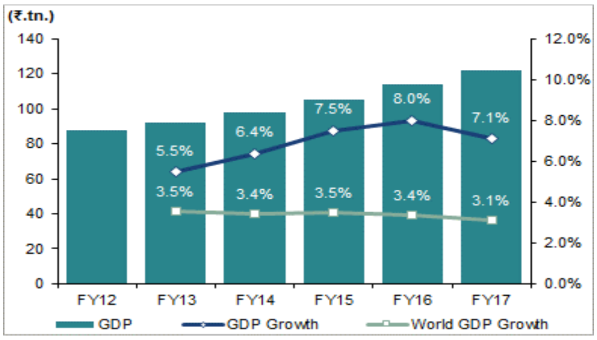
OVERVIEW OF MACROECONOMIC SCENARIO IN INDIA

India adopted a new base year (FY12) for calculating the gross domestic product (GDP) based on which, the GDP in nominal terms shot up from Rs 87 trillion in FY12 to Rs 122 trillion in FY17, representing a compounded annual growth rate (CAGR) of 6.9%. As per the Central Statistics Office (CSO), GDP growth for India clocked 7.1% in FY17, well above the world average of 3.1%, but down from 8% in FY16. One of the major reasons for this was demonetization.

The CSO released the GDP estimates for the fourth quarter of FY17 (January-March) and for the entire FY17 at the end of May 2017. This was the first GDP release incorporating the new FY12-based Wholesale Price Index (WPI) and Index of Industrial Production (IIP) series. Contrary to an across-the-board expectation of a rise in real GDP growth for FY17, on account of higher share of IIP and lower WPI in the new series, real GDP growth fell to 7.1%. This was because of the impact of demonetisation and the fact that the deflator in the fourth quarter had risen sharply. Different components of GDP in FY17 too, saw changes in their growth estimates, on the demand as well as supply sides.

Real GDP growth in India (new GDP series)



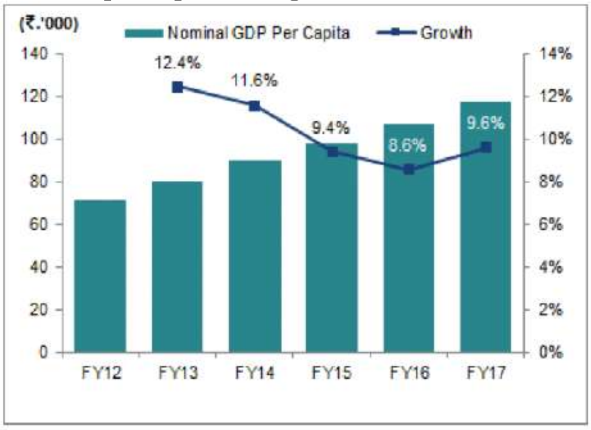
Source: CSO, CRISIL Research

Real GDP growth (% y-o-y)

Source: CSO, CRISIL Research

Private consumption is the largest contributor to India's GDP (58%). The nominal per capita GDP growth, which is used as a proxy for income growth, picked up in FY17. It rose to 9.6% on-year compared with 8.6% in the previous year. Correspondingly, the nominal per capital private final consumption expenditure, which is used as a proxy for consumer spending, also grew by 11.2% (despite demonetisation), compared with 8.3% in the previous year. This indicated a pickup in consumer demand, after consecutive years of decline in spending growth.

Nominal per capita GDP growth



Source: CSO, CRISIL Research

<u>Construction sector's contribution to India's GDP</u>

Construction sector's Gross Value Added (GVA) has been on the rise, when considered at constant (2011-12) prices. The GVA share of the construction sector from FY12 to FY16 is indicated in table below:-

GVA Share (Rs crore)	FY12	FY13	FY14	FY15	FY16
Construction	777,334	780,050	800,771	838,203	879,782

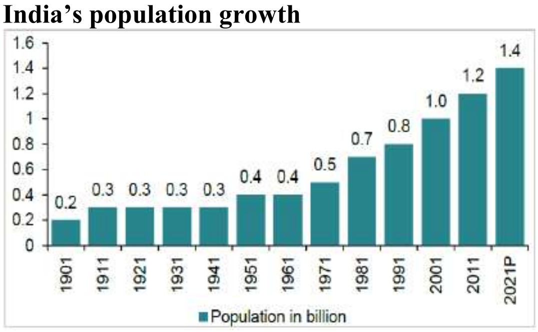
Source: MOSPI, CRISIL Research

<u>Population growth and urbanization</u>

India's population stood at 1.2 billion as of 2011, registering an annual growth of 1.64% from 2001 to 2011 and a growth of 17.6% for the decade. According to World Bank estimates, it is further expected to grow by 12% in the next decade (2011-2021), at a CAGR of 1.14% till 2021. As of 2016, the total estimated population was 1,270 million, with an annual growth of 1.14% from 2011.

Urban population as of 2011 was 377 million, marking a CAGR of 2.8%; rural population stood at 833 million, growing annually at 1.16% rate. Urbanisation levels have risen from 28% in 2001 to about 31% in 2011.

India's population growth



Source: Census 2011, World Bank

Population growth

Source: Census, CRISIL Research

The share of urban population in total population has been consistently rising over the years, from 28% in 2001 to about 31% in 2011. Nearly 35-37% of the population is expected to live in urban areas by 2021. Typically, rural population migrates to cities for better job opportunities, education, and in search of better quality of life.

Urban population as a percentage of total population

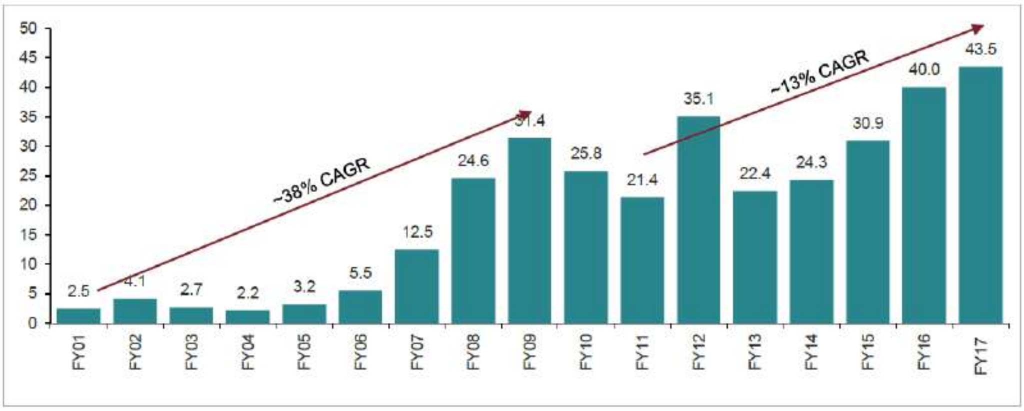
Source: Census 2011, World Urbanisation Prospects: The 2011 Revision (UN), CRISIL Research

Past trend in FDI inflows

In 1990, the Government of India, with the help of World Bank and the International Monetary Fund, introduced the macro-economic stabilisation and structural adjustment programme to tide over the balance of payment crisis. As a result of these reforms, India opened its door to foreign direct investments (FDI) and adopted a more liberal foreign policy in order to restore the confidence of foreign investors. Further, under the new foreign investment policy, the Government of India constituted the Foreign Investment Promotion Board(FIPB), whose main function was to invite and facilitate foreign investment. The FIPB ceased to exist as per the decision taken by the Finance Ministry in 2017. The government has now empowered individual departments to clear FDI proposals in consultation with the Department of Industrial Policy and Promotion (DIPP), with set timelines. From a baseline of less than $1 billion in 1990, India has become one of the most important FDI destinations in the world.

FDI inflows in India have grown rapidly at ~18% CAGR to reach $43.5 billion in FY16 from $2.5 billion in FY01. The pace of growth was faster from FY01 to FY09 (~38% CAGR), but the global slowdown affected investments in FY10 and FY11. In the first half (H1) of FY18, FDI inflows were $25.4 billion, up 17% on-year from H1 FY17.

FDI inflows to India ($ billion)



Source: DIPP, CRISIL Research

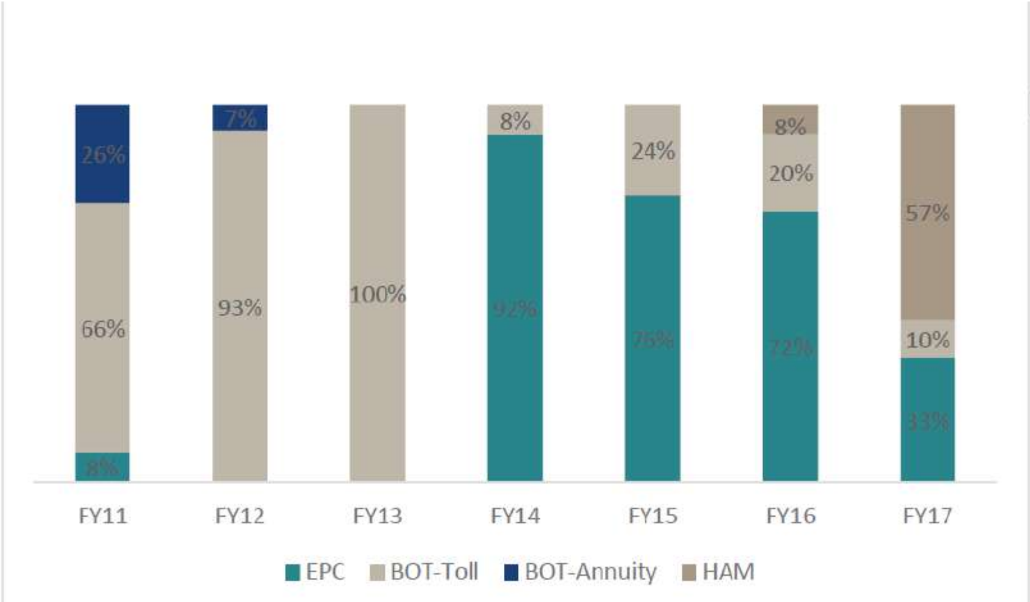
I. REVIEW OF ROADS INFRASTRUCTURE IN INDIA

Review of investment in NHAI projects

The National Highways Authority of India (NHAI) awards projects under different modes – engineering, procurement and construction (EPC), build-operate-transfer (BOT), and the recently introduced hybrid annuity model (HAM). In the past two years, BOT projects have lost out to EPC projects as the latter requires limited upfront capital and involves lower risk

Since FY14, cash contracts have dominated the NHAI's awarding as a result of the low appetite of road players for BOT projects. To boost private participation further, the government introduced HAM in FY16, wherein 40% of the total project cost is funded by the government and the remaining by the private developer. The equity requirement in these projects is only 12-15% of the project cost, which is much lower than a BOT project. Moreover, the developer is immune to traffic, inflation and interest rate risk. This model took off at a slower-than-expected pace in FY16 and only about 350 km were awarded, mostly due to the apprehensions of various stakeholders towards a new, untested model. However, the participation of players in these projects improved significantly towards the end of FY16. Almost half of the total length awarded in FY17 was via HAM.

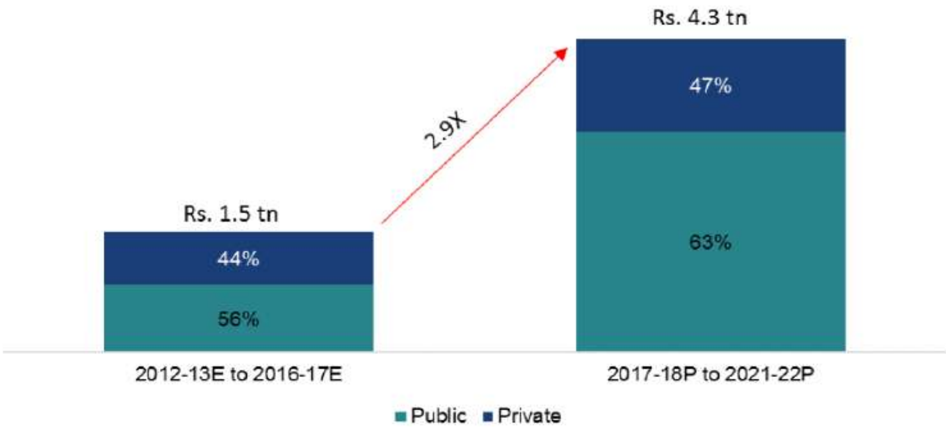
NHAI awarding trend: Significant change in past few years



Source: NHAI, CRISIL Research

Between FY18 and FY22, CRISIL Research expects an investment of Rs 4.3 trillion in national highways, up 2.9 times in the next five years compared with the past five years. Notably, the government will account for more than half of the investment. In the medium term, with EPC and HAM execution dominating, we believe the funding needs for agencies such as the NHAI will rise substantially.

Financing of national highways



Source: NHAI, CRISIL Research

Construction of BOT projects usually begins 8-12 months after being awarded. The time lag is much longer in the current scenario as players take more time to achieve financial closure. On the other hand, construction of EPC projects can start within 2-4 months. About 70% of projects have been awarded under the EPC mode since fiscal 2014 and this will support execution over the next 2-3 years. Additionally, new players entering the HAM space and pick-up of stalled projects will maintain the pace of execution. Execution in HAM projects is expected to start almost as quickly as in EPC projects as lenders are becoming familiar with the model and several HAM projects have achieved financial closure.

As a result, execution by the NHAI improved significantly in FY16 and in FY17. In FY17, projects of 2627km were executed, which was close to a 20% rise on-year.

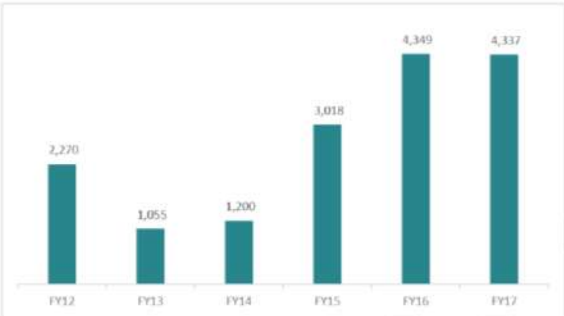
Overview of awarding in national highways

The NHAI awarded projects of close to 4,200 km in FY16 and 4,337 km in FY17 because of improved participation in HAM and BOT projects as new players entered this space. However, EPC will continue to dominate and grow as budgetary allocations to the NHAI go up in FY18.

This is well below the target of 15,000 km set by the Ministry of Road Transport and Highways (MoRTH) for FY18, mainly because of issues involving land acquisition and environmental clearances.

We expect momentum in the highways sector to build up owing to: a) Completion of the remaining length of the NHDP programme, b) new projects such as Bharat Mala, c) upgradation of state highways to national highways, d) four-laning of national highways, and e) the Pradhan Mantri Gram Sadak Yojana.

NHAI Awarding (KM)



NHAI awarding per day basis

Year	NHAI Awarding (km)	Per day basis (km)
FY12	2270	6
FY13	1055	3
FY14	1200	3
FY15	3018	8
FY16	4349	12
FY17	4337	12

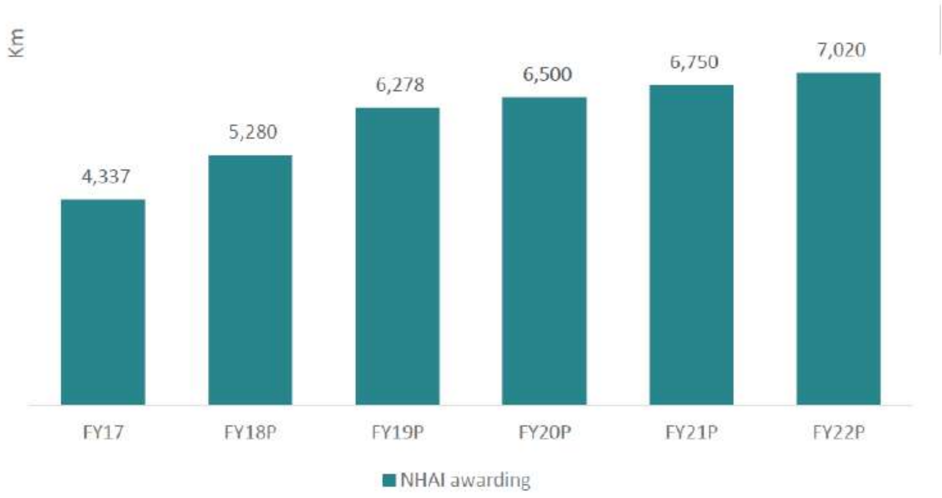
Source: NHAI, CRISIL Research

Lane upgradation of national highways over the past 4-5 years

There has been an upgradation in terms of lanes in national highways, which have gone from being single-lane and double-lane to four lanes. Single-lane roads decreased from 30% in FY09 to 24% in FY13. Double-lane roads reduced from 53% in FY09 to 51% in FY13, while four-lane roads have increased from 17% to 24% in the same period.

Outlook on national highways – awarding (FY17 to FY22)

CRISIL Research estimates awarding of more than 31,800 km in the FY18 to FY22 period. FY17 saw no increase in awarding as compared to FY16 as the HAM projects, which constituted more than half of the total length awarded in FY17, took considerable time to achieve financial closure. As, the lenders get more accustomed to the model, the awarding is expected to increase by about 22% in FY18. Awarding is expected to pick up pace from FY19 driven by projects under Bharatmala.



P: projected
Source: CRISIL Research

Overview of execution in national highways

Execution of road projects is dependent on the awarding for the previous 3 years. In FY17, NHAI constructed a total length of 2,625 km, which is about 19% higher than FY16. The pace of execution in FY14 and FY15 had fallen drastically on account of policy logjams, delays in land acquisition and environmental clearances and weak financial positions of the developers. The government then initiated a number of policy changes, including premium rescheduling, one-time fund infusion in the projects, allowing 100% stake sale in the projects along with stream lining of clearances and quicker land acquisition. This led to spurt in the execution pace in the past couple of years.

Total length constructed/ upgraded on per-day basis

Year	NHAI	
	Execution(km)	Per day basis (km)
FY13	2481	7.0
FY14	1628	4.5
FY15	1576	4.3
FY16	2196	6.0
FY17	2628	7.2

Source: NHAI, CRISIL Research

Outlook on national highways – construction/upgrade (FY17 to FY22)

Execution by NHAI improved significantly in FY16 and FY17. NHAI execution increased ~18% on-year in FY17 to 2,625 km despite heavy monsoon during the year. CRISIL Research estimates NHAI execution to increase by 10% to reach 2,902 km in FY18. As of November 2017, NHAI had executed 450–500 km of projects. Execution is expected to increase by 10% from FY18 to FY19, but the same is expected to clock 18% CAGR from FY19 to FY22. Execution is expected to bump up in fiscal 2020 on account of increased awarding in fiscal 2019.

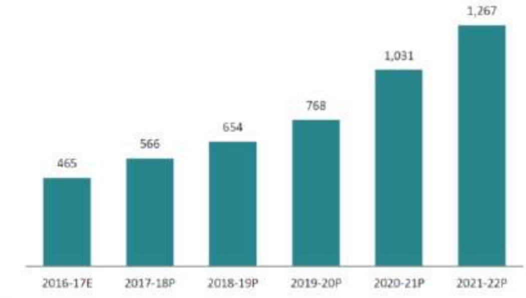
Construction of BOT projects usually begins 8-12 months after being awarded. In the current scenario, the time lag is much longer as players take more time for financial closure. On the other hand, construction of EPC projects can start within 2-4 months. About 70% of projects have been awarded under the EPC mode since FY14 and about 57% of projects in FY17 have been on HAM mode. This is expected to support execution over the next 2-3 years. Additionally, new players entering the BOT and HAM space, and pick-up of stalled projects will maintain the pace of execution. Also, new projects such as Bharat Mala and state highways being notified as national highways will support execution in the last two years of the five-year period.

Outlook on construction/execution by NHAI and Outlook on estimated expenditure in NHAI projects

P: projected; Source: CRISIL Research

<u>Overview of investments in national highways</u>

Investment in national highways and projected investments in national highways over FY18 to FY22



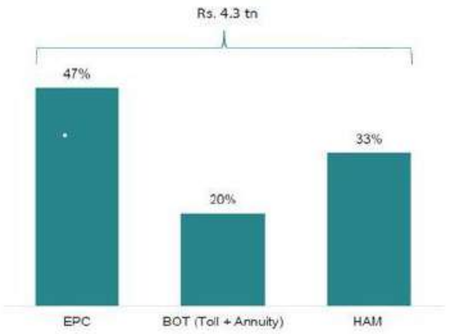
Source: CRISIL Research

<u>Estimated investment break-up between EPC and BOT projects for national highways (FY18 to FY22)</u>

The EPC space remains highly competitive, while BOT projects find few takers. Contrary to HAM, the EPC space, which resurged FY14 onwards, remains highly competitive with an average 15-16 bids per project since then, and most projects being awarded in line or below the benchmark cost. The inability of players to infuse equity in BOT projects has led to a higher participation in EPC projects.

Competition in BOT projects has narrowed significantly over the past two years. As against FY12, when there were 25-30 bidders for most projects, currently there are only 3-4 bidders. With competition remaining moderate, we do not expect bidding to be aggressive and irrational as in the past.

Share of estimated investment of EPC and BOT projects for national highways (FY18 to FY22)



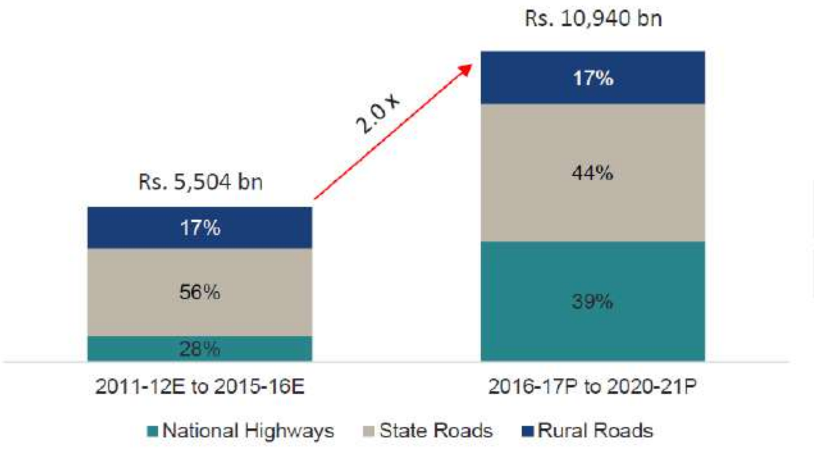
Source: CRISIL Research

The number of projects awarded in past 3-4 years have been predominantly under EPC and HAM mode. The trend is expected to continue in the near future. Thus, they are expected to dominate the execution in the next 5 years.

Key factors driving investment growth in national highways

CRISIL Research expects investment in road projects to grow at a healthy pace during the next five years, led by the government's focus on infrastructure-related sectors. Investment would largely be driven by expenditure on national highways and rural roads as a result of greater budgetary support. However, the current targets set for the sector may be too optimistic, even with the increase in the budget allocation.

Share of investment across road categories



Source: CRISIL Research

- The revival, which began with the NHAI awarding 3,091 km of highway projects in FY15, almost double the 1,522 km awarded in the preceding year, carried through into FY16, with awarding by the NHAI rising 40% on-year. Non-NHAI projects awarded by various other departments of the MoRTH also rose substantially in FY17. Notably, the government will account for more than half of the investments in the next five years.

- To boost private participation further, the government introduced HAM in FY16, wherein 40% of the total project cost is to be funded by the government and the remaining by the private developer. The equity requirement in these projects is only about 12-15% of the project cost, which is much lower than a BOT project, and the developer is immune to traffic, inflation and interest rate risk. In FY16, this model took off at a rather slower-than- expected pace and only about 350 km were awarded mostly due to the apprehensions of various stakeholders towards a new, untested model. However, the participation of players in these projects improved significantly towards the end of FY16. In FY17, more than half of the total length awarded was via HAM mode.

- Private investment in national highways is likely to be lower than in the past five years, as most developers struggle with weak financials and are, therefore, unable to bid for BOT projects. Hence, almost 60% of the projects awarded by the government in the previous three fiscal years were in the EPC mode. Balance-sheet stress remains high among many players and a few may not participate in future opportunities, given that many major road players are now going through strategic debt restructuring. Some of the options for a gradual uptick in private road participation are InvIT and the National Investment and Infrastructure Fund (NIIF), which are yet to evolve.

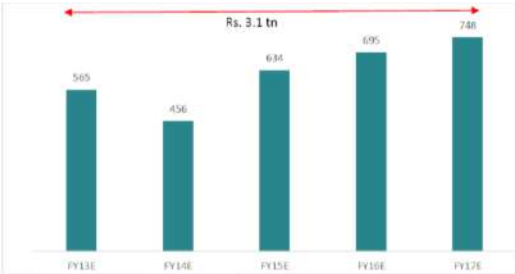
State roads: Review and outlook

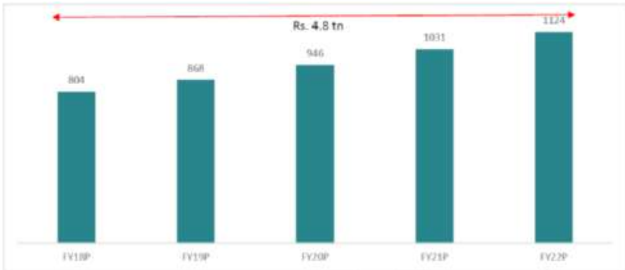
State roads (which include highways, major district roads and rural roads that do not enter the purview of the Pradhan Mantri Gram Sadak Yojana, or PMGSY) comprise ~18% of the country's total road network and handle ~40% of road traffic. They play an important role in the economic development of mid-sized towns and rural areas, and aid industrial development by enabling movement of raw material and products to and from the hinterland.

Over the past few years, many state governments such as Uttar Pradesh, Gujarat, Maharashtra and Tamil Nadu have allocated a significant portion of their budgets for developing roads. Through this period, the Central government's contribution to state roads through the Central Road Fund (CRF) has remained more or less constant. Currently, 15-16% of the total investments in state road projects is channelled through the public-private partnership (PPP) route.A total investment of Rs 3.1 trillion was made in state roads between FY13 and FY17.

The total investment in state roads between FY17 and FY21 is expected to be Rs 4.4 trillion. We expect private participation in state road projects to remain steady in the future, too. Gujarat, Madhya Pradesh, Maharashtra, and Rajasthan are expected to lead the way in implementing state highway projects through the PPP route.

State roads: Overall investments and projected investments in state roads – FY17 to FY22





Note: State roads includes state highways and other district roads
Source: CRISIL Research

<u>Overview of investments in rural roads</u>

The Pradhan Mantri Gram Sadak Yojana (PMGSY), launched in 2000, aims to build all-weather roads in rural India. Under the scheme, the Centre recognised 183,599 habitations as requiring all-weather roads and cleared projects for 156,530 habitations as of February 2017. The scheme involves construction/ upgradation of over 800,000 km of rural roads. Of these, 490,187 km of roads connecting 123,528 habitations have been completed as of December 2016. 97% of the targets set for 2016-17 were achieved. The target for 2017-18 is another 57,000 km. CRISIL Research expects investment in PMGSY to increase by two times from fiscals 2018 to 2022, compared with the preceding five years, as the central government aims to achieve targets three years ahead of schedule.

Implementation of projects under the PMGSY grew at 27% on average from fiscals 2006 to 2010. However, funding constraints slowed implementation between fiscals 2011 and 2013 as loans worth Rs 185 billion from the National Bank for Agriculture and Rural Development had to be repaid. However, expenditure on the scheme soared by ~56% on-year to Rs 131 billion in fiscal 2014, and by 26% to Rs 165 billion in fiscal 2015. In fiscal 2016, the total estimated expenditure was Rs 238 billion, 44% higher on-year due to the increase in central budgetary allocation midway during the fiscal.
As of March 23, 2017, the Centre has released 91% of the funds allocated for this fiscal, thus giving the confidence that execution was close to the estimated target for the year.

PMGSY-II scheme slow to take off

The government launched PMGSY-II in May 2013 with a target of building 50,000 km of rural roads in the country. However, only nine states -- Andhra Pradesh, Telangana, Kerala, Gujarat, Haryana, Karnataka, Maharashtra, Punjab, and Uttar Pradesh -- have transited to PMGSY-II after fulfilling necessary conditions pertaining to the execution of the PMGSY-I programme. No execution has taken place in Punjab under PMGSY-II due to non-allocation of funds by the state government.

Centre ambitious on PMGSY, states' ability to match funds a monitorable

In Union Budget 2016-17, the government advanced the target date for completion of PMGSY by three years, from 2022 to 2019. To support this ambitious goal, the government increased allocation substantially in fiscals 2016 and 2017 and maintained the budget allocation for 2018. Nearly 75% of the funding needed for the scheme is to be met through cess funds and the rest through external borrowing.

At the same time, the share of central and state spending was revised from 70:30 to 60:40 for most of the states (the ratio remains 90:10 for eight north-eastern and the three Himalayan states). Hence, the ability of states to provide funds in proportion to the Centre's contribution is critical to meeting the envisaged targets.

Trends in financing of national highways

Road projects in India have largely been financed through public funds. State and rural roads are mainly funded by the government, while there is significant private sector participation in NH projects.

NHDP is funded by the NHAI through:

- Government budgetary support
- Dedicated accruals under the Central Road Fund
- Multilateral agency borrowings or lending by international institutions: World Bank, Asian Development Bank (ADB), Japanese Bank of International Cooperation (JBIC)
- Private financing under PPP
- Market borrowings in the form of NHAI bonds
- National Investment and Infrastructure Fund
- Others: Toll revenue and premium

Government budgetary support

Central government support to the NHAI is primarily in the form of yearly budgetary allocations. The government created a non-lapsable dedicated fund for NHDP, by levying a cess on high-speed diesel and petrol at the rate of Rs 2 per litre, under the Central Road Funds Act, 2000. In the Union Budget FY16, the cess on every litre of petrol and high-speed diesel sold was hiked to Rs 6. The new allocation framework of the new road cess has not been released by the government. The previous guidelines for allocation of road cess were as follows:

Of the Rs 2 per litre collected on petrol and diesel each, Rs 1.50 was allocated as below:

- 50% of the cess on high-speed diesel (HSD) for development of rural roads
- 50% of cess on HSD and the entire cess collected on petrol were thereafter allocated as follows:
  - 57.5% towards development and maintenance of NHs
  - 12.5% for construction of roads under or overbridges and safety works at unmanned railway crossings
  - 30% on development and maintenance of state roads. Of this amount, 10% was kept as a reserve by the Central government for allocation to states for the implementation of state road schemes of inter-state connectivity and economic importance.
- The remaining cess of Rs 0.50 per litre was allocated for development and maintenance of NHs.

Dedicated accruals under CRF

Over the past 10 years, the cess fund has been the major source of finance for NHAI, meeting ~50% of its requirement. In the Union Budget FY16, the road cess on petrol and diesel was tripled to Rs 6 per litre each. In FY17, the NHAI was allotted Rs 121 billion; however, based on the revised estimates, only Rs 74 billion was released. For FY18, Rs 154 billion has been allotted to the NHAI.

Multilateral agency borrowings

Funds from multilateral agencies have been a key constituent of the funding structure of various road projects. Various agencies such as the World Bank, ADB and JBIC have sanctioned nearly Rs 150 billion worth of grants and loans over the past 10 years for NHDP. World Bank has been providing financial assistance in Andhra Pradesh, Gujarat, Assam, Himachal Pradesh, Karnataka, Kerala, Mizoram, Orissa, Punjab, Tamil Nadu and Uttar Pradesh. The ADB has and plans to provide assistance to road projects in Jharkhand, Chhattisgarh, Madhya Pradesh and Rajasthan. These are primarily EPC projects as most of the projects are state roads and rural roads which are financially unfeasible for PPP projects.

Private financing through PPP

The common forms of PPP in India that have been used for development of the NHs are:

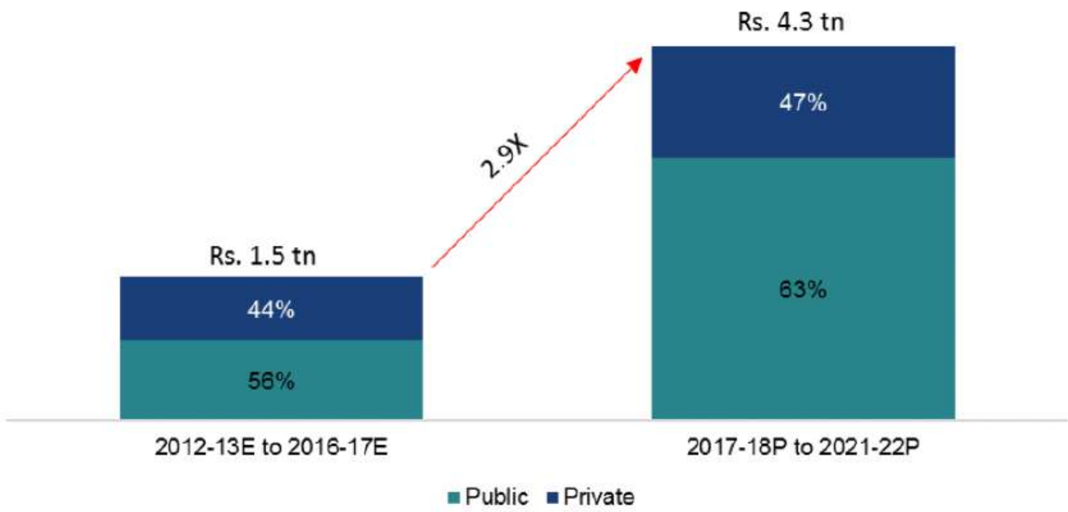
- Build, operate and transfer (toll) model
- Build, operate and transfer (annuity) model
- Operate, maintain and transfer model

The government has put in place an appropriate policy, institutional and regulatory mechanisms, including a set of fiscal and financial incentives, to encourage private sector participation in roads. To further augment flow of funds to the sector and encourage private sector participation, the government has undertaken several initiatives, including:

- Declaration of the road sector as an industry in FY15
- Provision of capital grants subsidy of up to 40% of project cost to enhance the viability of projects on a case-to- case basis in FY11
- Allowing duty-free import of certain identified high-quality construction plants and equipment
- Providing 100% tax exemption in any consecutive 10 years within 15 years after completion of construction, provided the project involves addition of new lanes from FY15
- Provision of encumbrance-free site for work, i.e., the government will meet all expenses relating to land and other pre-construction activities
- Foreign direct investment up to 100% cent in the roads sector
- Amendments to the MCA in September 2015

Between FY18 and FY22, CRISIL Research expects an investment of Rs 4.3 trillion, up 2.9 times compared with the past five years. Notably, the government will account for over half of the investments.

National highways: Public and private investments



E: Estimated; P: Projected
Source: CRISIL Research

Market borrowings: Generated primarily through NHAI bonds

In the past, market borrowings for NH projects mainly took the form of capital gain bonds raised by NHAI. In the

Union Budget FY12, however, the NHAI was also allowed to issue Rs 100 billion of tax-free bonds, which were introduced in the market in December 2011, and were fully subscribed. For FY14, the NHAI obtained the finance ministry's approval to raise Rs 50 billion tax-free bonds. The NHAI primarily depends on market borrowings, which includes masala bonds, borrowings from institutional investors such as LIC and EPFO, and monetisation of road assets through toll-operate-transfer model. In May 2017, the NHAI launched masala bonds on the London Stock Exchange, raising Rs 30 billion. Apart from this, the National Infrastructure Investment Fund (NIIF) is also one the novel methods that can be utilised by the government for funding, which will entail investments from foreign investors as well.

Toll revenue: Vital source of funding

The Central and state governments levy fees/tolls on bridges and bypasses, national highways and state roads. Increasingly, toll revenue is becoming a vital source for funding road projects. Toll revenue for NHAI has risen a significant 25% over the past five years, with the completion of several annuity and cash projects.

Premiums: Inflows take a hit due to a large number of terminated projects

A premium is a fixed amount paid by a developer annually to NHAI as revenue share in a BOT-toll project. It increases 5% per annum until the end of the concession period.

The share of projects awarded on a premium basis had increased to 68% in FY12 from 22% in FY09. However, such projects also formed nearly 60% of stalled projects as well as projects terminated by NHAI. Moreover, the government approved 'premium rescheduling' for projects where toll collections are insufficient to meet cash outflows. Hence, we expect the aggregate premium collected by NHAI to be subdued over the next five years.

II. OVERVIEW OF IRRIGATION SECTOR IN INDIA

Review of investments in irrigation sector

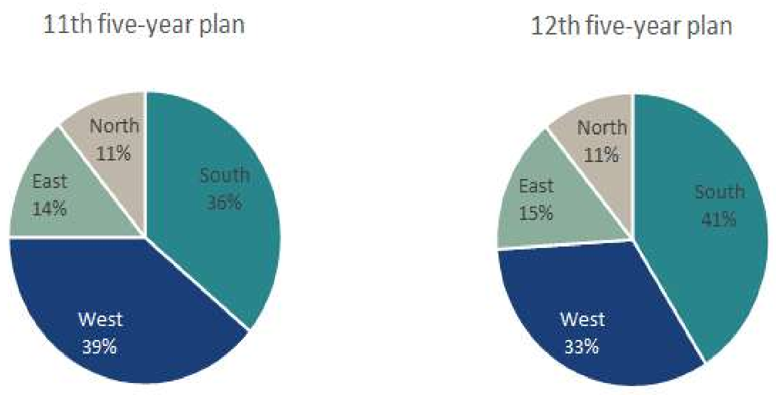
CRISIL Research projects investments in irrigation to increase 1.4 times between 2017-18 and 2019-20. With irrigation being a state subject, most of the investments will flow from state governments - will account for 85-90% of the total investment. Majority of the investments are expected to focus on completing existing major and medium irrigation projects.

Irrigation is a process where water is supplied to crops though artificial modes, i.e. canals, pipes, sprinklers, etc. Increase in agricultural production and productivity largely depends on the availability of water. Irrigation helps reduce dependency on rain water for agriculture. In terms of investment, irrigation is one of the largest infrastructure sectors, after roads, power, and urban infrastructure.

Region wise share of irrigation investments

The share of southern states is estimated to have grown to 41% over the Twelfth Five-Year Plan from 36% during the Eleventh Five-Year Plan. Larger states such as Andhra Pradesh, Telangana and Karnataka have significantly increased their budget outlays over 2012-13 to 2016-17.

Region-wise proportion of investments - Eleventh Fiver-Year Plan vis-a-vis Twelfth Five-Year Plan

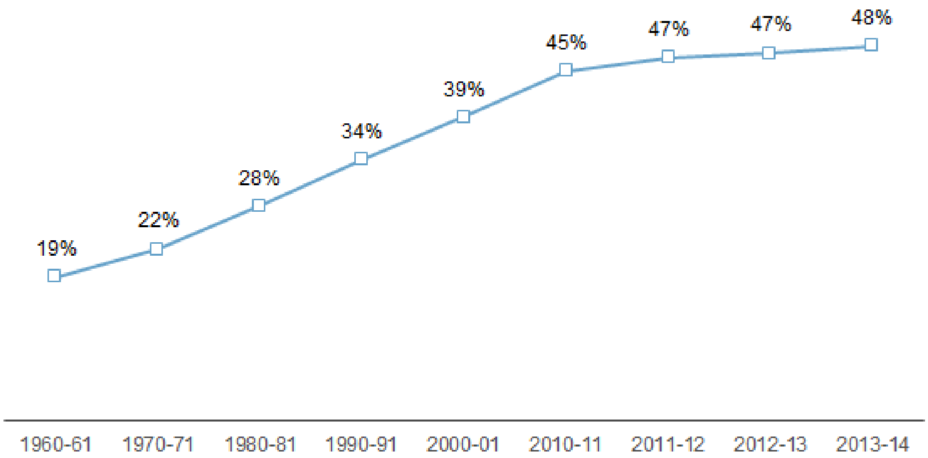


Source: CRISIL Research

Review of irrigation penetration levels

In India, ~142 million hectares was cultivated, as of 2013-14, of which less than 50% was irrigated. Indian farmers are forced to keep an eye on the sky for a good crop, despite investments totalling Rs 5,390 billion in the past 10 years and multiple schemes for irrigation. In fact, the penetration in irrigation levels have stagnated at 48-49% since 2010-11.

Irrigation penetration levels in India



Note: Irrigation is measured in terms of net area irrigated (per cent) as a percentage of net sown area.

Source: Ministry of Agriculture, CRISIL Research

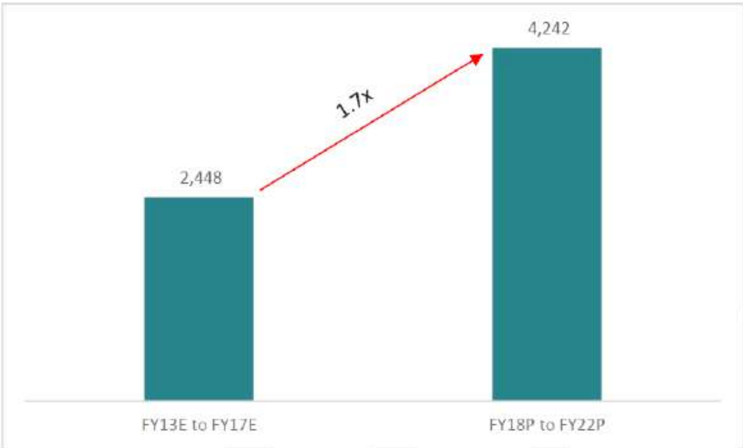
However, with only 50% of the land irrigated, the country has huge unharnessed potential for further investments in the space.

Besides high-yielding crop varieties and increased use of fertilisers, the Green Revolution also put the spotlight on irrigation. The initial beneficiaries were the Gangetic plain states of Punjab, Uttar Pradesh, and Haryana. As a result, irrigation penetration is substantially higher in these states, with penetration levels at 100% in Punjab, 84% in Haryana, and 85% in Uttar Pradesh. In contrast, the penetration levels in Jharkhand, Maharashtra, Odisha, Chhattisgarh, Karnataka, Gujarat, Andhra Pradesh, Telangana, and Rajasthan are lower than the national average.

Review of construction investments in irrigation

CRISIL Research believes construction spend in irrigation to rise sharply to Rs 4,242 billion till FY22 compared with Rs 2,448 billion over the past five years (FY12 to FY17). Rs 72.8 billion was released in FY16 and Rs 77.7 billion in FY17 under the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) scheme. In Union Budget FY18, the allocation to PMKSY was increased 28% to Rs 73.77 billion, compared with the previous estimate. Also, the total corpus of NABARD’s Long Term Irrigation Fund will be doubled to Rs 400 billion. A new micro-irrigation fund with a corpus of Rs 50 billion will be set up. The central government's allocation for irrigation increased 28% to Rs 87 billion as compared with FY17 budget estimates. However, the revised estimates of FY17 were 12% lower at Rs 59.8 billion than estimates.

Estimated construction investments in irrigation (Rs billion)

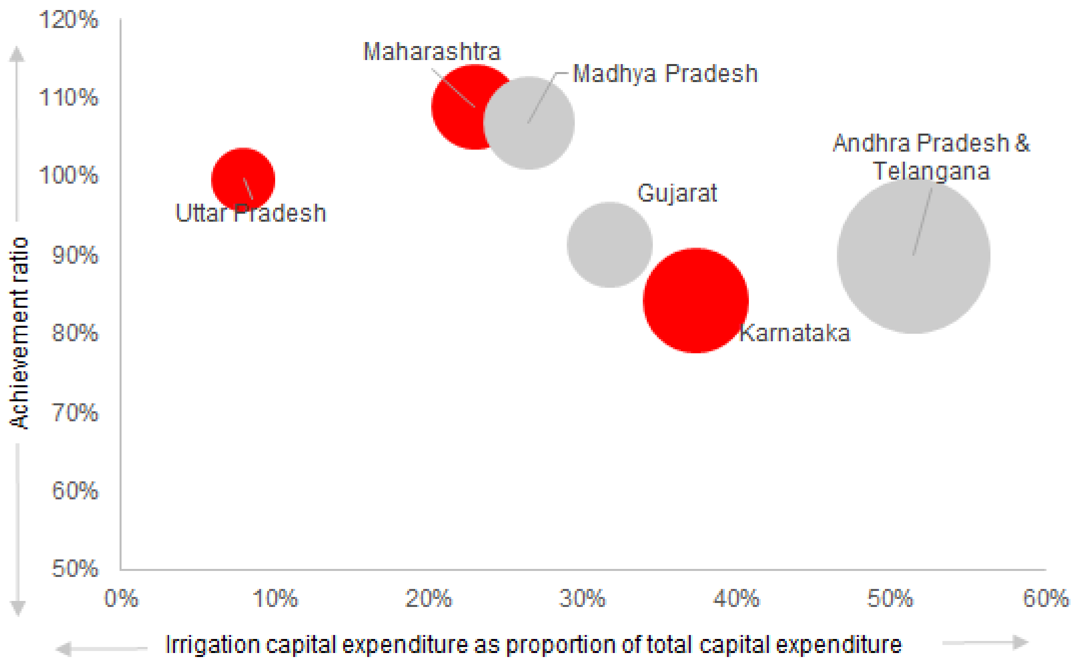


Source: CRISIL Research

State-wise review of investments in irrigation

In India, irrigation is a state subject. Hence, most projects are awarded, implemented and invested by the state government. Cash contracts are awarded (for which the state government has a standard concession policy) and the government follows a competitive bidding process. Irrigation investments are expected to grow 1.4 times to touch Rs 3 trillion over the next three years. The top six states are expected to continue to account for the lion's share in investments.

Top six states account for 75% of the overall irrigation investment



Note: Size of the bubble indicates investments in 2017-18. And the states coloured in red are states which have announced farm loan waivers in this fiscal.
Source: State budgets, CRISIL Research

Achievement ratio for these states have been on an average more than 80%, with some states like Maharashtra and Madhya Pradesh registering achievement ratios more than 100%. Also, for states like Andhra Pradesh, Telangana and Karnataka irrigation forms a major chunk of their capital expenditure, indicating high focus on irrigation.

States, where farm loan waivers are announced, are at risk. The farm loan waiver for Uttar Pradesh, Maharashtra and Karnataka amounts to Rs 782 bn and FD of these three states, according to the respective governments' estimates for 2017-18, stands around Rs 1133 bn. Assuming a three-year payment, the deficit of these states can go up by 21% in 2017-18 to Rs 1368 bn, provided other expenses are not cut.

III. OVERVIEW OF COAL MINING

Based on its properties, coal can be classified into coking and non-coking coal. Coking coal has a good coking property – low ash and moisture content- and is used in metallurgy, mainly as a reducing agent. Before it is used, coking coal has to be converted to coke, by heating it at more than 1000 degree Celsius. Coal that cannot be used to prepare coke is termed as non-coking coal. Around 90% of the coal that is mined in India consists of non-coking coal.

Coal mining is mainly carried out by very few private players in India, viz. Adani Enterprises, Essel Mining, BGR Mining, Gayatri Projects etc.

Review of past supply

Consumption of non-coking coal grew at 5.7% CAGR over the last five years, rising to 740 million tonnes (MT) in FY2017 from 560 MT in FY2012. This was largely driven by the power sector, which accounted for almost three- fourths of the incremental demand, led by coal based capacity additions of 80 GW over the last five years. This was followed by captive power generation (mainly in the steel and aluminum sectors), which accounted for about 10%of the incremental demand.

On the other hand, domestic production of non-coking coal lagged demand, growing at a CAGR of only 4.2%, to 600 MT in FY2017 from 488 MT in FY2012. This was primarily because production remained relatively hampered in FY2012 due to introduction of stringent environmental regulations such as the 'Go-No Go' regime. In addition, the Supreme Court's decision to de-allocate the captive mining leases in 2015 severely impacted the output, hamstringing captive coal output by almost 23 MT. However, domestic production picked up over the past two years, due to easing of regulatory clearances, such as exempting coal companies from holding public hearings for expansion in mining activity, and ramp up in production from recently commissioned captive coal blocks such as Moher & Moher Amlohri and Pachwara North (cumulative production capacity of ~30 MTPA).

In FY2017, in fact, the major constrain in the growth of domestic coal output was the tepid growth in demand from the end user industries such as power, cement, and captives.

Over the last five years, imports of non-coking coal grew at a CAGR of 14% to 137 MT in FY2017 from 71 MT in FY2012. Thus, share of imports in total consumption galloped to 18% over the same period. However, in FY2017 non-coking coal imports fell 13% y-o-y to 137 MT, led by significant improvement in domestic production and also tepid growth in the end user demand.

Outlook on supply

CRISIL Research expects non-coking coal consumption to grow at a CAGR of 4%, rising to about 900 MT in FY2022 from 737 MT in FY2017. Our end-user wise analysis suggests that coal based power capacities would continue to drive coal consumption.

Domestic production of non-coking coal is estimated to increase at a faster pace (as compared to the previous 5 years) of 6% CAGR, rising to about 807 million tonnes in FY2022 (600 MT in FY2017). We expect Coal India Limited (CIL) to account for the majority (~70%) of the incremental supply, while captive mines are estimated to account for large proportion of the balance. With a sharp improvement in domestic coal supply, non-coking coal imports are expected to decline to 92 MT in FY2022 (137 MT in FY2017). Consequently, share of imports in total consumption is expected to fall to 11% in FY2022 (18% in FY2017).

Demand-supply scenario and outlook for non-coking coal

Source: Ministry of Coal, CRISIL Research

End-user wise demand analysis

Power

Coal is the dominant fuel for power generation in India due to its low cost of generation coupled with abundant domestic reserves. Thus, coal based power capacities account for 60% or 194 GW of the total installed base of 329 GW at the end of FY2017. CRISIL Research expects 30 GW of coal based capacity additions (excluding captive power plants) over the next five years (FY2022).

Coal demand from the power sector is expected to driven by 30 GW of capacity addition as well as increase in PLF to ~63% by FY2022. Rising domestic coal production is also expected to support consumption. We believe that higher fuel availability will be more beneficial for plants commissioned post 2009 as incremental domestic supply will be utilized to improve domestic supply under post 2009 fuel supply agreements (FSAs).

Consumption of non-coking coal in the power sector is forecasted to grow at 6% CAGR to 827 MT in FY2022 (621 MT in FY2017). However, the share of imports is expected to almost halve over the next five years to 7% by

FY2022, as domestic supplies are expected to improve from CIL and captive mines (detailed below). The SHAKTI policy announced by the government to provide long-term domestic coal linkage to the power sector will support consumption. Overall, in absolute terms, imports of non-coking coal to the power sector are estimated to decline to 55 million tonnes in FY2022. Despite improving supplies, imports are unlikely to decline further as some of the power plants would continue to rely on imported coal due to operational constraints (those designed to operate on imported coal) and favorable cost economics (those which are far from mines, particularly coastal power plants in states like Tamil Nadu).

Shakti Policy

The new coal allocation policy for power sector, 2017-SHAKTI (Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India) proposes to replace the old linkage allocation policy with more transparent bidding-based linkages. It segregates coal-based power plants in India in the following six categories and stipulates different mechanisms to provide fuel supply to plants, which don't have FSAs/ coal linkages.

Additionally, the policy mentions about coal linkages to be earmarked to large states. The states may either allot these linkages to successful bidders under future tariff-based competitive bidding for PPAs or assign linkages to plants which would expand up to 100% of their existing capacities. However, linkage quantity unused by states for two years would get lapsed. For small states, the power required for a group of states would be aggregated and linkage would be provided to the agency designated by MoP/states. The agency, in turn, would undertake tariff-based competitive bidding.

However, availability of new PPAs from state discoms and discount to be offered on existing PPAs will be key monitorables for the success of this policy.

Sponge iron

After declining consecutively for 4 years, sponge iron production increased in FY2017 because of the following reasons:

- Gap between sponge iron and scrap prices widened to Rs. 7,000 / tonne in FY17 (esp. in H2) from Rs. 2,000 / tonne in FY16. Further scrap imports declined by 23% to 5.57 million tonnes in FY 17 from 7.22 million tonnes in FY 16; due to rise in prices of scrap as supply became tight on account of US and UK traders holding back their supplies. Also, falling prices of natural gas aided increased production.
- Lower raw material prices - Improved availability of iron ore weighed down its prices (Iron ore production increased by 22% on-year to about 189 million tonnes in FY 17 from 155 million tonnes in FY 16. Thereby, iron ore prices declined by 19% to about Rs. 2,012 in fiscal 2017 from Rs. 2,496 in fiscal 2016)

However, we believe the structural issues are expected to persist over the long term. Consequently, over the next five years, non-coking coal demand from the sponge iron sector is expected to decline to 22 million tonnes at the end of the forecast period from about 26 million tonnes in FY2017.

This will be on the back of a 4-5% decline in sponge iron demand over the forecast period, on account of increased competition from large players producing long steel through blast furnace route, who are undertaking significant capacity additions. Moreover, lower scrap prices, where the differential in price is expected to decrease, is also expected to restrict sponge iron demand growth. As the share of BF-BOF route has gradually been increasing owing to better availability of good quality input material, the production of steel through the sponge iron route is expected to be severely impacted.

Cement

Cement demand was almost flat at 0-1% during FY17, growing at its slowest pace in a decade, being severely hit post demonetization. Over the next five years, CRISIL Research expects consumption of cement to grow at a CAGR of 5%, owing to increased spends on roads and railways, push towards affordable housing by central govt., materialization of pent-up demand, particularly in rural housing and low base.

While cement demand from rural and semi-urban areas is expected to improve due to rising rural incomes and higher government investments, urban housing demand is anticipated to rise due to changing demographic patterns, increase in number of nuclear families and investor demand. Also, investments in water supply, sanitation, and metro rail projects, are expected to drive demand from urban infrastructure segment.

Consequently, non-coking coal consumption is estimated to increase at 3% CAGR to 19 million tonnes in FY2022. However, we expect increasing penetration of alternate fuels such as petcoke to limit growth in coal demand from the cement sector.

Over the last two years, petcoke was on an average ~15% cheaper than coal. Thus, cement players have significantly ramped up petcoke usage. We estimate petcoke consumption in kilns to have reached ~12 million tonnes in FY2017, contributing over 54% of total energy requirement, compared to under ~25% in FY2012. Given favorable price competitiveness over the near to medium term, petcoke usage in these plants is expected to remain elevated. Over the medium term, with the expected increase in the global crude oil prices, the growth in the share of petcoke in the kilns is expected to be contained to below 60%, mildly supporting coal demand from the cement sector.

On the supply side, captive coal supply is set to increase, as players in the cement sector have won 5 coal blocks with a combined peak capacity of 4 MTPA in the first two rounds of coal block auctions, with two blocks (Mandla North and Sial Ghogri), already producing. Consequently, incremental non-coking coal demand from the cement sector would be largely met through captive coal blocks and long term fuel supply agreements (FSAs), which will be awarded/ renewed through the auction route.

IV. OVERVIEW OF URBAN INFRASTRUCTURE INVESTMENTS

Outlook on investments in urban infra segment

Government's thrust on urban infrastructure development is expected to drive investment in the sector over the next five years. CRISIL Research expects construction spend in urban infrastructure to be ~Rs 3.7 trillion between 2017-18 and 2021-22, twice the spend in the previous five years.

Urban infrastructure includes construction-intensive mass rapid transit system (MRTS), bus rapid transit system (BRTS), water supply and sanitation (WSS) projects, smart cities, and related infrastructure development.

WSS projects are expected to account for ~58.6% of total urban infrastructure investments over the next five years, driven primarily by state governments and through centrally sponsored programmes. Gujarat, Rajasthan, Karnataka, Andhra Pradesh, Uttar Pradesh, and Telangana will lead state investments in WSS projects.

Outlook on investments in WSS projects

Government schemes such as the Swachh Bharat Mission and the National Mission for Clean Ganga (NMCG) are likely to boost WSS investments. However, the performance so far from NMCG has been abysmal. On October 2, 2014, the Prime Minister of India launched the Swachh Bharat Mission to focus on sanitation and accelerate efforts to achieve universal sanitation coverage. It comprises two sub-missions - Swachh Bharat Mission (Gramin) and Swachh Bharat Mission (Urban) - aiming to achieve Swachh Bharat by 2019. Components of the mission are: construction of household toilets, community toilets, public toilets, including conversion of insanitary latrines into pour-flush latrines; solid waste management; and public awareness. In the Union Budget 2017-18, the Centre allocated Rs 162.4 billion (or 44% higher than last year's budget estimates) for Swachh Bharat. The revised estimates of 2016-17 were 13% higher than the budget estimates. Allocations for the Namami Gange Programme were about Rs 22.5 billion (or 5% higher than last year's budget estimates). However, the revised estimates for 2016-17 were 33% lower than the budget estimates. The government plans to spend Rs 200 billion under NMCG over the next five years.

Swachh Bharat Mission: overview

Gramin: In 2013-14, the Centre and states utilised 40-45% of the funds allocated under this scheme, which improved to 55-60% in 2014-15. However, in 2015-16, states spent 75%, while the Centre overspent 107% of the allocated funds. Approximately 97% of the funds were towards construction of individual household toilets. More than 4.7 cr household toilets have been constructed.

Urban: Under this component, the government sanctioned ~Rs 8.59 billion in 2014-15, ~Rs 10.79 billion in 2015-16 and ~Rs 28.16 billion in 2016-17. More than 33 lakh individual toilets and 1.2 lakh community toilets have been constructed. Swachh Bharat Mission (Gramin) accounts for ~70% of total investments, and urban, for the remainder.

AMRUT - Another driver of WSS spend

In May 2015, the government approved the replacement of the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) by the Atal Mission for Rejuvenation and Urban Transformation (AMRUT), to focus on basic infrastructure services such as water supply, sewerage, storm water drains, transport, and development of green spaces and parks.

Under AMRUT, the Centre is committed to assisting states based on the project cost and population of cities and towns. The financial aid is released in three instalments in the 20:40:40 ratio, based on the achievement of milestones indicated in State Annual Action Plans(SAAP).

The scheme is also supposed to cover JNNURM projects sanctioned between 2005 and 2012, and those that have achieved 50% physical progress (102 projects), or have availed of 50% central government funding up to now (296 projects).

The government allocated Rs 500 billion for five years (2015-16 to 2019-20) under this scheme, as against Rs 360 billion spent under JNNURM over the past five years. However, only 8.7% of Rs 500 billion was released till March 2017. Out of the total allocated central government share to the SAAPs for the years FY16 and FY17, only 20% had been released, indicating sluggishness in the on-ground implementation of the project. Investment outlay for AMRUT and Smart City Mission in 2017-18 increased by 23% to Rs 90 billion, compared with 2016-17 budget estimates. However, the revised estimates of 2016-17 were 31% higher than the budget estimates. Similar spend is expected to continue in 2017-18.

Overview of investments in MRTS

CRISIL Research estimates that construction spends on metros in India will increase 1.9 times to ~Rs 1.1 trillion over the next five years, making it the second-largest contributor to urban infrastructure investments. In Union Budget 2017-18, allocation to metro projects rose by 80% over 2016-17 budget estimates. The revised estimates of 2016-17 were 57% higher than the budget estimates. Also, a new metro rail policy was announced in the budget, targeted at developing private interest in the segment.

We believe ~70% of the total investment in the MRTS between 2017-18 and 2021-22 will be in these key projects: Delhi Metro Rail Project - Phase III and IV, Bangalore Metro - Phase II, Colaba-Bandra-Seepz Project, Dahisar-Charkop-Bandra Metro Line 2, Wadala-Ghatkopar-Teen Hath Naka Metro Line 4 and Dahisar-Andheri Metro, Nagpur Metro, Greater Noida Metro Project, and Kolkata Metro Project Phase II.

Growth drivers for the industry

- ***Policy changes to boost growth***

There has been a sustained focus on improving policy structures to reduce issues and bottlenecks traditionally linked with infrastructure projects. The government has drafted a metro rail policy to boost private participation in the construction and operations and maintenance of metro projects. Focus has also been on improving the overall business scenario in the economy and attract private participation in infrastructure segments by revisiting existing PPP structures and have a more equitable risk allotment amongst stake holders.

- ***Shift to greener modes of transportation***

There has been a gradual shift towards adoption of greener modes of transportation and restricting the use of personal motor vehicles. Metro rail projects provide high capacity public transit and also have a positive impact on the economic growth and quality of life. MRTS reduce per capita vehicle ownership and usage and also reduce per capita pollution emission. Thus, metros are appraised using a socio-economic framework.

- ***Development of smart cities***

The government has decided to develop 100 cities as smart cities. The definition of 'smart city' for a country like India majorly involves providing basic infrastructure to the residents along with overall growth opportunities and improvement in life style. MRTS thus forms an integral part of the development and most of the new metro projects declared are in cities shortlisted under the Smart Cities campaign.

V. RAILWAY INFRASTRUCTURE

The government announced a planned outlay of Rs 1.31 trillion for the Railways in the 2017-18 Union Budget, 8.3% higher than the preceding year. About 42% of the planned outlay is expected to be financed through budgetary support, and the remaining through internal sources and market borrowings/institutional finance. Budgetary support was increased 19% to Rs 550 billion over the revised estimates for 2016-17. Further, with the merger of the Railway and General budgets from 2017-18, the Railways have been exempted from payment of dividend, which will nearly double internal resources to Rs 200-230 billion annually.

Spend over next five years hinges on ability to attract private participation

The government has proposed an investment of Rs 8.5 trillion in the Railways from 2015-16 to 2019-20. About 23% will be allotted to decongest the network, including the provision of dedicated freight corridors (DFCs), electrification, and doubling (electrification and traffic facilities). Another 23% will be allotted for network expansion, and 20% for high-speed rail (HSR) and elevated corridors, station redevelopment, and logistics parks.

While the government will look to fund 50% of its long-term investment plan through budgetary support (Rs 2.5 trillion) and internal resources, the balance will be met by market borrowings, institutional finance, and increased private participation.

The government signed a memorandum of understanding with LIC in March 2015 to raise Rs 1.5 trillion over the next five years. The first tranche of Rs 20 billion was released in October 2015 through the purchase of Indian Railway Finance Corporation Ltd (IRFC) bonds. The second tranche of Rs 50 billion was released in April 2016 through purchase of 30-year IRFC bonds.

IRFC issued tax-free bonds for Rs 60 billion in fiscal 2016. Later in the fiscal, IRFC was authorised to raise an additional Rs 35 billion. The bonds, worth Rs 45.3 billion and Rs 24.5 billion respectively, and open for public subscription on December 8, 2015, and March 10, 2016, respectively, were oversubscribed on Day 1 itself. The rest were allotted on a private-placement basis. In August 17, the next tranche of bonds worth Rs. 30 - Rs. 40 billion expected to be issued by IRFC were cancelled on account of pricing mismatch.

Government investment plans for 2015-2019

PROPOSED INVESTMENT PLAN (2015-2019)	Amount (Rs in billion)
Network Decongestion (including DFC, Electrification, Doubling including electrification and traffic facilities)	1,993
Network Expansion (including electrification)	1,930
National Projects (North Eastern & Kashmir connectivity projects)	390
Safety (Track renewal, bridge works, ROB, RUB and Signalling Telecom)	1,270
Information Technology / Research	50
Rolling Stock (Locomotives, coaches, wagons – production & maintenance)	1,020
Passenger Amenities	125
High Speed Rail	650
Station redevelopment	1,000
Others	132
Total	**8,560**

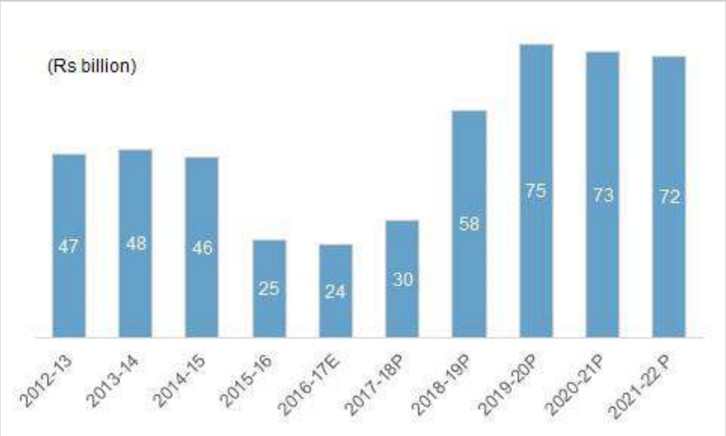
Source: Ministry of Railways

VI. AIRPORT INFRASTRUCTURE

<u>Investment in airports to pick up</u>

Airport investments are positive for construction players, as around 60% of the funds are channelised into the construction activity. CRISIL Research projects sizeable investments in airport infrastructure, with a focus on Greenfield projects. However, as most investments are in Greenfield projects, implementation is more challenging due to land-acquisition and clearance issues. Investments in 2015-16 and 2016-17 were muted and we estimate the same trend in 2017-18, because of delays in environmental clearances, closure of financing, delayed approvals from the government, and issues with land acquisition. We expect investments to pick up from end-2017-18, as the construction of large Greenfield airports at Navi Mumbai and Goa should commence.

Investments in airport Infrastructure



Note- Construction spends will be 60% of the airport infrastructure investments provided in the chart

E: Estimated P: Projected

Source: CRISIL Research

Over 2017-18 to 2021-22, we expect Rs 300-310 billion to be invested in airports, as compared to Rs. 190 billion during 2012-13 to 2016-17. Also, the majority of upcoming airports are expected to be developed through public-private partnerships (PPP) over the next five years. Large airport projects, such as those in Navi Mumbai, Goa, Nagpur, Kannur (Kerala) and Kushinagar (Uttar Pradesh), have been announced as PPPs.

OUR BUSINESS

Overview of our Company

Our Company is one of the leading construction company in the infrastructure development business having a dedicated thrust on executing construction projects on EPC basis in India. With five decades of experience in diversified sectors and currently present in sixteen states on pan India basis. We are engaged in execution of major infra works comprising of national highways, bridges, canals, airport runways, railways, mining, ports, irrigation, industrial construction projects and other civil works. Our Company is an ISO 9001 – 2015 certified company and had been undertaking civil and engineering works of various state governments, central governments, public / autonomous bodies / corporations and private companies.

In the year 2010, we invested in the business of developing power generation projects through our wholly-owned Subsidiary, Gayatri Energy Ventures Private Limited. Our Company, in partnership with Sembcorp Utilities Pte. Limited, (a subsidiary of Sembcorp Industries, Singapore), established two coal based power projects having combined capacity of 2640 MW (4 x 640 MW) at Krishnapatnam, Andhra Pradesh. Both the above projects have achieved CODs.

During the last three Financial Years ended March 31, 2017, we completed the construction of seven (7) highway/ state highway projects in the various states in India, with an aggregate length of approximately 336.69 kms, aggregating to ₹ 26,738.70 million and three (3) irrigation projects aggregating to ₹ 3,377.30 million.

In order to be an asset light company and to focus on the EPC business and to maximize shareholders value, our Company through a Scheme decided to demerge the infrastructure road BOT assets business into a separate entity. The Composite Scheme of Arrangement ("Scheme") was approved by the Hon'ble National Company Law Tribunal ("**NCLT**"), Hyderabad Bench vide its order dated November 3, 2017. For details of the Scheme please refer to "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 91.

As of December 31, 2017, we had an Order Book of ₹ 128,472.49 million, consisting of three third party road EPC projects, fifteen irrigation projects, five mining project and twenty one other key projects, diversified across several states in India. We have been awarded two new orders since January 1, 2018 aggregating up to ₹ 9,230 million. Currently, our Order Book constitutes more than 50.00 % orders from NHAI.

Subsidiaries

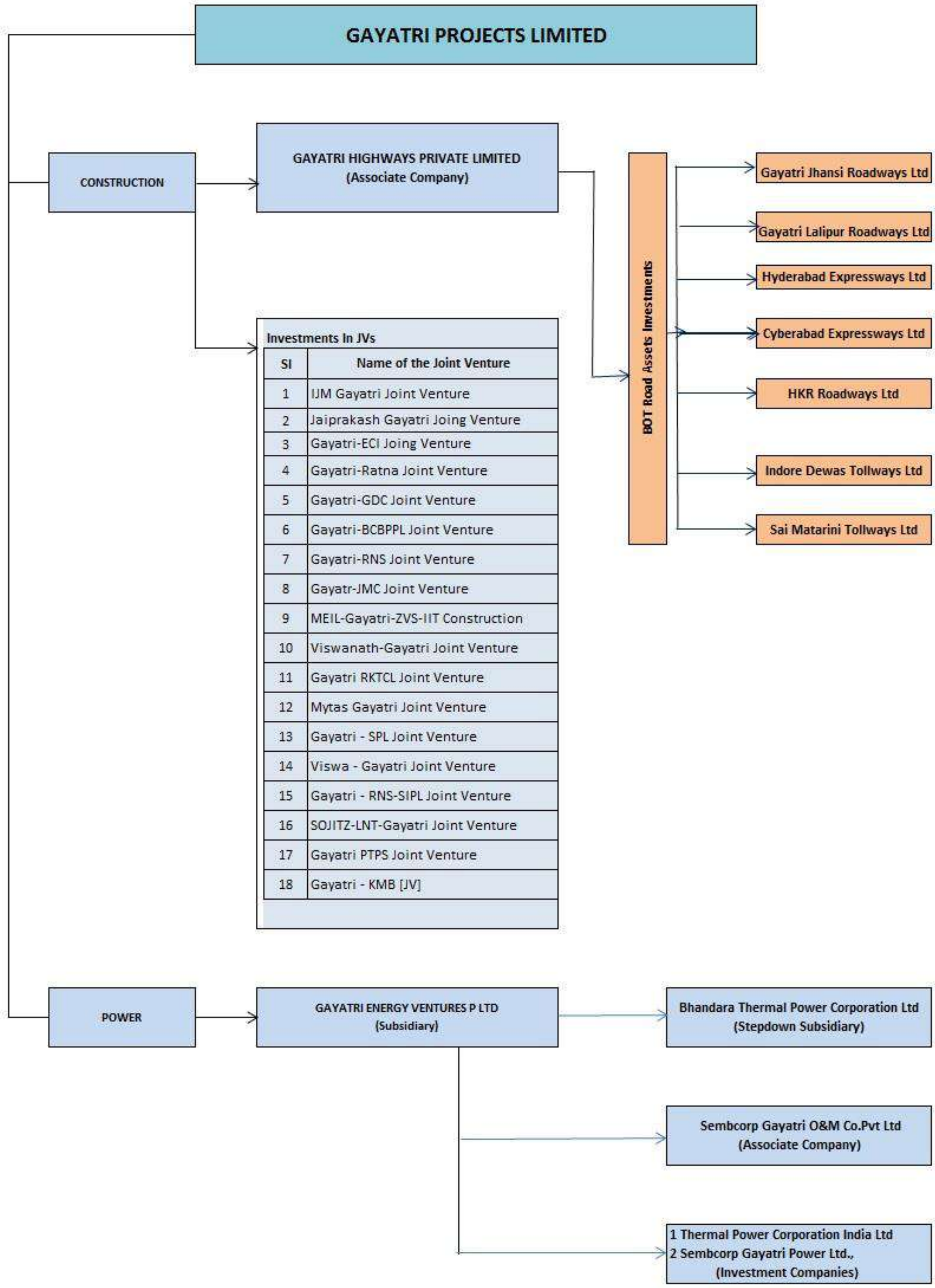
As on date, we have one direct Subsidiary, namely Gayatri Energy Ventures Private Limited and one step down subsidiary namely Bhandara Thermal Power Corporation Limited.

Joint Ventures

Our Company enters into various joint ventures with domestic as well as international infrastructure companies as part of our business and as on December 31,2017, we have 18 joint ventures, namely (1) IJM Gayatri Joint Venture, (2) Gayatri ECI Joint Venture, (3) Gayatri RNS Joint Ventures, (4) Gayatri GDC Joint Venture, (5) Gayatri BCBPPL Joint Venture, (6) Jaiprakash Gayatri Joint Venture, (7) Gayatri-Ratna Joint Venture, (8) MEIL-Gayatri-ZVS-ITT Consortium, (9) Gayatri-JMC Joint Venture, (10) Maytas-Gayatri Joint Venture, (11) Gayatri SPL Joint Venture, (12) Gayatri RKTCPL Joint Venture, (13) Sojitz-LNT-Gayatri JV, (14) Vishwanath-Gayatri Joint Venture, (15) GAYATRI - PTPS (JV) (JSC "PURPETRUBOPROVODSTROY" (16) GAYATRI - KMB (JV) ("Kyivmetrobud" a Public Stock Company registered in Ukraine), (17) Vishwa – Gayatri JV and (18) Gayatri-RNS-SPL JV.

Corporate Structure of our Company

GAYATRI PROJECTS LIMITED - GROUP STRUCTURE AS ON 31-12-2017



Investments In JVs

Sl	Name of the Joint Venture
1	IJM Gayatri Joint Venture
2	Jaiprakash Gayatri Joing Venture
3	Gayatri-ECI Joing Venture
4	Gayatri-Ratna Joint Venture
5	Gayatri-GDC Joint Venture
6	Gayatri-BCBPPL Joint Venture
7	Gayatri-RNS Joint Venture
8	Gayatr-JMC Joint Venture
9	MEIL-Gayatri-ZVS-IIT Construction
10	Viswanath-Gayatri Joint Venture
11	Gayatri RKTCL Joint Venture
12	Mytas Gayatri Joint Venture
13	Gayatri - SPL Joint Venture
14	Viswa - Gayatri Joint Venture
15	Gayatri - RNS-SIPL Joint Venture
16	SOJITZ-LNT-Gayatri Joint Venture
17	Gayatri PTPS Joint Venture
18	Gayatri - KMB [JV]

Our Competitive Strengths

Established track record in execution of construction projects on EPC basis.

Our Company has developed the requisite experience and expertise to execute and deliver a diverse range of infra projects in different regions and difficult terrains across various states in India over the past five decades. Our execution capabilities under EPC and BOT models include roads, toll ways, bridges, highways, dams, reservoirs, ports, civil work for industrial establishments, power transmission lines, airport runways, railway lines, hotels and multiplexes. We have also recently undertaken projects in railways and mining segments. Such diversification in different sectors enables us to reduce dependence on any one sector or type of construction and also mitigate the business risks. Our pan India presence in sixteen states helps us minimizing the business risks. Our project execution and delivery capabilities (on EPC segment) have seen a steady improvement. By leveraging on our exceptional engineering skills, competitive procurement through wide vendor base and project management expertise, enable us to meet the diverse range of orders efficaciously. Our Company has constructed approximately 1,926.01 kilometers (4 lanes on an average) of the roads and approximately 1,253.94 kilometers of irrigation canals. Our Company has completed execution of a total of 31 road projects amounting to ₹ 81,288.41 million, 29 irrigation projects amounting to ₹ 11,946.90 million, 11 projects for construction of dams and reservoir amounting to ₹ 1,691.10 million, 11 site leveling projects amounting to ₹ 3,563.90 million, 21 industrial projects amounting to ₹ 24,406.60 million, 1 railway project amounting to ₹ 3,845.30 million and 1 port project amounting to amounting to ₹ 450.00 million.

Diversified and robust growing Order Book

Our Order Book has grown over the last three years, from ₹ 62,517.48 million as of March 31, 2015, to ₹ 103,757.20 million as of March 31, 2016 and ₹ 124,742.10 million as of March 31, 2017, respectively growing at a CAGR of 41.84%. Our Company's aggregate Order Book is ₹ 128,472.49 million as on December 31, 2017. A robust Order Book coupled with a healthy mix of orders for the various segments of projects that we undertake, i.e. primarily roads, irrigation and industrial and commercial projects enables us to reduce our dependence on a particular segment. Our Order book is also geographically diversified which gives us more leverage to hedge against risks in specific areas or projects and protects us from concentration risk. We initially started our operations in 1989 in Andhra Pradesh, and over a period of time we have expanded operations across the Country, currently working in sixteen states. Furthermore, our large Order Book increases our operational efficiency by allowing us economies of scale. Our segment wise Order-Book as on December 31, 2017 is as mentioned below.

₹ in million

Segment wise Order Book	No. of Contracts	Total Contract Value	Outstanding Order Value	% of outstanding order value
Roads Division	17	100,815.90	74,696.18	58.14
Irrigation Division	15	46,305.32	35,999.60	28.02
Industrial Works	8	19,147.53	15,441.72	12.02
Power Transmission	3	2,046.89	406.24	0.32
Orders from BOT Projects	3	34,792.68	1,928.75	1.50
Total:	**46**	**203,108.31**	**128,472.49**	**100.00**

Our Order Book is not audited and does not necessarily indicate our future earnings. We may not be able to achieve our expected margins or may even suffer losses on one or more of these contracts. For further information, please refer to "***Risk Factor***" - 40 *"Projects included in our Order Book and our future projects may be delayed, modified or cancelled for reasons beyond our control which may materially and adversely affect our business, prospects, reputation, profitability, financial condition and results of operation*" on page 67.

Well Established and extensive relationships with Reputed Clients across various business segments of our Company

Our Company has substantial expertise and cost competitive strategies in procuring orders (primarily on lowest cost basis) from central, state and local governments and various public sector undertakings in the power, roads and irrigation segments. In addition to the above we are also undertaking projects in railways, underground/open cast mining projects and catering to private sector companies such as Tata Steel Limited, NFCL, Reliance Petroleum, primarily for industrial construction works. Our pre-qualified status with these clients helps us to maintain a steady flow of work orders and at the same time enable us to provide cost and operational advantages. Our Company's credentials enable us to bid for projects with attractive returns in these segments and additionally allow us to tender for relevant projects, either singly, or in collaboration with joint venture partners. In a growing market, we continue to bid for the road and infrastructure related projects, with an object of leveraging and expanding our volume of business operations by spreading across various states and regions by taking up large projects. We have setup a base of operation capitalizing on our local experience, established contracts with local clients and suppliers and also familiarity with local working conditions.

Experienced senior management with proven execution capabilities and skilled employees

We have a strong management team with significant industry experience. Our Promoter Directors, Mrs. T. Indira Subbarami Reddy, Mr. J. Brij Mohan Reddy and Mr. T. V. Sandeep Kumar Reddy have approximately 50 years of experience. In addition, our Board of Directors includes independent directors who bring significant business expertise. The combination of our experienced Board of Directors and our dynamic management team, positions us well to capitalize on future growth opportunities.

We also have a requisite pool of qualified and experienced skilled manpower with a total base of more than 2700 full-time employees and access to a large pool of contract workers. The skills and diversity of the employees gives the flexibility to adapt to the needs of various projects.

Partnerships and Collaborations with experienced domestic and international Entities

From time to time, we have entered into joint venture collaborations and/or bidding arrangements with different reputed domestic and international entities including the Jaiprakash Associates Limited (a diversified company engaged in the cement, steel, power, hospitality and constructions sectors), IJM Infrastructure (a Malaysian head quartered reputed international construction and infrastructure group) and China Coal Overseas Development Company. Our joint venture participation and collaborations with experienced national and international players allow our Company and our partners to pool in their own resources for pre-qualification as well as submission of the techno-commercial bid. This has enabled us to bid for prestigious projects with extensive qualification requirements, and at the same time enabled us to mitigate execution risk through sharing of resources, capital costs and profits / losses in connection with such projects.

Strong in house Designing and Engineering capabilities and sustained investment in in-house fleet constructions.

Through our experienced design and engineering teams, we plan every step of the project, and over time, have developed strong project management and execution expertise and delivery capabilities. We have a team of specialists involved in integrated engineering and design works for implementing road construction and irrigation projects and also other infra projects like, special bridges, irrigation, railways, mining projects and other industrial projects. Further, we are involved with various design organizations, both indigenous and international, who capture our requirement and assist us with both, pre-bid and post- bid design and engineering works. Additionally we also have invested in modern construction equipment that allows us to meet the requirements of a broad spectrum of construction activity. We have a total fleet of about 2,300 pieces of construction equipment. Such an equipment base gives us the capability to execute and deliver a diverse range of projects on time schedule. Our Company has a skilled employee resource which has the requisite expertise and experience in the use and handling of modern construction equipment and machinery. Our plant & machinery department also utilizes IoT technology to track real time equipment usage. This data can also be used for better preventive maintenance so as to improve equipment health and reduce capital cost in the long term. These strategies give us a competitive advantage and allows us to achieve efficacious operating margins.

Financial strength and banking limits to assist our Company to execute our Order Book.

We have more than five decades of experience working with banks which facilitate our business. Any new work order that we bid for and win needs significant banking lines both on the funded and especially non-fund based limit side. When we bid for a construction work order we need to put up Bid Bonds and on award of a construction work order, we required give Performance Bank Guarantees (PBG). In order to manage our working capital and maximize the RoCE (Return on Capital Employed), we need to avail mobilization advance from our contractees. We are also required to give significant Bank Guarantees (BGs) to avail of these mobilization advances. Our long standing relationship and limits with our banking partners places us in a position to win construction order and maximize return for our shareholders. We currently have a total ₹ 37,000 million worth BG limits with our banking partners.

Our Strategy

Strategic focus on Asset Light model

We have more than five decades of experience in the construction sector with different kinds of business models. During Fiscal 2007 to Fiscal 2015 we saw our balance-sheet expand significantly primarily due to a build-up of development assets in BOT roads and power generation. As a result, there was a loss of shareholder value during the industry downturn. Since then we have decided to strictly focus on an asset-light model. In order to be an asset light company and to focus on the EPC business and to maximize shareholders value, a decision was taken to demerge the infrastructure assets business. A Scheme was implemented under which the infrastructure road BOT assets business were demerged into a separate entity named 'Gayatri Highways Limited'. This Scheme will help our Company deleverage our balance sheet and will help us in generating cash flows. Our Company has now become a pure EPC Company and will pursue new EPC contracts in diversified sectors. Our Company will extensively focus and pursue cash contracts like item rate, lump sum or EPC business in diversified sector. Our cluster based approach will enable us to lower the asset mobilization cost and efficient use of our resources. For further details on the Scheme please refer to "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 91.

Grow presence in core EPC segments

The Government of India approved the highway construction plan to develop nearly 83,677 km of roads at an investment of ₹ 692,324 crores. The program includes Government's Bharatmala scheme under which 24,800 km of highways would be constructed at the cost of ₹ 385,000 crores.
(Source: http://pibphoto.nic.in/documents/rlink/2017/oct/p2017102503.pdf)

In view of the opportunities in the construction sector, we propose to leverage on our construction and project execution capabilities to further actively bid in the core areas of expertise including highways, irrigation and industrials, etc.

(iv) *Focus on Road Projects:* We will continue to bid for the road related infrastructure projects, leveraging and expanding our operations in pre-qualification and there by participating in more states and regions and gaining access to more complex projects. To capitalize on our local experiences, existing contracts with local clients and suppliers and also familiarity with local working conditions, we have setup a base of operation in the respective states. In pursuing our strategies, we seek to identify such markets where we can provide cost and operational advantages to our clients. Currently the road projects constitute approximately 58.00 % of our business portfolio and further focus of the Government on the highway projects will give our Company opportunity to bid and win projects.

(v) *Focus on Irrigation Projects:* We have tied-up with Jaiprakash Associates Limited to bid for irrigation projects in State of Andhra Pradesh and Telangana. We intend to utilize our experience in the irrigation projects and our large equipment base to benefit from the increasing demand for irrigation projects in India. We also plan to extend our operations to other Irrigation Projects of various State Governments such as Orissa, Madhya Pradesh, Gujarat and Maharashtra.

(vi) *Expand our operations to industrial construction projects:* We have requisite knowledge and experience in handling multitude of industrial projects. In the past, we have executed various site preparation and grading, construction of roads, drains, ponds, reservoirs and industrial structures for reputed companies like NFCL, Reliance Petroleum, Jindal Vijzayanagar Steel, Visakhapatnam Steel Plant, HPCL, Tata Steel Works, Power Projects etc. We have also executed specialized works for Indian railways, Ports and Airport Authority. We have executed construction of Railway line in 3 sections i.e. KR-51, KR-55 & KR-57 for Koraput-Rayagada Lane, construction of approach berths and back-up area at Kakinada Port for Kakinada Sea Ports Ltd., State of Andhra Pradesh &Telangana and extension and strengthening of Runway at 28th end of Calicut Airport, Calicut. We intend to expand our existing execution capabilities in industrial construction projects and for this purpose, we have established a separate division for EPC works headed by a senior executive.

Explore new opportunities in EPC construction space including cluster based approach

In the next 20 years, India is looking at being a fully developed nation. To accelerate this notion, the Government of

India is coming up with various infrastructure projects to develop urban infra and connectivity alike. As India is witnessing a marked move of population from rural villages to cities, development of urban infra has become a priority. The infrastructure is propose to be strengthen through developing transportation, power supply, water supply and housing. Intra -city connection through metro rail and monorail projects and intercity connection through high speed rail and bullet train projects will contribute towards India's ascent into being a developed nation. Our strategic objective is to continue improving and consolidate our position as one of the leading construction company. Two new areas of focus for us are Underground Mining and Urban Infrastructure. We believe that these are niche areas with potentially higher margins.

(iv) *Mining* **-** Our Company has recently forayed into mining sector and has a tie up with China Coal Overseas Development Company, which is a subsidiary of China Coal Energy Company Ltd. The current order is worth approximately ₹ 3,487.20 million. We are also executing work of civil construction and infra works and supply of equipment including Shop Inspection, Testing and Supply of Plant & Equipment associated to Moonidih XV Seam Project, Jharkhand to Bharat Coking Coal Limited (a Subsidiary of Coal India Ltd.). We also aim to expand our operations in coal and Non - coal sector with opencast mining. The underground mining projects targeted by our Company are highly specialized and mechanized, and we are expecting to get further orders in the coming years, which will enhance our capabilities in this sector.

(v) *Urban infrastructure* – As part our diversification in the urban infrastructure sector, we are executing project for the airport development of Navi Mumbai International Airport and railway EPC work for Western Dedicated Freight Corridor (DFCC).

(vi) *Taking a Cluster Approach:* Our cluster based approach will enable us to lower the asset mobilization cost and efficient use of our resources. Having multiple projects in a cluster will be helpful in reducing overheads, management cost, increase efficiency in usage of project resources thereby creating and operating cluster to improve the productivity.

Further improvise operational performance & turnaround times targeting on-time completion, quality execution & improved realizations

We intend to continue to focus on performance and project execution in order to maximize client satisfaction and profit margins by integrating best practices from different sectors and geographic regions. We attempt to utilize advanced technologies, designs, engineering and project management tools to increase productivity and maximize asset utilization in construction activities. We will also continue to invest in construction equipment, manpower resources and training to improve our ability to execute our projects with quality and efficiency and minimize our dependency on external sub-contractors and rented equipment.

Leveraging Technology for improved Project Execution:

Our Company firmly believes that technology can and should be used as a competitive advantage. We have built a technology backbone for the entire company and all the project operations, by leveraging what we believe are the most cutting-edge technologies such as IoT (Internet-of-Things), cloud computing and automation. Once the tendering stage is completed and the project is won, we prepare detailed plans using advanced planning and simulation software and ensure efficient project execution. The entire procurement of equipment and materials and appointment of sub-contractors and vendors are handled by our cloud-based in-house ERP software. On some of our project sites, we are using an integrated project & equipment management solution. We collect real-time production and utilization data from all plants, crushers, weigh-bridges, machinery, vehicles, and equipment using ruggedized and sophisticated IoT devices. We also collect daily work reports from our field-engineers from a mobile app. All of this data is consolidated on a cloud-based application which provides actionable insights about daily work, which project staff can use to evaluate and improve their performance. Finally, once the project is completed, the life-cycle data of completed projects is used to decide a prudent bidding strategy for future projects. As we gain experience on some of the pilot sites, we will expand this technology implementation to all our work sites.

Business Details:

Details of the our Lines of Business

We are primarily engaged in the business of executing construction projects on EPC (engineering, procurement & Construction) basis. In addition, our Board of Directors includes independent directors who bring in significant business expertise.

We are engaged in the business of executing various construction projects on a lump sum turnkey, fixed price and management basis. We undertake following types of construction projects:

- Irrigation projects such as gravity irrigation, lift irrigation works involving constructing reservoirs, canals, dams and barrages, spill ways, raising mains aqueducts and pipelines, etc.

- Roadway projects such as constructing greenfield expressways, state and national highways both rigid and flexible pavements including pipe and slab culverts, minor and major bridges, flyovers, aqueducts and dedicated service corridors, construction of new bypasses, inter changes, vehicular passes, under passes, widening and strengthening of existing carriageways, rehabilitation and upgrading of existing roads,;

- Industrial and commercial projects such as integrated steel factory, petrochemical refinery, ports, SEZs, hotels, multiplexes and related works;

- Construction of Balance of Plant in Power generation projects, power transmission lines and distribution projects; and

- We have also successfully executed various power EPC works in the power projects

- We have recently forayed in the mining sector, and have tied up with China Coal Overseas Development Company Ltd., a subsidiary of China Coal Energy Company Ltd.

- We have also ventured into airport development and have won an award order of ₹ 6,994.40 million for development of Navi Mumbai International Airport.

- We have also made a strong foray into the fast-growing railway EPC sector, by winning a ₹ 47,440.00 million contract for designing and building the Iqbalgarh - Vadodara section of the Western Dedicated Freight Corridor (DFCC) in a consortium with M/s Sojitz Corporation and M/s L&T Ltd.

Some of the key completed projects by our Company in various sectors are as mentioned below:

Road Projects:

Our Company has taken up first road project funded by World Bank in the year 1990 and since then we have gained experience and expertise in the various highway projects construction. Over the years, we have completed more than 1,926 kms of roads / highway projects.

The key ten assignments completed under road sector are as under:

Sr. No	Name of Client	Year of completion	Description	Contract Value of the project completed(₹ in million)
1.	Sai Maatarini Tollways Ltd	2017	Four Laning of Panikoili - Rimuli Section of NH-215 from Km.0.000 to Km.163.000 (Design length 166.173 km) in the State of Odisha.	18,892.10
2.	HKR Roadways Ltd	2014	Design, Construction, Finance, Operation and Maintenance of Four-Laning of Hyderabad-Karimnagar-Ramagundam Road (SH-1) from Km.28.200 to 235.058 in the State of AP	8,176.60
3.	Indore Dewas Tollways Ltd	2015	Six Laning of Indore- Dewas Section of NH-3 from Km 577.550 to Km 610.000 and Km 0.000 to Km 12.600 (Approx. length 45.05KM) in the State of MP	4,625.10

Sr. No	Name of Client	Year of completion	Description	Contract Value of the project completed(₹ in million)
4.	National Highways Authority of India	2016	4-laning from Km.93.00 to Km.60.00 of Bijni to WB Border Section of NH-31C in Assam (AS-10)	4,499.00
5.	Hyderabad Growth Corridor Limited, Hyderabad	2010	Design, Construction, Development, Operation & Maintenance of 8-Lane Access Controlled Expressway under Phase- IIIA Programme - Phase - I of ORR to Hyderabad City - Contract Package AP-4 from Bongulur to Tukkuguda from Km 108.000 to Km 121.000	3,800.00
6.	National Highways Authority of India, New Delhi	2010	Design, Construction, Development, Finance, Operation and Maintenance of Km.0.000 to Km.49.700 on NH-25/26 in the State of UP on BOT Basis **UP2**	3,778.30
7.	PW Department, Government of Odisha	2016	Improvement of Naranpur-Pandapada - Harichandanpur - Brahmanipal - Duburi Road	3,771.30
8.	National Highways Authority of India, New Delhi	2011	Four Lane to **Meerut - Muzaffarnagar** Section (Km.52.00 to Km.131.00) of NH-58 in the State of Uttar Pradesh	3,363.02
9.	Hyderabad Growth Corridor Limited, Hyderabad	2014	Construction of Eight Lane Access Controlled Expressway as Outer Ring Road to Hyderabad City from Patancheru to Shamirpet from **(ORR - Package 2)**	3,239.70
10.	Gayatri Lalitpur Roadways Limited	2017	Design, Construction, Development, Finance, Operation and Maintenance of Km.49.700 to Km.99.005 on NH-26 in the State of UP on BOT Basis - **UP3.**	2775.50

Irrigation Projects:

The key ten assignments completed under irrigation sector are as under:

Sr.No	**Name of Client**	**Year of completion**	**Description**	**Contract Value of the project completed (₹ in million)**
1.	Executive Engineer, Narmada Development Canal Division, Khargone (M.P)	2015	Execution of Canal System of Indira Sagar Project Main canal from R.D.130-935 to 155-00 Km	2,953.80
2.	Superintending Engineer, IFFC Circle No.1, Jagtial	2010	SRSP - II and Flood Flow Canal - Earth Work Excavation, forming embankment and construction of CM & CD works including investigation, designing and estimation of Flood Flow Main Canal from Km 43.00 to Km 57.00	1,961.50
3.	Executive Engineer, KBJNL, Almel, Sindgi, Bijapur	1999	Construction of Upper Krishna Project, Indi Branch Canal	1,308.40
4.	Executive Engineer, Narmada Project Canal Div.No.1, Thasra, Gujarat	2002	Construction Of Narmada Main Canal Reach KM 168 to KM 177	938.90
5.	Executive Engineer, Narmada Project Main Canal Construction Div.No.12, Kapadwanj, Gujarat	2002	Construction of Narmada Main Canal Reach KM 188 to KM 198.	394.70
6.	I & CAD Department, Government of Andhra Pradesh	2004	Earthwork Excavation and Cement Concrete Lining including Construction of Structures from Km.150.650 to Km.170.000 of K. C. Canal **Package ICB – 10**	328.10
7.	I & CAD Department, Government of Andhra Pradesh	2004	Rehabilitation and Modernization of Distributory System of Kakatiya Canal **Package No. N4-11A**	320.20
8.	I & CAD Department, Government of Andhra Pradesh	2003	Earthwork Excavation and Cement Concrete Lining including Construction of Structures from Km170.000-Km.190.000 of K. C. Canal **Package ICB-11** in reach – III	308.80
9.	I & CAD Department, Government of Andhra Pradesh	2017	Raising and Widening of flood bank to 1986 standards of GRB from Km.60.000 to Km.85.100 including formation of W. B. M. Road construction of concrete protection wall and reconstruction / remodeling of existing structures – Tender No.81/2006-07	289.00
10.	I & CAD Department, Government of Andhra Pradesh	2011	Raising and Widening of flood bank of VLB from Km.0.000 to Km.24.000	231.40

Other Key Projects completed by our Company:

The key ten assignments completed under Industrial, railways and ports sector are as under:

Sr. No	Name of Client	Sector	Year of completi on	Description	Contract Value of the project completed(₹ in million)
1.	Thermal Powertech Corporation India Ltd	Industrial	2015	Site Levelling & Civil Works and Supply and erection of Sea Water Intake System and Coal Handling System at Krishnapatnam, Nellore	6,780.40
2.	NCC Power Project Ltd	Industrial	2016	Site Gradring and Filling and Construction of Compound Wall, Civil Works, Erection, Tesing and Commissioning and Supply of Sea Water Sea Water Intake & Outfall System and External Coal Handling System for 2 x660 MW TPP at Thotapalli, Gudur Mandal, SPSR Nellore District, AP	5,694.10
3.	Tata Steel Ltd	Railway	2016	Construction of Railway Formation in fitting / cutting, minor bridges, major bridges retaining wall, drain works, track linking including supply of ballast etc.	3,845.30
4.	Tata Steel Ltd	Industrial	2016	Civil Works for RMHS package.	2,825.60
5.	Tata Steel Ltd	Industrial	2016	Site Grading work for Tata Steel Kalinganagar Project, Odisha	2,325.40
6.	Tata Steel Ltd	Industrial	2016	Supply of Material for RMHS	2,100.30
7.	Tata Steel Ltd	Industrial	2016	Construction of Plant Drainage System for Kalinganagar Project	1,999.50
8.	Tata Steel Ltd	Industrial	2016	Erection, Alignment and Painting works for RMHS for Tata Steel Ltd	1,195.70
9.	Neelachal Ispat Nigam Limited	Industrial	2013	Civil Works in BOF, GCP & CCP Area for Phase - II Project of Integrated Iron & Steel Plant being set up at Kalinganagar Industrial Complex, Duburi, Odisha (NINL)	563.20
10.	Tata Steel	Industrial	2016	Construction of Roads & Drains at Main Plant Area of Tata Steel Ltd	556.80

Experience in executing BOT Contracts

In the past we have executed eight BOT projects on turnkey basis to our erstwhile SPV companies. The details are as under:

a) **Gayatri Jhansi Roadways Limited** is a Special Purpose Company, promoted by Gayatri Projects Limited and Infrastructure Development Finance Company Limited to Design, Develop, Construct, Operate and Maintain a 50 Km stretch between Jhansi and Lalitpur on National Highway No.25/26 as part of the North – South Corridor in Uttar Pradesh. The COD was achieved on June 11, 2010 for 35 KM. We had executed the road on behalf of the SPV as EPC contractor.

b) **Gayatri Lalitpur Roadways Limited** a Special Purpose Company, promoted by Gayatri Projects Limited and Infrastructure Development Finance Company Limited to Design, develop, construct, operate and maintain 50 Km stretch between Jhansi and Lalitpur on National Highway No.26 (NH-26) as part of the North – South Corridor in Uttar Pradesh. The COD was achieved on July 7, for 45.22 KM. We had executed the road on behalf of the SPV as EPC contractor.

c) **Western UP Tollway Limited** a Special Purpose Company, promoted by Gayatri Projects Limited (49%) and Nagarjuna Construction Company Limited (NCC Ltd-51%) to Design, Develop, Construct, Operation and Maintenance of Rehabilitation and Strengthening of existing 2- lane and widening to 4-lane divided highway of 52.250 km to 131.00 km of NH-59 (Meerut- Muzaffarnagar Section) in the state of Uttar Pradesh on BOT basis. . The Provisional Completion Certificate was received and tolling started in April, 2011 for completed stretch of 57 Km. the SPV was sold to Cube Highways and Infrastructure Private Limited, a Company incorporated under the laws of Singapore in January 2016.

d) **Cyberabad Expressway Private Limited** a Special Purpose Company promoted by Gayatri Projects Limited and Maytas Infra Limited to design, construct, develop, finance, operate and maintain an Eight lane access controlled expressway under Phase II A program as an extension of Phase I of ORR to Hyderabad City, in the State of Andhra Pradesh, India, for the Package from Kollur to Patancheru from 12.00km to 23.70 km on Build, Operate and Transfer (BOT) (Annuity) Basis. Provisional COD was achieved on March 30, 2012.

e) **Hyderabad Expressway Private Limited** a Special Purpose Company promoted by Gayatri Projects Limited and Maytas Infra Limited to design, construct, develop, finance, operate and maintain an Eight lane access controlled expressway under Phase II A program as an extension of Phase I of ORR to Hyderabad City, in the State of Andhra Pradesh, India, for the package from Bongulur to Tukkuguda from 108.00 km to 121.00 km on Build, Operate and Transfer (BOT) (Annuity) Basis, Project Reference No.ORR/PH-IIA/BOT/AP-4. The work was completed and COD achieved on August 16, 2010. We have executed the road on behalf of the SPV as an EPC contractor.

f) **Indore-Dewas Tollways Limited** a Special Purpose Company promoted by Gayatri Projects Limited and DLF Infra Holdings Limited for Six Laning of Indore – Dewas Section of NH-3 from 577.55 km to 610.00 km and 0.00 km to 12.60 km (Approx. Length 45.05 Km) in the State of Madhya Pradesh under NHDP Phase –V to be executed as BOT (Toll) Project on DBFOT Pattern. Provisional Completion Certificate was received on May 29, 2015. We have executed the road on behalf of the SPV as an EPC contractor.

g) **HKR Tollways Limited** a Special Purpose Company promoted by Gayatri Projects Limited, DLF Infra Holdings Limited and Megha Engineering & Infrastructures Limited to Design, Construct, Develop, Finance, Operate and Maintain Four-Laning of Hyderabad – Karimnagar – Ramagundam Road (SH-1) from 28.20 km to 235.06 km in the state of Andhra Pradesh under Public Private Partnership (PPP) on Build, Operate, and Transfer (BOT) Basis. The provisional COD was achieved on May 30, 2014. We have executed the road on behalf of the SPV as an EPC contractor.

h) **Sai Maatarini Tollways Limited** a Special Purpose Company promoted by Gayatri Projects Limited for Four-laning of Panikoili – Rimuli Section of NH-215 from 0.00 km to 163.00 km in the State of Odisha to be executed as BOT (Toll) Project on DBFO Pattern under NHDP Phase III. Provisional COD achieved on August 8, 2017. We have executed the road on behalf of the SPV as an EPC contractor.

Mining

Our Company has ventured in to mining and allied works in the year 2014. We are currently executing projects in Moonidih and Jhanjra with a total contract value of about ₹ 7,219.86 million.

***Jhanjra Project*:**

Our Company is awarded a Contract for construction and operation of Long wall equipment (thick seam) with a total targeted production of 9.4MT (Million Tonnes) (3.5 million tonnes underground) for period of six years. The total value of the contract is about ₹ 3,487.20 million. We are executing the project in one of the biggest underground coal mine in Eastern Coalfields Limited (ECL) a subsidiary of Coal India Limited. The production commenced from September 2016 and the mine is in operation.

***Moonidih Longwall Project*:**

Moonidih Longwall project is a green field project in the state of Jharkhand 15 Km from Dhanbad, the coal capital of India. This is under the administrative control of BCCL (Bharat Coking Coal Limited) a Subsidiary of Coal India Limited (CIL). Our Company was awarded the work of civil construction and infra works and supply of equipment including shop inspection, testing and supply of plant & equipment associated to Moonidih XV Seam Project.

Project Tendering and Execution Process.

For our business, there are two necessary requirements, which determine our ability to undertake and execute projects. These are pre-qualification parameters and bidding strategy. These are explained as follows:

Pre-qualification parameters

A project owner/client normally conceives of a specific project and follows it up with the appointment of a consultant who prepares a detailed project report. This report addresses various aspects of project implementation commencing from obtaining clearances, right of ways, scope of work, technical parameters, etc., to related costs which define the approximate estimated cost of the project.

At the next level the project owner invites pre-qualifications from prospective bidders to assess and identify contractors who are capable of bidding for the project and subsequently implementing the same, if awarded. The detailed project report data is utilized to define the pre-qualification criteria by the project owner.

For projects across the various sectors, the project owner /client normally specify the qualifying criteria, which include:

i. Technical Capability: The Company bidding for the projects should have the experience of having implemented projects of similar nature, necessary manpower with a relevant profile to suit the project and the experience to execute it. Depending on the project, relevant machinery as specified by the client should be available with the company. This may be owned or outsourced / hired from a third party.

ii. Financial Strength: This includes the minimum annual turnover, net worth requirement as well as working capital requirements of the bidder.

In the event the project allows for association of more than one company to participate in the contract to enable the partners to pool in their resources, thereby meeting the threshold pre-qualifying criteria, such a method of invitation is known as joint venture participation. Joint Venture participation allows the individual partners of the proposed project to pool in their own resources for pre-qualification as well as submission of the techno-commercial bid. Joint Venture may happen at the time of RFQ (request for qualification) or at tender stage in case of two bid process. Normally a joint venture memorandum of understanding is signed by the partners, which is in line with the guidelines provided by the client. This Joint Venture agreement could be either project specific or generic.

- Project Specific JVs/MOUs which are in existence till such time as the outcome of pre-qualification or if awarded till the completion of the project.

- Generic MOUs/JVs- In these cases the JVs /MOUs are not formed for any specific project rather it is a partnership wherein the JV can submit their prequalification and bid for the projects. No technology transfer is involved and both the parties will be limited to their respective scope of work derived out of their expertise.

Bidding strategy

Our bidding strategy is based on the market opportunities, the competitive environment and new focus areas. Further, for each project we consider the project risks involved, impact of location, local environment, and the availability of existing resources such as manpower, equipment and finance. Our major cost inputs are labour, materials and plant and machinery. Once this is assessed the other costs such as site overheads, corporate overheads, profit margin, interest and taxes are added to arrive at the final cost for bidding. Based on the result of the tenders normally the lowest bidder is awarded the contract

Tendering Process

Normally, in the construction sector major portion of the work is awarded by Government sector. We enter into contracts primarily through a competitive bidding process. The process in construction starts from the stage of tendering and ends at the completion of project. Once the company receives the tender from the prospective client, a survey is conducted at the proposed site by a team of engineers, as regards to availability of basic amenities near the site, availability of labour, and distance from the sources of materials and other related factors. On the basis of the survey and keeping in view factors such as site conditions, time schedule and other terms and conditions of the contract, the value of the contract is estimated and tendering done.

Execution Process

We undertake contracts where our Company is the main contractor or subcontractor. Further, we may outsource our work to our subcontractor. This may be done in two ways. Either a part/portion of the work may be sub contracted or the entire contract may be sub-contracted. When only part of the work is subcontracted it may broadly be in the nature of civil / technical works. When the main contractor sub contracts the entire work, sub-contractor is fully responsible for execution of the project. Our Company normally sub-contracts works which are smaller in value. Our projects are located across various regions in India.

Once the contract is awarded to our Company, a project team is constituted to execute the work as per the conditions of the contract. The Team Head procures the relevant drawings and other details of the project from the consultant appointed by the client and based on that, the team selects the labour agencies, employs direct labour, plans purchasing of material, arranges for deployment of labour, and makes necessary arrangements for machines, power and water. The actual construction process begins with soil testing and includes land development, road development, masonry, concrete reinforcing, mixer operations, plumbing, plastering work, finishing etc. Each stage of the construction activity is closely monitored for quality and timely execution of work. Our Company also has a separate quality control department that supervises and ensures the quality of work done and to meet demands of Project Management

Key Processes and technology

There are no key processes, technology and collaboration agreements with any parties for technology. Our clients normally specify proven conventional technologies and methods for their projects, therefore, it does not entail the need for any collaboration agreements for technology to be used. The client specifies the same in the tender conditions. For us to pre-qualify, we should have implemented contracts using the similar technology in the past. We don’t require to own this technology, however we can access the same, as they are available domestically. In case, certain specialized projects call for similar technology with higher capacities, we may identify international sources and establish necessary tie-ups. However, one cannot rule out the possibility of collaboration to enable access to new technologies in the future. Based on the project requirements, our Company is required to tie up from time to time with JV partners who possess experience in implementing projects with alternate technologies specified in the tender document.

Raw materials

Our major raw materials for the projects that we execute are steel, cement, diesel, bitumen, reinforcement steel, shuttering material, scaffoldings, river sand, block masonry and electrical items.

We follow a centralized purchase system for cement, steel, diesel, and bitumen through our purchase department. In case of cement, our requirements are seasonal and we procure directly from manufacturing units located near to project site. We have got an effective system to take the material at competitive rates and to maintain minimum inventory, so the supplies are made on a just-in-time basis. In case of steel, diesel and bitumen our requirements are project specific. We procure steel from major steel suppliers to ensure availability and timely delivery to meet our project schedule needs.

Most of our other raw materials/consumables are easily available and hence we face no monopoly from suppliers. The requirement is processed through negotiations with the suppliers keeping in view the logistics of location of project and timing of supply. For some of our projects, we may require to purchase specific equipment and components, which are key inputs for project implementation, which are also procured by the centralized purchase department. However there are certain consumable which are required at various sites which are available locally at project sites and we have not faced difficulty in past in procuring them.

Plant and Machinery Details

Our Company has invested and owns a fleet of close to 2,300 pieces of modern construction equipment. This allows us to meet the requirements of a broad spectrum of construction activity. We believe that owning and managing a large portion of the equipment, we typically use on projects gives us a competitive advantage and allows us to achieve efficacious operating margins. These equipment are warehoused in Hyderabad and the necessary equipment required in a particular project are transported from Hyderabad to the location of the project or from a nearby vicinity where any project is being completed**.** Some of the equipment owned by us are Hot Mix Plants, W M M Plants, Crushers, Graders, Concrete Pumps, Machine Walk Behind Roller, Theam Conveyor, Compressors, Cement Bulker, Lab Equipments, Welding Generators, Bending Machine, Bitumin Sprayers, Transit Mixer, Transformers.

Our Order book

The Order Book means the total contract value of all existing /running contracts as of such date minus the revenue already recognized by our Company of such existing contracts up to and including such dates.

Our total Order Book was ₹ 62,517.48 million, ₹ 103,757.18 million, and ₹ 124,742.06 million, as of March 31, 2015, 2016 and 2017, representing an increase of 65.97% and 20.22% for Financial Years 2016 and 2017 respectively.

Our Company's Order Book is ₹ 128,472.49 million as on December 31, 2017. The details of the Order Book are as follows:

(₹ in million)

Sr. No.	Work Description	Total Value of the Order	Value of Order Completed as at December 31, 2017	Outstanding Value of Orders
A	**Road Sector**			
1.	2 laning/ realignment from Km 11.500 to 130 of NH-44A in the State of Mizoram MORTH.	6,156.96	4,443.53	1,713.43
2.	Widening and Strengthening of Mydukuru - Jammalamadugu Road from Km.177/400 to 197/670 in Kadapa District.	584.05	436.54	147.51
3.	Rehabilitation and Upgradation of Sheorinarayan-Birra-Champa Road (SH-9) (Package No.16) – Rs. 11907.01*51% (GPL Share 51%).	607.26	470.10	137.16
4.	Rehabilitation and Upgradation of Simga-Tilda-Kharora - Arang Road (SH-20) (Package No.5).	1,369.59	1,012.45	357.14
5.	HGCL - Outer Ring Road Project - Construction of Balance work of Eight Lane Access Controlled Expressway as Outer Ring Road to Hyderabad City, in the stretch from Shamirpet to Keesara from Km 61+700 to Km 72+000.	1,527.40	1,479.51	47.89
6.	Development of Six Lane Eastern Peripheral Expressway (NH No.NEII) on EPC Mode Package VI from Km.114.000 to Km.136.000.	7,234.37	6,322.78	911.59
7.	4-laning of Ghaghra Bridge to Varanasi of NH-233 from km 180.420 to Km 240.340 (Package-II from Bhudanpur Urban section to start of Gossai Bazar bypass) in the State of Uttar Pradesh under NHDP Phase-IV on EPC mode.	7,410.00	2,325.89	5,084.11

Sr. No.	Work Description	Total Value of the Order	Value of Order Completed as at December 31, 2017	Outstanding Value of Orders
8.	4-laning of Ghaghra Bridge to Varanasi section of NH-233 from km 240.340 to km 299.350(Package-III) from start of Gossai Bazar bypass to Varanasi] in the State of Uttar Pradesh under NHDP Phase - IV on EPC mode.	7,850.00	2,087.10	5,762.90
9.	4-laning of Sultanpur to Varanasi Section of NH-56 from Km 134.700 (design chainage km 134.700) to Km 205.000 (design chainage Km 209.230) (Package-I) in the State of Uttar Pradesh under NHDP Phase - IV on EPC mode.	9,860.00	2,587.20	7,272.80
10.	4-laning of Sultanpur to Varanasi section of NH-56 from Km 205.000 (design chainage Km 209.230) to Km 263.000 (design chainage 272.590) (Package-II) in the State of Uttar Pradesh under NHDP Phase - IV on EPC mode.	8,060.00	1,754.83	6,305.17
11.	Four laning of existing Dimapur – Kohima Road from design km 152.490 to km 166.700 (existing km 156.000 to km 172.900) excluding Dimapur& Kohima Bypass, in the state of Nagaland under SARDP-NE”.	3,400.00	583.07	2,816.93
12.	Rehabilitation and up-gradation of NH-4 from Km 133.36 to Km 171.59 (Andhra Pradesh / Tamilnadu border to Nalagampalli Village) to Four lane with paved shoulder in the State of Andhra Pradesh under NHDP - IV on EPC basis.	3,060.00	-	3,060.00
13.	Rehabilitation and up-gradation to 4-laning of Angul - Sambalpur Section of NH-42 (New NH No. 55) Km.112.000 to Km. 265.000 in the State of Odisha under NHDP-IV on EPC mode.	12,550.00	513.16	12,036.84
14.	4-lanning of NH-82 Gaya-HIsua-Rajgir-Nalanda-Biharsharif in the state of Bihar.	9,258.74	1,594.59	7,664.15
15.	E8 Road Construction (Package-1 of Phase-1) Works in Amaravati Sustainable Capital City Development Project.	2,667.54	508.97	2158.57
16.	Construction of Standalone Ring Road/Bypass around Jammu City on Engineering, Procurement and Construction (the “EPC”) basis.	13,390.00	-	13,390.00
17.	Rahabilitation and upgradaton of Cuttack-Angul Section of NH-42 (New NH-55) to 4-lane (Km. 0+400 to Km.60+200) in the State of Odisha under NHDP Phase - III on EPC Mode, Pkg-1.	5,830.00	-	5,830.00
	Sub-Total (A)	**100,815.91**	**26,119.72**	**74,696.19**
B	**Irrigation Sector**			
1.	Construction of Earthen Dam of Hiranyakeshi (Sarafnalla) Medium Project, Kolhapur.	594.80	340.13	254.67
2.	P.P.R.M.C – Work for conducting detailed investigation, including sub-soil exploration, preparation of H.P’s Designs,	3,105.45	2,910.39	195.06

Sr. No.	Work Description	Total Value of the Order	Value of Order Completed as at December 31, 2017	Outstanding Value of Orders
	L.P. Schedules, Drawings fixing B.M.Stones, Excavation of Canal from Km.71.500 to Km.105.10 (Package – 4) including lining entire canal - Polavaram Project.			
3.	Velugonda Project - Closing of Sunkesula Gap Excavation of Feeder Canal and Teegaleru Canal including Construction of CM & CD works Distributory System for 62,000 Acres (Package - 2) on EPC Turn Key System.- Velugonda Project.	3,925.87	2,762.72	1,163.15
4.	Investigation, Design and Earthwork Excavation of GNSS Main Canal from Km 119.00 to Km 141.350 Including construction of CM & CD Works, Kadapa District.	1,119.60	-	1,119.60
5.	Package II - Nagavali - Formation of Flood Bank on Nagavali River.	614.55	274.74	339.81
6.	Chintalapudi Lift Irrigation Scheme – Detailed Investigation, designs and construction of Lift Irrigation Scheme for drawal and lifting of water **Chintalapudi - Package -1 (120261.84 x 51.56%).**	6,200.70	1,444.87	4,755.83
7.	Chintalapudi Lift Irrigation Scheme – Detailed Investigation, designs and execution of Main Canal(**Package No.2 of Chintalapudi**Lift Irrigation Scheme)”.	4,979.50	1,048.76	3,930.74
8.	Modernization of Godavari Delta Drainage System – W.G.District – Gonteru Sub Basin from Km.38.60 to Km.50.680 (By Dredging) in Upputeru Basin in W.G.Dist - Govt of Andhra Pradesh – Irrigation & CAD Department.	139.31	57.43	81.88
9.	Major Irrigation – Modernization of Krishna Delta System – Dredging for East Thungabhadra drain from Km.0.000 to Km.5.575 - Govt of Andhra Pradesh – Irrigation & CAD Department.	194.46	135.55	58.91
10.	Modernisation of Yeluru Irrigation and Drainage System work of Completing Yeleru Irrigation system and part of the drainage system covering namely Yerra Calva, Gorrikhandi Veeravaram Calva and Dabba Calva.	974.52	430.23	544.29
11.	Water Distribution Networks and Feeder Mains at Aizawl	1,434.22	136.58	1,297.64
12.	Modernisation of Teki Major drain from km 0.000 to 9.500 (including Left and Right arms) by dredging in Godavari Eastern delta of East Godavari District.	117.95	42.19	75.76
13.	Palamoor - Rangareddy Lift Irrigation Scheme (Package-18) – Formation of Udandapur Reservoir bund from Km.6.30 to Km 15.875 at Udandapur (V), Jedcherla (M), Mahabubnagar District.	7,000.00	-	7,000.00
14.	Survey, Investigation, Design, Supply, Installation, Testing and Commissioning of Lift Irrigation System and construction of Canal Distribution System for BASAVESHWAR	9,904.39	722.13	9,182.26

Sr. No.	Work Description	Total Value of the Order	Value of Order Completed as at December 31, 2017	Outstanding Value of Orders
	(Kempwad) Lift Irrigation Scheme in Athani Taluka, Belagavi District, Karnataka.			
15.	Kaleshwaram Project - Formation of Sri Komaravalli Mallanna Sagar Reservoir with a capacity of 50 TMC - Formation of Earth Bund with all its associated components for Reach-4 from Km 16.700 to Km 22.900 along with its structures and adjoining with the Reach-3 at Km.16.700 and saddle bund of 1.60 Km Length (HES:51%, Gayatri : 29%, NCC : 20%).	6,000.00	-	6,000.00
	Sub-Total (B)	**46,305.32**	**10,305.72**	**35,999.60**
C	**Industrial Works**			
1.	Civil works Coal Handling Plant Package at Nabinagar Thermal Power Project (4X250MW).	680.98	653.70	27.28
2.	Working R-VI seam (sector-A) with Powered Support Longwall Technology in the JHANJRA underground mine of JHANJRA Area of ECL, West Bengal.	3,487.20	1,178.25	2,308.95
3.	Design and Construction of Civil, Building and Track Works for Double Line Railway for Iqbalgarh - Vadodara Section of Western Dedicated Freight Corridor.	4,252.33	104.24	4,148.09
4.	Supply of equipment including Shop Inspection, Testing and Supply of Plant & Equipment associated to Moonidih XV Seam Project, Jharkhand.	1,596.10	157.46	1,438.64
5.	Civil Construction and Infra Works at Moonidih XV Seam Project, Western Jharia, Jharkhand.	1,754.10	657.88	1,096.22
6.	Storate-Cum-Erection, Testing, Commissioning of Plant & Equipment at Moonidih XV Seam Project, Jharkhand.	100.82	-	100.82
7.	Civil work of "Land Development of Navi Mumbai International Airport (Package-III).	6,994.36	700.03	6,294.33
8.	Supply of Material and BM Approach Repair & Supporting Works, Electrical and Misc Works, Construction of Boundary and Drivate Works.	281.64	254.25	27.39
	Sub-Total (C)	**19,147.53**	**3,705.81**	**15,441.72**
D	**Power Transmission**			
1.	Supply & Erection work of 400KV D/C Amareli - Kasor (Part:2) - 82.170 KM (AP 28 to AP44) on turnkey basis.	646.92	601.42	45.50
2.	Suypply& Erection work of 400KV D/C Amreli - Kasor line (Part:1)-80.475 KM (Amreli Gantry to AP28) on turnkey basis.	743.47	580.99	162.48
3.	Supply & Erection of 400kV D/C Mundra-Zerda line no.1 on	656.50	458.24	198.26

Sr. No.	Work Description	Total Value of the Order	Value of Order Completed as at December 31, 2017	Outstanding Value of Orders
	turnkey basis Package - III - 156.103 km (AP 46 to Zerda).			
	Sub-Total (D)	**2046.89**	**1640.65**	**406.24**
E	**Orders from BOT Projects:**			
1.	Six Laning of Indore- Dewas Section of NH-3 from Km 577.550 to Km 610.000 and Km 0.000 to Km 12.600 (Approx. length 45.05KM) in the State of MP.	5,099.68	4,963.43	136.25
2.	Design, Construction, Finance, Operation and Maintenance of Four-Laning of Hyderabad – Karimnagar – Ramagundam Road (SH-1) from Km.28.200 to 235.058 in the State of Andhra Pradesh under Public Private Partnership (PPP) on Build, Operate, and Transfer (BOT) Basis.	9,492.99	9,021.51	471.48
3.	Four - laning of Panikoili - Rimuli Section of NH-215 from Km 0.000 to Km 163.000 in the State of Orissa to be executed as BOT (Toll) Project on DBFO Pattern.	20,200.00	18,878.99	1,321.01
	Sub-Total (E)	**34,792.67**	**32,863.93**	**1,928.74**
	Grand Total (A+B+C+D+E)	**2,03,108.32**	**74,635.83**	**1,28,472.49**

Our segment wise Order Book as on December 31, 2017 was as follows:

₹ in million

Sector wise Order Book	No. of Contracts	Total Contract Value	Outstanding Order Value	% of outstanding order value
Roads Division	17	100,815.90	74,696.18	58.14
Irrigation Division	15	46,305.32	35,999.60	28.02
Industrial Works	8	19,147.53	15,441.72	12.02
Power Transmission	3	2,046.89	406.24	0.32
Orders from BOT Projects	3	34,792.68	1,928.75	1.50
Total:	**46**	**203,108.31**	**128,472.49**	**100.00**

Client wise details of the Order Book as on December 31, 2017 was as follows:

₹ in million

Sr. No.	Particulars	No of Contracts	Total Contract Value	Outstanding Value of Contract	% of outstanding order value
1	State Government	23	75,471.21	54,519.77	42.44
2	Central Government	10	78,644.37	62,470.34	48.63
3	PSU	9	9,947.72	5,405.54	4.21
4	Others	4	39,045.01	6,076.84	4.73
Total :		**46**	**203,108.31**	**128,472.49**	**100.00**

Geographic details of the Order Book as on December 31, 2017 is as follows:

₹ in million

Indian State	No. of Contracts	Total Contract Value	Completed	Outstanding	% of outstanding order value
Andhra Pradesh	13	27,683.49	10,052.39	17,607.53	13.71
Bihar	2	9,939.72	2,248.29	7,691.43	5.99
Chattisgarh	2	1,976.85	1,482.55	494.30	0.38
Gujarat	4	6,299.22	1,744.89	4,554.33	3.55
Haryana	1	7,234.37	6,322.78	911.59	0.71
J&K	1	13,390.00	-	13,390.00	10.42
Jharkhand	4	3,732.66	1,069.59	2,663.07	2.07
Karnataka	1	9,904.39	722.13	9,182.26	7.15
Madhya Pradesh	1	5,099.68	4,963.43	136.25	0.11
Maharashtra	2	7,589.16	1,040.16	6,549.00	5.10
Mizoram	2	7,591.18	4,580.11	3,011.07	2.34
Nagaland	1	3,400.00	583.07	2,830.19	2.20
Odisha	3	38,580.00	19,392.15	19,187.85	14.94
Telangana	4	24,020.39	10,501.02	13,519.38	10.52
Uttar Pradesh	4	33,180.00	8,755.02	24,424.98	19.01
West Bengal	1	3,487.20	1,178.25	2,308.95	1.80
Total	**46**	**203,108.31**	**74,635.82**	**128,472.49**	**100**

Our Order Book does not necessarily indicate our future earnings. We may not be able to achieve our expected margins or may even suffer losses on one or more of these contracts. For further information, please refer to "***Risk Factor***" - 40 *"Projects included in our Order Book and our future projects may be delayed, modified or cancelled for reasons beyond our control which may materially and adversely affect our business, prospects, reputation, profitability, financial condition and results of operation*" on page 67.

Our Company has been awarded the following projects which do not form part of the Order Book:

Sl. No.	Date	Name of Work	Name of the Employer	Value of contract (₹ in million)
1.	January 17, 2018	Rehabilitation and Upgradation of 4 Laning of Cuttack - Angul Section of NH-42 (new NH-55) from Km. 60.200 to Km. 112.000 (Package - 2) in the State of Odisha under NHDP PHASE - III on EPC mode.	NHAI	5,290.00
2.	January 17, 2018	4 Laning of Raja munda-Barkote section of NH-23 (New NH-143 from Km.287.22 to Km.337.185 in the State of Odisha under NHDP - IV on EPC mode.	NHAI	3,940.00

List of projects bid for:

The details of the bid submitted by our Company till February 15, 2018 are as follows:

Sr. No.	Name of Work	Location	Project Cost in (₹ in million)
1	Construction of 8 Lane Dwaraka Expressway from Delhi - Haryana Border to Start of Rail Over Bridge, Gurugram (Chainage from Km.9.500 toKm.19.700) in the State of Haryana (Package - III / NH-248BB)	NHAI Haryana	17,721.10
2	Construction of 8 lane Dwarka Expressway (NH-248 BB) Package IV from Rail Over Bridge (ROB) to NH-8-SPR Intersection, from km 19.700 to km 27.600 in the State of Haryana on EPC Mode	NHAI, Haryana	12,136.60
3	Construction of Dwaraka Expressway from Road under (RUB) near Sector 21 Dwaraka to Delhi Haryana Border (Km.5.300to Km.9.500) Package 2 in Delhi on EPC mode	NHAI, Delhi	14,690.80
4	Four Laning of NH-363 from Repallewada (Design Km 42.000 / Existing Km.288.510) to Telangana / Maharashtra Border (Design Km.94.602 / Existing Km.342.000) (Design Length = 52.602 Km.) in the State of Telangana on EPC Mode	NHAI, Telangana	6,772.60
5	Construction of Mohapura Left Bank System to deliver water at farmer's field upto 1 ha. From the existing system with at duty ranging from 0.33 to 0.35 liters /sec/ha and maintained upto 30 har chak and discharge of minimum 10 times the duty at one hectare by pressurized pipe line system for sprinkler micro irrigation in all arable area (estimated to approximate 92500 Ha) within approximate Gross Command Area of 135371 Ha. with SCADA and automation. The work also includes Management, Operation and Maintenance (MOM) for complete scheme for the period of three years	WRD, Madhya Pradesh	10,431.00
6	Rehabilitation and upgradation of Kashedi Ghat section of NH-17 (New NH No.66) to four lanes with paved shoulders from existing Km.161/600 including construction of twin-tube six lane tunnel.	MORTH, Maharshtra	5,022.50
7	For Rehabilitation and Upgradation from 2 lane to 4 lane of NH Stretch under NHDP-IVB for Varanasi-Dagamagpur (Pkg-1) Section of NH-7 on EPC Mode in the State of Uttar Pradesh and Design Chainage Km 15.100 to 49.100	NHAI, UP	8,719.80
	TOTAL		**75,494.40**

Competition

The construction industry is highly fragmented with large number of players operating in an unorganized sector and a few of them in the organized sector. With the projects being executed all over country, there has been an increase in the number of players have increased. On account of this, the key players have limited their bidding to Mega Projects where few companies get pre-qualified. Our company in general focuses on projects in excess of ₹ 7,000-8,000 million order size in the road construction and in irrigation space. Key players in this space are L&T Limited, Nagarjuna Construction, Dilip Buildcon Limited, Jaiprakash Associates Limited, Sadbhav Engineering Limited, PNC Construction, Reliance Infrastructure Limited, GR Infraprojects Limited, etc. We are planning to enter into various joint ventures with national and international companies to meet this tough competition.

Marketing

Typically, in the construction sector, currently major portion of the work is awarded by the Government sector. However now substantial amount of contracts are also being offered by the private sector. Normally a contract offered by Central or State government is backed by budgetary support or financial support or grants from various institutions and agencies both in India and international. As such the normal course for awarding these contracts by the Government or their agency is through the process of tendering. In view of the nature of our market, the major sources of information of ensuing tenders for construction contracts are newspapers and government gazettes.

In order to ensure that we can effectively bid for these contracts we have a separate department which is headed by Manager Tenders. This department keeps track of these tender notification or advertisement and prepares the tender document. Further, biding capacity of a party is very important criteria for pre-qualification in a contract. Also as per the requirements of the tender we take decision of forming Joint Venture with suitable partner or sometimes, as a strategic decision we bid in consortium with other reputed companies.

Employees

As on December 31, 2017, our Company employs about 2700 employees including mechanical and civil engineers. In addition, we also employ casual and temporary contract labor on our project sites on a need basis. The skills and diversity of our employees gives us the flexibility to adapt to the needs of our clients by organizing our employees into multicultural and mobile teams. We are dedicated to the development of the expertise and know-how of our employees. As on December 31, 2017, 2706 of our full-time employees, or 93.91 % were employed at our various project sites, while the remainder (194) or 6.69% were employed at our head office.

Insurance

Our operations are subject to hazards inherent in providing engineering and/or construction services, such as risk of equipment failure, work accidents, fire, earthquake, flood and other force majeure events, acts of terrorism and explosion including hazards that may cause injury and loss of life, severe damage to and destruction of property, equipment and environmental damage. We may also be subject to claims resulting from defects arising from engineering, procurement and/or construction services provided by us within the warranty periods extended by us, which range from 12 to 18 months from the date of commissioning. We obtain appropriate and specialized insurance for all construction risks, third party liabilities for projects, as required and specified by our clients, for the duration of the project and the defect liability period. We maintain comprehensive insurance covering our assets and operations at levels which we believe to be appropriate. Risks of loss or damage to project works and materials are often insured jointly with our clients. Loss or damage to our materials, property and/or materials used in the project, including contract works, whether permanent or temporary, and materials or equipment whether supplied by us or supplied to us by the client, are generally covered by "Contractors All Risks Policy" (CAR) insurance against material damage to property. Under the all risk insurance policy we are also provided cover for price escalation, debris removal and surrounding properties. The aggregate coverage under the policies currently is ₹ 96.94 million as on December 31, 2017 for various projects.

Environment, Health and Safety

Our Company has an Environment, Health and Safety (EHS) Policy. Our Company recognizes employees as its most important asset and is committed to a safe and healthy work environment impacting those working on, visiting or living near our company's sites. Through various initiatives taken by our Company, we aim to prevent occupational injuries and ill health to any employee, contractor, service provider or visitors of our Company.

Corporate Social Responsibility

We conduct and undertake our social responsibility activities in terms of our Company's CSR Policy, including overview of projects or programmes undertaken / proposed to be undertaken for eradicating extreme hunger, poverty, promotion of education including special education, promoting gender equality and empowering women; ensuring environmental sustainability and ecological balance; Rural Development Projects; social business projects and Disaster Relief. During the Financial Year 2016-2017 our Company has spent an amount of ₹ 8.62 million towards promoting health care including preventive health care, promotion of education including special education at Visakhapatnam, Andhra Pradesh and providing shelter, clothing and education for poor girls at Uttar Pradesh.

Properties

Our Company's registered office is located at B-1, T.S.R. Towers, 6-3-1090 Raj Bhavan Road, Somajiguda, Hyderabad – 500 082 and is on lease. We have entered into a lease agreement with Deep Corporation Private Limited, dated April 01, 2010, for a period of 10 years from April 01, 2010 to March 31, 2020. Additionally, our Company also enters into short term leases, leave and license agreements for lands and buildings for setting up site offices, storage of raw materials and emplacement of machinery and equipment as required at the construction sites from time to time.

Currently, our Company owns 2 tracts of land located in Kakinada admeasuring 10,067.20 square yards and Maharashtra admeasuring 475.00 square yards.

Key material developments

S4A Scheme of the RBI.

Due to inadequate cash flows to service our debt/ interest on account of increased working capital needs, our Company has proposed to restructure our debt in alignment with expected cash flows. In the JLF meeting held on September 19, 2017 our Company requested the lenders for invocation of the S4A Scheme with reference date of October 15, 2017. The last date to complete the resolution plan was April 14, 2018. The Reserve Bank of India has, on February 12, 2018, repealed various debt restructuring circulars, (including circulars pursuant to which the above restructuring activities were carried out), and has sought to implement a revised framework in connection with debt restructuring packages. Our Company and our lenders, will now have to migrate to the said revised framework. For further details please refer to *Risk Factor* – 1 on page 52.

Master Restructuring Agreement dated January 23, 2015 in terms of the guidelines of the Reserve Bank of India.

The operations of our Company had come under strain due to various internal and external reasons such as stretched working capital cycles, increased cost of inputs, higher interest cost, slowdown in Infrastructure sector etc. which has led to a strain on the resulting cash flows of our Company.

Hence, our Company had requested the Lenders for debt restructuring. The request of our Company was referred to the Joint Lenders' Forum, (hereinafter referred to as the "JLF") and in the meeting was convened by Bank of Baroda, the lead bank on August 13, 2014 (the "Joint Lenders' Meeting"). The Lenders decided to restructure the existing loans under the JLF as a corrective action. Pursuant thereto, the members of our Company, accorded approval vide Postal Ballot on September 1, 2014, to the Board of Directors of our Company for borrowing from time to time any sums of money not exceeding ₹ 90000 million.

Subsequent thereto, MITCON was requested to draw a Techno Economic Viability Report (the "TEV Report") and based on it a Restructuring package was drawn by IDBI Capital Market Service Limited and was approved by the Board of Directors in its meeting held on December 30, 2014, the Board approved the execution of Master Restructuring Agreement ("MRA") and other related document in line with the said Restructuring Package proposed by IDBI Capital Market Service Ltd. The said Package was placed before the JLF on January 19, 2015, and was approved by JLF (hereinafter referred to as the "Approved JLF Package").

To implement the Approved JLF Package, our Company executed the MRA and other financing documents on January 23, 2015. Pursuant to this scheme, some of the long term and short term Loans have been rescheduled along with reduced rate of interest. The MRA may no longer be effective due to the RBI's Circular dated Feb 12, 2018, in connection with "Resolution of Stressed Assets – Revised Framework". For details please refer to *Risk Factor* – 1 on page 52.

Composite Scheme of Arrangement between Gayatri Projects Limited (Transferee Company / Demerged Company/ GPL), Gayatri Infra Ventures Limited (Transferor Company / GIVL) and Gayatri Domicile Private Limited (Resulting Company / GDPL) and their respective Shareholders ('Scheme').

In order to have clear focus on the businesses, management and operations of our Company and maximizing the shareholder value, our Company through a Composite Scheme of Arrangement decided to demerge the infrastructure road BOT assets business of our Company.

The Scheme of Arrangement between GPL, (as approved by the Board of Directors on July 16, 2016) GIVL and GDPL was filed by our Company with BSE and NSE along with other documents on August 5, 2016, pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Our Company received Observation Letter or No objection letter from both the Stock Exchanges on October 20, 2016. Further, our Company filed the Scheme with Hon'ble High Court of Judicature at Hyderabad and the same was been admitted. Pursuant to the order of the Hon'ble High Court of Andhra Pradesh and Telangana, the meetings of Equity Shareholders, Secured and Unsecured Creditors of our Company were convened and held on January 23, 2017 for the purpose of considering the scheme and the same has been approved with requisite majority.

The Ministry of Corporate Affairs has notified Section 230 (except subsections (11) and (12)), sections 231, 232 and 239 of the Companies Act, 2013 on 15.12.2016, pursuant to the aforesaid notification The National Company Law Tribunal (NCLT) has acquired jurisdiction over the matters dealt with amalgamation, compromise and arrangement. The NCLT Hyderabad Bench vide its order dated November 3, 2017, has sanctioned the Scheme under Section 232 read with Section 230 of the Companies Act, 2013 between GPL, GIVL and GDPL. The Scheme became effective with effect from November 23, 2017 i.e. the date of filing of the certified copy of the order of the NCLT with the Registrar of Companies, Telangana State. For more details of the scheme please refer to "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 91.

Details of the Power Projects in the Subsidiary.

In the year 2010, we invested in the business of developing power generation projects through our wholly-owned Subsidiary, Gayatri Energy Ventures Private Limited. Our Company, in partnership with Sembcorp Utilities Pte. Limited, (a subsidiary of Sembcorp Industries, Singapore), established two coal based power projects having combined capacity of 2640 MW (4 x 640 MW) at Krishnapatnam, Andhra Pradesh. Both the above projects have achieved CODs.

Our Company has made a total investment of ₹ 6,398.30 million in Equity Shares as on March 31, 2017, in a wholly owned subsidiary, M/s Gayatri Energy Ventures Private Limited (GEVPL) and advanced a loan of ₹ 1,179.91 million. GEVPL has significant investments in the following companies - M/s Thermal Powertech Corporation India Limited (TPCIL), M/s NCC Infrastructure Holdings Limited (NCCIHL) and M/s Bhandara Thermal Power Corporation Limited (BTPCL).

Call Option Agreement

Gayatri Energy Ventures Private Limited, a company incorporated under the Companies Act, 1956, ("**Purchaser**"), has entered into an agreement dated January 8, 2018, with: (A) Sembcorp Utilities Pte. Ltd., a company incorporated in Singapore, ("**Seller**"/ "**SCU**"); (B) Sembcorp Gayatri Power Limited, a company incorporated under the Companies Act, 1956, ("**SGPL**"); and, (C) Thermal Powertech Corporation India Limited, ("**TPCIL**"), ("**Agreement**"). The salient features of the Agreement as recorded in the recitals of the Agreement, are as follows:

1. The Seller holds 86.87% and the Purchaser holds 13.13% of the share capital of the TPCIL. The Purchaser, the Seller and the TPCIL have entered into an amended and restated share subscription cum shareholders agreement dated February 24, 2014 ("**TPCIL SSSA**"), in relation to the operations and management of the TPCIL.

2. The Seller holds 87.98% and the Purchaser holds 12.02% of the share capital of SGPL. The Purchaser, the Seller and the SGPL have entered into a share subscription cum shareholders agreement dated March 30, 2015, ("**SGPL SSSA**"), in relation to the operations and management of SGPL.

3. The Parties to above two agreements had, in addition, entered into the following agreements: **(I)** an agreement dated May 25, 2016, among the TPCIL, the Seller, and the Purchaser, ("**TPCIL Tranche-I Call Option Agreement**"), pursuant to which the Purchaser has the right to purchase three hundred and ten million three hundred and fifty eight thousand and six hundred and ninety (310,358,690) shares, (whole or in part) of the TPCIL from the Seller at a price which, subject to certain adjustments, is linked to an internal rate of return, (such option the "**TPCIL Tranche-I Call Option**"). The TPCIL Tranche-I Call Option is exercisable, in whole or in part, only after the expiry of two (2) years from May 25, 2016and until the earlier of: (i) the date falling five (5) years from May 1, 2016; and (ii) the date of in-principle approval from the Securities and Exchange Board of India for the initial public offering of the Shares of the TPCIL; **(II)** an agreement dated May 25, 2016, among the Purchaser, the Seller, and SGPL, ("**SGPL Tranche-I Call Option Agreement**"), pursuant to which, upon the Seller becoming a direct shareholder of SGPL and upon the satisfaction of certain conditions, ("**SGPL Tranche-I Call Option Effective Date**"), the Purchaser has the right to purchase all or part of one hundred seventy million (170,000,000) equity shares of SGPL from the Seller at a price which, subject to certain adjustments, is linked to a pre-defined internal rate of return ("**SGPL Tranche-I Call Option**"). The SGPL Tranche-I Call Option is exercisable only once in every financial year commencing from the SGPL Tranche-I Call Option Effective Date until March 01, 2019; **(III)** an agreement dated May 25, 2016, among the Purchaser, the Seller, SGPL, and the TPCIL, ("**SGPL Tranche-II Call Option Agreement**"), pursuant to which, only upon the Purchaser becoming a direct shareholder of SGPL and upon the satisfaction of certain conditions, ("**SGPL Tranche-II Call Option Effective Date**"), the Purchaser has the right to purchase three hundred forty seven million one hundred thirty one thousand and twelve (347,131,012) shares of SGPL from the Seller at a price which, subject to certain adjustments, is linked to a pre-defined internal rate of return ("**SGPL Tranche II Call Option**"). The SGPL Tranche-II Call Option is exercisable in whole or in part only after the expiry of 2 years from May 25, 2016, until the earlier of: (i) the date on which the TPCIL Tranche-I Call Option expires, lapses or terminates, in accordance with the TPCIL Tranche-I Call Option Agreement; and (ii) the date of in-principle approval from the SEBI for the initial public offering of shares of SGPL; and, **(IV)** a master shareholders

agreement, dated May 25, 2016, among the Purchaser, the Seller, the TPCIL, and SGPL, ("**MSA**"), which sets out certain additional terms with respect to the SGPL Tranche I Call Option, SGPL Tranche II Call Option and TPCIL Tranche I Call Option. The TPCIL Tranche-I Call Option Agreement, the SGPL Tranche-I Call Option Agreement, the SGPL Tranche-II Call Option Agreement, and the MSA, are hereinafter collectively referred to as the "**Earlier Agreements**".

4. Pursuant to the Earlier Agreements, the Purchaser has the right to exercise the TPCIL Tranche-I Call Option, the SGPL Tranche-I Call Option, and the SGPL Tranche-II Call Option, and, in accordance with the provisions of the MSA, in the event the Purchaser exercises the TPCIL Tranche-I Call Option, the call options in relation to the shares of SGPL shall require to be mandatorily and simultaneously exercised.

5. The TPCIL, SGPL, Sembcorp Green Infra Limited ("**SGIL**"), the Seller, and the Purchaser, propose to undertake a corporate restructuring, as better detailed in the Agreement, (the "**Proposed Restructuring**"). In light of the Proposed Restructuring and discussions between the Purchaser and the Seller, the Parties have agreed to terminate all the Earlier Agreements. The Seller has also agreed to grant the Purchaser a right to purchase, from the Seller, certain call option shares subject to certain terms and conditions, ("**Call Option**"). Further, the Purchaser has agreed to settle certain outstanding dues as owing from the Purchaser to the TPCIL.

6. The Parties to the Agreement have entered into the Agreement so as to record: **(I)** the terms and conditions of the above, **(II)** the terms and conditions of the Call Option, and the transfer of the Call Option Shares, (as defined in the Agreement), by the Seller to the Purchaser, and, **(III)** the supplemental terms of the TPCIL SSSA and the SGPL SSSA, vis-a-vis the Seller and the Purchaser.

   In accordance with the terms of the Agreement, Sembcorp Energy India Limited ("SEIL")(earlier known as Thermal Powertech Corporation India Limited) purchased 87.97% and 12.03% stake in SGPL from SCU and GEVPL, respectively, in lieu of which SEIL equity shares were issued to SCU and GEVPL in the ratio agreed among the parties. As on date GEVPL has a shareholding of 6.27% in SEIL.

   Further, under the Agreement, GEVPL has the right to exercise a one-time Call Option to purchase further SEIL equity shares from SCU, for cash, such that if the Call Option is exercised, GEVPL's shareholding in SEIL will increase to 12.15% of SEIL paid up share capital and correspondingly SCU shareholding in SEIL will reduce to 87.85% of SEIL paid up share capital. In the event that GEVPL does not exercise such call option and it lapses, GEVPL's shareholding in SEIL will be 6.27%. The Call Option can be exercised by GEVPL upon the earlier of: (i) 30 days prior to the filing of the red herring prospectus by SEIL with SEBI; or (ii) 25 May 2021.

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws, regulations and policies, as currently in force in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The descriptions below may not be exhaustive, and are only intended to provide general information to Bidders, and is neither designed as, nor intended to substitute, professional advice, whether legal or otherwise. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, and/or judicial or administrative decisions.

Set forth below are certain significant Indian legislations and regulations which are generally adhered to by the industry that we operate in.

Regulatory framework for the Road Sector

The primary central legislations governing the road sector in India are: (1) the National Highways Act, 1956, (the "**NH Act**"), and, (2) the National Highways Authority of India Act, 1988, (the "**NHAI Act**").

The NH Act

In accordance with the NH Act, the GoI is vested with the power to declare a highway as a national highway, and also to acquire land for developing the same as a national highway. The GoI may, by notification, declare its intention to acquire any land when it is satisfied that, for a public purpose, such land is required for the building, maintenance, management or operation of a national highway, as the case may be. The NH Act prescribes the procedure for such land acquisition. The said procedure relates to declaration of an intention to acquire, entering and inspecting such land, hearing of objections, declaration required to be made for the acquisition, and the mode of taking possession. The NH Act also provides for payment of compensation to owners who enjoy easement over the relevant lands.

The GoI is responsible for the development and maintenance of national highways. However, the GoI may direct that such functions may also be exercised by state governments in which the highway is located, or, by any officer or authority subordinate to the GoI or to the state government. Further, the GoI has the power to enter into an agreement with any person for the development and maintenance of a part or whole of a highway. Such person would have the right to collect and retain fees at such rates as may be notified by the GoI, and would also have the powers to regulate and control the traffic, for proper management of the highway, in accordance with the provisions of the Motor Vehicles Act, 1988.

The NHAI Act and the NHAI

The National Highways Authority of India, (the "**NHAI**"), is responsible for the development, maintenance and management of national highways. NHAI was constituted by the NHAI Act, and became operational in 1995. In accordance with the NHAI Act, the GoI carries out development and maintenance of the national highway system in India, through NHAI. The NHAI has the power to enter into and perform any contract necessary for the discharge of its functions under the NHAI Act. The NHAI has the power to acquire any land, and such acquired land will be deemed to be land needed for a public purpose.

The NHAI Act prescribes a limit in relation to the value of the contracts that may be entered into by the NHAI. However, the NHAI may enter into contracts exceeding the value so specified, on obtaining prior approval of the GoI. The NHAI Act provides that the contracts for acquisition, sale or lease of immovable property on behalf of the NHAI, cannot exceed a term of 30 years, unless previously approved by the GoI. The National Highways Authority of India (Amendment) Act, 2013, received the assent of the President on September 10, 2013. It aims at increasing institutional capacity of NHAI to help execute the powers delegated to it.

NHAI's primary mandate is the time and cost bound implementation of the National Highway Development Project, ("**NHDP**"), through a host of funding options, which include fund assistance from external multilateral agencies like the World Bank and the Asian Development Bank. The NHAI also strives to provide road connectivity to major ports. NHAI's role encompasses involving the private sector in financing construction, maintenance and operation of the national highways and wayside amenities. The NHAI is also involved in the improvement, maintenance and augmentation of the existing national highways network and implementation of road safety measures and environment management measures.

Private Participation in the NHDP

In an effort to attract private sector participation in the NHDP, the NHAI has formulated model concession agreements where a private entity being the concessionaire is awarded a concession to build, operate and collect toll on a road for a specified period of time, which is usually up to 30 years.

The bidding for the projects takes place in two stages as follows: (1) in the pre-qualification stage, the NHAI selects certain bidders on the basis of technical and financial expertise, prior experience in implementing similar projects and previous track record; and, (2) in the second stage, NHAI invites commercial bids from the pre-qualified bidders on the basis of which the right to develop the project is awarded.

The concessionaire meets the upfront cost and expenditure on annual maintenance, and recovers the entire cost along with the interest from toll collections during the concession period. As per the 'Guidelines for Investment in Road Sector' issued by the Ministry of Shipping, Road Transport and Highways, in 2009, in order to increase the viability of the projects, a capital grant of up to 40% of project cost is provided by the NHAI or the GoI. The quantum of grant is determined on a case to case basis and typically constitutes the bid parameter in BOT projects which are generally not viable based on toll revenue alone. The concessionaire at the end of the concession period transfers the road back to the Government, free of charge. The concessionaire's investment in the road is recovered directly through user fees by way of tolls. In annuity projects, the private entity is required to meet the entire upfront cost, (no grant is paid by NHAI or the GOI), and the expenditure on annual maintenance. The concessionaire recovers the entire investment through pre-determined annuity payments by to be made by the NHAI or the GOI. Furthermore, the government recently approved amendments to the model concession agreement providing for back ending of premium payments implying that such payment starts only from the fourth year after the completion date compared with the first year as was previously the case.

Exit Policy

The Cabinet Committee on Economic Affairs, ("**CCEA**"), in May 2015 approved a comprehensive exit policy framework with the objective of mobilising funds in the market. This policy framework now permits divestment of 100 percent equity by concessionaires/developers after two years of completion of construction, so as to facilitate unlocking of funds for new projects. This comprehensive exit policy framework will harmonise conditions uniformly across all concessions signed prior to 2009, with the policy framework for post 2009 contracts, which permits the divestment of equity up to 100 percent, two years after completion of construction.

One Time Fund Infusion

CCEA in October 2015, gave its approval to the NHAI for a one time infusion of funds, with the purpose of reviving and physically completing stalled projects which were in the advanced stages of completion. As per the policy, the amount of funds required in each case shall be approved by the NHAI on a case to case basis.

Extension of concession

With the objective to fast-track highway building, the CCEA in November 2015, gave its approval to the NHAI to allow extension of concession period, for all current projects undertaken on a BOT (Toll) basis, that were languishing during the construction period due to causes not attributable to the concessionaire, as well as to pay compensatory annuities to the concessionaire, corresponding to the actual period of delays (which are not attributable to the concessionaire), upon successful completion of the project.

National Highways Fee (Determination of Rates and Collection) Rules, 2008

The National Highways Fee (Determination of Rates and Collection) Rules, 2008, (the "**NH Fee Rules**"), regulates the manner in which toll is collected for the use of national highways. In accordance with the NH Fee Rules, the GoI may, by a notification, levy fee for use of any section of a national highway, permanent bridge, bypass, or tunnel forming part of a national highway, as the case may be. However, the GoI may, by notification, exempt any section of a national highway, permanent bridge, bypass or tunnel constructed through a public funded project from levy of such fee.

The collection of fee in case of a public funded project, shall commence within 45 days from the date of completion of the relevant project. In case of a private investment project, the collection of such fee shall be made in accordance with the terms of the agreement entered into by the concessionaire. The NH Fee Rules further provides for the base rate of fees applicable for the use of a section of the national highway, for different categories of vehicles.

Control of National Highways (Land and Traffic) Act, 2002

The Control of National Highways (Land and Traffic) Act, 2002, (the "**Control of NH Act**"), provides, inter-alia, for control of land within national highways, right of way, and for removal of unauthorised occupants.

In accordance with the provisions of the Control of NH Act, the Central Government has established Highway Administrations. Under the Control of NH Act, all land that forms part of a highway which vests in the Central Government, or that which does not already vest in the Central Government but has been acquired for the purpose of highways, shall be deemed to be the property of the Central Government. The Control of NH Act prohibits any person from occupying any highway land, or discharging any material on such land without the permission of the Highway Administration. The Control of NH Act permits the grant of lease and license for use of highway land for temporary use.

Other Laws

The laws above are specific to the regulations specifically applicable to an operating business. The generic regulations that are applicable to our Company include environmental laws, labour laws and other applicable laws.

Environment Laws

The major statutes in India which seek to regulate and protect the environment against pollution related activities, include, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, and, the Environment Protection Act, 1986, (the "**Environment Protection Act**"). The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards, ("**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries, and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure, and investigation, if the authorities are aware of, or suspect, pollution that is not in accordance with such regulations.

In accordance with the Forest (Conservation) Act, 1980, state governments are not permitted to make any order directing the use of forest land for a non-forest purpose, or to assign any forest land, through a lease or otherwise, to any private person or corporation, without the approval of the GoI.

The EIA Notification S.O. 1533, issued on September 14, 2006, under the provisions of the Environment Act, (the "**EIA Notification**"), prescribes that physical infrastructure projects require prior environmental clearance from the Ministry of Environment and Forests, GoI, (the "**MoEF**"). The environmental clearance must be obtained from the MoEF according to the procedure specified in the EIA Notification. No construction work, preliminary or otherwise, relating to the setting up of a project, can be undertaken until such clearance is obtained.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016

The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, impose an obligation on each occupier and operator of any facility generating hazardous waste, to dispose of such hazardous waste properly. Each occupier and operator of any facility generating hazardous waste, is required to obtain an approval from the relevant state pollution control board, for collecting, storing and treating hazardous waste.

Public Liability Insurance Act, 1991

The Public Liability Insurance Act, 1991, (the "**Public Liability Act**"), imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of 'hazardous substances' covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the Environment Relief Fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

Green Highways (Plantation, Transplantation, Beautification and Maintenance) Policy, 2015

In September 2015, Ministry of Road Transport and Highways, ("**MoRTH**"), has launched the Green Highways Plantation, Transplantation, Beautification and Maintenance Policy, 2015, which will require road developers to earmark 1% of a project's total cost for planting of trees and shrubs across national highways. Under this policy, the maintenance of such plantations will be outsourced through a bidding process to plantation agencies. MoRTH/NHAI will appoint the authorised agency for empanelment of such plantation agencies.

Intellectual Property Laws

In India, trademarks enjoy protection under both statutory and common law. The Trade Marks Act, 1999, protects a distinct "mark". The Registrar of Trademarks is the authority responsible for registration of the trademarks, settling opposition proceedings and rectification of the register of trademarks. The Indian Patent Act, 1970, protects any new invention/ inventive step allowing the inventor the opportunity to reap the benefits of his effort. The patent may be for a process or a product. An application for patent can be filed at any of the patent offices in India.

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of, inter alia, registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Goods and Services Tax

The Constitution (One Hundred and First Amendment) Act, 2016, which received presidential assent on September 8, 2016, paved the way for the introduction of a goods and services tax, ("**GST**"), by making special provision with respect to goods and services tax. The said Act grants both parliament and state legislature's concurrent powers to make laws with respect to the GST, and demarcation of taxation powers between the Centre and States. The GoI has on or about November, 2016, issued the Model GST Law which consists of the draft for the Act. Accordingly, the following GST acts have been enacted:

- Central Goods and Services Tax Act, 2017, ("**CGST Act**");
- Integrated Goods and Services Tax Act, 2017, ("**IGST Act**");
- Union Territory Goods and Services Tax Act, 2017, ("**UTGST Act**"); and
- Goods and Services Tax (Compensation to States) Act, 2017.

The GST shall be levied on all supplies of goods and/or services at the rate specified in the Schedules to the Acts and collected in such manner as may be prescribed under the Acts. It is a destination based consumption tax meaning that tax shall accrue to the State or the Union Territory where the consumption takes place. It is a dual system wherein the Centre and States/ union Territories shall simultaneously levy tax on a common tax base. GST shall be payable by every taxable person in accordance with the provisions of the acts. The Levy of Goods and Service Tax has commenced from July 1, 2017.

Electricity Act, 2003 and Electricity Rules, 2005

The Electricity Act, 2003, was enacted to consolidate the laws relating to the generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to the development of the power industry. These include promoting competition, protecting interests of consumers and supply of electricity to all areas, rationalization of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies, the constitution of the Central Electricity Authority and regulatory commissions, and the establishment of an appellate tribunal. The Electricity Rules, 2005, were framed under the Electricity Act, 2003 and lay down the requirements of captive generating plants and generating stations. The authorities constituted under these rules may give appropriate directions for maintaining the availability of the transmission system of a transmission licensee.

Industries (Development and Regulation) Act, 1951

Industries (Development and Regulation) Act, 1951, ("**Industries Regulation Act**"), is an act which governs the development and regulation of certain industries. The main objectives of the Industries Regulation Act is to empower the Government (i) to take necessary steps for the development of industries; (ii) to regulate the pattern and direction of industrial development; (iii) to control the activities, performance and results of industrial undertakings in the public interest. The Industries Regulation Act applies to the 'Scheduled Industries' listed in the First Schedule, however, small scale industrial undertakings and ancillary units are exempted from the provisions of this Act

Property Laws

The Transfer of Property Act, 1882, ("**TP Act**"), lays down general principles for the transfer of immovable property in India. It specifies the categories of property that can be transferred, the persons competent to transfer property, the legitimacy of restrictions and conditions imposed on the transfer, and, the creation of contingent and vested interest in property. The TP Act recognizes, among others, sale, mortgage, charge and lease as forms in which an interest in an immovable property may be transferred.

Other Laws and Regulations

Certain other laws and regulations that may be applicable to our Company include the following:

1. Contract Labour Act, 1970;
2. Inter State Migrant Workers Act, 1979;
3. Factories Act, 1948;
4. Payment of Wages Act, 1936;
5. Payment of Bonus Act, 1965;
6. Employees' State Insurance Act, 1948;
7. Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
8. Equal Remuneration Act, 1976;
9. Payment of Gratuity Act, 1972;
10. Minimum Wages Act 1948;
11. Hazardous Chemicals Rules, 1989;
12. Industrial Disputes Act, 1947; and
13. Employee's Compensation Act, 1923.
14. Industrial Employment (Standing orders) Act 1946;
15. Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;
16. Child Labour (Prohibition and Regulation) Act, 1986;
17. Maternity Benefit Act, 1961; and
18. Apprentices Act, 1961.

Foreign Direct Investment ("FDI")

Under the current consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, including any modifications thereto or substitutions thereof, issued from time to time, (the "**Consolidated FDI Policy**"), which consolidates the policy framework on FDI, 100% FDI through automatic route is permitted in the Construction sector.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board composition: In accordance with Articles of Association of our Company, and subject to the provisions of Section 149 of the Companies Act, 2013, we currently have 8 (eight) directors on the board of our Company, comprising of 2 (two) executive directors, and 6 (six) non-executive directors, which includes 4 (four) independent directors, and 1 (one) nominee director. As per our Articles of Association, we shall not have less than three directors and not more than fifteen directors.

Retirement by rotation: Pursuant to the provisions of the Companies Act, 2013, at least two-thirds of the total number of Directors, excluding the independent Directors, are liable to retire by rotation, with one-third of such number retiring at each AGM. A retiring Director is eligible for re-election. Further, an independent Director may be appointed for a maximum of two consecutive terms of up to five consecutive years each. Any reappointment of independent Directors shall, inter alia, be on the basis of the performance evaluation report and approved by the shareholders by way of special resolution.

Details of our Board of Directors:

Sr. No	Director	Age (in years)	Designation
1.	Mrs. T. Indira Subbarami Reddy **Address**: 6-3-249/5/A, Road # 1, Banjara Hills, Hyderabad - 500 034 **Director Identification Number ("DIN")**: 00009906 **Term**: Liable to retire by rotation **Occupation**: Entrepreneur **Nationality**: Indian	66	Chairperson
2.	Mr. T. V. Sandeep Kumar Reddy **Address**: 8-2-331/2/A, Road # 3, Banjara Hills, Hyderabad - 500 034 **Occupation**: Entrepreneur **DIN**: 00005573 **Term**: 5 years **Nationality**: Indian	51	Managing Director
3.	Mr. J. Brij Mohan Reddy **Address**: 8-2-618, Road No: 11, Banjara Hills, Hyderabad - 500 034 **Occupation**: Entrepreneur **DIN**: 00012927 **Term**: 3 years **Nationality**: Indian	76	Executive Vice Chairman
4.	Mr. Siva Kumar Reddy Gunupati **Address**: 8-2-684/4/5/6, Road No.12 Banjara Hills, Hyderabad - 500 034. **Occupation**: Entrepreneur **DIN**: 00439812 **Term**: 5 years **Nationality**: Indian	62	Independent Director
5.	Dr. V. L. Moorthy **Address**: 408, H.No: 6-3-1103, Gulrez Apartments, Rajbhavan Road, Somajiguda, Hyderabad - 500 082. **Occupation**: Service **Term**: 5 years **DIN**: 00013083 **Nationality**: Indian	81	Independent Director
6.	Mr. CH. Hari Vittal Rao **Address**: Plot # 24, Phase 1, Kamalapuri Colony, Srinagar Colony Road, Hyderabad - 500 073 **Occupation**: Service **Term**: 5 years **DIN**: 00012970 **Nationality**: Indian	78	Independent Director
7.	Mr. J. N. Karamchetti **Address**: A-605, Prabath signature, 2-22-298/11 HMT, Satavahana Nagar, Kukatpally, Near Kalamandir, Hyderabad, 500072, **Occupation**: Service	71	Independent Director

Sr. No	Director	Age (in years)	Designation
	Term: 5 years **DIN**: 00940963 **Nationality**: Indian		
8.	Mr. Birendra Kumar **Address**: 17, Officer Flat, Nepal Kothi, Ranchi, Jharkhand- 834001. **Occupation**: Service **Term**: Until the nomination is withdrawn by Bank of Baroda. **DIN**: 08071170 **Nationality**: Indian	58	Nominee Director

Brief profiles of our Directors:

Mrs. T. Indira Subbarami Reddy is a Promoter and the non-executive chairperson of our Company. T. Indira Subbarami Reddy is the wife of Dr. T. Subbarami Reddy. She has over 20 years of experience in the construction industry, and has been a director in our Company since March 8, 1996.

Mr. T. V. Sandeep Kumar Reddy is Managing Director and Promoter of our Company, and has been associated with our Company since its incorporation in the year 1989. He has over 25 years of experience in the construction industry. He holds a Masters degree in construction engineering and management from University of Michigan at Ann Arbor, U.S.A, and also holds a bachelor degree in civil engineering from Purdue University. He is responsible for overseeing the day to day affairs of our Company.

Mr. J. Brij Mohan Reddy is executive Vice Chairman of our Company. He holds a Bachelor degree of Science in Industrial Engineering from the University of Montana. He has been associated with our Company since 1989, and has been a whole - time director in our Company since March 30, 1994. He has experience of more than 29 years in the construction industry.

Mr. G. Siva Kumar Reddy is a non-executive and independent director of our Company. He is a post graduate in commerce from Madras University. He has been associated with our Company since March 30, 1994.

Mr. CH. Hari Vittal Rao, is a non-executive and independent director of our Company. He is a Certified Associate from Indian Institute of Bankers, and holds a Bachelor degree in arts from the Andhra University. He has been associated with our Company since November 04, 2005.

Dr. V L Moorthy is our Company's non-executive and independent director. He holds a Masters Degree in science and a doctorate in philosophy (Science) in the field of pure chemistry from University of Calcutta. He has been associated with our Company since November 04, 2005.

Mr. J. N. Karamchetti is our Company's independent director. He obtained his Bachelor of Engineering degree, in the 1970, from University of Andhra Pradesh. He obtained his Masters degree from IIT Kharagpur in 1973. He has been associated with our Company since November 14, 2015.

Mr. Birendra Kumar, is a Nominee Director on our Board. He has been associated with our Company since February 7, 2018.

Remuneration paid to Executive and Non-Executive Directors:

a) Executive Directors: The table below sets forth the details of the aggregate remuneration (including compensation, other terms and benefits), as paid by our Company to its executive Directors, during the current Fiscal Year and the preceding three Fiscal Years:

Name of Director	Aggregate Remuneration Received (₹ in million)			
	For the period April 1, 2017 to December 31, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015
Mr. T.V. Sandeep Kumar Reddy	30.60	40.80	40.80	44.40*
Mr. J. Brij Mohan Reddy	9.90	13.20	13.20	NIL

* For the Fiscal Year 2015, our Company had paid director's remuneration in excess of the limits prescribed under section 197 (1) of the Companies Act, 2013.

b) Non-Executive Directors: The table below sets forth the details of the aggregate remuneration (including sitting fees and commission) paid by our Company to its non-executive Directors during the current Fiscal Year and the preceding three Fiscal Years:

Name of Director	Aggregate Remuneration Received in (₹ in million)			
	For the period April 1, 2017 to December 31, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015
Mrs. T. Indira Subbarami Reddy	0.13	0.20	0.14	0.09
Mr. Siva Kumar Reddy Gunupati	0.19	0.24	0.19	0.14
Dr. V. L. Moorthy	NIL	0.07	0.21	0.08
Mr. CH. Hari Vittal Rao	0.19	0.30	0.21	0.14
Mr. J. N. Karamchetti	0.19	0.28	0.08	NA
Mr. K. Venkateswarlu #	NIL	0.05	0.03	NA
Mr. Umakanth K Bijapur #	NIL	NIL	0.03	NA

Pursuant to the Board Resolution dated February 13, 2016 Mr. K. Venkateswarlu was appointed as a Nominee Director of Bank of Baroda replacing Mr. Umakanth K Bijapu. Further, pursuant Board Resolution dated February 7, 2018 Mr. Birendra Kumar was appointed as Nominee Director of Bank of Baroda replacing Mr. K. Venkateswarlu.

Directors' Shareholding:

a) Shareholding of Directors: The following table details the shareholding of the Directors in our Company as on December 31, 2017.

Name of the Director	Number of Equity Shares	Percentage of pre-Issue share capital (%)
Mrs. T. Indira Subbarami Reddy	57,129,500	29.64
Mr. T. V. Sandeep Kumar Reddy	27,019,810	15.24
Mr. J. Brij Mohan Reddy	2,250	Negligible
Mr. Siva Kumar Reddy Gunupati	1,125	Negligible
Dr. V. L. Moorthy	NIL	NA
Mr. CH. Hari Vittal Rao	50	NA
Mr. J. N. Karamchetti	NIL	NA
Mr. Birendra Kumar	NIL	NA

Borrowing Powers of the Board of Directors: Pursuant to a special resolution passed by the Shareholders on September 1, 2014, and in accordance with the provisions of the Companies Act, 2013, the Board has been authorised to borrow such monies as may be required from time to time, provided that the aggregate amounts so borrowed do not exceed ₹ 90,000 million.

Interest of the Directors:

a) Interested to the extent of remuneration: All executive Directors may be deemed to be interested to the extent of remuneration, if any, paid to them for services rendered as an officer of our Company;

b) Interested to the extent of commission, fees: All the Directors, including the independent Directors, may be deemed to be interested to the extent of commission, fees, if any, payable to them for attending meetings of the Board or a committee thereof, remuneration and reimbursement of expenses payable to them;

c) Contracts, Agreements, Arrangements: Except as disclosed below or otherwise disclosed in this Placement Document and as disclosed in related party transactions, please refer to "***Financial Statements***" on page 246, our Company has not entered into any contracts, agreements, arrangements during the preceding three years from the date of this Placement Document, in which any of the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements, arrangements which are proposed to be made with them:

Some of our Directors may also be deemed to be interested to the extent that our Company has leased certain premises pursuant to arrangement with one of our Group Company. Our Company has entered into a Technical Consultancy Agreement with Mr. J. Brij Mohan Reddy, on October 1, 2017, for a period of three years to provide certain technical services. Consultancy fees to be paid to Mr. J. Brij Mohan Reddy is agreed to be ₹ 30 million per annum, for the services provided to our Company.

d) Any financial or other material interest: None of the Directors of our Company have any financial or other material interest in the Issue.

e) Relationship of Directors: Save as follows, none of the Directors are related to any other Director:

Name of the Director	**Name of the Other Director**	**Relationship**
Mrs. T. Indira Subbarami Reddy	Mr. T. V. Sandeep Kumar Reddy	Mother and son.
Mr. J. Brij Mohan Reddy	Mr. T. V. Sandeep Kumar Reddy	Father-in-law and son-in law.

Terms and Conditions of employment of the Executive Directors:

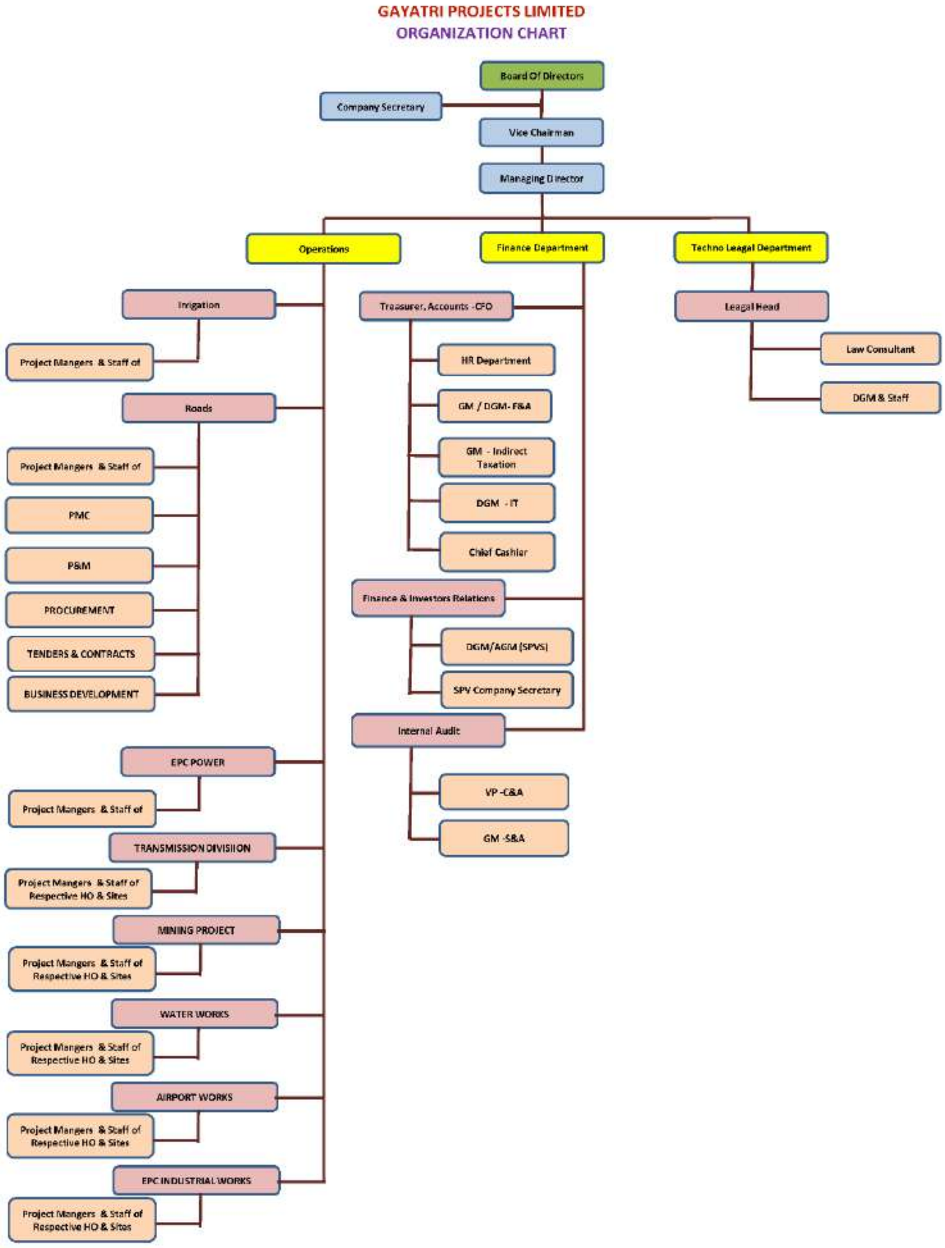
Mr. T.V. Sandeep Kumar Reddy

Pursuant to the resolution of the shareholders dated September 29, 2014, the remuneration payable to Mr. T.V. Sandeep Kumar Reddy is in the form salary is ₹ 40.8 million per annum, and no other perquisites are provided to him by our Company.

Mr. J. Brij Mohan Reddy

Pursuant to the resolution of the Shareholders dated September 28, 2015, the remuneration payable to Mr. J. Brij Mohan Reddy is in the form of salary is ₹ 13.2 million per annum, and no other perquisites are provided to him by our Company.

Management Organizational Structure: The organizational structure of our Company is represented in the chart below:



Details of the Key Managerial Personnel of our Company:

The following are the key managerial personnel of our Company, in addition to our Company's Managing Director and Executive Vice Chairman. For the details of our Managing Director and Executive Chairman please refer to "*Board of Directors and Key Managerial Personnel*" on page 184:

Mrs. I. V. Lakshmi, Company Secretary & Compliance Officer

Mrs. I. V. Lakshmi, aged 44 years, is the Company Secretary and Compliance Officer of our Company. She is a Company Secretary qualified from Institute of Company Secretaries of India and also holds Bachelor Degree in Commerce from the Andhra University and a Bachelor Degree in Law from the Osmania University. She has been associated with our Company since December 1, 2007. She looks after all secretarial and corporate legal functions of our Company.

Mr. P. Sreedhar Babu, Chief Financial Officer

Mr. P. Sreedhar Babu, aged 57 years, is the Chief Financial Officer of our Company. He is a qualified Chartered Accountant. He has been associated with our Company since September 1, 2006. He is responsible for managing the financial risks of our Company and also for financial planning and record-keeping, as well as financial reporting to higher management.

Key Managerial Personnel Shareholding: The following table details the shareholding of the Key Managerial Personnel in our Company as on December 31, 2017:

Name of the KMP	Number of Equity Shares	Percentage of pre-Issue share capital (%)
Mr. T. V. Sandeep Kumar Reddy	27,019,810	15.24
Mr. J. Brij Mohan Reddy	2,250	Negligible
Mrs. I.V. Lakshmi	75	Negligible
Mr. P. Sreedhar Babu	25	Negligible

Interest of the Key Managerial Personnel

(a) Except as stated in this section and to the extent of the remuneration or benefits to which the Key Managerial Personnel are entitled as per the terms of their employment, or reimbursement of expenses incurred by them in the ordinary course of business, or to the extent of their shareholding, the Key Managerial Personnel do not have any other interest in our Company; and

(b) None of the Key Managerial Personnel have any financial or other material interest in the Issue.

Related Party Transactions

For details in relation to the related party transactions entered into by our Company during the last three Fiscals, please refer to "***Financial Statements***" on page 246.

Prohibition by SEBI or other governmental authorities

(a) Not debarred from accessing the capital markets: Our Directors are not and have not been debarred from accessing the capital markets by the Securities and Exchange Board of India, (the "**SEBI**"). Further, Our Directors have not been a promoter, director or a person in control of any company that has been debarred from accessing the capital markets by the SEBI.

(b) Directorship in any listed company in whose securities trading has been suspended by any recognized stock exchange: Except as stated below, our Directors are not and have not been a promoter or a director of any listed company in whose securities trading has been suspended by any recognized stock exchange on account of non-compliance with listing requirements:

I. Mrs. T. Indira Subbarami Reddy and Mr. J.N. Karamchetti, (our Directors), are also directors of Gayatri Tissue and Papers Limited, ("**GTPL**"). They joined GTPL as directors on July 28, 1995 and January 18, 2017 respectively. Further, Dr. V. L. Moorthy was a director in GTPL from September 6, 1999 to January 18, 2017. The BSE had vide a notice dated December 21, 2004, suspended the trading of securities of GTPL with effect from December 21, 2004, in connection with alleged non-compliances with requirements of the listing agreement with the BSE. The aforementioned suspension has been revoked by the BSE with effect from April 26, 2010, and the trading in securities of GTPL has accordingly resumed on the BSE.

II. Mr. T. V. Sandeep Kumar Reddy, and Mr. J.N. Karamchetti, (our Directors), are also directors, of Gayatri BioOrganics Limited, ("**GBOL**"). They both joined GBOL as directors on December 2, 1991 and October 30, 2006 respectively. The BSE had pursuant to a notice dated September 3, 2001, suspended the trading of securities of GBOL, inter-alia in connection with alleged non-payment of annual listing fees. The aforementioned suspension has been revoked by the BSE with effect from December 30, 2008, and the trading in securities of the aforementioned company has accordingly resumed on the BSE.

Corporate Governance

Our Company is in compliance with the requirements of the applicable corporate governance norms, including the SEBI Listing Regulations, the Companies Act, 2013, as amended, in respect of corporate governance, including constitution of the Board and committees thereof;

I. Independent Directors: Our Board of Directors presently consists of 8 (Eight) Directors. In compliance with the requirements of the SEBI Listing Regulations and the Companies Act, 2013 as amended, the Board of Directors includes 4 (Four) Independent Directors;

II. Committees: Our Board functions either as a full Board or through various committees constituted to oversee specific operational areas. The Board has amongst others, constituted five committees, each of which has been constituted and functions in accordance with the relevant provisions of the Companies Act, 2013 as amended and the Listing Regulations, as applicable. These are the **(a)** Audit Committee, **(b)** Nomination and Remuneration Committee, **(c)** Stakeholders' Relationship Committee, **(d)** Corporate Social Responsibility Committee, and, **(e)** Risk Management Committee. The details of the aforesaid committees are as follows:

a) Audit Committee: The members of the Audit Committee are:

Sr. No	Name of the Director
1.	Mr. C. H. Hari Vittal Rao, (Chairman)
2.	Mr. G. Siva Kumar Reddy
3.	Dr. V. L. Moorthy
4.	Mr. J. N. Karamchettti

b) Nomination and Remuneration Committee: The members of the Nomination and Remuneration Committee are:

Sr. No	Name of the Director
1.	Mr. G. Siva Kumar Reddy (Chairman)
2.	Smt. T. Indira Subbarami Reddy
3.	Dr. V.L. Moorthy

c) Stakeholders' Relationship Committee: The members of the Stakeholders Relationship Committee are:

Sr. No	Name of the Director
1.	Mr. CH. Hari Vittal Rao (Chairman)
2.	Mr. G. Siva Kumar Reddy
3.	Mr. J. Brij Mohan Reddy

d) Corporate Social Responsibility Committee: The members of the Corporate Social Responsibility Committee are:

Sr. No	Name of the Director
1.	Smt. T. Indira Subbarami Reddy (Chairman)
2.	Mr. T. V. Sandeep Kumar Reddy
3.	Mr. CH. Hari Vittal Rao

e) Risk Management Committee: The members of the Risk Management Committee are:

Sr. No	Name of the Members
1.	Mr. T. V. Sandeep Kumar Reddy
2.	Smt. T. Indira Subbarami Reddy
3.	Mr. CH. Hari Vittal Rao
4.	Mr. P. Sreedhar Babu

III. Policy on disclosures and internal procedure for prevention of insider trading: Regulation 8(1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, ("**Insider Trading Regulations**"), applies to our Company, and requires that our Board formulate and publish on our website, a code of practices and procedures for fair disclosure of unpublished price sensitive information to be followed by our Company. Further, pursuant to Regulation 9(1) of the Insider Trading Regulations, our Board is required to implement a code of conduct to regulate, monitor and report trading by our employees and other insiders. Our Company has implemented a code of practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct for our employees and other connected persons, in accordance with the Insider Trading Regulations.

PRINCIPAL SHAREHOLDERS

The following tables present information regarding the ownership of Equity Shares by the Shareholders as of December 31, 2017:

Summary statement holding of specified securities

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
					No.(a)	As a % of total Shares held(b)	No.(a)	As a % of total Shares held(b)	
(A) Promoter & Promoter Group	5	84,154,710	84,154,710	47.48	8,096,930	9.62	78,803,225	93.64	84,154,710
(B) Public	9,513	93,097,190	93,097,190	52.52		0.00		0.00	93,096,940
(C1) Shares underlying DRs				0.00		0.00		0.00	
(C2) Shares held by Employee Trust				0.00		0.00		0.00	
(C) Non Promoter-Non Public				0.00		0.00		0.00	
Grand Total	9,518	177,251,900	177,251,900	100.00	8,096,930	4.57	78,803,225	44.46	177,251,650

Statement showing shareholding pattern of the Promoter and Promoter Group

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
					No.(a)	As a % of total Shares held(b)	No.(a)	As a % of total Shares held(b)	
A1) Indian				0.00		0.00		0.00	
Individuals/Hindu undivided Family	5	84,154,710	84,154,710	47.48	8,096,930	9.62	78,803,225	93.64	84,154,710
Indira Subbarami Reddy Tikkavarapu	1	57,129,500	57,129,500	32.23	3,974,840	6.96	51,783,415	90.64	57,129,500
Sandeep Kumar Reddy Tikkavarapu	1	27,019,810	27,019,810	15.24	4,122,090	15.26	27,019,810	100.00	27,019,810
Jenna Reddy Brij Mohan Reddy	1	2,250	2,250	0.00		0.00		0.00	2,250
Sulochanamma Gunupati	1	2,350	2,350	0.00		0.00		0.00	2,350
Tikkavarapu Sarita Reddy	1	800	800	0.00		0.00		0.00	800
Sub Total A1	5	84,154,710	84,154,710	47.48	8,096,930	9.62	78,803,225	93.64	84,154,710
A2) Foreign				0.00		0.00		0.00	
A=A1+A2	5	84,154,710	84,154,710	47.48	8,096,930	9.62	78,803,225	93.64	84,154,710

Statement showing shareholding pattern of the Public shareholder

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting right	Number of Locked in shares		Number of equity shares held in dematerialized form(Not Applicable)
							No.(a)	As a % of total Shares held(b)	
B1) Institutions	0	0		0.00		0.00		0.00	
Mutual Funds/	1	300,000	300,000	0.17	300,000	0.17		0.00	300,000
Foreign Portfolio Investors	65	48,718,696	48,718,696	27.49	48,718,696	27.49		0.00	48,718,696
Government of Singapore	1	8,131,218	8,131,218	4.59	8,131,218	4.59		0.00	8,131,218
Leman Diversified Fund	1	2,040,105	2,040,105	1.15	2,040,105	1.15		0.00	2,040,105
GMO Emerging Domestic Oppourtunities Fund, A Series of GMO Trust	1	10,683,040	10,683,040	6.03	10,683,040	6.03		0.00	10,683,040
Monetary Authority of Singapore	1	2,860,339	2,860,339	1.61	2,860,339	1.61		0.00	2,860,339
Afrin Dia	1	13,488,500	13,488,500	7.61	13,488,500	7.61		0.00	13,488,500
Sparrow Asia Diversified Opportunities Fund	1	2,605,980	2,605,980	1.47	2,605,980	1.47		0.00	2,605,980
Financial Institutions/ Banks	3	105,400	105,400	0.06	105,400	0.06		0.00	105,400
Insurance Companies	1	4,631,649	4,631,649	2.61	4,631,649	2.61		0.00	4,631,649
Bajaj Allianz Life Insurance Company Limited	1	4,631,649	4,631,649	2.61	4,631,649	2.61		0.00	4,631,649
Any Other (specify)	1	16,772,852	16,772,852	9.46	16,772,852	9.46		0.00	16,772,852

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting right	Number of Locked in shares		Number of equity shares held in dematerialized form(Not Applicable)
							No.(a)	As a % of total Shares held(b)	
Foreign Institutional Investors	1	16,772,852	16,772,852	9.46	16,772,852	9.46		0.00	16,772,852
GMO EMERGING MARKETS FUND, A SERIES OF GMO TRUST	1	16,772,852	16,772,852	9.46	16,772,852	9.46		0.00	16,772,852
Sub Total B1	**71**	**70,528,597**	**70,528,597**	**39.79**	**70,528,597**	**39.79**		**0.00**	**70,528,597**
B2) Central Government/ State Government(s)/ President of India	0	0		0.00		0.00		0.00	
B3) Non-Institutions	0	0		0.00		0.00		0.00	
Individual share capital upto ₹ 2 Lacs	8,583	5,026,959	5,026,959	2.84	5,026,959	2.84		0.00	5,026,709
Individual share capital in excess of ₹ 2 Lacs	7	1,814,082	1,814,082	1.02	1,814,082	1.02		0.00	1,814,082
NBFCs registered with RBI	2	273,400	273,400	0.15	273,400	0.15		0.00	273,400
Any Other (specify)	850	15,454,152	15,454,152	8.72	15,454,152	8.72		0.00	15,454,152
Trusts	3	1,500	1,500	0.00	1,500	0.00		0.00	1,500
NRI	135	5,844,352	5,844,352	3.30	5,844,352	3.30		0.00	5,844,352
Satpal Khattar	1	5,179,335	5,179,335	2.92	5,179,335	2.92		0.00	5,179,335
Clearing Members	136	184,408	184,408	0.10	184,408	0.10		0.00	184,408

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting right	Number of Locked in shares		Number of equity shares held in dematerialized form(Not Applicable)
							No.(a)	As a % of total Shares held(b)	
NRI – Non- Repat	50	83,816	83,816	0.05	83,816	0.05		0.00	83,816
Bodies Corporate	297	9,128,834	9,128,834	5.15	9,128,834	5.15		0.00	9,128,834
Mentor Capital Limited	1	4,863,602	4,863,602	2.74	4,863,602	2.74		0.00	4,863,602
HUF	228	209,682	209,682	0.12	209,682	0.12		0.00	209,682
IEPF	1	1,560	1,560	0.00	1,560	0.00		0.00	1,560
Sub Total B3	**9,442**	**22,568,593**	**22,568,593**	**12.73**	**22,568,593**	**12.73**		**0.00**	**22,568,343**
B=B1+B2+B3	**9,513**	**93,097,190**	**93,097,190**	**52.52**	**93,097,190**	**52.52**		**0.00**	**93,096,940**

Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category & Name of the Shareholders(I)	No. of shareholder(III)	No. of fully paid up equity shares held(IV)	Total no. shares held(VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)(VIII)	Number of Locked in shares(XII)		Number of equity shares held in dematerialized form(XIV)(Not Applicable)
					No	As a % of total Shares held	
C1) Custodian/DR Holder	0	0		0.00		0.00	
C2) Employee Benefit Trust	0	0		0.00		0.00	

Details of disclosure made by the Trading Members holding 1% or more of the Total No. of shares of our company.

Sl. No.	Name of the Trading Member	Name of the Beneficial Owner	No. of shares held	% of total no. of shares	Date of reporting by the Trading Member
-	NIL	NIL	NIL	NIL	NIL

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and investors are presumed to have apprised themselves of the same from our Company or the BRLMs. Our Company and the BRLMs are not liable for any amendment, modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them. Bidders will be required to confirm and will be deemed to have represented to our Company, the BRLMs and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to subscribe to and acquire the Equity Shares. Our Company and the BRLMs and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares. Please refer to "Selling Restrictions" and "Transfer Restrictions" on pages 210 and 216, respectively.

Qualified Institutions Placement

This Issue is not a public offer: The Issue is being made to Eligible QIBs in reliance upon Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, by way of a QIP, and the Preliminary Placement Document and this Placement Document will not be registered as a prospectus with the RoC. The Equity Shares offered by way of the Issue will not be deemed to be offered to the public or any other class of investors, other than to Eligible QIBs.

Our Company has to comply with certain conditions: Some conditions that: Under Chapter VIII of the SEBI ICDR Regulations, and Section 42 of the Companies Act, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, a company may issue equity shares to Eligible QIBs provided that certain conditions are met by the company. Some of the conditions that apply to the issuance of equity shares to Eligible QIBs, are as follows:

a) <u>Special resolution</u>: the shareholders of our Company have passed a special resolution approving such QIP, which specifies: (i) that the allotment of securities is proposed to be made pursuant to the QIP; and, (ii) the Relevant Date. The present Issue has been authorised and approved by our Board of Directors on December 6, 2017, and, the shareholders of our Company have authorised and approved the Issue by way of a special resolution passed in the Annual General Meeting held on December 30, 2017;

b) <u>Price justification to shareholders</u>: the explanatory statement to the notice to the shareholders for convening the general meeting must disclose the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

c) <u>Same class of shares are listed</u>: equity shares of the same class of our Company, which are proposed to be allotted through the QIP, are listed on a recognised stock exchange in India, having nation-wide trading terminals, for a period of at least one year prior to the date of issuance of notice to our shareholders, for convening the meeting to pass the above-mentioned special resolution;

d) <u>Aggregate limit for QIPs in the same Financial Year</u>: aggregate of the Issue, and all previous qualified institutions placements made by our Company in the same Financial Year, does not exceed five times the net worth, (as defined in the SEBI ICDR Regulations), of our Company, as per the audited balance sheet of the previous Financial Year;

e) <u>Minimum offer</u>: the issuer shall offer to each Allottee at least such number of the securities in the issue which would aggregate to at least ₹ 20,000 calculated at the face value of the securities;

f) <u>List of QIBs to whom the offer will be made</u>: prior to circulating the private placement offer letter, the issuer must prepare and record a list of Eligible QIBs to whom the offer will be made. The offer must be made only to such persons whose names are recorded by the issuer prior to the invitation to subscribe;

g) <u>Manner in which the offer is made</u>: the offer must be made through a private placement offer letter and an application form serially numbered and addressed specifically to the Eligible QIB to whom the offer is made, and sent within 30 days of recording the names of such Eligible QIBs;

h) <u>Minimum allocation to Mutual Funds</u>: At least 10% of the Equity Shares issued to Eligible QIBs must be allotted to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs;

i) Allotments: Our Company shall have completed allotments with respect to any offer or invitation made earlier by our Company, unless the same has been rescinded or abandoned;

j) In-principle approvals of the Stock Exchanges: Our Company has to apply for, and has applied for and received, the in-principle approvals of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations, for listing of the Equity Shares on the Stock Exchanges; and

k) Offer documents to be provided to the Stock Exchanges, SEBI and the RoC: We have filed a copy of the Preliminary Placement Document and this Placement Document with the Stock Exchanges. Our Company will also make the requisite filings with the RoC and SEBI within the stipulated period as required under the Companies Act.

Other applicable conditions:

a) **Source of funds for subscription money:** the payment to be made for subscription to the Equity Shares, shall be made from the bank account of the person subscribing to such securities, and in case of securities to be held by joint holders, the payment for subscription to the securities shall be paid from the bank account of the person whose name appears first in the application;

b) **Representations by Investors:** Prospective purchasers will deemed to have represented that they are outside the U.S. are purchasing the Equity Shares in an offshore transaction (as defined in Regulation S). For further information, please refer to "***Representations by Investors***" on page 5.

c) **Withdrawal of Bids:** Bidders are not allowed to withdraw their Bids after the Issue Closing Date;

d) **Allotments made to FVCI, VCFs and AIFs:** Allotments made to FVCI, VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements;

e) **Lock-in:** Securities allotted to an Eligible QIB pursuant to the Issue shall not be sold for a period of one year from the date of allotment except on the floor of a recognised stock exchange in India;

f) **Minimum pricing requirement:** There is a minimum pricing requirement under the SEBI ICDR Regulations. The Issue Price of the Equity Shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. However, a discount of up to 5.00% on such floor price is permitted in accordance with the provisions of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the board of directors or the committee of directors duly authorised by the board of our Company decides to open the proposed issue and "stock exchange" means any of the recognised stock exchanges in India, on which the Equity Shares of our Company are listed, and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date;

g) **Allotments pursuant to this Issue:** Securities must be allotted within 12 months from the date of the shareholders' resolution approving the QIP, and also within 60 days from the date of receipt of subscription money from the Bidders;

h) **Issue related offer documents:** The securities issued pursuant to a QIP must be issued on the basis of the Preliminary Placement Document and this Placement Document, each of which shall contain all material information, including the information specified in Schedule XVIII of the SEBI ICDR Regulations, and the requirements prescribed under Form PAS-4, (as prescribed under the Companies Act, and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended). The Preliminary Placement Document, and this Placement Document, are private documents provided to only select investors through serially numbered copies and are required to be placed on the websites of the concerned Stock Exchanges and of our Company, with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors;

i) **Minimum number of allottees:** The minimum number of allottees for a QIP shall not be less than: (i) two, where the issue size is less than or equal to ₹ 2,500 million; and, (ii) five, where the issue size is greater than ₹ 2,500 million;

j) **Maximum allocation to a single Allottee:** No single Allottee shall be allotted more than 50.00% of the Issue size, or a number of equity shares which would aggregate to less than ₹ 20,000 calculated on the basis of the face value of the equity shares. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee. For details of what constitutes "same group" or "common control", please refer to "***Issue Procedure— Application Process—Application Form***" on page 202;

k) **The United States Securities Act of 1933:** The Equity Shares offered hereby have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. For a description of certain restrictions on transfer of the Equity Shares, refer to "*Transfer Restrictions*" on page 216.

l) **Jurisdictions outside India:** The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

Invitation to subscribe: Our Company and the BRLMs shall circulate serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to Eligible QIBs, and each Application Form will be specifically addressed to the relevant Eligible QIB. In terms of Section 42 of the Companies Act, our Company shall maintain complete records of the Eligible QIBs to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched. **The list of QIBs to whom the Preliminary Placement Document and Application Form is to delivered, shall be determined by our Company, in consultation with the BRLMs**. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form is addressed to a particular Eligible QIB, no invitation to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

Minimum allotment: Bidders shall submit Bids for, and our Company shall issue and Allot to each Allottee, at least such number of Equity Shares in the Issue as would aggregate to ₹ 20,000, calculated at the face value of the Equity Shares.

The Application Form: Eligible QIBs may submit an Application Form, including any revisions thereof, during the Bidding Period to the BRLMs. Eligible QIBs will, amongst other things, be required to indicate the following in the Application Form:

a) full official name of the Eligible QIB to whom Equity Shares are to be Allotted;

b) number of Equity Shares Bid for;

c) price at which they are agreeable to subscribe for the Equity Shares, provided that Eligible QIBs may also indicate that they are agreeable to submit a Bid at "Cut-off Price", which shall be any price as may be determined by our Company in consultation with the BRLMs at or above the Floor Price or the Floor Price, net of such discount, as approved in accordance with SEBI ICDR Regulations;

d) details of the depository account to which the Equity Shares should be credited;

e) a representation that it is outside the United States acquiring the Equity Shares in an offshore transaction under Regulation S and it has agreed to certain other representations set forth in the Application Form;.

f) it has agreed to the representations set forth in the Preliminary Placement Document and the Application Form; and

g) SEBI registration number, if applicable.

NOTES:

FPIs: FPIs are required to indicate the SEBI FPI registration number in the Application Form. Each sub- account of an FPI other than a sub-account which is a foreign corporate or a foreign individual will be considered an individual QIB and separate Application Forms would be required from each such sub-account for submitting Bids.

Asset management companies or custodians of Mutual Funds: Bids by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund.

Investment limits: Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

Irrevocable offer: Once a duly completed Application Form is submitted by an Eligible QIB, such Application Form constitutes an irrevocable offer and cannot be withdrawn after the Issue Closing Date. The Issue Closing Date shall be notified to the Stock Exchanges and Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

Restrictions as applicable for investments by Mutual Funds: Under the current regulations, the following restrictions are applicable for investments by Mutual Funds: (i) No mutual fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company; provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds and, (ii) No mutual fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

Serially numbered CANs:

Upon receipt of the Application Forms, after the Issue Closing Date, our Company shall determine the final terms, including the Issue Price of the Equity Shares and the number of Equity Shares to be issued pursuant to the Issue in consultation with the BRLMs. Upon determination of the final terms of the Equity Shares, our Company shall report the Issue Price to the Stock Exchanges and the BRLMs will send the serially numbered CANs along with this Placement Document to Eligible QIBs who have been Allocated Equity Shares, either in electronic form or by way of physical delivery. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Eligible QIB to pay the entire Issue Price for all the Equity Shares Allocated to such Eligible QIB. The CAN shall contain details such as the number of Equity Shares Allocated to the Eligible QIB and payment instructions including the details of the amounts payable by the Eligible QIB for Allotment of the Equity Shares in its name and the Pay-In Date as applicable to the respective Eligible QIB. **Please note that the Allocation will be at the absolute discretion of our Company in consultation with the BRLMs.**

Pursuant to receiving a CAN, each Eligible QIB shall be required to pay the entire application monies for the Equity Shares indicated in the CAN at the Issue Price, only through electronic transfer to our Escrow Account by the Pay-In Date as specified in the CAN sent to the respective Eligible QIBs. No payment shall be made by Eligible QIBs in cash. Please note that any payment of application money for the Equity Shares shall be made from the bank accounts of the relevant Eligible QIBs applying for the Equity Shares and our Company shall keep a record of the bank account from where such payment for subscriptions have been received. Monies payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the application. Pending Allotment, all monies received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act. Please refer to "***Issue Procedure - Bank Account for Payment of Application Money***" on page 205.

Allotment

Upon receipt of the application monies from the Eligible QIBs, our Company shall Allot Equity Shares as per the details in the CAN sent to the Eligible QIBs.

After passing the resolution for Allotment and prior to crediting the Equity Shares into the depository participant accounts of the successful Bidders, our Company shall apply to the Stock Exchanges for listing approvals. Our Company will intimate to the Stock Exchanges the details of the Allotment and apply for approvals for listing of the Equity Shares on the Stock Exchanges prior to crediting the Equity Shares into the beneficiary account maintained with the Depository Participant by the Eligible QIBs.

After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to the Issue into the Depository Participant accounts of the respective Allottees in accordance with the details submitted by the Eligible QIBs in the Application Form. Our Company will then apply for the final listing and trading permissions from the Stock Exchanges. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges. Our Company and the BRLMs shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Final listing and trading approvals granted by the Stock Exchanges are also placed on their respective websites. Eligible QIBs are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible QIBs

Only eligible QIBs as defined in Regulation 2(1) (zd) and Chapter VIII of the SEBI ICDR Regulations, who are not otherwise excluded under Regulation 86 of the SEBI ICDR Regulations or other applicable regulations, can invest in the Issue.
Currently, under Regulation 2(1) (zd) and Chapter VIII of the SEBI ICDR Regulations, a QIB means:

1. a public financial institution as defined in Section 2(72) of the Companies Act, 2013;
2. a scheduled commercial bank;
3. a mutual fund registered with the SEBI;
4. Eligible FPIs;
5. a multilateral and bilateral development financial institution;
6. venture capital funds and AIFs registered with the SEBI;
7. a foreign venture capital investor registered with the SEBI;
8. a state industrial development corporation;
9. an insurance company registered with Insurance Regulatory and Development Authority of India;
10. a pension fund with minimum corpus of ₹ 250 million;
11. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
12. an insurance fund set up and managed by the army, navy or air force of the Union of India;
13. insurance funds set up and managed by the Department of Posts, India;
14. a provident fund with minimum corpus of ₹ 250 million; and
15. systematically important non banking financial companies having networth of more than ₹ 5,000 million as per such companies' last audited financial statements.

Eligible FPIs

Eligible FPIs are permitted to participate in the Issue through the Portfolio Investment Scheme and the Foreign Portfolio Investment Scheme, respectively, subject to compliance with all applicable laws and such that the shareholding of the FPIs does not exceed specified limits as prescribed under applicable laws in this regard.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities), shall be below

10% of the post-Issue Equity Share capital of our Company. Further, in terms of the FEMA 2017, the total holding of each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board followed by a special resolution passed by our shareholders. Pursuant to resolutions passed by our Board and our shareholders on July 26, 2014, and September 1, 2014, respectively, the total shareholding of FPIs in our Company has been increased to the applicable sectoral cap of our Company. In terms of the FEMA 2017, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Restriction on Allotment

Pursuant to Regulation 86(1) (b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being, or any person related to, the Promoters. Eligible QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoters:

a) rights under a shareholders' agreement or voting agreement entered into with the Promoter or persons related to the Promoters;
b) veto rights; or
c) a right to appoint any nominee director on the Board.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Eligibility

Our Company and the BRLMs are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws and regulations, and as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not directly or indirectly result in triggering an open offer under the Takeover Regulations. Eligible QIBs are required to satisfy themselves that any requisite compliance pursuant to an Allotment in this Issue is complied with, such as public disclosures under applicable laws. Eligible QIBs are advised to consult their advisors in this regard.

Note: Affiliates or associates of the BRLMs who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

Application Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms, (which are addressed to them), as supplied by the BRLMs, in either electronic form or by physical delivery, for the purpose of making a Bid, (including revision of a Bid), in terms of the Preliminary Placement Document.

By making a Bid, (including the revision thereof), for Equity Shares through the Application Forms and pursuant to the terms of the Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations and warranties, along with the representations, warranties and agreements made under the sections "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions" on pages 3*, 5, 210 and 216, *respectively:*

1. it is a Eligible QIB in terms of Regulation 2(1)(zd) of the SEBI ICDR Regulations, and is not excluded under Regulation 86 of the SEBI ICDR Regulations, and that it has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in the Issue;

2. it is not a promoter, (as defined under SEBI ICDR Regulations), and is not a person related to the promoter of our Company, either directly or indirectly, and its Application Form does not directly or indirectly represent the promoter or promoter group, or persons related to the promoter of our Company;

3. it has no rights under any agreement, (including a shareholders' agreement or voting agreement), with the promoter/s, or persons related to the promoter/s, such as veto rights or rights to appoint any nominee director on the Board, other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the promoter of our Company;

4. it acknowledges that it has no right to withdraw its Bid after the Issue Closing Date;

5. if Equity Shares are Allotted through the Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

6. it is eligible to Bid and hold Equity Shares so Allotted and its holding, does not and shall not, exceed the level permissible as per any applicable regulations as applicable to the Eligible QIB;

7. its Bid(s) would not directly or indirectly result in triggering an open offer under the Takeover Regulations;

8. to the best of its knowledge and belief together with other Eligible QIBs in the Issue that belongs to the same group or are under same control, the Allotment to it shall not exceed 50% of the Issue. For the purposes of this statement:

(a) The expression "belongs to the same group" shall derive meaning from the concept of "companies under the same group" as provided in sub-section (11) of Section 372 of the Companies Act, 1956;

(b) "Control" shall have the same meaning as is assigned to it by Regulation 2(1) (e) of the Takeover Regulations.

9. it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant, until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

10. it acknowledges, represents and agrees, that in the event its total interest in the paid-up share capital of our Company, or the voting rights in our Company, whether direct or indirect, beneficial or otherwise, (any such interest being referred to herein as the "Holding"), when aggregated together with any existing Holding and/or Holding of any of the persons acting in concert, results in Holding of 5% or more of the total paid-up share capital of, or the voting rights in, our Company, a disclosure of the aggregate shareholding and voting rights will have to be made under the Takeover Regulations. In case such QIB is a shareholder of our Company who, together with persons acting in concert, holds 5% or more of the underlying paid up share capital of, or the voting rights in, our Company, a disclosure will have to be made under the Takeover Regulations in the event of a change of 2% or more in the existing Holding of the QIB and persons acting in concert.

11. The Eligible QIB confirms that it is subscribing to the Equity Shares in an offshore transaction in reliance on Regulation S under the Securities Act, and is not our affiliate or a person acting on behalf of such an affiliate;

12. it has read and understood, and by making a Bid for the Equity Shares through the Application Forms and pursuant to the terms of the Preliminary Placement Document, will be deemed to have made, the representations, warranties and agreements made under "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 3, 5, 210 and 216, respectively under this Placement Document.

ELIGIBLE QIBS MUST PROVIDE THEIR DEPOSITORY ACCOUNT DETAILS, PAN, THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. FOR THIS PURPOSE ELIGIBLE SUB ACCOUNTS OF AN FPI WOULD BE CONSIDERED AS AN INDEPENDENT ELIGIBLE QIB.

IF SO REQUIRED BY THE BRLMS, THE ELIGIBLE QIB SUBMITTING A BID, ALONG WITH THE BID CUM APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO

THE BRLMS TO EVIDENCE THEIR STATUS AS AN "ELIGIBLE QIB" AS DEFINED HEREIN.

IF SO REQUIRED BY THE BRLMS, ESCROW BANK(S) OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER CLOSURE OF THE ISSUE, THE ELIGIBLE QIB SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES, WILL HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details given above.

The submission of an Application Form by an Eligible QIB shall be deemed to be a valid, binding and irrevocable offer for the Eligible QIB to pay the entire Issue Price for the Equity Shares (as indicated by the CAN) and becomes a binding contract on the Eligible QIB upon issuance of the CAN by our Company in favour of the Eligible QIB.

Submission of Application Form

All Application Forms must be duly completed with information including the name of the Eligible QIB and the number of Equity Shares applied for. The Application Form shall be submitted to the BRLMs either through electronic form or through physical delivery at the following address:

Name of the Book Running Lead Managers	Postal and Web Address	Contact Person	Contact Details
JM Financial Limited	7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025. Website: www.jmfl.com	Neha Agarwal	Tel:+91 22 6630 3151 Fax:+91 22 6630 3330 Email: gpl.qip2018@jmfl.com
Credit Suisse Securities (India) Private Limited	9th Floor, Ceejay House, Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai – 400018. Website: www.credit-suisse.com	Akshay Saxena	Tel: +91 22 6777 3885 Fax: +91 22 6777 3820 Email: list.gayatriprojectsqip@credit-suisse.com

The BRLMs shall not be required to provide any written acknowledgement of the same.

Permanent Account Number or PAN

Each Eligible QIB should mention its PAN allotted under the IT Act in the Application Form. Applications without this information will be considered incomplete and are liable to be rejected. Eligible QIBs should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Pricing and Allocation

Build up of the Book

Eligible QIBs shall submit their Bids, (including the revision of bids), within the Bidding Period, to one of the BRLMs, and such Bids cannot be withdrawn after the Issue Closing Date. The book shall be maintained by the BRLMs.

Price Discovery and Allocation

Our Company, in consultation with the BRLMs, shall determine the Issue Price, which shall be at or above the Floor Price. Our Company may offer a discount of not more than 5% to the Floor Price in terms of Regulation 85(1) of the SEBI ICDR Regulations. After finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as this Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the BRLMs on a discretionary basis and in compliance with Chapter VIII of the SEBI ICDR Regulations. Application Forms received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLMS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBS. ELIGIBLE QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

All Application Forms duly completed along with payment and a copy of the PAN card or PAN allotment letter shall be submitted to the BRLMs as per the details provided in the respective CAN.

CAN

Based on the Application Forms received, our Company, in consultation with the BRLMs, in their sole and absolute discretion, shall decide the Eligible QIBs to whom the serially numbered CAN shall be sent, pursuant to which the details of the Equity Shares Allocated to them and the details of the amounts payable for Allotment of such Equity Shares in their respective names shall be notified to such Eligible QIBs. Additionally, a CAN will include details of the relevant Escrow Account into which such payments would need to be made, address where the application money needs to be sent, Pay-In Date as well as the probable Designated Date, being the date of credit of the Equity Shares to the respective Eligible QIB's account.
Eligible QIBs who have been Allotted Equity Shares pursuant to the Issue would also be sent a serially numbered Placement Document either in electronic form or by physical delivery along with the serially numbered CAN.

The dispatch of the serially numbered Placement Document and the serially numbered CAN to Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIB to furnish all details that may be required by the BRLMs and to pay the entire Issue Price for all the Equity Shares Allocated to such Eligible QIB.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

Bank Account for Payment of Application Money

Our Company has opened the Escrow Account titled "GAYATRI PROJECTS LIMITED –QIP ESCROW ACCOUNT" (the "**Escrow Account**") with the Escrow Banks in terms of the Escrow Agreement. Eligible QIB will be required to deposit the entire amount payable for the Equity Shares Allocated to it by the Pay-In Date as mentioned in the respective CAN.

If the payment is not made favouring the Escrow Account within the time stipulated in the CAN, the Application Form and the CAN of the Eligible QIB are liable to be cancelled.

Our Company undertakes to utilise the amount deposited in the Escrow Account only for the purposes of repayment of application money if, our Company has not been able to Allot Equity Shares in the Issue.

In case of cancellations or default by the Eligible QIBs, our Company and the BRLMs have the right to reallocate the Equity Shares at the Issue Price among existing or new Eligible QIBs, at its sole and absolute discretion, subject to such Eligible QIBs having received the Application Forms.

Payment Instructions

The payment of application money shall be made by the Eligible QIBs in the name of the Escrow Account as per the payment instructions provided in the CAN.

Payments are to be made only through electronic fund transfer.

***Note**: Payments other than through electronic transfer funds including through cheque are liable to be rejected at the sole discretion of the BRLMs.*

Closing Date and Allotment of Equity Shares

Our Company will endeavour to complete the allotment of Equity Shares by the Issue Closing Date for those Eligible QIBs who have paid the subscription money as stipulated in their respective CANs. The Equity Shares will not be Allotted unless the Eligible QIBs pay the Issue Price to the Escrow Account as stated above.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Alloted only in dematerialised form, to the Allottees, and shall be credited to the Depository Participant Account of the Eligible QIB. Allottees will have the option to-rematerialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Our Company, at its sole discretion, reserves the right to cancel / withdraw the Issue at any time up to Allotment, without assigning any reason.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, our Company will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

In the event that our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of application money, our Company shall repay the application money within 15 days from expiry of 60 days, failing which our Company shall repay that money with interest at the rate of 12% per annum from expiry of the sixtieth day. The application money to be refunded by our Company shall be refunded to the same bank account from which application money was remitted by the Eligible QIBs.

In relation to Eligible QIBs who have been Allotted more than 5% of the Equity Shares in the Issue, our Company shall disclose the name and the number of the Equity Shares Allotted to such Eligible QIB to the Stock Exchanges and the Stock Exchanges will make the same available on their website.

The Escrow Banks shall release the monies lying to the credit of the Escrow Account, (as per the terms of the Escrow Agreement) only after Allotment of Equity Shares to Eligible QIBs, and receipt of the required listing and trading approvals from the Stock Exchanges. Our Company shall make the requisite filings with the RoC and the SEBI, within the stipulated period as required under the Companies Act, and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended. If an Eligible QIB is Allotted any Equity Shares, our Company is required to disclose details such as your name, address and the number of Equity Shares Allotted, to the RoC and the SEBI.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the BRLMs, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company and the BRLMs in relation to the rejection of Bids shall be final and binding.

Equity Shares in Dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in the Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Allotment to a successful Eligible QIB will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Eligible QIB.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all Eligible QIBs in the demat segment of the respective Stock Exchanges.

Our Company will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise, on part of the Eligible QIBs.

PLACEMENT AND LOCK-UP

1. Placement Agreement: The BRLMs and our Company have entered into a Placement Agreement dated March 7, 2018, pursuant to which the BRLMs severally and not jointly, have agreed to manage the Issue, act as placement agents in connection with the proposed Issue, and, procure subscriptions for the Equity Shares to be issued pursuant to the Issue, on a reasonable efforts basis, to Eligible QIBs, pursuant to Chapter VIII of the SEBI ICDR Regulations and the Companies Act, 2013, read with Rules thereunder. The Placement Agreement contains customary representations and warranties, as well as indemnities from our Company and the BRLMs and it is subject to certain conditions and termination provisions, in accordance with the terms contained therein.

2. Application to list the equity shares: Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges.

3. No assurance as to liquidity or sustainability of trading of equity shares: No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares, or in connection with the price at which holders of the Equity Shares will be able to sell their Equity Shares.

4. Relationship with the BRLMs: In connection with the Issue, the BRLMs, (or their affiliates), may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue, at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the BRLMs may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the BRLMs may purchase Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. Please refer to "***Offshore Derivative Instruments***" on page 10.

5. Investment banking and other services provided by BRLMs: From time to time, the BRLMs, and their respective affiliates and associates, have engaged in or may in the future engage in transactions with, and perform services, (including but not limited to investment banking, advisory, banking, trading services), for our Company, our Subsidiaries, group companies, affiliates and our shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the BRLMs and their respective affiliates and associates.

6. Lock up: Our Company will not, for a period commencing from the date of the Placement Agreement and ending 180 days from the date of Allotment, without the prior written consent of the BRLMs, directly or indirectly:

   a) purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of or create an Encumbrance over, any Equity Shares, (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares), or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing;

   b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly any of the economic consequences associated with the ownership of any of the Equity Shares or any interest therein (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares), regardless of whether any of the transactions described above is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise;

   c) deposit such securities of our Company with any other depositary in connection with a depositary receipt facility; or

   d) publicly announce any intention to enter into any transaction falling within (a) to (c) above; (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility. Provided that the foregoing restrictions do not apply to any sale, transfer or disposition of Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares) pursuant to:

      i. this Issue;

ii. the issue of Equity Shares or other securities pursuant to any scheme of amalgamation or arrangement or otherwise in connection with any merger or demerger or acquisition of securities, business, property or other assets, joint ventures or other strategic corporate transaction, subject to receipt of prior intimation by each Book Running Lead Manager; or

iii. the issue of Equity Shares pursuant to any ESOP Schemes.

In addition to the exemptions mentioned for any sale, transfer, disposition, etc. of Equity mentioned above, if there is any capital raise contemplated by our Company within the aforesaid lock-up period, our Company shall, subject to obtaining approvals required under applicable law, take a prior written approval from the BRLMs, and such approval will not be unreasonably withheld, and shall be promptly provided within one working day of receipt of such request from our Company.

7. **Promoter Group Lock-up:** Subject to the paragraph below, our Promoters and Promoter Group, during the period commencing from the date of the Placement Agreement and ending 180 days after the Closing Date, (the "**Lock-up Period"**), agrees and undertakes not to, without the prior written permission of the BRLMs do the following:

(a) directly or indirectly, issue, offer, lend, sell, pledge, contract to sell, encumber, sell any option or contract to purchase, purchase any option or contract to sell, or grant any option, right or warrant to purchase, , make any short sale, or otherwise transfer or dispose of, or agree to transfer or dispose of or create any encumbrance or offer rights entitling person to subscribe or purchase any interest in any Equity Shares held by such Promoter or member of Promoter Group other than , as of the date of the Placement Agreement, (the "**Lock-up Shares**" which definition shall include all Equity Shares, including without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned by the undersigned), that the relevant Promoter or member of Promoter Group may acquire, (with or without consideration), during the Lock-up Period;

(b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of the Lock-up Shares whether any of the transaction is to be settled by the delivery of the Equity Shares or other securities, in cash or otherwise;

(c) deposit the Lock-up Shares with any other depositary in connection with a depositary receipt facility;

(d) publicly announce any intention to enter into any of the above transactions/potential transactions.

8. <u>Subsequent QIP/s</u>: In accordance with Regulation 88 of the SEBI ICDR Regulations, our Company shall not make a subsequent QIP until the expiry of six months from the date of this Issue.

SELLING RESTRICTIONS

The distribution of this Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Persons who come into possession of this Placement Document or any offering material are advised to take legal advice with regard to any restrictions that may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or sale in any circumstances in which such offer or sale is not authorised or permitted.

GENERAL

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of this Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations. Each purchaser of the Equity Shares in the Issue will be required to make, or be deemed to have made, as applicable, the acknowledgments and agreements as described under "***Transfer Restrictions***" on page 216.

AUSTRALIA

This Placement Document and the offer of Equity Shares are only made available in Australia to persons to whom a disclosure document is not required to be given under Chapter 6D of the Australian Corporations Act 2001 (the "**Australian Corporations Act**") and has not been and will not be lodged or registered with the Australian Securities & Investments Commission or any other regulatory body or agency in Australia. This Placement Document is not a prospectus, product disclosure statement or any other form of formal "disclosure document" for the purposes of the Australian Corporations Act and is not required to, and does not, contain all the information which would be required in a disclosure document under the Australian Corporations Act. (i) The offer of the Equity Shares under this Placement Document is only made to persons to whom it is lawful to offer the Equity Shares without a disclosure document such as a professional investor or sophisticated investor for the purposes of Chapter 6D of the Australian Corporations Act; (ii) this Placement Document is made available in Australia to persons as set forth in clause (i) above; and (iii) by accepting this offer, the offeree represents that the offeree is such a person as set forth in clause (ii) above and agrees not to sell or offer for sale within Australia any Equity Shares sold to the offeree within 12 months after their transfer to the offeree under this Placement Document.

BAHRAIN

No invitation to the public in the Kingdom of Bahrain to subscribe for the Equity Shares will be made and this Placement Document will not be issued, passed to, or made available to the public generally.

CAYMAN ISLANDS

This Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. Equity Shares have not been offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands. However, Cayman Islands Exempted and Ordinary Non- Resident Companies and certain other legal entities formed under the laws of but not resident in the Cayman Islands and engaged in business outside of the Cayman Islands may be permitted to acquire Equity Shares.

PEOPLE'S REPUBLIC OF CHINA

Each of the BRLMs, severally, and not jointly, and our Company represents, warrants and agrees that:

This Placement Document is not intended to constitute an offer, sale or delivery of shares or other securities under the laws of the People's Republic of China (the "**PRC**"). The Equity Shares have not been and will not be filed with, or approved by, the China Securities Regulatory Commission or any other regulatory authority in the PRC.

This Placement Document has not been, may not be, issued, circulated or distributed in the PRC and the Equity Shares have not been and may not be offered, sold, pledged or transferred, directly or indirectly, within the territory of PRC, to any PRC person or entity unless such person or entity has obtained the requisite approval from, or has made the appropriate filings with, the relevant PRC authorities.

DUBAI INTERNATIONAL FINANCIAL CENTRE / UNITED ARAB EMIRATES

The Equity Shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this Placement Document does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This Placement Document has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

EUROPEAN ECONOMIC AREA

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each of the BRLMs has severally and not jointly, or jointly and severally, represented and warranted that it has not made and will not make an offer to the public of any Equity Shares which are the subject of the issue of Equity Shares contemplated by this Placement Document in that Relevant Member State, except that the Equity Shares may be offered to the public in that Member State at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor, as defined in the Prospectus Directive (as defined below);

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive or supplement a prospectus pursuant to Article 16 at the Prospectus Directive), subject to obtaining the prior consent of the relevant BRLMs nominated by our Company for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Equity Shares shall result in a requirement for the publication by our Company or any BRLMs of a prospectus or the initial purchaser of a prospectus pursuant to Article 3 of the Prospectus Directive and each person who initially acquires any Equity Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed with the BRLMs and our Company that it is a qualified investor within the meaning of the law of the Relevant Member State implementing Article 2(1)I of the Prospectus Directive or any measure implementing the Prospectus Directive in any Relevant Member State.

For the purposes of this provision, the expression "an offer to the public" in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase any securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2003/71/EC), and includes any relevant implementing measure in the Relevant Member State.

HONG KONG

This Placement Document has not been approved by the Securities and Futures Commission in Hong Kong and, accordingly, (i) the Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under that SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding up and Miscellaneous Provisions) Ordinance (Cap. 32) (the "**CWUMPO**") of Hong Kong or which do not constitute an offer to the public within the meaning of the CWUMPO; and (ii) each of the BRLMs has not issued or had in its possession for the purposes of the issue of Equity Shares whether in Hong Kong or elsewhere any advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong), other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

JAPAN

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Act No. 25 of 1948, as amended; the "**FIEA**") The BRLMs have represented and agreed that they will not offer or sell any Equity Shares, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

KUWAIT

The issue of Equity Shares has not been approved by the Kuwait Central Bank or the Kuwait Ministry of Commerce and Industry, nor has our Company received authorization or licensing from the Kuwait Central Bank or the Kuwait Ministry of Commerce and Industry to market or sell the Equity Shares within Kuwait. Therefore, no services relating to the offering, including the receipt of applications and/or the allotment of Equity Shares, may be rendered within Kuwait by our Company or persons representing our Company.

MALAYSIA

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia pursuant to the Securities Commission Act, 1993 as the offer for purchase of, or invitation to purchase the Equity Shares is meant to qualify as an "excluded offer or excluded invitation" within the meaning of Section 38 of the Securities Commission Act, 1993. Each Lead Manager has severally represented, warranted or agreed that the Equity Shares will not be offered, sold, transferred or otherwise disposed, directly or indirectly, nor any document or other material in connection therewith distributed, in Malaysia, other than to persons falling within any one of the categories or person specified in Schedule 2 and/or Schedule 3 of the Securities Commission Act, 1993 who are also persons to whom any offer or invitation to purchase or sell would be an excluded offer or invitation within the meaning of Section 38 of the Securities Commission Act, 1993.

MAURITIUS

The Equity Shares may not be offered, distributed or sold, directly or indirectly, to the public in Mauritius. Neither this Placement Document, nor any offering material or information contained herein relating to the offer of Equity Shares, may be released or issued to the public in Mauritius or used in connection with any such offer. This Placement Document does not constitute an offer to sell Equity Shares to the public in Mauritius. This Placement Document is not a prospectus.

NEW ZEALAND

This Placement Document is not a prospectus. It has not been prepared or registered in accordance with the Securities Act 1978 of New Zealand (the "New Zealand Securities Act"). This Placement Document is being distributed in New Zealand only to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money, within the meaning of section 3(2) (a) (ii) of the New Zealand Securities Act ("Habitual Investors"). By accepting this Placement Document, each investor represents and warrants that if they receive this Placement Document in New Zealand they are a Habitual Investor and they will not disclose this Placement Document to any person who is not also a Habitual Investor.

OMAN

No offer or marketing of the Equity Shares has been or will be made by our Company from within the Sultanate of Oman and no subscription for Equity Shares may or will be effected or undertaken within the Sultanate of Oman. Our Company does not have a presence or representation in the Sultanate of Oman and any purchase of the Equity Shares will be deemed to be made in and under the laws of India. By receiving this Placement Document, the person or entity to whom it has been issued understands, acknowledges and agrees that this Placement Document has not been registered or approved by the Central Bank of Oman, the Oman Ministry of Commerce and Industry, the Oman Capital Market Authority or any other authority in the Sultanate of Oman, and our Company, the GCBRLM and the BRLMs are not authorised or licensed by the Central Bank of Oman, the Oman Ministry of Commerce and Industry, the Oman Capital Market Authority or any other authority in the Sultanate of Oman, to market or sell the Equity Shares within the Sultanate of Oman. The Equity Shares offered under this Placement Document have not and will not be listed on any stock exchange in the Sultanate of Oman.

QATAR

This document does not, and is not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (i) neither this Placement Document nor the Equity Shares have been registered, considered, authorized or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (ii) neither our Company nor persons representing our Company are authorized or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (iii) this Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (iv) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This document shall not form the basis of, or be relied on in connection with, any contract in Qatar. Neither our Company nor persons representing our Company are, by distributing this document, advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

REPUBLIC OF KOREA

The Equity Shares have not been registered under the Korean Securities and Exchange Law, and the Equity Shares acquired in connection with the distribution contemplated hereby may not be offered or sold, directly or indirectly, in Korea or to or for the account of any resident thereof, except as otherwise permitted by applicable Korean laws and regulations, including, without limitation, the Korean Securities and Exchange Law and the Foreign Exchange Transaction Laws.

SAUDI ARABIA

This Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority in the Kingdom of Saudi Arabia.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this Placement Document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorised financial adviser.

SINGAPORE

This Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). Accordingly, the Equity Shares may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Document or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Equity Shares be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor as defined in Section 4A of the SFA pursuant to Section 274 of the SFA, (b) to a relevant person as defined in Section 4A of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise dance with the conditions of, any other applicable provision of the SFA.

Each of the following relevant persons specified in Section 275 of the SFA who has subscribed for or purchased shares, namely a person who is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the shares under Section 275 of the SFA except:

(a) to an institutional investor under Section 274 of the SFA or to a relevant person or to any person pursuant to Section
(b) 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
(c) where no consideration is or will be given for the transfer;
(d) where the transfer is by operation of law;
(e) pursuant to Section 276(7) of the SFA; or
(f) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures)
(g) Regulation 2005 of Singapore.

SOUTH AFRICA

In South Africa, the offer of Equity Shares will only be made by to persons falling within the exemptions set out in section 96(1) of the South African Companies Act, 2008 ("South African Companies Act") and to whom the offer will specifically be addressed ("Qualifying Investors") and this Placement Document is only being made available to such Qualifying Investors. The offer of Equity Shares does not constitute an offer for the sale of or subscription for, or the advertisement or the solicitation of an offer to buy and/or to subscribe for, Equity Shares to the public as defined in the South African Companies Act and will not be distributed to any person in South Africa in any manner that could be construed as an offer to the public in terms of the South African Companies Act. Should any person who is not a Qualifying Investor receive this Placement Document, they should not and will not be entitled to acquire any Equity Shares or otherwise act thereon. This Placement Document does not, nor is it intended to, constitute a prospectus prepared and registered under the South African Companies Act. Accordingly, this Placement Document does not comply with the substance and form requirements for prospectuses set out in the South African Companies Act and the South African Companies Regulations of 2011 and has not been approved by, and/or registered with, the Companies and Intellectual Property Commission, or any other South African authority. Information made available in this Placement Document should not be considered as "advice" as defined in the South African Financial Advisory and Intermediary Services Act, 2002, and nothing in this Placement Document should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa.

SWITZERLAND

The Equity Shares may be offered in Switzerland on the basis of a private placement, not as a public offering. The Equity Shares will neither be listed on the six Swiss Exchange nor are they subject to Swiss law. This Placement Document does not constitute a prospectus within the meaning of Art. 1156 of the Swiss Federal Code of Obligations or Arts. 32 et seq. of the Listing Rules of the six Swiss Exchange, and does not comply with the

Directive for Equity Shares of Foreign Borrowers of the Swiss Bankers Association. We will not apply for a listing of the Equity Shares on any Swiss stock exchange or other Swiss regulated market and this Placement Document may not comply with the information required under the relevant listing rules. The Equity Shares have not and will not be registered with the Swiss Federal Banking Commission or any other Swiss authority for any purpose, whatsoever.

UNITED KINGDOM

Each of the BRLMs has represented, warranted and undertaken that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated in the United Kingdom any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**") received by it in connection with the issue or sale of any Equity Shares in circumstances in which section 21(1) of FSMA does not apply to our Company; and
(b) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom.

UNITED STATES OF AMERICA

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of each jurisdiction where such offers and sales occur. Each purchaser of the Equity Shares offered by this Placement Document will be deemed to have made the representations, agreements and acknowledgements as described under "***Transfer Restrictions***" in this Placement Document.

TRANSFER RESTRICTIONS

Pursuant to Chapter VIII of the SEBI ICDR Regulations, any resale of Equity Shares, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsel prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments made to QIBs, including VCFs and AIFs, in the Issue, may be subject to lock-in requirements, under the rules and regulations that are applicable to them. For more information, please refer to "***Selling Restrictions***" on page 210.

United States Transfer Restrictions

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Each purchaser of the Equity Shares outside the United States pursuant to Regulation S will be deemed to have represented and agreed that it has received a copy of this Placement Document and such other information as it deems necessary to make an informed investment decision and that:

- the purchaser acknowledges that the Equity Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to restrictions on transfer;

- the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares, was located outside the United States at the time the buy order for the Equity Shares was originated and continues to be located outside the United States and has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or any economic interest therein to any person in the United States;

- the purchaser is not an affiliate (as defined in Rule 405 of the Securities Act) of our Company or a person acting on behalf of such affiliate; and it is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Equity Shares from our Company or an affiliate (as defined in Rule 405 of the Securities Act) thereof in the initial distribution of the Equity Shares;

- the purchaser is aware of the restrictions on the offer and sale of the Equity Shares pursuant to Regulation S described in this Placement Document;

- the Equity Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S; and

- the purchaser acknowledges that our Company, the BRLMs and their respective affiliates (as defined in Rule 405 of the Securities Act), and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Any resale or other transfer or attempted resale or other transfer, made other than in compliance with the above stated restrictions will not be recognized by our Company.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges, and has not been prepared or independently verified by our Company, or the BRLMs, or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the GoI, acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. SEBI, in exercise of its powers under the SCRA, and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, ("**SCR (SECC) Rules**"), which regulates inter alia, the recognition, ownership and internal governance of stock exchanges and clearing corporations in India, together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules, along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof, and the manner in which contracts are entered into, settled and enforced, between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations, and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, delisting of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and Delisting of Securities

The listing of securities on a recognized Indian stock exchange is regulated by applicable Indian laws including the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act, and various guidelines and regulations issued by SEBI, including the SEBI Listing Regulations. The SCRA empowers the governing body of each recognized stock exchange, in certain cases, to inter alia, suspend trading of, or withdraw admission to dealings in, a listed security, subject to our company receiving prior written notice of the intent of the exchange, and upon granting our Company a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule decisions by the governing body of the stock exchanges, and to withdraw recognition of a recognized stock exchange.

All listed companies are required to ensure a minimum public shareholding of 25%. Further, where the public shareholding in a listed company falls below 25% at any time, such company is required to bring the public shareholding to at least 25%, within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement.

Delisting

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, in relation to the voluntary and compulsory delisting of equity shares from stock exchanges. These Regulations were significantly modified in 2015. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Disclosures under the Companies Act, 2013, and the SEBI Listing Regulations

Pursuant to the Companies Act, and the SEBI Listing Regulations, public limited companies are required to prepare, file with the registrar of companies, and circulate to their shareholders, audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation, which include sections relating to corporate governance under the Companies Act, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the SEBI Listing Regulations.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise bands of up to 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the GoI under the SCRA. It has evolved over the years into its present status as one of the premier stock exchanges of India. Pursuant to the BSE (Corporatization and Demutualization) Scheme, 2005, of the SEBI, with effect from August 19, 2005, the BSE was incorporated as a company under the Companies Act, 1956.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities, with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993, and commenced operations in the wholesale debt market segment in June 1994.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI and other applicable laws. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m. that has been introduced recently). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading, ("**BOLT**"), facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading, ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Takeover Regulations

Disclosure and mandatory open offer obligations for listed Indian companies are governed by the Takeover Regulations which provide specific regulations in relation to substantial acquisitions of shares and control. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of our company's shares/voting rights/control. The Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. Since our Company is an Indian company, the provisions of the Takeover Regulations apply to our Company.

Insider Trading Regulations

The SEBI Insider Trading Regulations, 2015 have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information.

The SEBI Insider Trading Regulations, 2015 also provide disclosure obligations for promoters, employees and directors, with respect to their shareholding in our company, and the changes therein. The definition of "insider" includes any person who is a connected person or in possession of, or having access to, unpublished price sensitive information.

Depositories

The Depositories Act, 1996, provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI has framed regulations in relation to, among other things, the registration of such depositories, the registration of participants, and, the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000, and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum and Articles of Association of our Company and the Companies Act. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share capital

The authorized share capital of our Company is ₹ 800,000,000/- divided into 400,000,000 Equity Shares of ₹ 2/- each. Prior to the Issue, the issued, subscribed and paid-up share capital of our Company is ₹ 354,503,800, comprising 177,251,900 Equity Shares of 2/- each. For further details please refer to "***Capital Structure***" on page 88 of this Placement Document.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at a general meeting of the shareholders. Under the Companies Act, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare a dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any Fiscal except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous Fiscal(s) as arrived at pursuant to the provisions of the Companies Act.

Further, as per the Companies (Declaration and Payment of Dividend) Rules, 2014, in the absence of profits in any year, a company may declare dividend out of surplus, provided that: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of its paid up share capital and free reserves as per the latest audited balance sheet; (c) the amount so drawn shall be first utilized to set off the losses incurred in the Financial Year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of reserves after such withdrawal shall not fall below 15% of its paid up share capital as per the latest audited balance sheet of the company.

In terms of Section 124 of the Companies Act, our Company shall credit unclaimed dividends to the unpaid dividend account of our Company, and any money transferred to the unclaimed dividend account of our Company which remains unpaid and unclaimed for a period of seven years from the date they became due for payment, shall be transferred by our Company to the 'Investor Education and Protection Fund', established by the GoI, in accordance with Section 125 of the Companies Act.

Capitalization of Profits

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits the board of directors of a company to issue fully paid up bonus shares to its members out of: (a) the free reserves of our company, (b) the securities premium account, or (c) the capital redemption reserve account. However, a company may capitalize its profits or reserves for issue of fully paid up bonus shares, provided: (a) its authorized by articles, (b) it has been, on the recommendation of the board of directors, approved by the shareholders in a general meeting, (c) it has not defaulted in payment of interest or principal in respect of fixed deposits or debt securities issued by it, (d) it has not defaulted on payment of statutory dues, (e) there are no partly paid shares. The issue of bonus shares once declared cannot be withdrawn.

No issue of bonus shares may be made by capitalizing reserves created by revaluation of assets, and no bonus shares shall be issued in lieu of dividend. Further, any issue of bonus shares would be subject to SEBI ICDR Regulations.

Pre-Emptive Rights and Alteration of Share Capital

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. According to Section 62(1) (a) of the Companies Act such new shares shall be offered to existing shareholders in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date the board may dispose of the shares offered in respect of which no acceptance has been received. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

Under the provisions of Section 62(1) (c) of the Companies Act, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our Company's shareholders in a general meeting.

The Articles of Association provide that our Company, may increase, reduce, convert, sub-convert, sub-divide and consolidate its authorized share capital, with power to issue any of the shares in the Capital original or increased with or subject to preferential, special or qualified rights or conditions as regards dividends, repayment of capital or otherwise in accordance with the provisions of the Companies Act, 1956 and Companies Act, 2013.

General Meetings of Shareholders

There are two types of general meetings of the shareholders:
(i) AGM; and
(ii) EGM.

Our Company must hold its AGM within six (6) months after the expiry of each Fiscal Year provided that not more than 15 months shall elapse between the AGM and next one, unless extended as per applicable procedures. The Board of Directors may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of our Company's paid up share capital, in accordance with Section 100 of the Companies Act. Notices, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to members at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95% of the shareholders entitled to vote. No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

A company intending to pass a resolution relating to matters including but not limited to, amendment in the objects clause of the memorandum of association, the issuing of shares with different voting or dividend rights, a variation of the rights attached to a class of shares or debentures or other securities, buy-back of shares, giving loans or extending guarantees in excess of limits prescribed under the Companies Act, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in the company's general meeting.

A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons therefore and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Such postal ballot includes procedure for voting by electronic mode.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares on a show of hands, every member present in person shall have one vote; and on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Companies Act, and shall vote only once. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid. An instrument appointing a proxy shall be in the form as prescribed in the Rules made under Section 105 of the Companies Act.

Registration of Transfers and Register of Members

Our Company is required to maintain a register of members wherein the particulars of the members of our Company are entered. For the purpose of determining the shareholders, entitled to corporate benefits declared by our Company, the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board of Directors may deem expedient in accordance with the provisions of the Companies Act. Under the Listing Regulations of the stock exchanges on which our Company's Equity Shares are listed, our Company may, upon at least seven working days' (excluding the date of intimation and the record date), advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of equity shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed.

Liquidation Rights

The Articles of Association of our Company provide that the Liquidator, on any winding up, whether voluntary or under supervision or compulsory, may, with the sanction of a special resolution, but subject to the rights attached to any Preference Share Capital, divide among the contributories, in specie, any part of the assets of our Company and may, with the like sanction, vest any part of the assets of our Company in trustees upon such trusts for the benefit of the contributories, as the liquidators, with the like sanction, shall think fit.

STATEMENT OF TAX BENEFITS

To,

The Board of Directors
Gayatri Projects Limited
B-1, T.S.R. Towers, 6-3-1090
Raj Bhavan Road, Somajiguda
Hyderabad – 500 082
India

Dear Sirs,

Re: Proposed issuance of securities pursuant to Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, ("**SEBI ICDR"**) **("Issue")** by Gayatri Projects Limited, ("**Company**").

Sub: Statutory Auditor's Certificate on Statement of possible tax benefits available to the Company and its Shareholders

1. We, M/s M O S & Associates LLP, Chartered Accountants, the Statutory Auditors of "the Company" hereby confirm that the enclosed tax benefits statement, (**Annexure A** hereto), summarizes the possible tax benefits available to the Company and its Shareholders by virtue of currently applicable provisions of the Income-tax Act, 1961(read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2017 as amended.

2. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

3. Several of the said possible tax benefits are dependent on the Company and the Shareholders fulfilling certain conditions as prescribed under relevant statutory and/or regulatory provisions. Hence, the ability of the Company and the shareholders to avail of the said tax benefit/s is dependent upon fulfilling such conditions, which the Company may or may not, at its sole discretion, choose to fulfill from time to time.

4. The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general_information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each Shareholder is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the subject issue.

5. We do not express any opinion or provide any assurance as to whether the Company or the Shareholder will currently or in the future be able to avail of any or all of the said tax benefits.

6. The contents of the enclosed tax benefits statement are based on information, explanations and representations as obtained from the Company, and, on the basis of our understanding of the business activities and operations of the Company.

7. This certificate has been issued solely at the request of the Company for use in connection with the proposed issuance by the Company and this certificate, including the Statement, or extracts thereof may accordingly

be used in the Preliminary Placement Document and Placement Document and may be shared with and relied on as necessary by JM Financial Limited and Credit Suisse and it is not to be used, circulated, quoted, or otherwise referred to for any other purpose without our prior written consent.

For M O S & Associates LLP
Chartered Accountants
Registration No.: 001975S/S200020

Oommen Mani
Partner
Membership No: 234119
Date: March 7, 2018.

Annexure A

I. Benefits available to the Company under the Income-tax Act, 1961, (“Act”)

a. Under Section 50B of the Act, the Company will be entitled to claim the benefit of special provision for computation of capital gain arising in case of the transfer of an undertaking/business on slump sale basis.

b. The Company will be entitled to a deduction under Section 80G of the Act in respect of amounts contributed as donations to various charitable institutions and funds covered under that Section, subject to fulfillment of conditions prescribed therein.

c. As per Section 80IA of the Act,

(1) Where the gross total income the Company includes any profits and gains derived by an undertaking or an enterprise from any business referred to in sub-section (4) (such business being hereinafter referred to as the eligible business), there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the Company, a deduction of an amount equal to hundred per cent of the profits and gains derived from such business for ten consecutive assessment years.]

(2) The deduction specified in sub-section (1) may, at the option of the Company, be claimed by him for any ten consecutive assessment years out of fifteen years beginning from the year in which the undertaking or the enterprise develops and begins to operate any infrastructure facility or starts providing telecommunication service or develops an industrial park [or develops a special economic zone referred to in clause (iii) of sub-section (4)] or generates power or commences transmission or distribution of power [or undertakes substantial renovation and modernisation of the existing transmission or distribution lines].

II. Benefits available to potential shareholders of Gayatri Projects Limited (“Company”) under the Income-tax Act, 1961, (“Act”).

➢ **Shareholders being Foreign Institutional Investors (“FIIs”):**

a. As per Section 10(34) of the Act, any income by way of dividend received from an Indian company which has suffered dividend distribution tax is exempt from tax. However, as per section 115BBDA, in the case of a "specified assessee" dividend shall be chargeable to tax at the rate of 10% if aggregate amount of dividend received from a domestic company during the year exceeds₹ 10,00,000.

b. Income arising on transfer of the shares:

Particulars	Tax Rate
Long Term Capital Gain	Under Section 115AD(1)(b)(iii) of the “Act”, income by way of long-term capital gains will be chargeable to tax at the rate of 10% (plus surcharge and cess as applicable).
Short Term Capital Gain	
If Securities Transaction Tax (“STT”) has been charged on the said transaction -	Under Section 115AD(1)(b)(ii) of the “Act”, income by way of short term capital gain is chargeable to tax at the rate of 15% (plus surcharge and cess as applicable) as per the provisions of Section 111A of the “Act”.
Transactions not covered above -	Under Section 115AD(1)(b)(ii) of the “Act”, income by way of short-term capital gains will be chargeable to tax at the rate of 30% (plus surcharge and cess as applicable).

c. Under the provisions of Section 90(2) of the Act, a FII will be governed by the provisions of the Agreement for Avoidance of Double Taxation (AADT) between India and the country of residence of the FII if the said provisions are more beneficial than the provisions under the "Act".

d. Where the business income of shareholder includes profits and gains arising from transactions on which securities transaction tax has been charged, such securities transaction tax shall be a deductible expense from business income as per the provisions of Section 36(1)(xv) of the "Act".

- **Shareholders being Mutual Funds:** Under Section 10(23D) of the "Act", any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorised by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

- **QIB resident shareholders other than those discussed above:**

a. As per Section 10(34) of the "Act", any income by way of dividend received from domestic companies referred to in Section 115-O of the Act (i.e. dividend declared, distributed or paid on or after 1st April, 2003 by domestic companies) will be exempt from tax in the hands of shareholders. However, as per section 115BBDA, in the case of a "specified assessee" dividend shall be chargeable to tax at the rate of 10% if aggregate amount of dividend received from a domestic company during the year exceeds₹ 10,00,000.

b. As per Section 14A of the "Act" expenses incurred in relation to income which does not form part of the total income under the Act will not be allowed as a deduction.

c. Income arising on transfer of the shares:

Particulars	Long Term Capital Gain	Short Term Capital Gain
If Securities Transaction Tax ("STT") has been charged on the said transaction -	*Income by way of Long term capital gain is exempt under Section 10(38) of the Act.	Income by way of short term capital gain is chargeable to tax at the rate of 15% (plus surcharge and cess as applicable) as per the provisions of Section 111A of the Act.
Transactions not covered above -	**Income by way of long-term capital gains will be chargeable to tax at the rate of 20% (plus applicable surcharge and education cess) of the capital gains computed after indexing the cost of acquisition or at the rate of 10% (plus applicable surcharge and education cess) of the capital gains computed before indexing the cost of acquisition, at the option taxpayer.	Income by way of short-term capital gains will be chargeable to tax at the rate of 30% (plus surcharge and cess as applicable).

*Exemption from long term capital gains under section 10(38) shall be available w.e.f April 1, 2017 even where STT is not paid, provided that:

- The transaction is undertaken on a recognised stock exchange located in any International Financial Service Centre, and;
- the consideration is paid or payable in foreign currency.

**The benefit of charging [As amended by Finance Act, 2016] long-term capital gain @ 10% is available only in respect of long-term capital gains arising on transfer of any of the following asset:

- Any security which is listed in a recognised stock exchange in India;
- Any unit of UTI or mutual fund (whether listed or not); and
- Zero coupon bonds.

i) In accordance with, and subject to the conditions, including the limit of investment of₹ 50 lacs, and to the extent specified in Section 54EC of the Act, long-term capital gains arising on transfer of the shares of the company not covered under point (3) above will be exempt from capital gains tax if the gains are invested within six months from the date of transfer in the purchase of long-term specified assets.

ii) Where the business income of shareholder includes profits and gains from transactions on which securities transaction tax has been charged, such securities transaction tax shall be a deductible expense from business income as per the provisions of Section 36(1) (xv) of the Act.

Notes:

1. All the above benefits are as per the current tax laws and will be available only to the sole/ first named holder in case the shares are held by joint holders. **<u>We have not provided the details and impact of Finance Budget 2018.</u>**

2. In view of the individual nature of tax consequences, each investor is advised to consult their own tax advisor with respect to specific tax consequences of his/her participation in the scheme.

3. The above statement of possible direct tax benefits set out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.

LEGAL PROCEEDINGS

Our Company and Subsidiaries are, from time to time, involved in various legal proceedings in the ordinary course of business, which involve matters pertaining to, amongst others, criminal proceedings and civil proceedings including tax related disputes. Our Company believes that the number of proceedings and disputes in which the Company and the Subsidiaries are involved is not unusual for a company of its size in the context of doing business in India and in international markets. Save as disclosed herein, our Company or our Subsidiaries are not involved in: (A) any outstanding civil proceedings (including tax proceedings), the outcome of which could have a material adverse effect on the prospects or reputation of our Company, and/or the operations and/or profitability of our Company, (B) any outstanding civil proceeding involving a monetary amount in excess of ₹ 7.04 million (being 1% of the standalone profit after tax of our Company for Financial Year 2017). The proceedings as disclosed herein have been considered material for the purposes of disclosure in this Placement Document, and accordingly has been disclosed herein. All terms defined in a particular litigation are for that particular litigation only. Save as disclosed herein: (A) there has been no inquiry, inspection or investigation, initiated or conducted under the Companies Act, 2013, or any previous company law, in connection with the affairs of the Company of any of its Subsidiaries, in the last three years immediately preceding the year of this Placement Document, (B) there have not been any such prosecutions filed, (whether pending or not), where fines were imposed, or where offences were compounded, in the last three years immediately preceding the year of this Placement Document, and, (C) there have been no acts of material frauds committed against the Company in the last three years.

Proceedings Initiated By Our Company:

Criminal Proceedings: Our Company has initiated one proceeding against Saibhya Oceanics Private Limited, before the IIIrd Additional Chief Metropolitan Magistrate, Nampally, Hyderbad, (CC No.1121 of 2013), in connection with payments made to the Company, where the relevant cheque/s were not cleared. The aggregate amount involved in this proceeding is approximately ₹ 6.32 Million. The matters are pending hearing and final disposal.

Tax Proceedings (direct tax and indirect tax):

Our Company has initiated 17 proceedings in connecting with tax demands that aggregate to ₹ 616.00 million. These matters are pending hearing and final disposal.

Our Company has also initiated four appellate tax proceedings in connection with the computation of taxable income. The aggregate amount involved in these proceedings is ₹ 225.80 Million. These matters are pending hearing and final disposal.

Civil and Arbitral proceedings:

Our Company has initiated proceedings against the State of Andhra Pradesh and others, "**Defendants**"), before the Hon'ble Principal District Judge at Kurnool, (O.S.No.78/2017). In these proceedings our Company has sought the following reliefs: (a) for the suit amount of ₹ 70.00 million directing the Defendants to pay the said amount with interest @18% per annum thereon. The matter is pending final hearing and disposal.

Our Company has initiated proceedings against the State of Andhra Pradesh and others, ("**Defendants**"), before the Hon'ble Principal District Judge, Kurnool, (O.S. No. 81/2017). In these proceedings our Company has inter-alia, sought the following reliefs: (a) That Decree be passed against the Defendants, directing them to pay ₹ 150.00 million, (along with @12% interest per annum), in connection with Agreement No. 2/SE/99-2000, dated 03/03/2000. The matter is pending final hearing and disposal.

Our Company has initiated proceedings against the State of Andhra Pradesh and others, ("**Defendants**"), before the Hon'ble Principal District Judge, Kurnool, (O.S.No.82/2017). In these proceedings our Company has inter-alia sought the following relief, namely that a Decree be passed against the Defendants, directing them to pay ₹ 50.00 million (along with interest at @12% per annum), in connection with Agreement No. 3/SE/99-2000, dated 03/03/2000. The matter is pending final hearing and disposal.

Our Company has initiated proceedings against the State of Andhra Pradesh, and others, ("**Defendants**"), before the Hon'ble. II Additional District Judge at Jagtiyal, (O.S. No. 2/2007). In these proceedings our Company has sought, inter alia, the following relief, namely that a Decree be passed against the Defendants, directing them to pay ₹ 140.00 million (along with interest at @12% per annum), in connection with an Agreement dated May15, 1998. The matter is pending final hearing and disposal.

Our Company has initiated proceedings against the State of Andhra Pradesh, and others, ("**Defendants**"), before the Hon'ble. III Additional District Judge, at Karimnagar, (O.S. No. 2/2007). In these proceedings our Company has sought, inter alia, the following relief, namely that a Decree be passed against the Defendants, directing them to pay ₹ 110 Million (along with interest at @12% per annum), in connection with an Agreement June 18, 1999. The matter is pending final hearing and disposal.

Our Company has initiated proceedings against the State of Andhra Pradesh and others, ("**Defendants**"), before the Hon'ble. III Additional District Court, Karimnagar, (O.S. No. 21/2007). In these proceedings our Company has sought, inter alia, the following relief, namely that a Decree be passed against the Defendants, directing them to pay ₹ 50 Million (along with interest at @12% per annum), in connection with Agreement April 06, 2000. The matter is pending final hearing and disposal.

Our Company has initiated proceedings against the State of Andhra Pradesh and others, ("**Defendants**"), before the Hon'ble. II Additional District Court, Jagtiyal, (O.S. No. 7/2007). In these proceedings our Company has sought, inter alia, the following relief, namely that a Decree be passed against the Defendants, directing them to pay ₹ 50.00 million (along with interest at @12% per annum), in connection with Agreement July 05, 1999. The matter is pending final hearing and disposal.

Our Company has initiated recovery proceedings against M/s. Saibhya Oceanics Private Limited, ("**Defendants**"), before the Hon'ble Chief Judge, City Civil Court, Hyderabad, (O.S.No.432/2016), in connection with the dishonor of cheque/s amounting to ₹ 8.60 Million. Our Company simultaneously initiated winding up proceedings, (CP 183/2016), against M/s. Saibhya Oceanics Private Limited, before the High Court, Hyderabad. These proceedings have been initiated in connection with outstanding payment of ₹ 8.60 Million along with interest at 18% p.a.

Our Company has initiated proceedings against M/s. Tecpro Systems Limited and others, ("**Defendants**"), before the Hon'ble High Court of New Delhi, (CS. NO. 293/2016). In these proceedings our Company has inter alia, sought the following reliefs: (a) A decree of permanent injunction restraining the 1st Defendant from encashing Bank Guarantees issued by the 2nd Defendant, and or if the bank guarantees have been encashed, then an order directing the 1st Defendant to re-transfer to the 2nd Defendant the monies as paid to the 1st Defendant; (b) A decree of permanent injunction restraining the 2nd Defendant from making any payment under certain Bank Guarantees and/or, if the bank guarantees have been encashed, then an order directing the 1st Defendant to re-transfer to the 2nd Defendant the monies paid under the bank guarantees in dispute; and, (c) other similar orders. The amount involved in these proceedings is ₹ 66.40 Million. The matter is pending final hearing and disposal.

Our Company has initiated proceedings against the State of Andhra Pradesh and others, ("**Respondents**"), before the Hon'ble High Court at Hyderabad, (W.P. NO. 37202/2012). In these proceedings our Company has sought, inter alia, the following reliefs: (a) To issue a Writ/Order/direction in the nature of Writ of Mandamus, declaring that the actions of the Respondents in not releasing the retention amount of ₹ 9.28 million against the Bank Guarantee is arbitrary and illegal; and (b) to issue a direction to the Respondents to release the said Retention Amount to our Company. The matter is pending final hearing and disposal.

Our Company has initiated appellate proceedings against the Superintending Engineer, R & B, Kakinada, and others, ("**Defendants**"), before the Hon'ble High Court, Hyderabad, (AS. 519/2011). In these proceedings our Company has sought the following reliefs: that the Court set aside, the impugned Judgment and Decree dated 30/05/2011 as passed in O.S. No. 26 of 2006, by the VIIth Additional District Judge at Kakinada, in connection with the recovery of dues from our Company; the attempted imposition of liquidated damages on our Company; and, the associated price adjustment. The amount claimed by our Company is approximately ₹ 16.00 million. This appeal is pending final hearing and disposal.

Our Company has initiated proceedings against M/S. ENSEFT Bituminous Products Private Limited and others, ("**Defendants**"), before the Hon'ble High Court of Delhi, (CS (O.S.) NO.1825/2009). In these proceedings our Company has: (a) sought various reliefs in connection so as to prevent the Defendants from encashing or making payments pursuant to a Bank Guarantee, and, (b) sought to set aside and/or to stay the operation of, an impugned demand notice of the 1st Respondent dated April 06, 2011. The amount involved in these proceedings is ₹ 12.46 million. The matter is pending final hearing and disposal.

Our Company has initiated proceedings against the Hon'ble Minister for Mines and Geology, Government of Andhra Pradesh, ("**Respondent**"), before the Ministry of Mines and Minerals, (Mines and Minerals Case File No. 4802/M11 (1) of 2012). In these proceedings our Company has sought the following reliefs, namely to set aside and/or stay the operations of an impugned demand notice dated April 06, 2011 of the Respondent. The amount involved in these proceedings is ₹ 133.38 Million. The matter is pending final hearing and disposal.

In relation to the decree dated 04.08.2011, (see proceedings initiated against our Company), our Company has filed an execution petition, (E.P. No.58/2014), against the Department of Water Resources, Government of Orissa, and another, (collectively referred to as "**DoW**"), before Hon'ble District and Sessions Court, Berhampur for execution of Award dated January 31, 2005. The matter is pending hearing and final disposal.

Legal Notices and Other Legal Proceedings: NIL

Proceedings Initiated Against Our Company:

Criminal Proceedings: NIL.

Tax Proceedings (direct tax and indirect tax): The income Tax department has initiated 8 proceeding in connection tax demands that aggregate to ₹ 452.98 Million. These matters are pending for hearing and final disposal.

Civil and Arbitral proceedings:

Our Company had initiated recovery proceedings against the State of Andhra Pradesh, and others, ("**Appellant**"), before the Hon'ble First Additional District Court at Karimnagar, (O.S. No. 52/2006). On September 14, 2012, the Court passed a Judgment and Decree in favour of our Company for an amount of ₹ 116.07 Million along with 12% interest p.a. Aggrieved by the said Judgment and Decree, the Appellants preferred an Appeal before the Hon'ble High Court at Hyderabad, (Appeal Number 268/2013), wherein they sought for and obtained a conditional stay of the proceedings in the lower Court i.e. subject to the Appellants depositing 50% of the decretal amount. This Appeal is pending hearing and final disposal.

Our Company had initiated recovery proceedings against the State of Andhra Pradesh, and others, ("**Appellant**"), before the Hon'ble First Additional District Court at Karimnagar, (O.S. No. 57/2006). On September 28, 2012, the Court passed a Judgment and Decree in favour of our Company for an amount of ₹ 97.31 Million along with 12% interest p.a. Aggrieved by the said Judgment and Decree, the Appellants preferred an Appeal before the Hon'ble High Court at Hyderabad, (Appeal Number 286/2013), wherein they sought for and obtained a conditional stay of the proceedings in the lower Court i.e. subject to the Appellants depositing 50% of the decretal amount. This Appeal is pending hearing and final disposal.

Our Company had initiated recovery proceedings against the State of Andhra Pradesh, and others, ("**Appellant**"), before the Hon'ble First Additional District Court at Karimnagar, (O.S. No. 58/2006). On September 14, 2012, the Court passed a Judgment and Decree in favour of our Company for an amount of ₹ 90.00 million alongwith 12% interest p.a. Aggrieved by the said Judgment and Decree, the Appellants preferred an Appeal before the Hon'ble High Court at Hyderabad, (Appeal Number 285/2013), wherein they sought for and obtained a conditional stay of the proceedings in the lower Court i.e. subject to the Appellants depositing 50% of the decretal amount. This Appeal is pending hearing and final disposal.

Proceedings have been initiated against our Company, by the Oriental Insurance Company Limited, ("**OICL**"), before the Hon'ble High Court at Hyderabad, (MACMA No. 2041/2015 In MVOP No. 883/2012). The Motor Accidents Claims Tribunal (Principal District Judge) West Godawari District, Eluru, pronounced the Judgment dated 28.08.2014 against OICL, instructing OICL to pay an amount of ₹ 7.52 million to one D. Srilakshmi and others, in connection with a car accident related claim. OICL has challenged the said Judgment in these proceedings. The Court has granted an interim stay on condition that OICL deposit 50% of the amount in question together with interest and costs within a period of six weeks. This matter is pending for adjudication and final disposal.

Proceedings have been initiated against our Company, by M.P. Road Development Corporation Limited, ("**MPRDCL**"), before the Hon'ble XI Addl., District Judge, (Fast Track Court), Bhopal, (A.C. No. 48/2011). Our Company had sought to recover certain additional costs from MPRDCL, pursuant to an agreement dated December 12, 2005. The said costs aggregating ₹ 10.36 million were awarded to our Company pursuant to an arbitral Award. MPRDCL initiated these proceedings as they were aggrieved by the said Arbitral Award. The amount involved in these proceedings is ₹ 10.36 Million. The matter is pending final hearing and disposal.

Proceedings have been initiated against our Company, by the Chief Engineer, Kakinada Port, ("**CEKP**"), before the High Court, Hyderabad, for the State of Telangana and for the State of Andhra Pradesh, (CMA No.1653/2004, and, CRP No. 2949/2004). Various contractual disputes arose between the parties which were referred to arbitration. The arbitral tribunal heard the matter and passed an award in favor of our Company. Aggrieved by the said award, CEKP challenged the same before the Principal Civil Judge, Kakinada, who upheld the said Award. Subsequently, CEKP initiated further proceedings by way of the present Civil Revision Petition. The amount involved in these proceedings is ₹ 57.87 Million. The matter is pending final hearing and disposal.

Proceedings have been initiated against our Company, by M/s. Sai Krishna Constructions Private Limited, ("**SKC**"), before the Hon'ble XXIV Additional Chief Judge, City Civil Court, Hyderabad, (A. O. No. 1300/2015). These proceedings are in connection with a claim by SKC, a sub-contractor, for work allegedly performed, which claim was resolved vide arbitral proceedings. Aggrieved by the findings and order/s of the arbitral tribunal, SKC initiated the present proceedings so as to challenge the same. The amount involved in these proceedings is ₹ 22.80 million. The matter is pending final hearing and disposal.

Proceedings have been initiated against our Company, by Ondeo Degrement Limited, Bangalore, ("**ODL**"), before the Delhi High Court, (OMP No.600/2012). These proceedings are in connection with a claim by ODL, for work allegedly performed, which claim was resolved vide arbitration. Aggrieved by the findings and order/s of the arbitral tribunal, ODL initiated the present proceedings so as to challenge the same. The amount involved in these proceedings is ₹ 21.78 million. The matter is pending final hearing and disposal.

Proceedings have been initiated against our Company, by the National Aluminum Company Limited, ("**NALCO**"), before the Hon'ble High Court at Orissa, Cuttack, (A.No.4/2010). Disputes and differences arose between NALCO and our Company, which were referred to arbitration. Aggrieved by the findings of the arbitral tribunal, NALCO initiated proceedings before the District Court, which proceedings were dismissed. In the present proceedings, NALCO has challenged the said dismissal. The amount involved in these proceedings is ₹ 24.85 million. The matter is pending final hearing and disposal.

Proceedings have been initiated against our Company, by the Department of Water Resources, Government of Orissa, and another, (collectively referred to as "**DoW**"), as detailed hereinafter. Our Company had, in connection with an agreement dated August 24, 1996, raised certain claims by way of arbitral proceedings, which proceedings were concluded in favor of our Company. DoW challenged the award as rendered in these arbitral proceedings, before the District Court, Berhampur, Orissa, but the said challenge was dismissed vide a decree dated August 04, 2011. The dismissal order of the District Court, Berhampur, was challenged by DOW before the Hon'ble High Court of Odisha, (A.No. 3/2012). The High Court of Orissa subsequently directed DoW to deposit ₹ 20.00 Million in the District Court, Berhampur, Orissa, (in execution proceedings (EW.P. 58/2014)). The amount involved in these proceedings is ₹ 36.68 million. The matter is pending final hearing and disposal.

Legal Notices and Other Threatened Legal Proceedings: IL&FS Financial Services Limited, ("**ILFS**"), has sent a legal notice dated December 28, 2017, to our Company. In the said notice, ILFS has alleged that various sums of money are due IL&FS by our Company, in connection with a term loan of ₹ 1250.00 million and the associated invocation of a Corporate Guarantee. In the said notice legal proceedings have been threatened against our Company if our Company fails to pay an amount of ₹ 48.88 million. The Company has not yet provided any written response to the said notice. No further communication has been received by our Company is this regard.

Proceedings Initiated by IJM Gayatri Joint Venture, ("Ijmgjv" a Joint Venture with our Company which operates as a separate division of our Company):

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: Execution proceedings have been initiated by IJJV, against the Andhra Pradesh State Highway Project - Chief Engineer R&B, and others, in connection with the enforcement of an arbitral award which was granted in favor of IJJV. These proceedings have been initiated before the before the High Court at Andhra Pradesh, (E.P. SR. No.285/2016). The amount involved in these proceedings is ₹ 162.56 million. The matter is pending final hearing and disposal.

Legal Notices and Other Legal Proceedings: NIL

Proceedings Initiated Against IJM Gayatri Joint Venture, ("Ijmgjv" a Joint Venture with our Company which operates as a separate division of our Company):

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings:

Proceedings have been initiated against IJJV, by the Chief Engineer R&B and Managing Director, Andhra Pradesh Road Development Corporation, ("**CE**"), before the Hyderabad High Court, (CMA. 1291/2012 In O.P. 345/2007). Various differences and disputes that arose between the parties were referred to arbitration, which arbitration was resolved vide an order of the Arbitral Tribunal dated October 26, 2006. CE challenged the said Award before the Chief Judge, City Civil Court, Hyderabad, and the said Court passed a Judgment and Decree in favour of IJJV. The CE has appealed the said order in the present proceedings, wherein they have asked the said High Court to stay all further proceeding pursuant to the said order of the City Civil Court at Hyderabad. The amount involved in these proceedings is ₹ 9.32 Million. The matter is pending for final hearing and disposal.

Proceedings have been initiated against IJJV, by the Chief Engineer R&B, and Managing Director, Andhra Pradesh Road Development Corporation, ("**CE**"), before the Hyderabad High Court, (CMA. 1292/2012 In O.P. 346/2007). Various differences and disputes that arose between the parties were referred to arbitration, which arbitration was resolved vide an award of the Arbitral Tribunal dated October 26, 2006. CE challenged the said Award before the Chief Judge, City Civil Court, Hyderabad, and the said Court passed a Judgment and Decree in favour of IJJV. CE, being aggrieved by the said Judgment and Decree, initiated these proceedings before the Hyderabad High Court. CE has appealed the said order in the present proceedings, wherein they have asked the said High Court to revisit two of the claims that were the subject matter of the said Arbitral Award, an, to stay all further proceeding pursuant to the said order of the City Civil Court at Hyderabad. The Hyderabad High Court has granted a conditional stay subject to CE depositing 50% of the challenged claims before the lower court with permission to IJJV to withdraw the same. The amount involved in these proceedings is ₹ 8.46 Million. The matter is pending final hearing and disposal.

Proceedings have been initiated against IJJV, by the Chief Engineer R&B, and Managing Director, Andhra Pradesh Road Development Corporation, ("**CE**"), before the Additional Chief Judge, City Civil Court, Hyderabad, (later transferred to the Commercial Cause List of the said City Civil Court, (COP.86/2016) Various differences and disputes that arose between the parties were referred to arbitration, which arbitration was resolved vide an order of the Arbitral Tribunal dated April 12, 2015. CE has challenged the said Award in the present proceedings. The amount involved in these proceedings is ₹ 40 Million. The matter is pending final hearing and disposal.

Proceedings have been initiated against IJJV, by the Chief Engineer R&B, and Managing Director, Andhra Pradesh Road Development Corporation, ("**CE**"), before the Chief Judge, City Civil Court, Hyderabad, (A.OP. 1406/16). Various differences and disputes that arose between the parties were referred to arbitration, which arbitration was resolved vide an order of the Arbitral Tribunal dated March 07, 2016. CE has challenged the said Award in the present proceedings. The amount involved in these proceedings is ₹ 162.56 Million. The matter is pending final hearing and disposal.

Proceedings have been initiated against IJJV, by the National Highways Authority of India, ("**NHAI**"), before the Supreme Court of India, (SLP. No. 10124/2016). Various differences and disputes that arose between the parties were referred to arbitration, which arbitration was resolved vide an order/award of the Arbitral Tribunal dated March 21, 2011. NHAI challenged the said Award before the Delhi High Court, which Court consequently, set aside the said award, but only in respect of one particular claim. Aggrieved by the Order of the Delhi High Court, NHAI has preferred the present appeal. The amount involved in these proceedings is ₹ 55.22 Million. The matter is pending final hearing and disposal.

Proceedings have been initiated against IJJV, by the National Highways Authority of India, ("**NHAI**"), before the Supreme Court of India, (SLP. No. 10382/2016). Various differences and disputes that arose between the parties were referred to arbitration, which arbitration was resolved vide an order/award of the Arbitral Tribunal dated 27.02.2011. NHAI challenged the said Award before the Delhi High Court, which Court upheld the said award, and dismissed the matter. Aggrieved by the Order of the Delhi High Court, NHAI has preferred the present appeal. The amount involved in these proceedings is ₹ 59.38 million. The matter is pending final hearing and disposal.

Proceedings have been initiated against IJJV, by the National Highways Authority of India, ("**NHAI**"), before the Supreme Court of India, (SLP. No. 10486/2016). Various differences and disputes that arose between the parties were referred to arbitration, which arbitration was resolved vide an order/award of the Arbitral Tribunal dated September 05, 2012. NHAI challenged the said Award before the Delhi High Court, which Court upheld the said award, and dismissed the matter. Aggrieved by the Order of the Delhi High Court, NHAI preferred an appeal which was heard and dismissed. Aggrieved by the said dismissal, NHAI initiated further proceedings by way of the present Special Leave Petition. The amount involved in these proceedings is ₹ 48.53 Million. The matter is pending final hearing and disposal.

Legal Notices and Other Legal Proceedings: NIL

Proceedings Initiated By Jaiprakash Gayatri Joint Venture, ("JGJV" a Joint Venture with our Company which operates as a separate division of our Company:

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax):

Proceedings have been initiated by JGJV, against the Commissioner of Central Excise, Hyderabad, ("**CCEH**"), before the High Court at Hyderabad, (WP. NO. 24026 /2012). In these proceedings JGJV has, inter-alia, sought the following relief, namely that the Court set aside the order No. 994 of 2012 dated June 12, 2012 passed by the CESTAT in Appeal No. ST/3147/2011. This matter pertains to a disputed service tax demand. The amount involved in these proceedings is ₹ 58.6 Million. The matter is pending final hearing and disposal.

Proceedings have been initiated by JGJV, against the State of Andhra Pradesh and Others, ("**AP**"), before the High Court at Hyderabad, (WP. 2192 / 2011). In these proceedings JGJV has inter-alia, asked the Court to direct AP to include 1% towards Labour Cess to the value of the Agreement No.10SE/2004-2005, dated October 23, 2004 and Agreement No.3VGP/2004 dated November 09, 2004. The amount involved in these proceedings is ₹ 25.40 million. The matter is pending final hearing and disposal.

Civil and Arbitral proceedings:

Proceedings have been initiated by JGJV, against the Government of Andhra Pradesh and Others, ("**AP**"), before the High Court at Hyderabad, (WP. 33344/2013). Various disputes and differences have arisen between the parties in connection with a price escalation clause and a consequent demand which is allegedly contrary to the revised price escalation clause. Pursuant to the said demand certain monies were withheld by AP. Aggrieved by the same, JGJV has initiated the present proceedings. The amount involved in these proceedings is 5.10 Million. The matter is pending final hearing and disposal.

Proceedings have been initiated by JGJV, against the State of Andhra Pradesh and others, before the District Judge, Kadapa, (O.S No.100/2017), so as to obtain an interim stay order in connection with any attempt at invoking Bank Guarantees. The said interim stay order has been granted and the matter is pending for final adjudication.

Legal Notices and Other Legal Proceedings: NIL

Proceedings Initiated against Jaiprakash Gayatri Joint Venture, ("JGJV" a Joint Venture with our Company which operates as a separate division of our Company):

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Initiated By Gayatri-BCBPPL Joint Venture, ("GBCJV", a Joint Venture with our Company which operates as a separate division of our Company):

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Initiated Against Gayatri-BCBPPL Joint Venture, ("GBCJV", a Joint Venture with our Company which operates as a separate division of our Company):

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Initiated By Maytas-Gayatri JV, (a Joint Venture with our Company which operates as a separate division of our Company):

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings:

Proceedings have been initiated by Maytas-Gayatri JV, against the Chief Engineer, Nagaland, ("**Respondents**"), before the Commercial Court Cum XXIV Additional Chief Judge, City Civil Court, Hyderabad, (COP 30/2017). In these proceedings Maytas-Gayatri JV has inter alia sought to retrain the Respondents from invoking Bank Guarantees. The amount involved in these proceedings is ₹ 2404.82 Million. The matter is pending final hearing and disposal. Maytas-Gayatri JV has also initiated arbitral proceedings in this regard and the arbitral tribunal is yet to be constituted.

Legal Notices and Other Legal Proceedings: NIL

Proceedings Initiated Against Maytas-Gayatri JV, (a Joint Venture with our Company which operates as a separate division of our Company):

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Initiated By Gayatri ECI Joint Venture, ("GPECIJV", a Joint Venture between our Company and ECI Engineering and Construction Company Limited), which Joint Venture operates as a separate division of our Company):

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Initiated Against Gayatri ECI Joint Venture, ("GPECIJV", Joint Venture between our Company and ECI Engineering and Construction Company Limited), which Joint Venture operates as a separate division of our Company):

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings:

Proceedings have been initiated against GPECIJV, by the National Highways Authority of India, ("**NHAI**"), before the Hon'ble District Judge, Bongaigaon, (M.A. No. 68 of 2013). In these proceedings JGJV has, inter alia, sought the following relief, namely that the Court set aside an impugned Arbitration Award dated June 07, 2013, and stay its operation. The amount involved in these proceedings is approximately ₹ 22.38 Million. The matter is pending final hearing and disposal.

Legal Notices and Other Legal Proceedings: NIL

Proceedings Initiated By Gayatri – RNS Joint Venture, ("GRNSJV", a Joint Venture with our Company which operates as a separate division of our Company):

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Proceedings Initiated Against Gayatri – RNS Joint Venture, ("GRNSJV", a Joint Venture with our Company which operates as a separate division of our Company):

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Proceedings initiated by statutory and/or regulatory authorities: NIL

Civil and Arbitral proceedings:

Arbitral Proceedings have been initiated against GRNSJV, by the Works Department, Government of Odisha, (represented by the Executive Engineer, Keonjhar, (R&B) Division Cum Project Director), ("**WDO**"), so as to challenge the findings of the Dispute Review Board, which had held that certain claims as preferred by GRNSJV, regarding additional expenditure, were indeed appropriate. Aggrieved by the said finding, the WDO initiated the present arbitral proceedings. The amount involved in these proceedings is ₹ 1449.10 million. The matter is pending final hearing and disposal.

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Gayatri-GDC Joint Venture;

Criminal Proceedings: NIL
Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Gayatri – Ratna Joint Venture;

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving MEIL- Gayatri –ZVS-ITT Consortium;

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Gayatri- JMC Joint venture;

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Viswanath-Gayatri Joint Venture;

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving GPL-RKTCPL Joint Venture;

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Gayatri-SPL Joint Venture;

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Vishwa – Gayatri Joint Venture;

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Gayatri-RNS-SIPL Joint Venture;

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving SOJITZ-LNT-GAYATRI Joint Venture;

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Gayatri - PTPS Joint Venture;

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Gayatri – KMB Joint Venture;

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Initiated by Gayatri Sugars Limited, (our Group Company), ("GSL"):

BIFR Proceedings:

Based on its audited balance sheet of March 31, 2015, proceedings were initiated by GSL, before the erstwhile Board for Industrial and Financial Reconstruction, ("**BIFR**"). A hearing was held by the BIFR Bench on October 19, 2016, and the record of the said proceedings shows the following: The reference was taken up by the BIFR for consideration so as to determine the status of GSLs sickness in connection with which the BIFR Bench had issued, inter alia, the following direction, namely that GSL is restrained from alienating or transferring or otherwise creating any third party rights or disposing off in any manner, in respect of the immoveable assets of the company, without the prior approval of the BIFR. The BIFR Bench observed that: (1) except for one party, no secured creditor had any objection if the company was declared sick; (2) the promoters of GSL, had already brought funds for revival of the company; (3) since secured creditors comprising about 98% had no objection towards declaring the company sick, it was a fit case to go ahead with the rehabilitation proposal of the company. Accordingly, the BIFR Bench appointed an Operating Agency, ("**OA**"), with directions to prepare a viability study report and revival scheme for the company, if feasible. The BIFR Bench also issued, inter alia, the following directions: (A) GSL to submit the draft rehabilitation proposal to the OA; and, (B) GSL is restrained from alienating or transferring or otherwise creating any third party rights or disposing off in any manner, in respect of their immoveable assets of the company, without the prior approval of the BIFR. The date of the next hearing was fixed for December 27, 2016. By an official notification, the Government of India dissolved the BIFR, (from December 1, 2016), and proceedings before the erstwhile BIFR, were to be referred to the National Company Law Tribunal and the National Company Law Appellate Tribunal, ("**NCLT**" and "**NCLAT**" respectively). The aforesaid proceedings before the erstwhile BIFR, have not been referred to the NCLT/NCLAT, by either the borrower (GSL), or the Lender/s. The management of GSL does not anticipate any further proceedings against GSL in this regard.

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): GSL has initiated two appellate proceedings against the Commissioner of Customs, Central Excise & Service Tax, Hyderabad-I, Commissionerate, before the Customs, Excise and Service Tax Appellate Tribunal South Zone Bench, Bangalore, (Appeal No. E/2109/2012 and Appeal No. E/21297/2014-DB). In these proceedings, GSL has prayed for a stay of the Orders dated May 15, 2012 and May 25, 2014, in connection with a tax related demands, including penalties, aggregating approximately ₹ 27.62 Million. These matters are pending final hearing and disposal.

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Initiated Against Gayatri Sugars Limited, (our Group Company), ("GSL"):

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Proceedings initiated by statutory and/or regulatory authorities:

The Government of Telangana, Electrical Inspectorate, has issued two notices on GSL, in connection with a claim for the payment of certain sums of money. GSL had appealed these claims vide Special Leave Petitions, before the Supreme Court of India, (SLP(C) Nos. 18556 and 18562). The aggregate amount involved in these proceedings is approximately INR 28.4 Million. The Supreme Court ruled that since matters are pending before Board for Industrial and Financial Reconstruction (BIFR), they were not inclined to entertain these petitions without payment being made by the petitioners. Accordingly, they were dismissed. However, liberty was granted to petitioners to revive the petitions after the decision was given by BIFR. For details of the BIFR related proceedings, see above ("Proceedings Initiated by GSL: BIFR Proceedings"). Till date, no further action has been taken against GSL in this regard.

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Gayatri BioOrganics Limited, (our Group Company):

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax):

Three indirect tax proceedings have been initiated against Gayatri BioOrganics Limited. The aggregate amount involved in these proceedings is approximately ₹ 96.97 Million. These matters are pending final hearing and disposal.

Proceedings initiated by statutory and/or regulatory authorities: NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Sai Maatarini Tollways Limited, (our Group Company):

As on November 30, 2017, Sai Maatarini Tollways Limited, had outstanding dues to six creditors, where the aggregate amount involved is approximately ₹ 233.73 Million. No proceedings have been initiated or threatened in this regard.

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Deep Corporation Private Limited, (our Group Company);

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving GSR Ventures Private Limited, (our Group Company);

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Gayatri Hi-tech Hotels Limited, (our Group Company);

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Invento Labs Private Limited, (our Group Company);

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Gayatri Property Ventures Private Limited, (our Group Company);

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Gayatri Highways Limited, (our Group Company);

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Indira Constructions Private Limited, (our Group Company);

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Gayatri Hotels and Theatres Private Limited, (our Group Company);

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Gayatri Tissue & Papers Limited, (our Group Company);

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Balaji Highways Holding Private Limited, (our Group Company);

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Yamne Power Private Limited, (our Group Company);

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Indira Energy Holdings Private Limited, (our Group Company);

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Gayatri Jhansi Roadways Limited, (our Group Company);

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Gayatri Lalitpur Roadways Limited, (our Group Company);

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Cyberabad expressways Limited, (our Group Company);

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Hyderabad Expressways Limited, (our Group Company);

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Indore Dewas Tollways Limited, (our Group Company);

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving HKR Roadways Limited, (our Group Company);

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Gayatri Energy Ventures Private Limited, (our Group Company and Subsidiary);

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Bhandara Thermal Power Corporation Limited, (our Group Company and Subsidiary);

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings: NIL

Legal Notices and Other Legal Proceedings: NIL

Proceedings Involving Our Directors and Promoters:

Criminal Proceedings: NIL

Tax Proceedings (direct tax and indirect tax): NIL

Civil and Arbitral proceedings:

One Mr. R. Hanumantha Reddy, ("**Appellant**"), has initiated proceedings against our Managing Director and Promoter, (Mr. Sandeep Kumar Reddy), vide a second appeal, before the Hyderabad High Court, (No. 852/16). The present proceedings are in connection with the title to certain immoveable property at Medchal Village, ("**Suit Property**"). One Mr. R. Hanumantha Reddy, ("**Appellant**"), had initiated other proceedings, (O.S. 1653/6), wherein he sought and obtained, a declaration of ownership, in his favor, in connection with the Suit Property. Consequently, the Appellant initiated further execution proceedings, (E.P. 66/2007), to execute the said Decree in O.S. 1653/6, wherein our Managing Director and Promoter, (Mr. Sandeep Kumar Reddy), was made a party to the said proceedings. Our Managing Director and Promoter, (Mr. Sandeep Kumar Reddy), initiated certain proceedings in connection with the title to the said suit property, (EA 320/2009), which was dismissed vide order dated 31.12.2015. Aggrieved by the said dismissal, Mr. Sandeep Kumar Reddy appealed the same in the Appellate Court, Vth Additional District and Sessions Judge, Rangareddy District, L.B. Nagar, (AS No.33/2016), and the said appeal was admitted and allowed. Aggrieved by the order that allowed the said appeal being admitted and allowed, the Appellant has initiated the present proceedings. The matter does not involve any monetary claim, and, is pending hearing and final disposal. The outcome of these proceedings can in no way adversely impact the operations and/or profitability of our Company as our Company has no claim and/or interest in connection with the same.

Legal Notices and Other Legal Proceedings: NIL

There is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any Promoter of our Company during the last three years immediately preceding the year of the circulation of this Placement Document.

Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:

1. As of date of this Placement Document, our Company has no undisputed statutory dues (including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, goods and service tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to our Company) on standalone basis for the financial years ended March 31, 2017, March 31, 2016 and March 31, 2015 and for the nine months period ended December 31, 2017, were outstanding except as stated below:

For the nine months period ended December 31, 2017:

Sr. No	Details	Amount Involved (₹ in million)	Delay in No. of Days	Statute	Current status
1.	Tax Deducted at Source	143.29	Upto 150	Income Tax Act, 1961	Not Paid

For the year ended March 31, 2017:

Sr. No	Details	Amount Involved (₹ in million)	Delay in No. of Days	Statute	Current status
1.	Tax Deducted at Source	99.50	Upto 150	Income Tax Act, 1961	Paid
2.	Service Tax	28.93	Upto 30	Service Tax	Paid

For the year ended March 31, 2016:

Sr. No	Details	Amount Involved (₹ in million)	Delay in No. of Days	Statute	Current status
1.	Tax Deducted at Source	45.12	Upto 120	Income Tax Act, 1961	Paid
2.	Service Tax	19.16	Upto 90	Service Tax	Paid

For the year ended March 31, 2015:

S.No	Details	Amount Involved (₹ in million)	Delay in No. of Days	Statute	Current status
1.	Tax Deducted at Source	25.36	Upto 90	Income Tax Act, 1961	Paid
2.	Sales Tax Deducted	18.86	Upto 90	Sales Tax Act	Paid
3.	Service Tax	135.69	Upto 90	Service Tax	Paid

2. As of date of this Placement Document, our Company has not defaulted in repayment of any deposits accepted for the financial years ended March 31, 2017, March 31, 2016 and March 31, 2015 and for the nine months period ended December 31, 2017.

3. As of date of this Placement Document, our Company has not defaulted in payment of interest or repayment of principal on any loan from any bank or financial institution on standalone basis for the financial years ended March 31, 2017, March 31, 2016 and March 31, 2015 and for the ten months period ended January 31, 2018 except as stated below:

As on January 31, 2018

Nature of the Loan	Period of Default (in Days)	Default amount (₹ in million)	
		Principal	Interest
Term Loans from Banks	Upto 30	118.52	109.5
	31-60	237.46	207.19
	61-90	447.44	99.65
	91-120	118.94	96.18
	121-150	291.44	85.97
	151-180	72.76	60.66
Total (A)		**1286.56**	**659.15**
Working Capital	Upto 30	28.50	97.06
	31-60	90.00	195.28
	61-90	11.60	90.05
	91-120	-	7.42
Total (B)		**130.1**	**389.81**
Grand Total (A+B)		**1416.66**	**1048.96**

As on March 31, 2017

Nature of the Loan	Period of Default	Default amount (₹ in million)	
		Principal	Interest
Working Capital	0-30 days	-	80.90
Total (A)			**80.90**
Term Loans	Upto 30	-	72.90
Total (B)			**72.90**
Grand Total	-	-	**153.8**

As on March 31, 2016

Nature of the Loan	Period of Default	Default amount (₹ in million)	
		Principal	Interest
Working Capital	0-30 days		82.80
Grand Total			**82.80**

As on March 31, 2015

Nature of the Loan	Period of Default (in Days)	Default amount (₹ in million)	
		Principal	Interest
Term Loans from Banks	Upto 30	21.33	2.11
	31 to 60	67.95	28.25
Total (A)		**89.28**	**30.36**
Working Capital	Upto 30	-	62.05
	31 to 60	-	131.79
Total (B)		-	**193.84**
Letter of Credit Facilities from Banks	Upto 30	1.97	-
	31 to 60	178.13	-

Nature of the Loan	Period of Default (in Days)	Default amount (₹ in million)	
		Principal	Interest
Total (C)		**180.1**	**-**
Grand Total (A+B+C)		**269.38**	**224.2**

Other Confirmations

There are no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of this Placement Document.

STATUTORY ACCOUNTANTS

Our Company's current statutory auditors, M O S & Associates LLP, Chartered Accountants are independent auditors with respect to our Company as required by the Companies Act and in accordance with the guidelines issued by the ICAI. The Audited Financial Statements of our Company as of and for the Financial Year ended March 31, 2017, as well as the Unaudited Standalone Financial Results as of and for the nine months period ended December 31, 2017, included herein have been prepared in accordance with Ind AS. The Audited Financial Statements of our Company, including the notes thereto and reports thereon, as of and for the financial years ended March 31, 2015 and March 31, 2016 included herein and the Unaudited Standalone Financial Results as of and for the nine months period ended December 31, 2016 have been prepared in accordance with Indian GAAP. However, the Unaudited Standalone Financial Results for the nine months period ended December 31, 2016, Audited Financial Statements for the year ended March 31, 2016 and the opening Balance Sheet as on April 1, 2015 have been restated in accordance with Ind AS for comparative information. The Unaudited Standalone Financial Results, prepared under IND AS, for the nine months period ended December 31, 2017 included in this Placement Document has been subjected to limited review by M O S & Associates LLP, Chartered Accountants and on which they have issued a review report dated February 7, 2018.

Our Statutory Auditors have consented to inclusion of their report(s) in this Placement Document. For further details please refer to "***Financial Statements***" on page 246.

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To The Members of Gayatri Projects Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Gayatri Projects Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss and 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position and 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 accounting records, relevant to the preparation and presentation of these financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2015, and its profit and cash flows for the year ended on that date.

Emphasis of Matters

(Note Nos. referred hereunder are with reference to respective Notes forming part of the standalone financial statement)

We draw member's attention to the following matters:

i) Note No.31.12 regarding excess managerial remuneration paid by the company.

ii) Note No.31.21 & 31.23 regarding recovery of loans & Advances and work advances given to some of the sub-contractors.

iii) Note No.31.22 regarding conversion of long pending Trade Receivables of ₹218.51 crores for which necessary statutory formalities / compliances are pending.

iv) Note No.31.26 regarding pending confirmation of balances in respect of certain items and balances reported in the financial statements.

Our Opinion is not qualified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 accounts 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

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

      i. As stated in Note No. 19 & 31.2(a) & (d), the company has disclosed the impact of pending litigations on its standalone financial position.

      ii. As per the information and explanations given by the company, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. As per the information and explanations given by the company, the amounts which are required to be transferred to Investor Education & Protection Fund have been transferred.

For M O S & Associates LLP
(Formerly M O S & Associates)
Chartered Accountants
Firm Registration No.: 001975S/S200020

S.V.C. Reddy
Partner
Membership Number: 224028

Place: Hyderabad
Date: 30th May 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i) In respect of Fixed Assets:

a. In our opinion and as per the information and explanations given to us, the Company has maintained proper records showing particulars, including quantitative details and situation of fixed assets;

b. The management of the company has verified the fixed assets at reasonable intervals during the year. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.

ii) In respect of Inventory:

a. According to the information and explanations given to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable.

b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c. The Company has maintained proper records of inventories. As explained to us, the material discrepancies noticed on physical verification of inventories as compared to the book records has been properly dealt with.

iii) According to information and explanations given to us, the Company has granted unsecured Loans of ₹11,196.73 lakhs to parties covered in the Register maintained under section 189 of the Companies Act, 2013. In respect of such loans,

a. The principal amount is repayable on demand

b. There is no repayment schedule and therefore there is no overdue amount.

iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventories, fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system. *However, the internal controls over accounting of consumption and procurement of materials, wastages, material reconciliation need further strengthening*.

v) According to the information and explanations given to us, the Company has not accepted any deposits from public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.

vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) In respect of statutory dues:

a. According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Sales Tax, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess with the appropriate authorities during the year. *We further state that the undisputed amounts payable in respect thereof outstanding as on 31.03.2015 for a period of more than six months from the date they became payable are as follows:*

S.No	***Name of the Statutory Due***	***Amount in ₹***	***Delay period***
1	*Service tax*	*38.22 lakhs*	*> 6 months*

b. According to the information and explanation given to us, there are no dues of Sales tax, Income Tax, Wealth Tax, Service Tax, Customs Duty and Cess which have not been deposited as on 31st March, 2015 on account of any dispute, *except the following:*

Sl. No.	Name of the Statute	Name of the Tax Due	Forum where Dispute is pending	Amount ₹ in Lakhs
1	Mines and Minerals (Development and Regulation) Act, 1957	Department of Mines and Geology	Supreme Court	1,043.51
2	Central Sales Tax Act, 1956 and Sales Tax Acts of Various States	Sales Tax/Vat	Appeals pending before High Courts of respective states and Appellate Tribunals and other appropriate authorities.	3,436.55
3	Central Excise Act, 1944	Service Tax	Appeals pending before various Authorities	1,168.69
4	Income Tax Act, 1961	Income Tax	Appeal pending before CIT(Appeals)	8,968.58

c. As per the information and explanations given by the company, the amounts which are required to be transferred to Investor Education & Protection Fund as on 31.03.2015 have been transferred.

viii) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by the audit and in the immediately preceding financial year.

ix) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has been regular in repayment of dues to banks and financial institutions *except in some cases as stated below. The period and amount of continuing default as on the Balance Sheet date is as follows:*

Long Term Loans:

Nature of the Loan	*Period of Default*	*Default amount (₹ in lakhs)*	
		Principal	*Interest*
Term Loans from Banks	*Up to 30 days*	*213.33*	*21.15*
Term Loans from Banks	*31 to 60 days*	*679.57*	*282.56*

Short Term Loans:

Nature of the Loan	*Period of Default*	*Default amount (₹ in lakhs)*	
		Principal	*Interest*
Working Capital from Banks	*Up to 30 days*	—	*620.51*
Working Capital from Banks	*31 to 60 days*	—	*1317.85*
Letter of Credit Facilities from Banks	*Up to 30days*	*19.72*	—
Letter of Credit Facilities from Banks	*31 to 60 days*	*1781.25*	—

x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from Banks or Financial Institutions are not, *prima-facie,* prejudicial to the interests of the Company.

xi) Based on our audit procedures and according to the information and explanations given to us, in our opinion, the Term loans availed by the Company were, prima facie, applied for the purpose for which they were obtained.

xii) In our opinion and according to the information and explanations given to us and on our examination of books and records, no fraud on or by the Company has been noticed or reported during the year.

For M O S & Associates LLP
(Formerly M O S & Associates)
Chartered Accountants
Firm Registration No.: 001975S/S200020

S. V. C. Reddy
Partner
Membership Number: 224028

Place: Hyderabad
Date: 30th May 2015

BALANCE SHEET AS AT 31st MARCH, 2015

₹ in Lakhs

Particulars	Note	As at 31st March, 2015		As at 31st March, 2014	
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share capital	3	**3,022.70**		3,022.70	
(b) Reserves and surplus	4	**65,231.05**		63,573.62	
			68,253.75		66,596.32
(2) Non-current liabilities					
(a) Long-term borrowings	5	**92,715.38**		30,075.13	
(b) Deferred Tax Liabilities (net)	6	**2,876.25**		3,111.91	
(c) Other Long term liabilities	7	**49,721.61**		61,152.64	
(d) Long-Term provisions	8	**694.21**		736.63	
			146,007.45		95,076.31
(3) Current liabilities					
(a) Short-term borrowings	9	**79,178.76**		101,384.83	
(b) Trade payables	10	**44,561.16**		38,563.97	
(c) Other current liabilities	11	**12,752.99**		29,546.27	
(d) Short term provisions	12	**463.44**		715.49	
			136,956.35		170,210.56
Total			**351,217.55**		331,883.19
II. ASSETS					
(1) Non-current assets					
(a) Fixed assets					
(i) Tangible assets	13	**20,812.12**		22,936.36	
(ii) Capital work-in-progress	13	**—**		497.18	
(b) Non-Current Investments	14	**94,677.03**		94,560.03	
(c) Long term loans and advances	15	**33,095.03**		25,693.19	
(d) Other Non- Current Assets	16	**21,851.46**		—	
			170,435.64		143,686.76
(2) Current assets					
(a) Current Investments	17	**71.79**		189.56	
(b) Inventories	18	**24,202.29**		23,753.01	
(c) Trade receivables	19	**62,355.90**		94,067.05	
(d) Cash and cash equivalents	20	**14,515.83**		20,134.79	
(e) Short term loans and advances	21	**79,505.42**		49,965.07	
(f) Other Current Assets	22	**130.68**		86.95	
			180,781.91		188,196.43
Total			**351,217.55**		331,883.19
Significant Accounting Policies	2				
Other Notes forming part of the Financial Statements	31				

As per our report attached
For M O S & Associates LLP
(Formerly M O S & Associates)
Chartered Accountants

S.V.C. Reddy
Partner

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary &
Compliance Officer

Place : Hyderabad.
Date : 30th May 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Lakhs

Particulars	Note	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
I. Revenue			
(a) Revenue from operations	**23**	**160,114.16**	181,253.22
(b) Other Income	**24**	**439.21**	248.63
Total Revenue		**160,553.37**	181,501.85
II. Expenses			
(a) Consumption of Materials and Cost of Purchases & Services	**25**	**58,338.78**	66,012.48
(b) Work Expenditure	**26**	**74,744.65**	83,813.57
(c) Changes in Inventories of Work in Progress	**27**	**(588.37)**	(3,576.78)
(d) Employee benefits expenses	**28**	**3,632.82**	4,096.31
(e) Finance costs	**29**	**14,867.18**	15,972.69
(f) Depreciation and amortization expense	**13**	**2,820.08**	2,997.75
(g) Other Expenses	**30**	**3,229.37**	3,938.31
Total Expenses		**157,044.51**	173,254.33
III. Profit/ (Loss) before Exceptional & Extraordinary items and Tax (I-II)		**3,508.86**	8,247.52
IV. Exceptional items		**—**	—
V. Profit/(Loss) before Extraordinary items and Tax		**3,508.86**	8,247.52
VI. Extraordinary items		**—**	—
VII. Profit/(Loss) before Tax		**3,508.86**	8,247.52
VIII. Tax Expenses			
(a) Current Tax - paid		**1,439.18**	3,148.80
(b) Current Tax - for earlier years		**—**	391.95
(c) Deferred Tax (Net)		**(135.64)**	(53.97)
IX. Profit for the year		**2,205.32**	4,760.74
X. Earning per Share (of ₹10/- each):			
Basic & Diluted		**7.30**	15.75
Significant Accounting Policies	**2**		
Other Notes forming part of the Financial Statements	**31**		

As per our report attached
For M O S & Associates LLP
(Formerly M O S & Associates)
Chartered Accountants

S.V.C. Reddy
Partner

Place : Hyderabad.
Date : 30th May 2015

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary &
Compliance Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

₹ in Lakhs

	Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
A	**Cash Flow from Operating Activities:**		
	Profit before Tax excluding extraordinary and exceptional items	**3,508.86**	8,247.52
	Adjustments for:		
	Depreciation and amortization	**2,820.08**	2,997.75
	Interest and other Income	**(439.21)**	(248.63)
	Loss on sale of Fixed Assets	**214.47**	3.67
	Finance Costs	**14,573.91**	15,194.88
	Foreign Currency Translation and Transactions – ECB	**293.27**	777.81
	Other non-cash items/ Provisions	**(43.57)**	190.70
	Operating Profit before working Capital Changes	**20,927.81**	27,163.70
	Adjustments for:		
	(Increase) / Decrease in Trade Receivables	**9,859.69**	(5,275.79)
	(Increase) / Decrease in long term loans and Advances	**(7,401.84)**	(209.33)
	(Increase) / Decrease in Short term loans and Advances	**(29,540.35)**	(12,674.51)
	(Increase) / Decrease in Other current assets	**(43.73)**	3,390.27
	(Increase) / Decrease in Inventory	**(449.28)**	(1,341.22)
	Increase / (Decrease) in other current liabilities	**405.09**	(248.41)
	Increase / (Decrease) in other Long Term liabilities	**(11,431.03)**	10,026.38
	Increase / (Decrease) in Trade Payables	**5,997.19**	3,754.51
	Cash (used in) / generated from Operating activities	**(11,676.45)**	24,585.60
	Direct Taxes paid	**(1,439.18)**	(3,540.75)
	Net Cash (used in)/ generated from Operating Activities	**(13,115.63)**	21,044.85
B	**Cash Flow from Investing Activities**		
	Purchase of fixed assets including capital working progress	**(957.46)**	(832.83)
	Purchase of Non-Current Investments	**(117.00)**	(17,732.58)
	Investments in Mutual Funds	**117.77**	(189.55)
	Proceeds from sale of Fixed Assets	**250.05**	302.90
	Interest and other income received	**439.21**	248.63
	Net Cash (used in)/ generated from Investing Activities	**(267.43)**	(18,203.43)
C	**Cash Flow from Financing Activities**		
	Proceeds from issue of Share Capital including share premium	—	—
	Redemption of Debentures	**(712.16)**	(1,560.00)
	Net Proceeds from Long term borrowings (Ref.Note No.31.19)	**11,498.35**	4,645.12
	Net Proceeds from Short term borrowings (Ref.Note No.31.19)	**12,793.93**	10,284.83
	Finance Costs	**(14,918.21)**	(14,139.94)
	Foreign Currency Translation and Transactions loss paid	**(293.27)**	(777.81)
	Dividend & Dividend Tax paid	**(604.54)**	(1,053.92)
	Net Cash (used in)/ generated from Financing Activities	**7,764.10**	(2,601.72)
	Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	**(5,618.96)**	239.70
	Cash and Cash Equivalents at the beginning of the year	**20,134.79**	19,895.09
	Cash and Cash Equivalents at the end of the year	**14,515.83**	20,134.79

Note:

1 Cash & Cash Equivalents consist of Cash on hand and balances with banks includes Margin Money Deposits for Bank Guarantees of ₹9,017.02 lakhs (Previous Year ₹ 12,249.87 lakhs).
2 The cash flow statement is prepared in accordance with the indirect method as stated in Accounting Standard 3 issued by ICAI on "Cash Flow Statements" and presents cash flows by Operating, Investing and Financing activities
3 Figures in brackets represent cash outflows.
4 The Accompanying Notes and other explanatory information form an integral part of the Financial Statements.

As per our report attached
For M O S & Associates LLP
(Formerly M O S & Associates)
Chartered Accountants

For and on behalf of the Board

S.V.C. Reddy
Partner

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary & Compliance Officer

Place : Hyderabad.
Date : 30th May 2015

1. CORPORATE INFORMATION

Gayatri Projects Limited founded in 1989 is one of India's premier infrastructure company based in Hyderabad executing major civil works including Roads, Canals, Airport Runways, Ports/Harbors, Dams & Reservoirs, Railways etc., across India.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Presentation of Financial Statements

The Company's Financial statements have been prepared to comply with generally accepted accounting principles(Indian GAAP) including the Accounting Standards notified under Section 133 of the Companies Act 2013("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Act. Till the Standards of Accounting or any other addendum thereto are prescribed by the Central Government these financial statements are prepared to comply in all material aspects with the Accounting Standards notified under sub section (3C) of section 211 of the Companies (Accounting Standard) Rules ,2006. 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 viz. SEBI guidelines override the same requiring a different treatment.

The Financial statements are prepared on accrual basis following the historical cost convention except in certain cases of fixed assets which are carried at revalued amounts. The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) - 3 "Cash Flow Statements". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the Listing Agreement.

2.2 Use of estimates

The preparation of financial statements in conformity with GAAP requires the management of the Company to make 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/ materialized.

2.3 Revenue recognition

A. Revenue from Operations

a. Revenue from Construction activity:

i) Income is recognized on fixed price construction contracts in accordance with the percentage completion basis, which necessarily involve technical estimates of the percentage of completion, and costs to completion, of each contract / activity, on the basis of which profits and losses are accounted. Such estimates, made by the Company and certified to the Auditors have been relied upon by them, as these are of technical nature.

ii) The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract.

iii) Price escalation and other variations in the contract work are included in contract revenue only when:

- a) Negotiations have reached at an advanced stage such that it is probable that customer will accept the claim and
- b) The amount that is probable will be accepted by the customer can be measured reliably.

iv) Incentive payments, as per customer-specified performance standards, are included in contract revenue only when:

- a) The contract is sufficiently advanced that it is probable that the specified performance standards will be met and
- b) The amount of the incentive payment can be measured reliably.

v) Insurance claims are accounted for on cash basis.

vi) Contract Claims raised by the company which can be reliably measured and have reached an advanced stage of arbitration pending in High court have been recognized as income.

b. Revenue from supply of materials:

Revenue from supply of materials is recognized when substantial risks and rewards of ownership are transferred to the buyer and invoice for the same is raised.

c. Revenue from generation and distribution of Wind Power:

Revenue from wind power operations is recognized when the units are reliably measured and billed and it is reasonable to expect ultimate collection.

d. Revenue receipts on Joint Venture Contracts

i) In work sharing Joint Venture arrangements, revenues, expenses, assets and liabilities are accounted for in the Company's books to the extent work is executed by the Company.

ii) In jointly controlled entities, the share of profits or losses is accounted as and when dividend/ share of profit or loss are declared by the entities.

e. Other Operational Revenue:

All other revenues are recognized only when collectability of the resulting receivable is reasonably assured.

Revenue is reported net of discounts

B. Other Income

i) Interest income is accounted on accrual basis as per applicable interest rates and on time proportion basis taking into account the amount outstanding.

ii) Dividend income is accounted in the year in which the right to receive the same is established.

2.4 Inventories and work in progress

Raw Materials, construction materials and stores & spares are valued at weighted average cost. Expenditure incurred towards construction work and yet to be certified is carried forward as work in progress. Cost includes direct material, work expenditure, labour cost and appropriate overheads.

2.5 Fixed Assets and Depreciation & Amortization

a) Tangible Fixed Assets

Tangible Fixed Assets are stated at cost of acquisition, less accumulated depreciation thereon. Expenditure which are capital in nature are capitalized at cost, which comprises of purchase price (net of rebates and discounts), import duties, levies, financing costs and all other expenditure directly attributable to bringing the asset to its working condition for its intended use.

b) Capital work in progress

Tangible assets which are purchased but not yet installed and not ready for the intended use on the date of balance sheet are disclosed as "Capital Work-in-Progress".

c) Depreciation and amortization

In respect of fixed assets (other than land and Capital Work in Progress) depreciation / amortization is charged on a straight line basis over the useful lives as prescribed in Schedule II to the Companies Act, 2013. For the assets acquired prior to April 1,2014 the carrying amount i.e. net value as on 31.03.2014 is depreciated over the remaining useful life as stipulated in the Act.

However, the use full life of certain class of plant & machinery is considered as 6 years (w.e.f. 01.04.2014) based on the technical assessment, managements experience of use of those assets, present condition of the asset etc.

Leasehold improvements or assets are amortized over the period of lease.

2.6 Foreign Currency Transactions

The reporting currency of the company is Indian Rupee. Foreign exchange transactions are accounted at the rates prevailing on the date of transactions. Monetary assets and current liabilities related to foreign currency transactions remaining unsettled at the exchange rate date prevailing on the balance sheet date. The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions are recognized in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

2.7 Investments

Trade investments comprise investments in subsidiary companies, joint ventures, associate companies and in the entities in which the Company has strategic business interest. Investments are classified as Current investments and Non-Current investments.

Investments, which are readily realizable and are intended to be held for not morethan 1 year from the date of acquisition, are classified as current investments. All other investments are classified as long term investments.

Non-Current Investments are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

2.8 Employee Benefits

Liability for employee benefits, both short and long term, for present and past service which are due as per the terms of employment are recorded in accordance with Accounting Standard (AS) 15 "Employee Benefits" issued by the Companies (Accounting Standard) Rules, 2006.

i) Gratuity

In accordance with the Payment of Gratuity Act, 1972 the Company provides for Gratuity covering eligible employees. The liability on account of Gratuity is provided on the basis of valuation of the liability by an independent actuary as at the year end.

ii) Provident Fund

In accordance with applicable local laws, eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan to which both the employee and employer contributes monthly at a determined rate (currently up to 12% of an employee's salary). These contributions are either made to the respective Regional Provident Fund Commissioner, or the Central Provident Fund under the State Pension Scheme, and are recognized as expenses incurred.

iii) Compensated Absences

Liability for compensated absence is treated as a long term liability and is provided on the basis of valuation by an independent actuary as at the year end.

2.9 Deferred Revenue Expenditure

Projects and Other amenities expenditure incurred up to 31stMarch, 2015, the benefit of which is spread over more than one year is accounted as Project Promotion Expenses grouped under Other Advances and is amortized over the period in which benefits would be derived.

2.10 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such asset. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

2.11 Leases

Assets taken on finance lease are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

Operating leases in respect of office & other equipment, house for employees, Office buildings are cancelable / renewable by mutual consent on agreed terms. Lease payments under an operating lease are recognized as an expense in the Profit and Loss Account.

2.12 Earnings per Share (EPS)

In arriving at the EPS, the Company's net profit after tax, computed in terms of the Indian GAAP, is divided by the weighted average number of equity shares outstanding on the last day of the reporting period. The EPS thus arrived at is known as 'Basic EPS'. To arrive at the diluted EPS the net profit after tax, referred above, is divided by the weighted average number of equity shares, as computed above and the weighted average number of equity share that could have been issued on conversion of shares having potential dilutive effect subject to the terms of issue of those potential shares. The date/s of issue of such potential shares determine the amount of the weighted average number potential equity shares.

2.13 Taxation

i) Current Tax

Provision for Current tax is made based on the liability computed in accordance with the relevant tax rates and provisions of Income Tax Act, 1961.

ii) Deferred Taxes

Deferred Tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods. Deferred tax assets are recognized and carried forward only 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.

2.14 Impairment of Fixed Assets

The carrying amount of assets, other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

2.15 Provisions for Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation in respect of which reliable estimate can be made as on the balance sheet date.

Contingent liabilities are present obligations arising from a past event, when it is not probable / probability is remote that an outflow of resources will be required to settle the obligation and they are not recognized but are disclosed in the notes.

Contingent Assets are neither recognized nor disclosed in the financial statements except where it has become virtually certain that an inflow of economic benefit will arise, the asset and the related income are recognized in financial statements of the period in which the change occurs. Provisions for Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

2.16 Commitments

Commitments are future liabilities for contractual expenditure.

Commitments are classified and disclosed as follows:

a. Estimated amount of contracts remaining to be executed on capital account and not provided for

b. Uncalled liability on shares and other investments partly paid

c. Funding related commitment to subsidiary, associate and joint venture companies and

d. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

2.17 Operating cycle for current and non-current classification

Operating cycle for the business activities of the Company covers the duration of the specific project/contract/product line/service including the defect liability period, wherever applicable and extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

2.18 Cash Flow Statement

Cash Flow Statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

i. transactions of a non-cash nature

ii. any deferrals or accruals of past or future operating cash receipts or payments and

iii. items of income or expense associated with investing or financing cash flows

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

2.19 Cash and Cash Equivalents

Cash and cash equivalents include cash, bank balances, fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being not free from more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

Amounts in the financial statements are presented in ₹ lakhs, except for per share data and as otherwise stated.

3. SHARE CAPITAL

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number of shares	**₹ in Lakhs**	Number of shares	₹ in Lakhs
(i) Authorised Share Capital Equity shares of ₹10/- each	**80,000,000**	**8,000.00**	40,000,000	4,000.00
(ii) Issued Share Capital Equity shares of ₹10/- each	**30,226,994**	**3,022.70**	30,226,994	3,022.70
(iii) Subscribed and fully paid up Share Capital Equity shares of ₹10/- each	**30,226,994**	**3,022.70**	30,226,994	3,022.70
Total	**30,226,994**	**3,022.70**	30,226,994	3,022.70

3(b) Terms / Rights, Preferences and restrictions attached to Equity Shares:

The company has only one class of shares referred to as equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

The Board of Directors have recommended dividend of ₹1/ per equity share in their meeting held on 30th May, 2015, subjected to approval of the shareholders in the ensuing Annual General Meeting (For the year ended 31st March, 2014 : ₹ 2.00 per equity share).

3(c) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number of shares	**₹ in Lakhs**	Number of shares	₹ in Lakhs
Equity shares of ₹10/- each with voting rights At the beginning of the period	**30,226,994**	**3,022.70**	30,226,994	3,022.70
Add: Shares issued during the year	—	—	—	—
Outstanding at the end of the period	**30,226,994**	**3,022.70**	**30,226,994**	**3,022.70**

3(d) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: Nil

3(e) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number of shares held	**% holding**	Number of shares held	% holding
Equity shares of ₹10/- each with voting rights:				
Indira Subbarami Reddy Tikkavarapu	**10,630,932**	**35.17**	10,630,932	35.17
Sandeep Kumar Reddy Tikkavarapu	**4,579,544**	**15.15**	4,579,544	15.15
Afrin Dia	**2,820,000**	**9.33**	2,820,000	9.33
India Max Investment Fund Limited	**2,357,000**	**7.80**	2,357,000	7.80
GMO Emerging Domestic Opportunities Fund	**2,039,278**	**6.75**	—	—

4. Reserves & Surplus **₹ in Lakhs**

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Capital Reserve		
Opening balance	**143.40**	143.40
Add : Additions to Reserve during the year	—	—
Closing balance (A)	**143.40**	143.40
(b) General Reserve		
Opening balance	**10,000.00**	9,500.00
Add: Amount transferred from Statement of Profit and Loss	**500.00**	500.00
Closing balance (B)	**10,500.00**	10,000.00
(c) Securities Premium Account		
Opening balance	**25,400.19**	25,400.19
Closing balance (C)	**25,400.19**	25,400.19
(d) Debenture Redemption Reserve		
Opening balance	**1,300.00**	1,300.00
Add: Amount transferred from Statement of Profit and Loss	—	—
Closing balance (D)	**1,300.00**	1,300.00
(e) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	**26,730.03**	23,176.58
Add : Surplus / (Deficit) for the year	**2,205.32**	4,760.73
Amount available for Appropriation	**28,935.35**	27,937.31
Less: Appropriations		
Dividend and Dividend Tax	**353.64**	707.28
Adjustment relating to Fixed Assets (Refer Note No. 31.24)	**194.25**	—
Transferred to General Reserve	**500.00**	500.00
Closing balance (E)	**27,887.46**	26,730.03
Total (A+B+C+D+E)	**65,231.05**	**63,573.62**

5 Long-term borrowings (Refer Note No 31.19)

₹ in Lakhs

Particulars	As at 31st March 2015		As at 31st March 2014	
Secured	**Non-Current**	**Current**	Non-Current	Current
(i) Non-Convertible Debentures (Refer note 5.1) Nil (31st March, 2014: 208) 11.50% Redeemable, Non-Convertible Debentures (NCDs) of ₹ 10,00,000/- each	**—**	**2,927.84**	2,080.00	1,560.00
ii) Term Loans from Banks				
a. Equipment Loans (Refer note 5.2)	**56.03**	**1,560.38**	769.57	1,906.26
b. Other Term Loans (Refer note 5.3)	**70,774.17**	**520.83**	11,312.49	16,455.78
c. External Commercial Borrowings (Refer note 5.4)	**13,510.27**	**—**	13,224.09	552.46
iii) Term Loans from others				
a. Equipment Loans (Refer note 5.2)	**5,074.91**	**982.64**	2,685.92	2,300.27
b. Vehicle Loans (Refer note 5.5)	**—**	**2.87**	3.06	73.86
Un-secured				
From Directors (Interest Free Loans) (Refer Note No 31.20)	**3,300.00**	**—**	—	—
Total	**92,715.38**	**5,994.56**	30,075.13	22,848.63

5.1 11.50% Redeemable, Non-Convertible Debentures (secured):

Details & Terms of Repayment

The Company has issued 520, 11.50% Secured Redeemable Non-Convertible Debentures (NCDs) of ₹10,00,000/- each on private placement in the form of Separately Transferable Redeemable Principal Parts (STRPPs) for cash at par aggregating to ₹ 5200 Lakhs in the year 2010-11. The debentures are redeemable in the 3rd, 4th and 5th years in the ratio of 30:30:40. The company has redeemed 1st tranche of ₹1560.00 lakhs during the previous year. During the year the Company has redeemed ₹712.16 lakhs in accordance with the rescheduled terms of redemption agreed to by the debenture holders.

Nature of Security

The Debentures are secured by the paripassu first charge on the fixed assets of a group company.

5.2 Equipment Loans

The Equipment loans are secured by hypothecation of specific equipments acquired out of the said loans and the rate of interest on these loans varies between 11% to 15%.

5.3 Term loans

The secured term loans are secured by hypothecation of construction equipments not specifically charged to other banks and these loans are guaranteed by directors. The rate of interest on these loans varies between 11% to 16%

Period and amount of principal and interest default as on balance sheet date:

Nature of the Loan	Period of Default	Default amount (₹ In lakhs)	
		Principal	Interest
Term Loans from Banks	Upto 30 days	213.33	21.15
Term Loans from Banks	31 to 60 days	679.57	282.56

5.4 External Commercial Borrowing:

Details of External Commercial Borrowings

The Company availed Foreign Currency Loan of USD $ 24.42 million from an Indian Scheduled Bank to meet a part of funds requirement towards redemption of outstanding FCCBs. The ECB loan is repayable in 24 quarterly installments commencing from October 2013 with rate of interest at 3 months USD LIBOR+500bps.

Nature of Security

(i) Equitable mortgage of immovable property of 600 acres in the name of step down subsidiary company.
(ii) Pledge of unencumbered equity shares of promoters in Gayatri Projects Ltd.
(iii) Personal guarantee of the two promoter directors.

5.5 Vehicle Loans:

The Vehicle loans availed are secured by hypothecation of specific vehicles purchased out of the said loans.

5.6 Maturity Profile of long term borrowings is set out below: **₹ in Lakhs**

Particulars	2016-17	2017-18	2018-19	2019-20 onwards
Equipment loans from Banks	56.03	—	—	—
Term Loans from Banks	7,249.95	3,599.91	3,599.91	35,549.10
Term Loans -WCTL	845.47	1,352.75	1,352.75	13,358.40
Trem Loans FITL	231.96	463.91	695.87	2,474.21
ECB Loan	675.51	1,080.82	1,080.82	10,673.12
Equipment loans from Others	1,314.23	1,654.09	1,670.37	436.21

5.7 Current Maturities of long term borrowings have been disclosed under the head "Other Current Liabilities" (Refer Note - 11).

6. Deferred Tax Liabilities (Net) **₹ in Lakhs**

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Deferred Tax (Asset) on timing Differences due to: Provision for Gratuity and Leave Encashment	**(8.27)**	(64.82)
(b) Deferred Tax Liability on timing differences due to: Depreciation (Refer Note No.31.24)	**2,884.52**	3,176.73
Total	**2,876.25**	**3,111.91**

7. Other Long-Term Liabilities **₹ in Lakhs**

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Advances from Contractees	**42,572.22**	53,615.68
(b) Margin Money Deposits received	**7,149.39**	7,536.96
Total	**49,721.61**	**61,152.64**

8. Long-Term Provisions **₹ in Lakhs**

Particulars	As at 31st March 2015	As at 31st March 2014
Employee Benefits	**694.21**	736.63
Total	**694.21**	**736.63**

9. Short Term Borrowings (refer Note No 31.19) **₹ in Lakhs**

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Secured Term loans:		
(i) Banks (Refer Note No.9.1)	**94.50**	15,000.00
(b) Unsecured Term loans:		
(i) Banks	**—**	10,000.00
(c) Secured Working Capital Facilities / Overdraft Facility (Refer Note No.9.2)	**79,084.26**	76,384.83
Total	**79,178.76**	101,384.83

Nature of Security and Terms of Repayment

9.1 Term Loans (Secured)

The Secured Term Loans availed from banks are secured by way of:

i) Mortgage of non agricultural land belonging to group company M/s. Chamundeswari Builders Pvt Ltd situated at Nandigama Village, Kothur Mandal, Mahaboob Nagar Disrtict.

ii) Pledge of equity shares of the Company held by the directors.

iii) 1st Pari passu hypothication charge on the fixed assets of the Company.

iv) Personal guarantee of managing director of the Company.

v) Corporate Guarantee of M/s Chamundeswari Builders Pvt Ltd.

9.2 Working Capital Facilities (Secured)

The working capital facilities from the consortium of Banks are secured by:

- Hypothecation against first charge on stocks, book debts and other current assets of the Company both present and future ranking *pari passu* with consortium banks.
- Hypothecation against first charge on all unencumbered fixed assets of the Company both present and future ranking *pari passu* with consortium banks.
- Equitable mortgage of properties belonging to promoters, directors, group companies.
- Personal guarantee of promoter directors, group companies/firms and relatives.

Period and amount of principal and interest default as on balance sheet date:

Name of the Loan	Default Amount (₹ In lakhs)	
	No. of Days delay	Interest
Wokring Capital Facilities	0 to 30	620.51
	31 to 60	1,317.85

10. Trade Payables: **₹ in Lakhs**

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Micro, Small and Medium Enterprises (refer Note No.31.13)	**—**	—
(b) Others	**44,561.16**	38,563.97
Total	**44,561.16**	38,563.97

11. Other current liabilities

₹ in Lakhs

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Current maturities of Long Term Borrowings		
- Non Convertible Debentures	**2,927.84**	1,560.00
156 (31st March, 2014: 156) 11.50% Redeemable Non-Convertible Debentures (NCDs) of ₹ 10,00,000/- each		
- Term Loans	**3,066.72**	21,288.63
(b) Interest accrued but not due on Borrowings - NCD's	**42.67**	67.66
(c) Interest accrued and due on Borrowings	**2,238.99**	2,558.30
(d) Unpaid Dividends	**5.43**	5.05
(e) Remuneration payable to Directors	**109.11**	148.74
(f) Statutory Payables	**1,799.07**	1,595.46
(g) Other Payables	**2,563.16**	2,322.43
Total	**12,752.99**	29,546.27

12. Short-Term Provisions

₹ in Lakhs

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Employee Benefits	**7.06**	8.21
(b) Provision for Dividend	**302.27**	604.54
(c) Provision for Dividend Distribution Tax	**154.11**	102.74
Total	**463.44**	**715.49**

13. Statement of Fixed Assets and Depreciation & Amortization

₹ in Lakhs

Particulars	Original Cost				Depreciation and Amortization				Net Book Value	
	As at 1st April 2014	Additions/ Adjustment during the period	Deletions/ Retirement during the period	As at 31st March, 2015	Up to 1st April, 2014	For the year	Deductions/ Adjustment during the period	Up to 31st March 2015	As at 31st March 2015	As at 31st March 2014
i) Tangible Assets										
Land	35.12	—	—	**35.12**	—	—	—	**—**	**35.12**	35.12
Plant and Equipment	36,370.40	1,436.87	683.11	**37,124.16**	19,903.91	2,621.43	218.59	**22,306.75**	**14,817.41**	16,466.49
Wind Power Equipment	5,936.86	—	—	**5,936.86**	880.79	263.22	—	**1,144.01**	**4,792.85**	5,056.07
Furniture and Fixutures	404.43	0.45	—	**404.88**	227.35	41.71	—	**269.06**	**135.82**	177.08
Vehilcles	2,684.95	17.32	—	**2,702.27**	1,483.35	188.00	—	**1,671.35**	**1,030.92**	1,201.60
Total	**45,431.76**	**1,454.64**	**683.11**	**46,203.29**	**22,495.40**	**3,114.36**	**218.59**	**25,391.17**	**20,812.12**	**22,936.36**
Transfer to Reserves & Surplus (refer note no 31.24)						294.28				
Net Depreciation						2,820.08				

ii) **Capital Work in Progress:** Capital work in progress represents machinery purchased (Current Year : Nil; Previous year ₹ 497.18 Lakhs) which is yet to be installed and put to use.

14. Non-current investments

₹ in Lakhs

Particulars	As at 31st March 2015	As at 31st March 2014
Non-Trade investments		
(valued at cost unless stated otherwise)		
Unquoted Equity Shares		
A. Investment in Subsidiary Companies		
(i) 12,50,000 (Previous Year 12,50,000) Equity Shares of ₹10/- each, fully paid in Gayatri Infra Ventures Ltd., (Refer note 14.1)	**12,532.38**	12,532.38
(ii) 65,24,030 (Previous year 65,24,030) Equity Shares of ₹10/- each, fully paid in Gayatri Energy Ventures Pvt. Ltd., (Refer note 14.2)	**63,983.28**	63,983.28
(iii) 25,500 (Previous Year 25,500) Equity Shares of ₹10/- each, fully paid in Bhandara Thermal Power Corporation Ltd.,	**2.55**	2.55
(iv) 1,00,00,843 (Previous year 1,00,00,843) Equity Shares of ₹10/- each, fully paid in Sai Maatarani Tollways Ltd. (Refer note 14.3)	**18,016.03**	18,016.03
B. Investment in Associate Companies		
(i) 12,07,000 (Previous Year 37,000) Equity Shares of ₹10/- each, fully paid in HKR Roadways Ltd. (Refer note 14.5)	**120.70**	3.70
(ii) 49,000 (Previous Year 49,000) Equity Shares of ₹10/- each, fully paid in Balaji Highways Holdings Pvt. Ltd.,	**4.90**	4.90
(iii) 16,660 (Previous Year 16,660) Equity Shares of ₹10/- each, fully paid in Indore Dewas Tollways Ltd., (Refer note 14.4)	**1.67**	1.67
C. Other Investments		
Quoted - at Cost		
(i) 11,63,607 (Previous Year 11,63,607) Equity Shares of ₹10/- each in Gayatri Sugars Ltd., (Refer note 14.6)	**293.10**	293.10
(ii) 1,728 (Previous Year 1,728) Equity Shares of ₹10/- each in Syndicate Bank Ltd.,	**0.86**	0.86
Less: Provision for diminution in value of Investment (Refer note 14.6)	**(278.44)**	(278.44)
Total	**94,677.03**	94,560.03
Details of Quoted and Unquoted Investments:		
Aggregate Amount of Quoted Investment	**15.52**	15.52
Aggregate Market value of Quoted Investment	**19.55**	16.33
Aggregate Amount of Unquoted Investment	**94,654.94**	94,544.51

14.1 Of these, 12,00,000 Equity shares of Gayatri Infra Ventures Limited have been pledged to IL & FS for the term loan availed by Gayatri Infra Ventures Limited

14.2 (a) Of these, 16,96,248 Equity shares of Gayatri Energy Ventures Pvt. Ltd. have been pledged to IFCI for the loan availed by the same company.

(b) Of these, 50,000 Equity shares of Gayatri Energy Ventures Pvt. Ltd. have been pledged to PTC for the loan availed by Thermal Powertech Corporation India Limited (an Associate Company of Gayatri Energy Ventures Private Limited).

14.3 Of these, 51,00,930 Equity shares of Sai Maatarani Tollways Limited have been pledged to IDBI Trusteeship Ltd for the Loan availed by the Company.

14.4 Of these, 16,660 Equity shares of Indore DewasTollways Limited have been pledged to SBI Capital Security Trustee Company Limited for the Loan availed by Indore Dewas Tollways Limited.

14.5 Of these, 36,995 Equity shares of HKR Roadways Limited have been pledged to ITCL for the loan availed by HKR Roadways Limited.

14.6 The company has made provision for the diminution in the market value of quoted investments in the books as envisaged in the Companies (Accounting Standard) Rules, prescribed by the Central Government

15. Long-term loans and advances **₹ in Lakhs**

Particulars	As at 31st March 2015	As at 31st March 2014
To Others - Unsecured, Considered Good		
- Security Deposit with Govt. Depts and Others	**62.89**	45.71
- Other Loans and Advances (Refer Note No. 31.21)	**33,032.14**	25,647.48
Total	**33,095.03**	25,693.19

16. Other Non-Current assets **₹ in Lakhs**

Particulars	As at 31st March 2015	As at 31st March 2014
Unsecured, Considered Good		
- Receivables from Related Party (Refer Note No.31.22)	**21,851.46**	—
Total	**21,851.46**	—

17. Current Investments **₹ in Lakhs**

Particulars	As at 31st March 2015	As at 31st March 2014
Mutual Funds	**71.79**	189.56
Total	**71.79**	189.56

18. Inventories **₹ in Lakhs**

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Construction materials, Stores and Spares	**9,994.76**	10,133.85
(b) Work in Progress	**14,207.53**	13,619.16
Total	**24,202.29**	23,753.01

19. Trade Receivables ₹ in Lakhs

Particulars	As at 31st March 2015	As at 31st March 2014
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good*	**59,405.83**	69,993.02
Unsecured, considered doubtful	**—**	—
Less: Provision for doubtful debts	**—**	—
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	**2,950.07**	24,074.03
Unsecured, considered good	**—**	—
Unsecured, considered doubtful	**—**	—
Less: Provision for doubtful debts	**—**	—
Total	**62,355.90**	94,067.05

* Includes claims amount receivable of ₹ 4,106.84 lakhs

20. Cash and cash equivalents ₹ in Lakhs

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Cash on hand	**42.58**	28.49
(b) Balances with banks		
In current accounts	**2,712.47**	4,289.38
In deposit accounts (due with in 12 months)		
i. Margin money for Bank Guarantees / LCs	**9,017.02**	12,249.87
ii. Other Deposits	**2,743.76**	3,567.05
Total	**14,515.83**	20,134.79

21. Short-term loans and advances ₹ in Lakhs

Particulars	As at 31st March 2015	As at 31st March 2014
To Related Parties - Unsecured, Considered Good		
- Loans and Advances to Subsidiaries	**19,056.37**	7,266.40
- Loans and Advances to Joint Ventures (Refer Note No.31.5)	**—**	3,902.52
- Loans and Advances to Associates	**7,801.73**	7,599.67
To Others - Unsecured, Considered Good		
- Advances to Suppliers	**646.59**	1,457.96
- Advances to Sub-Contractors (Refer Note No.31.23)	**44,175.78**	24,895.18
- Staff Advances	**188.24**	175.02
- Advances with Govt. Departments	**5,890.86**	3,910.06
- Other Advances	**1,745.85**	758.26
Total	**79,505.42**	49,965.07

22. Other current assets ₹ in Lakhs

Particulars	As at 31st March 2015	As at 31st March 2014
Others	**130.68**	86.95
Total	**130.68**	86.95

23. Revenue from Operations

₹ in Lakhs

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
(a) Construction Revenue	**119,198.81**	153,259.46
(b) Materials Supply Revenue	**35,631.22**	27,217.99
(c) Claims (Refer Note No 2.3 (vi))	**4,518.20**	—
(d) Revenue from Electricity Generation	**579.51**	618.54
(e) Share of profit from Joint Ventures	**186.42**	157.23
Total	**160,114.16**	181,253.22

24. Other income

₹ in Lakhs

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
(a) Interest income from Fixed Deposits	**322.38**	234.19
(b) Other Miscellaneous Income	**116.83**	14.44
Total	**439.21**	248.63

25. Consumption of Materials and Cost of Purchases & Services

₹ in Lakhs

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
(a) Steel	**9,076.24**	6,478.75
(b) Cement	**3,787.40**	4,029.50
(c) Bitumen	**5,949.91**	12,455.20
(d) Metal	**4,726.62**	5,750.41
(e) Sand & Gravel	**1,135.62**	809.52
(f) Electrical Materials	**8,812.23**	9,005.05
(g) Railway Line Materials	**4,519.49**	4,688.77
(h) Coal Handling System Materials	**13,228.08**	12,630.65
(i) RCC & GI Pipes	**128.74**	570.61
(j) HSD Oils & Lubricants	**6,213.69**	7,585.13
(k) Stores and Consumables	**691.37**	731.42
(l) Other Materials	**69.39**	1,277.45
Total	**58,338.78**	66,012.48

26. Work Expenditure

₹ in Lakhs

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
(a) Departmental Recoveries	**2,873.01**	4,947.96
(b) Work executed by sub contractors	**19,088.46**	19,622.77
(c) Earth Work	**12,829.14**	11,279.99
(d) Concrete Work	**11,498.77**	20,529.95
(e) Transport Charges	**1,481.33**	1,968.44
(f) Hire Charges	**2,055.25**	1,515.03
(g) Road work	**10,293.31**	7,641.09
(h) Repairs and Maintenance	**1,419.86**	1,452.81
(i) Taxes and Duties	**5,434.36**	6,126.87
(j) Royalties, Seigniorage and Cess	**856.08**	735.27
(k) Insurance	**203.22**	306.92
(l) Other Work Expenditure	**6,711.86**	7,686.48
Total	**74,744.65**	83,813.57

27. Change in Inventories of Work-in-Progress ₹ in Lakhs

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
Opening Work in Progress	**13,619.16**	10,042.38
Less : Closing Work in Progress	**(14,207.53)**	(13,619.16)
Changes in Inventory	**(588.37)**	(3,576.78)

28. Employee benefits expense ₹ in Lakhs

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
(a) Salaries & Wages	**2,630.20**	3,085.55
(b) Director's Remuneration	**444.00**	602.75
(c) Staff Welfare Expenses	**466.29**	335.44
(d) Contribution to Statutory Funds	**92.33**	72.57
Total	**3,632.82**	4,096.31

29. Finance costs ₹ in Lakhs

Particulars	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
(a) Interest on Term Loans (Refer Note No.31.19)	**6,949.71**	5,645.83
(b) Interest on Non Convertible Debentures	**409.56**	538.53
(c) Interest on Working Capital Facilities	**10,349.55**	10,526.71
(d) Interest on ECB Loan *	**1,306.55**	1,461.64
(e) Exchange loss on ECB Loan	**293.27**	777.81
(f) Interest on Others	**8.49**	112.14
(g) Bank Guarantee & Other Financial Charges	**397.71**	896.17
(h) Less : Interest received on BG/LC Margin Money Deposits	**(1,059.48)**	(1,380.63)
(i) Less : Interest Received on Loans & Advances	**(3,788.18)**	(2,605.50)
Total	**14,867.18**	15,972.69

* includes premium paid on foreign currency forward contract.

30. Other expenses **₹ in Lakhs**

Particulars		For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
(a)	Advertisement expenses	**43.94**	161.94
(b)	Audit fee	**59.55**	47.19
(c)	CSR Expenditure & Donations	**24.28**	618.28
(d)	Donations	**289.40**	462.19
(e)	Insurance charges	**23.38**	29.24
(f)	Consultancy, Legal & professional charges	**810.53**	681.75
(g)	General Expenses	**163.25**	138.80
(h)	Power & fuel	**191.15**	221.68
(i)	Miscellaneous expenses	**179.49**	124.48
(j)	Printing & stationery	**75.82**	65.66
(k)	Rent	**464.97**	413.79
(l)	Provision for diminution in the value of Investments	**—**	278.44
(m)	Taxes & licenses	**60.45**	45.09
(n)	Tender Expenses	**39.30**	47.63
(o)	Telephone	**101.17**	97.18
(p)	Traveling, Conveyance & Stay expenses	**488.22**	501.30
(q)	Loss on sale of assets / Impairment of assets	**214.47**	3.67
	Total	**3,229.37**	3,938.31

31.0 Other Notes forming part of the financial statements

31.1 Leases

Disclosure under Accounting Standard – 19 "Leases", issued by the Institute of Chartered Accountants of India.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under operating leases are recognized in the statement of profit and loss on a straight-line basis.The Company has taken various residential/godown/office premises (including Furniture and Fittings if any) under lease and license agreements for periods which generally range between 11 months to 3 years. These arrangements are renewable by mutual consent on mutually agreed terms. Under some of these arrangements the Company has given refundable security deposits. The lease payments are recognized in Profit and Loss Account under Rent, Rates and Taxes.

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalized at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

The Company has taken vehicles on financial lease from banks / Financial Institutions. The details of contractual payments under the agreement are as follows:

Lease Obligations Payable ₹in Lakhs

Due	Minimum Lease Payments
Less than one year	75.90
Between one and five years	—
More than five years	—

Lease Obligations Recognized ₹ in Lakhs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Lease Rentals recognized during the year	**82.80**	82.80

31.2 Contingent Liabilities and Commitments

The details of the Contingent Liabilities and Commitments to the extent not provided are as follows:

a. Contingent Liabilities ₹ in Lakhs

Particulars	As at 31st March, 2015	As at 31st March, 2014
a) Claims against the company not acknowledged as debt *	**5,565.55**	5,565.55
b) Guarantees given by the Banks towards performance & Contractual Commitments		
i) issued on behalf of the Company	**47,097.06**	51,639.03
ii) Issued on behalf of subsidiaries/group companies	**30,442.35**	30,630.36
c) Corporate Guarantees given to group companies	**8,38,456.00**	7,48,110.00
d) Disputed Liability of Income Tax, Sales Tax, Service Tax and Seigniorage charges	**14,617.34**	10,603.75

* Some of the contractees /employer have made claims against company for which the company has preferred appeal and in the opinion of the management the award will be in favour of the company. Therefore the said claims have not been provided.

b. Commitments **₹ in Lakhs**

Particulars	As at 31st March, 2015	As at 31st March, 2014
Commitments towards investment in subsidiaries, Joint Ventures and Associates	**25,480.00**	18,016.03

31.3 Particulars of Loans and Advances in the nature of loans as required by clause 32 of the Listing Agreement.

₹ in Lakhs

Name of the Company	Relationship	Balances as at		Maximum outstanding	
		31.03.2015	31.03.2014	**2014-15**	2013-14
IJM Gayatri Joint Venture	Joint Venture	—	3,902.52	**3,902.52**	3,902.52
Wetern UP Tollways Ltd	Associate	**3,266.72**	2,948.29	**3,266.72**	2,948.29
Sai Maatarini Tollways Ltd	Subsidiary	**10,015.99**	204.88	**10,015.99**	204.88
Indore Dewas Tollways Ltd	Associate	**3,395.00**	2,395.00	**3,395.00**	2,395.00
HKR Roadways Ltd	Associate	**4,535.01**	4,651.36	**4,652.01**	4,651.36
Gayatri Energy Ventures P. Ltd	Subsidiary	**5,645.37**	—	**5,645.37**	—

31.4 Impairment of Assets

In the opinion of the management, there are no impaired assets requiring provision for impairment loss as per the accounting standard 28 on Impairment of assets. The recoverable amount of building, plant and machinery and computers has been determined on the basis of 'Value in use' method.

31.5 Joint Venture Losses

IJM-Gayatri Joint Venture

IJM – Gayatri Joint Venture is a joint venture in which IJM Corporation Berhad, Malaysia holds 60% and Gayatri Projects Limited holds 40% share. The Joint venture has executed road works during the period 1998-2006 in Package I, II & III and AP 13 of NHAI, APSH 7 and APSH 8 in the State of Andhra Pradesh.

An excess expenditure of ₹ 134.45 crores is incurred for completion of the IJM Gayatri JV by our company and the same is debited to the JV account. The JV has not accounted the same due to pending claims with the employers and with an intention to account the same as and when the claims are actually realized.

The JV has raised claims in excess of ₹ 300 Crores on the National Highways Authority of India and Andhra Pradesh State Government, which are pending for consideration before the appropriate legal forum.

During the previous year, SEBI has referred the above matter to "Financial Reporting and Review Board (FRRB)" for further examination. As per the Directions of the FRRB the company has provided an amount of ₹45.01 Crores (included in work expenditure) towards its 40% share of loss in the joint venture which was hitherto been the subject matter of qualification in the Auditors Report till previous year.

31.6 Disclosure pursuant to Accounting Standard (AS) – 15(Revised) "Employee's Benefits":

i) The summarized position of Post-employment benefits and long term employee benefits recognized in the statement of Profit & Loss and Balance Sheet as required in accordance with Accounting Standard – 15 (Revised) issued by the Institute of Chartered Accountants of India are as under:-

ii) (a) Changes in the Benefit Obligations: **₹in Lakhs**

Particulars	Gratuity		Leave Encashment	
	2014-15	2013-14	**2014-15**	2013-14
Present Value of Obligation as at the beginning of the year	**542.01**	398.57	**202.83**	155.56
Interest Cost	**43.36**	31.89	**16.23**	12.44
Current Service Cost	**25.25**	25.69	**17.04**	14.09
Benefits Paid	**(5.77)**	(37.20)	**(3.85)**	(35.68)
Actuarial loss / (gain) on Obligations	**(49.22)**	123.06	**(86.61)**	56.42
Present Value of Obligation at year end	**555.63**	542.01	**145.64**	202.83

(b) Amount Recognized in Balance Sheet: **₹in Lakhs**

Particulars	Gratuity		Leave Encashment	
	2014-15	2013-14	**2014-15**	2013-14
Estimated Present Value of obligations as at the end of the year	**555.63**	542.01	**145.64**	202.83
Fair value of Plan Assets as at the end of the year	**—**	—	**—**	—
Net Liability recognized in Balance Sheet	**555.63**	542.01	**145.64**	202.83

(c) Expenses recognized in Statement of Profit & Loss: **₹in Lakhs**

Particulars	Gratuity		Leave Encashment	
	2014-15	2013-14	**2014-15**	2013-14
Current Service Cost	**25.25**	25.69	**17.04**	14.09
Interest Cost	**43.36**	31.89	**16.23**	12.44
Expected return on Plan Asset	**—**	—	**—**	—
Net Actuarial (Gain)/Loss recognized during the period	**(49.22)**	123.06	**(86.61)**	56.43
Total expenses recognized in Statement of Profit & Loss	**19.39**	180.64	**(53.34)**	82.96

(d) Principal Actuarial Assumption:

Particulars	Gratuity		Leave Encashment	
	2014-15	2013-14	**2014-15**	2013-14
Discount Rate	**8.00%**	8.00%	**8.00%**	8.00%
Salary Escalation Rate	**4.00%**	4.00%	**4.00%**	4.00%
Retirement Age	**60**	60	**60**	60
Morality	**LIC (2006-08)**	LIC (1994-96)	**LIC (2006-08)**	LIC (1994-96)
Attrition Rate	**1%**	1%	**1%**	1%

(e) The entire present value of funded obligation at the year end is unfunded and hence, fair value of assets is not furnished.

31.7 Related Party Transactions pursuant to Accounting Standard(AS)-18

Details of related parties:

Subsidiary Companies	**Step-down Subsidiaries Companies**
Gayatri Energy Ventures Pvt.Ltd Gayatri Infra Ventures Ltd Sai Matarani Tollways Limited	Gayatri Lalitpur Roadways Ltd Gayatri - Jhansi Roadways Ltd Bhandra Thermal Power Corporation Ltd
Associate Companies	**Key Management Personnel and their Relatives**
Hyderabad Expressways Limited Cyberabad Expressways Limited Western UP Tollway Limited HKR Roadways Limited Balaji Highways Holding Limited Thermal Powertech Corporation India Ltd Indore Dewas Tollways Limited (Considered as Subsidiary as per AS-21 for consolidation)	Mr. T. V. Sandeep Kumar Reddy Mr. J. Brij Mohan Reddy Mrs.T. Indira Subbarami Reddy Mr. T. Rajiv Reddy Mr. P. Sreedhar Babu (CFO) Mrs. I. V. Lakshmi (CS & CO)
Entities in which KMP are interested	**Joint Ventures**
Deep Corporation Pvt. Ltd Indira Constructions Pvt. Ltd Gayatri Tissue & Papers Ltd Gayatri Sugars Ltd Gayatri Hi-Tech Hotels Ltd Gayatri Property Ventures Pvt. Ltd. Gayatri Hotels & Theaters Pvt. Ltd GSR Ventures Pvt. Ltd. T.V. Sandeep Kumar Reddy & Others Gayatri Bio-Organics Limited TSR Foundation Dr. T. Subbarami Reddy (HUF) Balaji Charitable Trust TSR Lalitakala Parishad	Gayatri- RNS Joint Venture IJM Gayatri Joint Venture Gayatri Ranjit Joint Venture Gayatri - GDC Joint Venture Gayatri – BCBPPL Joint Venture Jaiprakash Gayatri Joint Venture Gayatri ECI Joint Venture Maytas-Gayatri Joint Venture Gayatri – Ratna Joint Venture MEIL-GAYATRI-ZVS-ITT Consortium Gayatri-SPL Joint Venture Gayatri-JMC Joint Venture Viswanath - Gayatri Joint Venture GPL-RKTCPL Joint Venture

Transactions with the related parties: ₹in Lakhs

Sl No.	Particulars	2014-15 Subsidiary & Step-down Subsidiaries	Associate Companies	Entities in which KMP are interested	Joint ventures	KMP and their Relatives
1	Equity contribution	— (18,011.03)	117.00 —	— —	— —	— —
2	Contract Receipts	46,528.22 (75,739.67)	15,909.24 (12,169.65)	1,105.22 (-)	23,002.40 (18,934.49)	— —
3	Contract payments	— —	— —	385.10 (526.13)	— —	— —
4	Office Rent & Maintenance	— —	— —	110.14 (106.16)	— —	— —
5	Other Payments	— (90.00)	— (90.00)	52.48 (99.69)	— —	11.38 —
6	Donations	— —	— —	176.90 (423.66)	— —	— —
7	Remuneration Paid	— —	— —	— —	— —	444.00 (602.75)
8	Contract Advances/ Other Adv.	14,944.23 (4,990.23)	2,881.60 (1,196.65)	— —	8,297.36 (1,309.07)	— —
9	Unsecured Loans received	— —	— —	— —	— —	3,300.00 —
10	Corporate Guarantees	8,000.00 (1,74,735.00)	79,863.00 —	— —	— —	— —
11	Closing balances – Debit	29,248.65 (29,459.59)	15,742.72 (9,262.56)	25,099.87 (24,948.91)	20,532.32 (24,659.00)	— —
12	Closing balances – Credit	6,102.79 (13,560.63)	12,080.44 (—)	110.53 (259.30)	13,759.62 (8,507.20)	3,409.11 (148.71)

Figures in brackets relate to previous year.

Disclosure of transactions which are more than 10% of the total transactions of the same type with related parties during the year.

₹in Lakhs

Name of the Entity	Nature of Transaction	2014-15	2013-14
HKR Roadways Limited	Contract Receipts	**8,081.05**	27,726.86
Thermal Powertech Corpn.(India) Ltd.	Contract Receipts	**4,476.02**	10,810.18
Sai Maatarani Tollways Ltd.	Contract Receipts	**44,597.48**	35,231.90
Indore Dewas Tollways Limited	Contract Receipts	**3,037.93**	11,840.95
Gayatri - ECI Joint Venture	Contract Receipts	**9,453.61**	6,796.98
Jaiprakash-Gayatri Joint Venture	Contract Receipts	**2,761.99**	1,463.46
Gayatri - RNS Joint Venture	Contract Receipts	**3,267.26**	3,902.00
Meil-Gayatri-ZVS - ITT Consortium	Contract Receipts	**2,347.56**	1,332.04
Gayatri-RKTCPL Joint Venture	Contract Receipts	**2,710.63**	—
Indore Dewas Tollways Limited	Financial Guarantees	**62613.00**	1,895.00
HKR Roadways Limited	Contract Adv./ Other Adv.	**3,344.23**	—
Sai Maatarani Tollways Ltd.	Contract Adv./ Other Adv.	**5,106.40**	3,430.01

31.8 Un-hedged Foreign Currency Exposures as at 31st March,2015

The year end foreign exposures that have not been hedged by a derivate instrument or otherwise are given below:

₹ in Lakhs

Particulars	Hedged/Un hedged	2014-15		2013-14	
		Foreign Currency USD	**₹ Equivalent**	Foreign Currency USD	₹ Equivalent
Amount payable in Foreign Currency:					
External Commercial Borrowings (ECB)	**Un-hedged**	**Nil**	**Nil**	Nil	Nil
	Hedged	**229.78**	**13,510.27**	239.38	13,776.56

31.9 Segment Reporting

The Company's operations predominantly consist of construction / project activities. Hence there are no reportable segments under Accounting Standard – 17. During the year under report, the Company's business has been carried out only in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

31.10 Earnings Per Share (EPS)

Basic and Diluted Earnings per share calculated in accordance with Accounting Standard (AS) 20 "Earning per share".

₹in Lakhs

Particulars	2014-15	2013-14
Profit After Tax for calculation of Basic EPS (₹ in Lakhs)	**2205.32**	4,760.73
Profit After Tax for calculation of Diluted EPS (₹ in Lakhs)	**2205.32**	4,760.74
Weighted average No. of equity shares as denominator for calculating Basic EPS. (No.s in Lakhs)	**302.27**	302.27
Weighted average No. of equity shares as denominator for calculating Diluted EPS. (No.s in Lakhs)	**302.27**	302.27
Basic EPS (₹)	**7.30**	15.75
Diluted EPS (₹)	**7.30**	15.75

31.11 Disclosure in respect of Joint Ventures pursuant to Accounting Standard – 27 "Financial Reporting of Interest in Joint Ventures"

a) List of Joint Ventures/Jointly controlled entities

Sl. No	Name of the Joint Venture Jointly controlled entities	Description of Interest	% of Holding	Country of residence
1	IJM Gayatri Joint Venture	Jointly controlled entity (construction of Road works)	40 (40)	India
2	Jaiprakash Gayatri Joint Venture	Jointly controlled entity (construction of Canals, Dams etc., works)	49 (49)	India
3	Gayatri Ranjit Joint Venture	Jointly controlled entity (construction of Road works)	60 (60)	India
4	Gayatri ECI Joint Venture	Jointly controlled entity (construction of Road works)	50 (50)	India
5	Gayatri – Ratna Joint Venture	Jointly controlled entity (construction of Road and Irrigation works)	80 (80)	India
6	Gayatri – GDC Joint Venture	Jointly controlled entity (construction of Road works)	70 (70)	India
7	Gayatri – BCBPPL Joint Venture	Jointly controlled entity (construction of Canals, Dams etc., works)	60 (60)	India
8	Gayatri-RNS Joint Venture	Jointly controlled entity (construction of Road works)	60 (60)	India
9	Gayatri- JMC Joint Venture	Jointly controlled entity (construction of Road works)	75 (75)	India
10	MEIL-Gayatri-ZVS-ITT Consortium	Jointly controlled entity (construction of Canals, Dams etc., works)	48.44 (48.44)	India
11	Viswanath - Gayatri Joint Venture	Jointly controlled entity (Transmission and Distribution works)	50 (50)	India
12	Maytas-Gayatri Joint Venture	Jointly controlled entity (construction of Road works)	37 (37)	India
13	GPL-RKTCPL Joint Venture	Jointly controlled entity (construction of Road works)	51 (51)	India
14	Gayatri-SPL Joint Venture	Jointly controlled entity (construction of Road works)	51 (—)	India

Figures in brackets relate to previous year

b) Financial Interest in Joint Ventures / Jointly Controlled Entities: ₹in Lakhs

Sl. No.	Name of integrated Joint Ventures/ Jointly controlled entities	Company's Share						
		As at March 31, 2015		For the Year Ended 31st March, 2015				
		Assets	Liabilities	Income	Expenses	Tax	Net Profit	Net Loss
1	IJM Gayatri Joint Venture	3,821.88 (3,305.51)	3,787.07 (3,287.68)	536.14 (3.88)	621.88 (94.24)	(102.72) 75.67	16.98 —	— (14.70)
2	Jaiprakash Gayatri Joint Venture	1,685.64 (692.98)	1,679.43 (686.77)	1,353.38 (927.68)	1,353.38 (927.68)	— —	— —	— —
3	Gayatri ECI Joint Venture	3,360.03 (3,093.68)	2,473.47 (2,393.54)	6,388.86 (5,624.40)	6,202.43 (5,467.17)	— —	186.42 (157.23)	— —
4	Gayatri – Ratna Joint Venture	8,828.00 (5,453.34)	8,822.62 (5,447.96)	157.60 (269.90)	157.60 (269.90)	— —	— —	— —
5	Gayatri – GDC Joint Venture	368.46 (382.94)	368.46 (382.94)	1.02 —	1.02 —	— —	— —	— —
6	Gayatri – BCBPPL Joint Venture	748.97 (751.00)	741.29 (743.31)	744.96 (2,077.34)	744.96 (2,077.34)	— —	— —	— —
7	Gayatri- RNS Joint Venture	737.76 (1,119.08)	737.76 (1,119.08)	1,979.20 (2,341.20)	1,979.20 (2,341.20)	— —	— —	— —
8	Gayatri- JMC Joint Venture	168.91 (322.48)	168.91 (322.48)	856.82 (1,221.80)	856.82 (1,221.80)	— —	— —	— —
9	MEIL-Gayatri-ZVS-ITT Consortium	513.02 (406.33)	513.02 (406.33)	1,265.11 (2,471.22)	1,265.11 (2,471.22)	— —	— —	— —
10	Viswanath-Gayatri Joint Venture	1,320.55 (1,262.18)	1,320.55 (1,262.18)	93.74 (209.46)	93.74 (209.46)	— —	— —	— —
11	Gayatri-Ranjit Joint Venture	154.40 (154.40)	154.40 (154.40)	— —	— —	— —	— —	— —
12	Maytas-Gayatri Joint Venture	— (6,049.63)	— (6,049.57)	— -	— (0.25)	— -	— -	— (0.25)
13	GPL-RKTCPL Joint Venture	182.22 (225.60)	182.22 (225.60)	— —	— —	— —	— —	— —
14	GPL-SPL Joint Venture	223.94 —	223.94 —	330.93 —	330.93 —	— —	— —	— —
	Total:	22,113.78 (23,219.13)	21,173.13 (22,481.82)	13,707.74 (15,146.87)	13,607.06 (15,080.26)	(102.72) 75.67	203.40 (157.23)	— (14.95)
Share of net assets in jointly controlled entities		940.65 (737.31)						

Figures in brackets relate to previous year.

31.12 Managerial Remuneration:

The excess managerial remuneration paid/payable for the year will be recovered in the subsequent financial year.

31.13 Dues to Micro and Small Enterprises:

On the basis of information available with the Company, there are no dues outstanding for more than 45 days to Small Scale Industrial Undertaking (SSI). The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

31.14 There are no amounts due and outstanding to be credited to Investors Education & Protection Fund as on 31-03-2015 and amounts which are required to be transferred to such funds have been transferred.

31.15 Auditors' Remuneration (excluding service tax and reimbursement of expenses):

₹ in Lakhs

Sl. No.	Particulars	2014-15	2013-14
a	Statutory Audit	**23.00**	18.00
b	Limited Review	**16.00**	12.00
c	Tax Audit	**6.50**	5.00
d	Certification Fee	**6.50**	7.00
e	Certification Fee for QIP/Rights issue of Shares	**—**	—
	Total :	**52.00**	42.00

31.16 Disclosure pertaining to Accounting Standard -29 is as below. ₹in Lakhs

Account Head	Opening Balance	Provisions made During the year	Paid/Utilized during the year	Closing Balance
Gratuity	542.01	19.38	5.76	555.63
Leave Encashment	202.83	(53.34)	3.85	145.64
Taxation	—	1439.18	1439.18	—
Proposed Dividend & Dividend Tax	707.28	353.64	604.54	456.38

31.17 Disclosure pursuant to Accounting Standard – 7 (Revised) "Construction Contracts" ₹in Lakhs

Sl.No.	Particulars	2014-15	2013-14
1	Contract revenue recognized for the year ended	**1,59,534.65**	1,80,634.67
2	Contract cost incurred and recognized profits, less losses	**1,44,106.38**	1,63,637.72
3	Amount of advances received till date, net of recoveries	**42,572.22**	53,615.88
4	Gross amount due from customers for contract works	**62,137.14**	82,758.87

Since the principal business of the Company is in construction activities, quantitative data as required by Schedule III to the Companies Act, 2013 is not furnished.

31.18 Additional Information pursuant to Schedule III of the Companies Act, 2013.

i) CIF value of Imports ₹ in Lakhs

Sl. No.	Particulars	2014-15	2013-14
1	Purchase of Capital Goods	**Nil**	Nil

ii) Expenditure / (Income) in Foreign Currency: ₹ in Lakhs

Sl. No.	Particulars	2014-15	2013-14
1	Travelling Expenses	**15.37**	16.51
2	Interest on ECB Loan	**1,599.81**	1,461.64

iii) Details of major raw materials consumption **₹ in Lakhs**

Particulars	**2014-15**		2013-14	
	Value	%	Value	%
Steel	**9,076.24**	**15.80**	6,478.75	10.21
Cement	**3,787.40**	**6.59**	4,029.50	6.35
Bitumen	**5,949.91**	**10.36**	12,455.20	19.64
Metal	**4,726.62**	**8.23**	5,750.41	9.07
Electrical Materials	**8,812.23**	**15.34**	9,005.05	14.20
Railway Line Materials	**4,519.49**	**7.87**	4,688.77	7.39
Coal Handling System Materials	**13,228.08**	**23.03**	12,630.65	19.91
HSD Oil & Lubricants	**6,213.69**	**10.82**	7,585.13	11.96
Sand & Gravel	**1,135.62**	**1.98**	809.52	1.28
Total :	**57,449.28**	**100.00**	63,432.98	100.00

31.19 Bilateral Restructuring of Debt under Joint Lenders Forum (JLF) Scheme

Due to liquidity constraints on account of stretched working capital cycles, increased cost of inputs, higher interest cost, slowdown in Infrastructure sector etc, which has led to a strain on the resulting cash flows of the Company. Keeping in view of the above the Company has restructured its debt obligations under bilateral restructuring route monitored by the Joint Lenders forum (JLF). The scheme was approved by the lenders on 19.01.2015 and the relevant agreements like MRA, TRA etc., were executed on 23.01.2015. The restructuring is effected from 1st July 2014. Pursuant to this scheme, some of the Long Term and Short Term Loans have been rescheduled along with reduced rate of interest.

31.20 Unsecured Loans from the Directors

As a part of the restructuring package, the promoters contribution amounting to ₹3300.00 lakhs is brought in by promoter directors. The company is planning to raise the money through equity route and promoters have option to take refund of the unsecured loan from the equity proceeds.

31.21 Long term Loans and Advances

During the previous years,the Company has given advances to its subcontractors for execution of various projects. The recovery of advances is delayed due to slow progress of the works on account of changes in government policy and bifurcation of the State. In view of this, the parties have mutually decided to convert the advance as interest bearing loans carrying an interest equivalent to the bank deposit rate. Such loans during the current year have been grouped under "Long term loans & Advances". The advances will be recovered in future from the bill proceeds.

31.22 Receivables from Related Parties

Other Non Current Assets include an amount of ₹218.51 crores receivable from Gayatri Hi-tech Hotels Ltd (GHHL), a related party of the Company. The Company has executed the hotel project of the GHHL under EPC scheme and the amount represents the balance receivables. GHHL has expressed its inability to pay dues immediately due to its liquidity constraints and has placed a proposal to convert the outstanding dues into 9% Cumulative Redeemable Preference Shares (CRPS) of ₹1,000/- each. The Company has agreed in-principal for conversion of outstanding into CRPS and necessary statutory formalities are yet to be completed.

31.23 Advances to sub-contractors include amounts paid as work advances to certain sub-contractors wherein the corresponding contract works are yet to commence. In the opinion of the management, the said contract works have not commenced due to certain extraneous factors beyond the control of such sub-contractor and without any default/failure of performance from their end. The management is confident to commence the works in near future and recover the advances from the sub-contractors.

31.24 Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation and Amortization. The net value of Fixed Assets amounting to ₹ 294.28 Lakhs whose lives have expired as at 1st April 2014,of which ₹ 194.25 Lakhs (net of Deferred Tax of ₹ 100.03 lakhs) has been adjusted in the opening balance of Profit and Loss.

31.25 In the opinion of the management and to the best of their knowledge and belief, the value under the head of current assets are approximately of the value stated, if realized in ordinary course of business, unless stated otherwise. The provision for all known liabilities is adequate and not in excess of amount considered reasonably necessary.

31.26 The balances under Other Long Term Liabilities, Trade Payables, Trade Receivables, Other Current Liabilities, Long Term Loans and Advances, Short Term Loans and Advances and Other Current Assets are subject to reconciliation and confirmation.

31.27 All amounts are rounded off to nearest thousand.

31.28 Previous year figures have been regrouped wherever considered necessary.

For and on behalf of the Board

For M O S & Associates LLP
(Formerly M O S & Associates)
Chartered Accountants

S.V.C. Reddy
Partner

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary &
Compliance Officer

Place : Hyderabad.
Date : 30th May 2015

Independent Auditors' Report

To The Members of Gayatri Projects Limited.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Gayatri Projects Limited** ("the holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates, comprising the Consolidated Balance Sheet as at 31st March 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position and consolidated financial performance and consolidated cash flows of the Group including its associates 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. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 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, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation and presentation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred in point no. a and b of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates as at 31st March 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

(Note Nos. referred hereunder is with reference to respective Notes forming part of the consolidated financial statement)

We draw member's attention to the following matters:

i) Note No.30.11 regarding excess managerial remuneration paid by the holding company.

ii) Note No.30.13 & 30.15 regarding recovery of loans & advances and work advances given to some of the sub-contractors

iii) Note No.30.14 regarding conversion of long pending trade receivables of ₹218.51 crores for which necessary statutory formalities / compliances are pending.

iv) Note No.30.20 regarding pending confirmation of balances in respect of certain items and balances reported in the financial statements.

v) Note No.30.10 regarding qualifications made by the independent auditors of a subsidiary company in their consolidated audit report.

Our Opinion is not qualified in respect of the above matters.

Other Matters

a. We did not audit the financial statements / consolidated financial statements of three subsidiaries whose financial statements / consolidated financial statements reflect total assets (net) of ₹ 1,35,689.74 lakhs as at 31st March 2015, total revenues (net) of ₹21,443.51 lakhs and net cash inflows amounting to ₹5,548.62 lakhs for the year ended on that date. These financial statements / consolidated financial statements have been audited by other auditors whose audit reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures in respect of these subsidiaries, and our report in terms of sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

b. We did not audit the financial statements of two associates in which the share of loss of the Group is ₹176.66 lakhs. These financial statements have been audited by other auditors whose audit reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures in respect of these associates, and our report in terms of sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on the reports of the other auditors.

c. We did not audit the financial statements of six joint ventures whose financial statements to the extent of company's share reflected in the consolidated financial statements with a total assets of ₹8,494.74 lakhs as at 31st March 2015, total revenues of ₹10,091.94 lakhs and net cash inflows amounting to ₹244.25 lakhs for the year ended on that date. These financial statements have been audited by other auditors and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, and our report in terms of sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid joint ventures, is based solely on such financial statements.

d. We have relied on the unaudited (management certified) financial statements / financial information of one subsidiary company whose financial statements reflect assets (net) of ₹27,936.31 lakhs as at 31st March 2015 and net cash inflows amounting to ₹ 44 lakhs for the year ended on that date. These financial statements/financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements/financial information.

e. We have relied on the unaudited (management certified) financial statements of three joint ventures whose financial statements to the extent of company's share reflected in the consolidated financial statements with a total assets of ₹1035.88 lakhs as at 31st March 2015, total revenues of ₹ 1266.13 lakhs and net cash outflows amounting to ₹3.75 lakhs for the year ended on that date. These financial statements/financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, and our report in terms of sub section (3) and (11) of Section 143 of the Act, in so far as it relates to these joint ventures, is based solely on such unaudited financial statements/financial information.

Our opinion on the consolidated financial statements, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors and the financial statements / financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and based on the comments in the auditor's report of the holding company, subsidiary companies and associate companies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the consolidated financial statements;

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

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

   d. In our opinion, the consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e. On the basis of the written representations received from the directors of holding company as on 31st March, 2015 taken on record by the board of directors of the holding company and reports of the statutory auditors of its subsidiary companies and associate companies, none of the directors of the Group Companies and its associate companies incorporated in India is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

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

      i. the Group and its associates have disclosed the impact of pending litigations on its consolidated financial position, as stated in Note No. 19 & 30.4(d).

      ii. the Group and its associates did not have any material foreseeable losses relating to long-term contracts including derivative contracts.

      iii. The amounts which are required to be transferred to Investor Education & Protection Fund by the Holding Company have been transferred and there were no amounts which were required to be transferred to Investor Education & Protection Fund by the subsidiary and associate companies.

For M O S & ASSOCIATES LLP
(Formerly MOS & Associates)
Chartered accountants
Firm Registration No.: 001975S/S200020

S.V.C.REDDY
Partner
Membership No.: 224028

Place: Hyderabad
Date: 30th May 2015

Annexure to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Gayatri Projects Limited (Holding Company) and three subsidiary companies (namely Gayatri Infra Ventures Limited (GIVL), Sai Maatarini Tollways Limited (SMTL) & Indore Dewas Tollways Limited (IDTL)) and one associate company namely HKR Roadways Limited (HKRL) are the companies for which the provisions of the 'Order' apply. Our reporting, hereunder, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the reports of other auditors who have audited the financial statements of subsidiaries and associates.

i) In respect of Fixed Assets:

   a. In our opinion and as per the information and explanations given to us and in the opinion of the other auditors of the subsidiary and associate companies, the holding company and the subsidiary and associate companies have maintained proper records showing particulars, including quantitative details and situation of fixed assets;

   b. The management of the holding company and the subsidiary and associate companies have verified the fixed assets at reasonable intervals during the year. No material discrepancies were noticed on such physical verification.

ii) As per report of the other auditors of the subsidiary and associate companies, there are no inventories in all the subsidiary and associate companies. In respect of holding company, we report that:

   a. According to the information and explanations given to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable.

   b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the holding Company and the nature of its business.

   c. The holding Company has maintained proper records of inventories. As explained to us, the material discrepancies noticed on physical verification of inventories as compared to the book records has been properly dealt with.

iii) As per the reports of the other auditors, none of the subsidiary & associate company have granted secured / unsecured loans to parties covered in the register maintained under section 189 of the Act. In respect of holding company, according to the information and explanations given to us, the holding company has granted unsecured loans of ₹11,196.73 lakhs to parties covered in the register maintained under section 189 of the Companies Act, 2013. In respect of such loans,

   a. The principal amount is repayable on demand

   b. There is no repayment schedule and therefore there is no overdue amount.

iv) In our opinion and according to the information and explanations given to us and based on the other auditors reports of the subsidiary and associate companies, there is an adequate internal control system commensurate with the size of the holding company and the subsidiary and associate companies and the nature of their business for the purchase of inventories, fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system. *However, the internal controls over accounting of consumption and procurement of materials, wastages, material reconciliation need further strengthening in respect of holding company*.

v) According to the information and explanations given to us and based on the other auditors reports of the subsidiary and associate companies, the holding company and the subsidiary and associate companies have not accepted any deposits from public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended).

vi) According to the information and explanations given to us and based on the reports of other auditors of subsidiary and associate companies, in our opinion and the opinion of the other auditors, the holding company and the subsidiary and associate companies have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under section 148(1) of the Companies Act, 2013, wherever applicable. Neither we nor the other auditors of subsidiary and associate companies, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) In respect of statutory dues:

a. According to the information and explanations given to us and based on the report of other auditors of the subsidiary and associate companies, the holding company and the subsidiary and associate companies have been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Sales Tax, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess with the appropriate authorities during the year. *We further state that the undisputed amounts payable in respect thereof outstanding as on 31.03.2015 for a period of more than six months from the date they became payable are as follows:*

Holding Company:

S.No	Name of the Statutory Due	Amount in ₹	Delay period
1	*Service tax*	*38.22 lakhs*	*> 6 months*

GIVL- Subsidiary Company:

Name of the statute	Nature of the dues	Amount in ₹	Period to which the amount relate	Due Date
Income Tax Act, 1961	*Tax Deducted at Source*	*77.31 Lakhs*	*Financial Year 2013-14*	*Various Dates*
Income Tax Act, 1961	*Tax Deducted at Source*	*102.94 Lakhs*	*Financial Year 2014-15*	*Various Dates*
The Finance Act, 1994	*Service Tax*	*55.00 Lakhs*	*Financial Year 2012-13*	*5th September 2012*

b. According to the information and explanation given to us and the other auditors of the subsidiary and associate companies, there are no dues of Sales tax, Income Tax, Wealth Tax, Service Tax, Customs Duty and Cess which have not been deposited as on 31st March, 2015 on account of any dispute in respect of the holding company and the subsidiary and associate companies have, *except the following:*

Holding Company:

Sl. No.	Name of the Statute	Name of the Tax Due	Forum where Dispute is pending	Amount ₹ in Lakhs
1	*Mines and Minerals (Development and Regulation) Act, 1957*	*Department of Mines and Geology*	*Supreme Court*	*1,043.51*
2	*Central Sales Tax Act, 1956 and Sales Tax Acts of Various States*	*Sales Tax/Vat*	*Appeals pending before High Courts of respective states and Appellate Tribunals and other appropriate authorities.*	*3,436.55*
3	*Central Excise Act, 1944*	*Service Tax*	*Appeals pending before various Authorities*	*1,168.69*
4	*Income Tax Act, 1961*	*Income Tax*	*Appeal pending before CIT(Appeals)*	*8,968.58*

GIVL- Subsidiary Company:

Name of the statute	Nature of the dues	Amount in ₹	Amount paid under protest ₹	Period to which the amount relate	Forum where dispute is pending
Income Tax Act, 1961	*Income Tax*	*8.93 Lakhs*	*4.55 Lakhs*	*Financial Year 2008-09*	*Commissioner of Income-tax (Appeals), Hyderabad*

c. The amounts which are required to be transferred to Investor Education & Protection Fund by the holding company have been transferred and there were no amounts which were required to be transferred to Investor Education & Protection Fund by the subsidiary and associate companies.

viii) The holding company does not have accumulated losses at the end of the financial year. The holding company has not incurred any cash losses during the financial year covered by the audit and in the immediately preceding financial year. Further based on the reports of other auditors who have audited the subsidiary and associate companies a) some of the subsidiary and associate companies (namely, HKRL, SMTL and IDTL) have been incorporated for less than five years and hence we are not required to comment under clause 3(vii) of the Order as the same is not applicable b) in the case of GIVL – subsidiary company:

- the accumulated losses of two subsidiaries and two jointly controlled entities of GIVL at the end of the financial year are more than fifty percent of its networth. The accumulated losses of GIVL and one of its jointly controlled entity at the end of the financial year are less than fifty percent of its networth. The GIVL group and its jointly controlled entities have not incurred cash losses during the year as well as in the immediately preceding year except in case of GIVL, which has incurred cash losses in the current and the immediately preceding financial year.

ix) Based on our audit procedures and according to the information and explanations given to us and based on the reports of other auditors who have audited the subsidiary and associate companies, the holding company and the subsidiary and associate companies have delayed / defaulted in repayment of dues to banks and financial institutions. *The period and amount of continuing default as on the Balance Sheet date is as follows:*

Holding Company:

Long Term Loans:

Nature of the Loan	***Period of Default***	***Default amount (₹ in lakhs)***	
		Principal	***Interest***
Term Loans from Banks	*Up to 30 days*	*213.33*	*21.15*
Term Loans from Banks	*31 to 60 days*	*679.57*	*282.56*

Short Term Loans:

Nature of the Loan	***Period of Default***	***Default amount (₹in lakhs)***	
		Principal	***Interest***
Working Capital from Banks	*Up to 30 days*	—	*620.51*
Working Capital from Banks	*31 to 60 days*	—	*1317.85*
Letter of Credit Facilities from Banks	*Up to 30days*	*19.72*	—
Letter of Credit Facilities from Banks	*31 to 60 days*	*1781.25*	—

GIVL – Subsidiary Company:

Long Term Loans:

Nature of the Loan	***Period of Default***	***Default amount (₹in lakhs)***	
		Principal	***Interest***
Term Loans from F.I	*30 to 365 days*	—	*644.92*
Term Loans from Banks	*1 day*	*1646.36*	*282.56*

IDTL – Subsidiary Company:

Long Term Loans:

Nature of the Loan	***Period of Default***	***Default amount (₹in lakhs)***	
		Principal	***Interest***
Term Loans from Banks & FIs	*275 days*	—	*441.70*

SMTL – Subsidiary Company:

Long Term Loans:

Nature of the Loan	***Period of Default***	***Default amount (₹in lakhs)***	
		Principal	***Interest***
Term Loans from Banks & FIs	*275 days*	—	*6.72*

x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the holding company for loans taken by others from Banks or Financial Institutions are not, *prima-facie,* prejudicial to the interests of the holding company. According to the report of other auditors of the subsidiary and associate companies, these companies have not given guarantees for loans taken by others from banks and financial institutions.

xi) Based on our audit procedures and according to the information and explanations given to us, in our opinion and in the opinion of the other auditors of the subsidiary and associate companies, the term loans availed by the holding company and the subsidiary and associate companies were, prima facie, applied for the purpose for which they were obtained.

xii) In our opinion and according to the information and explanations given to us and on our examination of books and records and based on the opinion of the other auditors of the subsidiary and associate companies , no fraud on or by the holding company and the subsidiary and associate companies have been noticed or reported during the year.

For M O S & Associates LLP
(Formerly M O S & Associates)
Chartered Accountants
Firm Registration No.: 001975S/S200020

S. V. C. Reddy
Partner
Membership Number: 224028

Place: Hyderabad
Date: 30th May 2015

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2015

₹ in Lakhs

Particulars	Note	As at 31st March, 2015		As at 31st March, 2014	
I. EQUITY AND LIABILITIES					
1 Shareholders' Funds					
(a) Share capital	**2**	**3,022.70**		3,022.70	
(b) Reserves and surplus	**3**	**70,134.56**	**73,157.26**	60,716.21	63,738.91
2 Minority Interest			**3,035.75**		41,849.22
3 Non-current liabilities					
(a) Long-term borrowings	**4**	**301,588.19**		563,317.06	
(b) Deferred Tax Liabilities (net)	**5**	**2,519.00**		2,857.37	
(c) Other Long term liabilities	**6**	**58,319.18**		109,295.67	
(d) Long-Term provisions	**7**	**2,982.22**	**365,408.59**	2,744.92	678,215.02
4 Current liabilities					
(a) Short-term borrowings	**8**	**89,596.81**		102,166.08	
(b) Trade payables	**9**	**39,934.61**		92,171.09	
(c) Other current liabilities	**10**	**56,905.06**		336,930.87	
(d) Short term provisions	**11**	**6,934.32**		5,609.95	
			193,370.80		536,877.99
Total			**634,972.40**		1,320,681.14
II ASSETS					
1 Non-current assets					
(a) Fixed assets					
(i) Tangible assets	**12a**	**27,433.27**		52,959.04	
(ii) Intangible assets	**12b**	**106,594.50**		117,048.79	
(iii) Capital work-in-progress	**12c**	**582.96**		690,644.23	
(iv) Intangible Assets under Development	**12d**	**147,485.18**		102,666.81	
(b) Non-Current Investments	**13**	**73,862.81**		25,597.31	
(c) Long term loans and advances	**14**	**47,965.02**		47,145.34	
(d) Other non-current Assets	**15**	**31,851.46**		17,738.06	
			435,775.20		1,053,799.58
2 Current assets					
(a) Current Investments	**16**	**76.79**		352.58	
(b) Inventories	**17**	**24,202.29**		23,753.01	
(c) Trade receivables	**18**	**59,176.28**		85,058.94	
(d) Cash and cash equivalents	**19**	**25,083.65**		68,665.60	
(e) Short term loans and advances	**20**	**85,287.26**		70,586.83	
(f) Other Current Assets	**21**	**5,370.93**		18,464.60	
			199,197.20		266,881.56
Total			**634,972.40**		1,320,681.14
Significant Accounting Policies	**1**				
Other Notes forming part of the Financial Statements	**30**				

As per our report attached
For M O S & Associates LLP
(Formerly M O S & Associates)
Chartered Accountants

S.V.C. Reddy
Partner

Place : Hyderabad.
Date : 30th May 2015

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary &
Compliance Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2015

₹ in Lakhs

	Particulars	Note	Forthe Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
I.	**Revenue**			
	(a) Revenue from operations	**22**	**150,076.92**	159,401.75
	(b) Other Income	**23**	**784.95**	594.52
	Total Revenue		**150,861.87**	159,996.27
II.	**Expenses**			
	(a) Const of Materials and cost of Purchase & Services	**24**	**48,176.81**	46,987.62
	(b) Work Expenditure	**25**	**62,326.17**	69,306.47
	(c) Changes in Inventories of Work in Progress	**26**	**(588.37)**	(3,576.77)
	(d) Employee benefits expenses	**27**	**2,940.75**	3,333.81
	(e) Finance costs	**28**	**26,528.01**	26,862.37
	(f) Depreciation and amortization expense	**12(a&b)**	**11,971.05**	11,108.91
	(g) Other Expenses	**29**	**3,054.72**	10,264.66
	Total Expenses		**154,409.14**	164,287.06
III.	**Profit/ (Loss) before Exceptional & Extraordinary items and Tax (I-II)**		**(3,547.27)**	(4,290.79)
IV.	Exceptional items		**—**	—
V.	**Profit/(Loss) before Extraordinary items and Tax**		**(3,547.27)**	(4,290.79)
VI.	Extraordinary items		**—**	—
VII.	**Profit/(Loss) before Tax**		**(3,547.27)**	(4,290.79)
VIII.	Tax Expenses			
	(a) Current Tax - paid		**1,444.25**	3,202.32
	(b) Current Tax - for earlier years		**—**	391.95
	(c) Deferred Tax (Net)		**(238.36)**	(129.63)
IX.	**Profit / (Loss) for the year before Minority Interest**		**(4,753.16)**	(7,755.43)
X.	Less: Minority Interest		**(1,583.78)**	(1,258.78)
XI.	**Profit / (Loss) for the year after Minority Interest**		**(3,169.38)**	(6,496.65)
XII.	**Earning per Share (of ₹10/- each):**			
	Basic & Diluted		**(10.49)**	(21.49)
	Significant Accounting Policies	**1**		
	Other Notes forming part of the Financial Statements	**30**		

As per our report attached
For M O S & Associates LLP
(Formerly M O S & Associates)
Chartered Accountants

S.V.C. Reddy
Partner

Place : Hyderabad.
Date : 30th May 2015

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary & Compliance Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015

₹ in Lakhs

Particulars	For theYear Ended 31st March, 2015	For the Year Ended 31st March, 2014
A. Cash Flow from Operating Activities:		
Profit before Tax excluding extraordinary and exceptional items	**(3,547.27)**	(4,290.79)
Adjustments for:		
Depreciation and amortization	**11,971.05**	11,522.81
Interest and other Income	**(367.96)**	(256.70)
Loss on sale of Fixed Assets	**214.47**	3.67
Loss on Sale of Investment	—	6,834.08
Finance Costs	**26,328.63**	26,084.56
Foreign Currency Translation and Transactions – ECB	**199.38**	777.81
Other non-cash items/ Provisions	**1,862.02**	2,116.28
Operating Profit before working Capital Changes	**36,660.32**	42,791.72
Adjustments for:		
(Increase) / Decrease in Trade Receivables	**5,843.44**	(5,857.37)
(Increase) / Decrease in long term loans and Advances	**(39,985.62)**	6,442.11
(Increase) / Decrease in other non-current Assets	**(11,779.65)**	
(Increase) / Decrease in Short term loans and Advances	**8,947.09**	(1,024.74)
(Increase) / Decrease in Other current assets	**12,690.14**	(9,729.09)
(Increase) / Decrease in Inventory	**(449.28)**	19,896.95
Increase / (Decrease) in other current liabilities	**49,819.16**	(6,194.45)
Increase / (Decrease) in other Long Term liabilities	**(10,418.57)**	(15,277.55)
Increase / (Decrease) in Trade Payables	**(52,236.48)**	32,586.17
Cash (used in) / generated from Operating activities	**(909.45)**	63,633.75
Direct Taxes paid	**1,444.25**	3,594.27
Net Cash (used in)/ generated from Operating Activities	**(2,353.70)**	60,039.48
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets including Capital workin progress and intangible assets under development	**(51,314.06)**	(3,07,031.75)
Adjustment for chage in status of erstwhile Subsidiary into Associate	**(20,407.79)**	2.14
Net Sale / (Purchase) of Non-current investment	**(21,973.43)**	3,326.93
Proceeds from Sale of Investments / (investment) in Mutual Funds	**275.79**	(307.31)
Proceeds from sale of Fixed Assets	**3,023.50**	304.15
Interest and other income received	**367.96**	256.70
Net Cash (used in)/ generated from Investing Activities	**(90,028.03)**	(3,03,449.14)
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital including share premium	—	4,163.97
Redemption of Debentures	**(712.16)**	(1,560.00)
Net Proceeds from Long term borrowings	**51,967.48**	2,83,421.45
Net Proceeds from Short term borrowings	**22,430.73**	7,888.43
Capital Grant Received	**3,102.27**	—
Proceeds from Minority Interest (net)	**(813.75)**	—
Finance Cost	**(26,268.13)**	4,001.46
Foreign Currency Translation and Transactions loss paid	**(199.38)**	(24,228.02)
Dividend & Dividend Tax paid	**(707.28)**	(1,053.92)
Net Cash (used in)/ generated from Financing Activities	**48,799.78**	2,72,633.37
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	**(43,581.95)**	29,223.71
Cash and Cash Equivalents at the beginning of the year	**68,665.60**	39,441.89
Cash and Cash Equivalents at the end of the year	**25,083.65**	68,665.60

Note:

1 Cash & Cash Equivalents consist of Cash on hand and balances with banks includes Margin Money Deposits for Bank Guarantees of ₹ 9,017.02 Lakhs (Previous Year ₹ 11249.87 lakhs).

2 The cash flow statement is prepared in accordance with the indirect method as stated in Accounting Standard 3 issued by ICAI on "Cash Flow Statements" and presents cash flows by Operating, Investing and Financing activities

3 Figures in brackets represent cash outflows.

4 The Accompanying Notes and other explanatory information form an integral part of the Financial Statements.

As per our report attached
For M O S & Associates LLP
(Formerly M O S & Associates)
Chartered Accountants

S.V.C. Reddy
Partner

Place : Hyderabad.
Date : 30th May 2015

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00005573

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00009906

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary &
Compliance Officer

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation and Presentation of Consolidated Financial Statements

The Consolidated Financial statements of the Company and its Subsidiaries and Associates and Jointly Controlled Entities (constitutes the 'Group') have been prepared to comply with generally accepted accounting principles (Indian GAAP) including the Accounting Standards notified under Section 133 of the Companies Act 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Act. Till the Standards of Accounting or any other addendum thereto are prescribed by the Central Government these consolidated financial statements are prepared to comply in all material aspects with the Accounting Standards notified under sub section (3C) of section 211 of the Companies (Accounting Standard) Rules ,2006. 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 viz. SEBI guidelines override the same requiring a different treatment.

The Consolidated Financial statements are prepared on accrual basis following the historical cost convention except in certain cases of fixed assets which are carried at revalued amounts. The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Consolidated Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) - 3 "Cash Flow Statements". The disclosure requirements with respect to items in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the Listing Agreement.

1.2 Use of estimates

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 recognised in the period in which the results are known/materialized.

1.3 Revenue recognition

A. Revenue from Operations

a. Revenue from Construction activity:

i) Income is recognized on fixed price construction contracts in accordance with the percentage completion basis, which necessarily involve technical estimates of the percentage of completion, and costs to completion, of each contract / activity, on the basis of which profits and losses are accounted. Such estimates, made by the Company and certified to the Auditors have been relied upon by them, as these are of technical nature.

ii) The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract.

iii) Price escalation and other variations in the contract work are included in contract revenue only when:

   a) Negotiations have reached at an advanced stage such that it is probable that customer will accept the claim and
   b) The amount that is probable will be accepted by the customer can be measured reliably.

iv) Incentive payments, as per customer-specified performance standards, are included in contract revenue only when:

   a) The contract is sufficiently advanced that it is probable that the specified performance standards will be met and
   b) The amount of the incentive payment can be measured reliably.

v) Insurance claims are accounted for on cash basis.

vi) Contract Claims raised by the company which can be reliably measured and have reached an advanced stage of arbitration pending in High court have been recognized as income.

b. Revenue from supply of materials:

Revenue from supply of materials is recognized when substantial risks and rewards of ownership are transferred to the buyer and invoice for the same is raised.

c. Revenue form generation and distribution of Wind Power:

Revenue from wind power operations is recognized when the units are reliably measured and billed and it is reasonable to expect ultimate collection.

d. Income from development of highways i.e Toll Revenue &Annuity Income:

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

e. Revenue receipts on Joint Venture Contracts

i) In work sharing Joint Venture arrangements, revenues, expenses, assets and liabilities are accounted for in the Company's books to the extent work is executed by the Company.

ii) In jointly controlled entities, the share of profits or losses is accounted as and when dividend/ share of profit or loss are declared by the entities.

f. Other Operational Revenue:

All other revenues are recognized only when collectability of the resulting receivable is reasonably assured.

B. Other Income

i) Interest income is accounted on accrual basis as per applicable interest rates and on time proportionate basis taking into account the amount outstanding.

ii) Dividend income is accounted in the year in which the right to receive the same is established.

1.4 Principles of Consolidation

The consolidated financial statements have been prepared on the following basis:

a) The Financial Statements of the Company and its subsidiary companies have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as per Accounting Standard - 21 "Consolidated Financial Statements" issued by Institute of Chartered Accountants of India ('AS-21') specified Under Section 133 of the Companies Act, 2013.

b) Investments in associate companies have been accounted for, by using equity method as per Accounting Standard – 23 "Accounting for Investments in Associates in Consolidated Financial Statements" specified Under Section 133 of the Companies Act, 2013,whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post-acquisition change in the Company's share of net assets of the associate. The carrying amount of investment in associate companies is reduced to recognize any decline which is other than temporary in nature and such determination of decline in value, if any, is made for each investment individually. The unrealized profits/losses on transactions with associate companies are eliminated by reducing the carrying amount of investment.

c) The Company's interests in joint ventures are consolidated as follows:

Type of Joint Venture	Accounting treatment
Jointly controlled operations	Company's share of revenues, common expenses, assets and liabilities are included in revenues, expenses, assets and liabilities respectively.
Jointly controlled assets	Share of the assets, according to nature of the assets, and share of the liabilities are shown as part of gross block and liabilities respectively. Share of expenses incurred on maintenance of the assets is accounted as expense. Monetary benefits, if any, from use of the assets are reflected as income.
Jointly controlled entities	The Company's interest in jointly controlled entities are proportionately consolidated on a line-by-line basis by adding together the book values of assets, liabilities, income and expenses, after eliminating the unrealized profits/losses on intra-group transactions.

d) The financial statements are presented to the extent possible, in the same manner as the parent company's independent financial statements.

e) Goodwill/Capital Reserve arrived on account of consolidation of Associates in accordance with AS-23 is included /adjusted in the carrying amount of the investment.

f) Minority interest in the net assets of the consolidated subsidiaries is computed and presented in consolidated balance sheet separately from current liabilities and equity of the Company.

g) Minority interest in the net assets of consolidated subsidiaries consists of:

i) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and

ii) The minorities' share of changes in the equity since the date the parent subsidiary relationship came into existence.

h) Minority interest in the net profit/(loss) for the year of consolidated subsidiaries is computed and adjusted against the net profit/(loss) after tax of the group.

1.5 Inventories and work in progress

Raw Materials, construction materials and stores & spares are valued at weighted average cost.

Expenditure incurred towards construction work and yet to be certified is carried forward as work in progress. Cost includes direct material, work expenditure, labour cost and appropriate overheads.

1.6 Fixed Assets and Depreciation & Amortization

a) Tangible Fixed assets

Tangible Fixed Assets are stated at cost of acquisition, less accumulated depreciation thereon. Expenditure which are capital in nature are capitalized at cost, which comprises of purchase price (net of rebates and discounts), import duties, levies, financing costs and all other expenditure directly attributable to bringing the asset to its working condition for its intended use.

b) Capital work in progress

Tangible assets which are purchased but not yet installed and not ready for the intended use on the date of balance sheet are disclosed as "Capital Work-in-Progress".

c) Depreciation

In respect of fixed assets (other than land and Capital Work in Progress) depreciation / amortization is charged on a straight line basis over the useful lives as prescribed in Schedule II to the Companies Act 2013. For the assets acquired prior to April 1, 2014 the carrying amount is depreciated over the remaining useful life as stipulated in the Act.

However, the use full life of certain class of plant & machinery is considered as 6 years (w.e.f. 01.04.2014) based on the technical assessment, managements experience of use of those assets, present condition of the asset etc.

Leasehold improvements or assets are amortized over the period of lease.

d) Intangible Assets and Amortization

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

ii. Goodwill represents the difference between the Group's share in the net worth of a subsidiary or an associate or a joint venture, and the cost of acquisition at each point of time of making the investment in the subsidiary or the associate or the joint venture. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

1.7 Foreign Currency Transactions

The reporting currency of the Group is Indian Rupee. Foreign exchange transactions are accounted at the rates prevailing on the date of transactions. Monetary assets and current liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates. The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions are recognized in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

1.8 Investments

Trade investments comprise investments in subsidiary companies, joint ventures, associate companies and in the entities in which the Company has strategic business interest. Investments are classified as Current investments and Non-Current investments.

Investments, which are readily realizable and are intended to be held for not more than 1 year from the date of acquisition, are classified as current investments. All other investments are classified as long term investments.

Non-Current Investments are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value. Dividend income is accounted when the right to receive dividend is established.

1.9 Employee Benefits

Liability for employee benefits, both short and long term, for present and past service which are due as per the terms of employment are recorded in accordance with Accounting Standard (AS) 15 "Employee Benefits" issued by the Companies (Accounting Standard) Rules, 2006.

i) Gratuity

In accordance with the Payment of Gratuity Act, 1972 the company provides for Gratuity covering eligible employees. The liability on account of Gratuity is provided on the basis of valuation of the liability by an independent actuary as at the year end.

ii) Provident Fund

In accordance with applicable local laws, eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan to which both the employee and employer contributes monthly at a determined rate (currently up to 12% of an employee's salary). These contributions are either made to the respective Regional Provident Fund Commissioner, or the Central Provident Fund under the State Pension Scheme, and are expenses as incurred.

iii) Compensated Absences

Liability for compensated absence is treated as a long term liability and is provided on the basis of valuation by an independent actuary as at the year end.

iv) Actuarial gains and losses are immediately recognized and taken to the profit and loss account and are not deferred.

1.10 Deferred Revenue Expenditure

Projects and Other amenities expenditure incurred up to 31st March, 2015, the benefit of which is spread over more than one year is accounted as Project Promotion Expenses grouped under Other Advances and is amortized over the period in which benefits would be derived

1.11 Grants

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

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

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

1.12 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such asset. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

1.14 Leases

Assets taken on finance lease are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

Operating leases in respect of office & other equipment, house for employees, Office buildings are cancelable / renewable by mutual consent on agreed terms. Lease payments under an operating lease are recognized as an expense in the Statement of Profit and Loss.

1.15 Earnings per Share (EPS)

In arriving at the EPS, the Company's net profit after tax, computed in terms of the Indian GAAP, is divided by the weighted average number of equity shares outstanding on the last day of the reporting period. The EPS thus arrived at is known as 'Basic EPS'. To arrive at the diluted EPS the net profit after tax, referred above, is divided by the weighted average number of equity shares, as computed above and the weighted average number of equity shares that could have been issued on conversion of shares having potential dilutive effect subject to the terms of issue of those potential shares. The date/s of issue of such potential shares determine the amount of the weighted average number potential equity shares.

1.16 Taxation

i) Current Tax

Provision for Current tax is made based on the liability computed in accordance with the relevant tax rates and provisions of Income Tax Act, 1961.

ii) Deferred Taxes

Deferred Tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods. Deferred tax assets are recognized and carried forward only 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.

1.17 Impairment of Fixed Assets

Thecarrying amount of assets, other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

1.18 Provisions for Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are present obligations arising from a past event, when it is not probable / probability is remote that an outflow of resources will be required to settle the obligation and they are not recognized but are disclosed in the notes.

Contingent Assets are neither recognized nor disclosed in the financial statements. Provisions for Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

1.19 Commitments

Commitments are future liabilities for contractual expenditure.

Commitments are classified and disclosed as follows:

a. Estimated amount of contracts remaining to be executed on capital account and not provided for
b. Uncalled liability on shares and other investments partly paid
c. Funding related commitment to subsidiary, associate and joint venture companies and
d. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

   Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

1.20 Operating cycle for current and non-current classification

Operating cycle for the business activities of the Company covers the duration of the specific project/contract/ product line/service including the defect liability period, wherever applicable and extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

1.21 Cash Flow Statement

Cash Flow Statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

i. transactions of a non-cash nature

ii. any deferrals or accruals of past or future operating cash receipts or payments and

iii. items of income or expense associated with investing or financing cash flows

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

1.22 Cash and bank balances

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being not free from more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

2. SHARE CAPITAL

Particulars	**As at 31st March, 2015**		As at 31st March, 2014	
	Number of shares	**₹ in Lakhs**	Number of shares	₹ in Lakhs
(i) Authorised Share Capital Equity shares of ₹10/- each	**80,000,000**	**8,000.00**	40,000,000	4,000.00
(ii) Issued Share Capital Equity shares of ₹10/- each	**30,226,994**	**3,022.70**	30,226,994	3,022.70
(iii) Subscribed and fully paid up Share Capital Equity shares of ₹10/- each	**30,226,994**	**3,022.70**	30,226,994	3,022.70
Total	**30,226,994**	**3,022.70**	30,226,994	3,022.70

2(a) Terms / Rights, Preferences and restrictions attached to Equity Shares:

The company has only one class of shares referred to as equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

The Board of Directors have recommended dividend of ₹1 per equity share in their meeting held on 30th May, 2015, subjected to approval of the shareholders in the ensuing Annual General Meeting (For the year ended 31st March, 2014 : ₹ 2.00 per equity share).

2(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	**As at 31st March, 2015**		As at 31st March, 2014	
	Number of shares	**₹ in Lakhs**	Number of shares	₹ in Lakhs
Equity shares of ₹10/- each with voting rights At the beginning of the period	**30,226,994**	**3,022.70**	30,226,994	3,022.70
Add: Shares issued during the year	**—**	—	—	—
Outstanding at the end of the period	**30,226,994**	**3,022.70**	30,226,994	3,022.70

2(c) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: Nil

2(d) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares of ₹10/- each with voting rights:				
Indira Subbarami Reddy Tikkavarapu	**10,630,932**	**35.17**	10,630,932	35.17
Sandeep Kumar Reddy Tikkavarapu	**4,579,544**	**15.15**	4,579,544	15.15
Afrin Dia	**2,820,000**	**9.33**	2,820,000	9.33
India Max Investment Fund Limited	**2,357,000**	**7.80**	2,357,000	7.80
GMO Emerging Domestic Opportunities Fund	**2,039,278**	**6.75**	—	—

3. RESERVES & SURPLUS

₹ in Lakhs

Particulars	As at 31st March, 2015	As at 31st March, 2014
a. **Capital Reserve**		
Opening balance	**143.40**	143.40
Add : Additions to Reserve during the year	—	—
Closing balance	**143.40**	143.40
b. **General Reserve**		
Opening balance	**10,000.00**	9,500.00
Add: Amount transferred from Statement of Profit and Loss	**500.00**	500.00
Closing balance	**10,500.00**	10,000.00
c. **Capital Grant**	**5,052.40**	1,950.13
d. **Capital Reserve on Consolidation**	**24,274.07**	—
e. **Securities Premium Account**		
Opening balance	**42,929.60**	38,765.63
Add: Premium received on Shares issue under the Qualified Institutional Placement/ Issue of Shares	—	4,163.97
Less: Adjusted due to Subsidiary become Associate	**(14,409.67)**	—
Closing balance	**28,519.93**	42,929.60
f. **Debenture Redemption Reserve**		
Opening balance	**1,300.00**	1,300.00
Add: Amount transferred from Statement of Profit and Loss	—	—
Closing balance	**1,300.00**	1,300.00
g. **Surplus / (Deficit) in Statement of Profit and Loss**		
Opening balance	**4,393.08**	12,097.85
Add : Surplus / (Deficit) for the year	**(3169.38)**	(6,496.65)
(+)Add / (-) Less : Other Adjustments	**171.97**	(0.84)
Amount available for Appropriation	**1,395.67**	5,600.36
Less: Appropriations		
Dividend and Dividend Tax	**353.64**	707.28
Adjustment relating to Fixed Assets (Refer Note No. 30.16)	**197.27**	—
Transferred to General Reserve	**500.00**	500.00
Closing balance	**344.76**	4,393.08
Total (a+b+c+d+e+f+g)	**70,134.56**	60,716..21

4 LONG-TERM BORROWINGS

₹ in Lakhs

Particulars	As at 31st March 2015		As at 31st March 2014	
	Non-Current	**Current**	Non-Current	Current
(i) Non-Convertible Debentures				
Nil (31st March, 2014: 293) 11.50% Redeemable, Non-Convertible Debentures (NCDs) of ₹ 10,00,000/- each (Refer note No. 4.1)	**—**	**2,927.84**	2,080.00	1,560.00
3,75,00,000 (31 March 2013: 11,25,00,000) 10.50% Compulsorily Convertible Debentures (CCD) of ₹10/- each (Refer note No. 4.2)	**3,750.00**	**11,250.00**	11,250.00	3,750.00
ii) Term Loans from Banks				
a. Equipment Loans (Refer note No. 4.3)	**56.03**	**1,560.38**	769.57	1,906.26
b. Other Term Loans (Refer note No.4.4)	**70,774.17**	**520.83**	11,312.49	16,455.78
c. Project Loans (Refer note No. 4.5, 4.6 & 4.7)	**129,581.76**	**5,849.18**	214,992.05	20,713.77
d. External Commercial Borrowings (Refer note No.4.8)	**13,510.27**	**—**	13,224.10	552.46
iii) Term Loans from others				
a. Equipment Loans (Refer note No.4.3)	**5,074.91**	**982.64**	2,685.92	2,300.27
b. Project Loans (Refer note No.4.5, 4.6 & 4.7)	**57,208.18**	**16,302.85**	297,960.40	230,082.88
c. Vehicle Loans (Refer note No.4.9)	**—**	**2.87**	3.06	73.86
Un-Secured				
i) Term Loans from related parties	**519.19**	**—**	5,691.74	—
ii) From Directors (Interest Free Loans) (Refer Note No. 30.12)	**3,300.00**	**—**	—	—
iii) Term Loans from others	**17,813.67**	**—**	3,347.73	—
Total	**301,588.19**	**39,396.59**	**563,317.06**	**277,395.28**

4.1 11.50% Redeemable, Non-Convertible Debentures (secured):

Details & Terms of Repayment

The Company has issued 520 11.50% Secured Redeemable Non-Convertible Debentures (NCDs) of ₹ 10,00,000/- each on private placement in the form of Separately Transferable Redeemable Principal Parts (STRPPs) for cash at par aggregating ₹ 5200 Lakhs in the year 2010-11. The debentures are redeemable in the 3rd, 4th and 5th years in the ratio of 30:30:40. The company has redeemed 1st tranche of ₹1560.00 lakhs during the previous year. During the year the Company has redeemed 712.16 lakhs in accordance with the rescheduled terms of redemption agreed to by the debenture holders.

Nature of Security

The Debentures are secured by the paripassu first charge on the fixed assets of a group company.

4.2 10.50% Compulsorily Convertible Debentures (CCD) (secured):

Terms of Repayment

Quarterly Interest payment @ 10.50% p.a and Debentures are to be bought back at premium in four equal installments at the end of 42, 48, 54 & 60 months from the date of subscription i.e.16 May, 2011.

Nature of Security

i) 7,47,49,590 Equity Shares of NCC Infrastructures Holdings Ltd held by the Gayatri Energy Ventures Pvt. Ltd. are pledged in favour of IFCI Limited as colleteral security for the debentures issued by the Subsidiary Company.

ii) 26% of Total equity shares of the subsidiary Company held by Gayatri Projects Ltd i.e. 16,96,248 as on 31-03-2015 are pledged in favour of IFCI Limited as colleteral security for the debentures issued by the Subsidiary Company.

iii) The debentures are guaranteed by the personal guarantee of T.V. Sandeep Kumar Reddy and T. Indira Reddy, Directors of the Company.

iv) The Company i.e. Gayatri Projects Limited has given buy back guarantee to IFCI Ltd.

Period and amount of principal & interest Default on Debentures as on Balance Sheet Date: **₹ in Lakhs**

Default Period	Principal	Interest
135 days	**3,750.00**	**—**
45 to 200 days	—	1,808.34

4.3 Equipment Loans

The Equipment loans are secured by hypothecation of specific equipments acquired out of the said loans and the rate of interest on these loans varies between 11% to 15%.

4.4 Term loans pertaining to Company

The secured term loans are secured by hypothecation of construction equipments not specifically charged to other banks and these loans are guaranteed by the directors. The rate of interest on these loans varies between 11% to 16%

Period and amount of principal and interest default as on balance sheet date:

Nature of the Loan	Period of Default	Default amount (₹ In lakhs)	
		Principal	Interest
Term Loans from Banks	Upto 30 days	213.33	21.15
Term Loans from Banks	31 t o 60 days	679.57	282.56

4.5 Project Loans pertaining to subsidiary company i.e GIVL and its subsidiaries companies amounting to ₹ 83405.05 lakhs (after eliminating intra-group loans)

(a) Details of Loans

(i) Unsecured term loans aggregating to ₹13,500.00 Lakhs (31 March 2014: ₹13,500.00 Lakhs) obtained by Gayatri Infra Ventures Limited is sought by way of:

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

(b) corporate guarantee of Gayatri Projects Limited.

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

(ii) Secured terms loans aggregating to ₹20581.51 Lakhs (31 March 2014: ₹21081.07 Lakhs) obtained by Gayatri Jhansi Roadways Limited is secured by way of:

(a) First mortgage and charge of all the borrower's immovable properties, present and future.

(b) First charge by way of hypothecation of:

- all the movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future.
- operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future.
- all intangibles, including but not limited to goodwill, uncalled capital, present and future.
- Assignment or creation of security interest in i) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in the project documents, duly acknowledged and consented to by the relevant counter-parties to such project documents. ii) all the rights, title, interest, benefits, claims and demands whatsoever of the borrower in the clearances. iii) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantees, performance bond provided by any party to the Project Documents and iv) all Insurance Contracts/Insurance proceeds.
- Escrow Account, Debt Service Reserve, other reserves and any other bank accounts of the borrower wherever maintained.
- Pledge of all the shares (equity and preference) held by the sponsors representing 51% of the paid up share capital.

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

(iii) Secured terms loans aggregating to ₹ 7310.85 Lakhs (31 March 2014: ₹7226.43 Lakhs) obtained by Gayatri Jhansi Roadways Limted is secured by way of:

(a) Second mortgage and charge of all the borrower's immovable properties, present and future.

(b) Second charge by way of hypothecation of:

- all the movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future.
- Operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future.

- All intangibles, including but not limited to goodwill, uncalled capital, present and future.
- Assignment or creation of security interest in i) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in the project documents, duly acknowledged and consented to by the relevant counter-parties to such project documents. ii) all the rights, title, interest, benefits, claims and demands whatsoever of the borrower in the clearances. iii) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantees, performance bond provided by any party to the Project Documents and iv) all Insurance Contracts/Insurance proceeds.
- Escrow Account, Debt Service Reserve, other reserves and any other bank accounts of the borrower wherever maintained.
- Pledge of all the shares (equity and preference) held by the sponsors representing 51% of the paid up share capital

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

(iv) Secured terms loans aggregating to ₹16,465.61 Lakhs (31 March 2014: ₹17,345.06 Lakhs) obtained by Gayatri Lalitpur Roadways Limited is secured by way of:

(a) First mortgage and charge of all the borrower's immovable properties, present and future.

(b) First charge by way of hypothecation of:

- all the movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future.
- operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future.
- all intangibles, including but not limited to goodwill, uncalled capital, present and future.
- Assignment or creation of security interest in i) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in the project documents, duly acknowledged and consented to by the relevant counter-parties to such project documents. ii) all the rights, title, interest, benefits, claims and demands whatsoever of the borrower in the clearances. iii) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantees, performance bond provided by any party to the Project Documents and iv) all Insurance Contracts/Insurance proceeds.
- Escrow Account, Debt Service Reserve, other reserves and any other bank accounts of the borrower wherever maintained.
- Pledge of all the shares (equity and preference) held by the sponsors representing 51% of the paid up share capital.

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

(v) Secured terms loans aggregating to ₹4309.39 Lakhs (31 March 2014: ₹4528.94 Lakhs) obtained by Gayatri Lalitpur Roadways Limited, is secured by way of:

(a) Second mortgage and charge of all the borrower's immovable properties, present and future.

(b) Second charge by way of hypothecation of:

- all the movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future.
- Operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future.
- All intangibles, including but not limited to goodwill, uncalled capital, present and future.
- Assignment or creation of security interest in i) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in the project documents, duly acknowledged and consented to by the relevant counter-parties to such project documents. ii) all the rights, title, interest, benefits, claims and demands whatsoever of the borrower in the clearances. iii) all the right, title, interest, benefits, claims and demands whatsoever of the borrower in any letter of credit, guarantees, performance bond provided by any party to the Project Documents and iv) all Insurance Contracts/Insurance proceeds.
- Escrow Account, Debt Service Reserve, other reserves and any other bank accounts of the borrower wherever maintained.
- Pledge of all the shares (equity and preference) held by the sponsors representing 51% of the paid up share capital

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

(vi) Unsecured term loans to the tune of ₹3224.00 Lakhs (31 March 2014: ₹3224.00 Lakhs) borrowed by Gayatri Jhansi Roadways Limited and Gayatri Lalitpur Roadways Limited from its shareholder's represents zero interest subordinate loan repayable after the repayment of other secured loans from banks and financial institutions.

(vii) Secured term loans aggregating to ₹13471.66 Lakhs (31 March 2014: ₹15029.27 Lakhs) obtained by Cyberabad Expressways Limited is secured by way of first pari passu charge in favour of the lenders/security agent to the project by way of hypothecation of:

a) All monies including annuity receivable from Hyderabad Growth Corridor Limited (HGCL) to the credit of the escrow Account.

b) All rights, title, interest, benefits, claims and demands of the company under project agreements subject to the provisions of the concession agreement.

c) Assignment of rights, title and interest to or in favor of the lenders pursuant to and in accordance with the substitution agreement as per the provisions of the financing documents of the project.

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

(viii) Secured term loans aggregating to ₹9770.94 Lakhs (31 March 2014: ₹11043.63 Lakhs) obtained by Hyderabad Expressways Limited is secured by way of first pari passu charge in favour of the lenders/security agent to the project by way of hypothecation of:

a) All monies including annuity receivable from HGCL to the credit of the escrow Account.

b) All rights, title, interest, benefits, claims and demands of the company under project agreements subject to the provisions of the concession agreement.

c) Assignment of rights, title and interest to or in favor of the lenders pursuant to and in accordance with the substitution agreement as per the provisions of the financing documents of the project.

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

(ix) Secured term loans aggregating to ₹19488.19 Lakhs (31 March 2014: ₹20701.49 Lakhs) obtained by Western UP Tollways Limited are secured by way of:

(a) first mortgage and charge in a form satisfactory to all company's immovable properties, present and future expect project assets.

(b) first charge by way of hypothecation of all the company's movables, including movable plant and machinery, present and future except the project assets, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets.

(c) A first charge on operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising present or future.

(d) subject to provisions of provisions on concession agreement, first charge on the escrow account, debt service reserve, MMR and other reserves.

(e) A first pledge of 100% of paid up capital till three years of commencement of commercial operations and thereafter minimum 51% of total paidup capital of the company held by the promoters during the tenure of the loan.

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

(x) Unsecured term loans to the tune of ₹2467.74 Lakhs (31 March 2014: ₹2467.74 Lakhs) is obtained by Western UP Tollways Limited from related parties carrying interest at the rate of 12% per annum (31 March 2014: 12% per annum).

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

₹ in Lakhs

Period	**As at**	
	31st March 2015	**31st March 2014**
Up to 1 year	**22,012.29**	20,713.77
2 to 5 years	**43,201.51**	35,568.14
Above 5 years	**45,376.09**	59,865.72
	110,589.89	116,147.63

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

₹ in Lakhs

Period	As at	
	31st March 2015	**31st March 2014**
Principal		
0-30 days	**742.24**	706.25
Interest		
0-30 days	**191.18**	444.24
30-90 days	**5,19.40**	751.66
90-180 days	**34.05**	12.97
above 180 days	**77.94**	16.10
	822.57	1,224.97

4.6 Project Loans pertaining to subsidiary company i.e IDTL amounting to ₹ 55,329.82 lakhs

During the year the company has applied to NHAI for the deferment of premium payable to NHAI, and NHAI has in turn approved the proposal for the deferment of premium payable to them. Based on the approval received from NHAI the company has applied to the consoritum of lenders for restructuring of the term loan. The Consortium of Lenders have approved the restructuring package with the cutoff date being 1st July, 2014 with a interest and principal repayment Moratorum of 2.9 Years. Hence there are no current maturities with respect to the Term loan principal repayment

a) Terms of the Restructuring Package:

i) The Restructuring package is approved with a cut off date of July 01, 2014.

ii) Reduction in interest rates on all Term Loan facilitites (TL -I ₹ 450 Crs, FITL ₹ 136.13 Crs & TL -II ₹ 40 Crs) to 11% fixed p.a. upto FY: 2017-18, which is to be linked to the Base Rate of the Lead Lender.

iii) The interest on Term Loan for 11 quarters from cut-off date (July 1, 2014) to March 31, 2017 is to be funded by FITL (₹136.13 Crs).

iv) Moratorium of 2 years 9 months for the repayment of TL - I & FITL.

b) Security for Term Loans:

Term Loans from lenders are secured by

Security to be created on behalf of lenders by first charge on:

(i) All monies including Toll collected on the Project Highway to the credit of the Escrow Account as per the provisions of the Concession Agreement.

(ii) All the Borrower's properties and assets excluding the Project Assets.

(iii) All Tangable Assets of the Company not limited to goodwill, undertaking and uncalled capital of the company.

(iv) Pledge of shares aggregating to 51% of the paid-up equity capital of the Borrower, Provided that any enforcement of the pledge over shares shall be subject to prior approval of NHAI as provided in the Concession Agreement.

(v) A first charge by way of assignment or creation on Security Interest on:

a) All rights. title. interest, benefits, claims and demands of IDTL under project documents subject to the provisions of the Concession Agreement.

b) Assignment of rights in favour of the lenders in accordance with the substitution agreement in respect of financing by the senior lenders under the financing documents for the project.

c) Lenders to be named as loss payees in the insurance policies.

c) Terms of Repayment of Term Loan from Lenders

i. The tenor of the repayment of the TL - I for ₹ 450 crs shall be for a period of 12 years (twelve years) excluding 2.9 years of moratorium with 48 structured unequal quarterly Instalments ranging from ₹ 5 lacs to ₹ 78.66 crs per annum as per the approved restructuring package.

ii. The tenor of the repayment of FITL for Rs 136 crs shall be for a period of 8 years excluding 2.9 years of moratorium with 28 structured unequal quarterly instalments ranging from ₹ 1 cr to ₹ 38.80 crs per annum as per the approved restructuring package.

iii. The tenor of the repayment of Additional Term Loan - II for ₹ 40 crs shall be for 20 monthly Instalments starting from Dec 2015 subject to the completion of the disbursements as per the approved restructuring package.

4.7 Project Loans pertaining to subsidiary company i.e SMTL amounting to ₹ 79115.26 lakhs

I Nature of Security for Secured Loans :

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

a) First mortgage and charge on all the borrower's immovable properties, present and future, if any, save and except the Project Assets.

b) a first charge by way of hypothecation on all the Borrower's tangible moveable assets, including but not limited to all current/ non-current assets, moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, all other movable assets, both present and future, save and except the Project Assets.

c) a first charge on all the Borrower's bank accounts including but not limited to the Escrow Account/its Sub-Accounts that may be opened in accordance with the Common Loan Agreement, the Supplementary Escrow Agreement, or any of the other Project Documents where all revenues, disbursements, receivables shall be deposited and on all funds from time to time deposited therein and on all permitted investments or other securities representing all amounts credited to the Escrow Account.

d) a first charge on all intangibles of the Borrower including but not limited to goodwill, rights, undertakings, uncalled capital and intellectual property rights, both present and future, save and except the Project Assets (provided that all amounts received on account of any of these shall be deposited in the Escrow Account and that the charges on the same shall be subject to the extent permissible as per the priority specified in the Clause 31 of the Concession Agreement and Clause 4 of the Escrow Agreement). Further, a charge on uncalled capital, as set in above, shall be subject however to the provisions of Clauses 5.3 and 7.1 (k) and Clause 31 of the Concession Agreement.

e) an assignment by way of security:

i) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under the Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents to the extent not expressly provided in each such Project Document, all as amended, varied or supplemented from time to time;

ii) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under all the Approvals and Insurance Contracts; and

iii) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under any letter of credit, guarantees including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents.

f) pledge of equity shares (in dematerialised form) held by the Sponsor constituting 51% (fifty one percent) of the total paid up and voting equity share capital of the Borrower until the Final Settlement Date.

g) an irrevocable and unconditional guarantee from the Sponsor for meeting the shortfall between Secured Obligations then outstanding and the amounts receivable by the Lenders in accordance with Clause 4.2 of the Escrow Agreement in case of Termination of Concession Agreement for any reason.

Subordinate Debt from India Infrastructure Finance Co. Ltd. is secured by:

a) Mortgage and second charge on all the borrower's immovable properties, present and future, if any, save and except the Project Assets.

b) A second charge by way of hypothecation on all the Borrower's tangible moveable assets, including but not limited to all current/ non-current assets, moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, all other movable assets, both present and future, save and except the Project Assets.

c) A second charge on all the borrower's bank accounts including but not limited to the Escrow Account/its sub-accounts that may be opened in accordance with any of the Project Agreement.

d) A second charge on all intangibles of the Borrower including but not limited to goodwill, rights, undertakings, uncalled capital and intellectual property rights, both present and future, save and except the Project Assets (provided that all amounts received on account of any of these shall be deposited in the Escrow Account and that the charges on the same shall be subject to the extent permissible as per the priority specified in the Clause 31 of the Concession Agreement and Clause 4 of the Escrow Agreement). Further, a charge on uncalled capital, as set in above, shall be subject however to the provisions of Clauses 5.3 and 7.1 (k) and Clause 31 of the Concession Agreement.

e) An assignment by way of security

   (i) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under the Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents to the extent not expressly provided in each such Project Document, all as amended, varied or supplemented from time to time;

   (ii) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under all the Approvals and Insurance Contracts; and

   (iii) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under any letter of credit, guarantees including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents.

f) An irrevocable and unconditional corporate guarantee from the Sponsor.

II. Terms of Repayment of Secured Loans

A. The Company shall repay the Term Loans to the Lenders in 48 (forty eight) unequal quarterly instalments commencing after the Moratorium Period, as specified in the Amortization Schedule to the Common Loan Agreement dated June 26, 2013. The first repayment instalment shall be due on January 1, 2016. The last repayment instalment shall be paid on October 1, 2027.

B. The Company shall repay the Subordinate Loan to the Subordinate Lender in 18 quarterly installments commencing after the Moratorium Period, as specified in the Amortization Schedule to the Subordinate Loan Agreement. The first repayment installment shall be due on January 1, 2023. The last repayment installment shall be paid on April 1, 2028. However, the Sponsor, in addition to the Sponsor's Contribution without any recourse to the lenders and/or the secured property to the satisfaction of the lenders infuse an amount equivalent to the debt service obligations of the borrower under the subordinate facility, in advance on year-on-year basis, as per the repayment schedule stipulated by the subordinate lender.

III. Rate of Interest on Secured Loans

A. Applicable Interest Rate on Term Loans shall be floating at - (a) Spread @ 2% p.a. above the Base Rate of the Lead Bank viz. IDBI Bank Ltd.; or (b) Spread @ 2% p.a. above the IIFCL benchmark rate, whichever is higher.

B. Applicable Interest Rate on Subordinate Loan shall be floating at Spread, i.e. 2% p.a. above the Interest rate applicable to IDBI Bank Ltd. as per the Common Loan Agreement.

IV. Terms relating to Interest and Repayment of Unsecured Loans:

The amount advanced by holding Company is in the nature of promoters' contribution which carries Nil rate of Interest. The loan is sub-ordinate to the Term Loan to be availed from the lenders and the same will be paid after repayment of Term Loans in full.

4.8 External Commercial Borrowing :

Details of External Commercial Borrowings

The Company availed Foreign Currency Loan of USD $ 24.42 million from an Indian Scheduled Bank to meet a part of funds requirement towards redemption of outstanding FCCBs. The ECB loan is repayable in 24 quarterly installments commencing from October 2013 with rate of interest at 3 months USD LIBOR+500bps.

Nature of Security

(i) Equitable mortgage of immovable property of 600 acres in the name of step down subsidiary company.

(ii) Pledge of unencumbered equity shares of promoters in Gayatri Projects Ltd.

(iii) Personal guarantee of the two promoter directors.

4.9 Vehicle Loans:

The Vehicle loans availed are secured by hypothecation of specific vehicles purchased out of the said loans.

4.10 Maturity Profile of Term Loans is set out below: **₹ in Lakhs**

Particulars	2016-17	2017-18	2018-19	2019-20 onwards
Equipment loans from Banks	56.03	—	—	—
Term Loans from Banks	7,249.95	3,599.91	3,599.91	35,549.10
Term Loans -WCTL	845.47	1,352.75	1,352.75	13,358.40
Trem Loans FITL	231.96	463.91	695.87	2,474.21
ECB Loan	675.51	1,080.82	1,080.82	10,673.12
Equipment loans from Others	1,314.23	1,654.09	1,670.37	436.21

4.11 Current Maturities of long term borrowings have been disclosed under the head "Other Current Liabilities" (Refer Note - 10).

5. Deferred Tax Liabilities (Net) **₹ in Lakhs**

Particulars	As at 31st March, 2015	As at 31st March, 2014
(a) Deferred Tax (Asset) on timing Differences due to:		
Provision for Gratuity and Leave Encashment	**(8.27)**	(64.82)
Carry Forward losses	**(357.25)**	(254.54)
(b) Deferred Tax Liability on timing differences due to:		
Depreciation (Refer Note No. 30.16)	**2,884.52**	3,176.73
Total	**2,519.00**	2,857.37

6. Other Long-Term Liabilities **₹ in Lakhs**

Particulars	As at 31st March, 2015	As at 31st March, 2014
(a) Advances from Contractees	**46,359.03**	57,442.36
(b) Margin Money Deposits received	**7,149.39**	740.78
(c) Capital Creditors	**—**	1,421.84
(d) Interest accured but not due	**1,181.77**	265.49
(e) 5% Cumulative Participatory Redeemable convertible Preference Shares (CPRCPS) of Subsidiary Company	**—**	49,019.61
(f) Retention Money Payable	**3,628.99**	405.59
Total	**58,319.18**	109,295.67

7. Long-Term Provisions

₹ in Lakhs

Particulars	As at 31st March, 2015	As at 31st March, 2014
(a) Employee Benefits	**704.65**	786.86
(b) Provision for Periodic Maintenance	**2,277.57**	1,958.06
Total	**2,982.22**	2,744.92

8. Short Term Borrowings

₹ in Lakhs

Particulars	As at 31st March, 2015	As at 31st March, 2014
(a) Secured Term loans:		
(i) Banks (Refer Note No. 8.1)	**94.50**	15,000.00
(b) Secured Working Capital Facilities / Overdraft Facility (Refer Note No. 8.2)	**79,084.26**	76,384.83
(c) Unsecured Term loans:		
(i) Banks		10,781.22
(ii) Related parties (Refer Note No. 8.3)	**6,216.62**	—
(iii) Others	**4,201.43**	0.03
Total	**89,596.81**	102,166.08

Nature of Security and Terms of Repayment

8.1 Term Loans (Secured)

The Secured Term Loans availed from banks are secured by way of:

i) Mortgage of non agricultural land belonging to group company M/s. Chamundeswari Builders Pvt Ltd situated at Nandigama Village, Kothur Mandal, Mahaboob Nagar Disrtict.

ii) Pledge of equity shares of the Company held by the directors.

iii) 1st Pari passu hypothication charge on the fixed assets of the Company.

iv) Personal guarantee of managing director of the Company.

v) Corporate Guarantee of M/s Chamundeswari Builders Pvt Ltd.

8.2 Working Capital Facilities (Secured)

The working capital facilities from the consortium of Banks are secured by:

- Hypothecation against first charge on stocks, book debts and other current assets of the Company both present and future ranking *paripassu* with consortium banks.
- Hypothecation against first charge on all unencumbered fixed assets of the Company both present and future ranking *paripassu* with consortium banks.
- Equitable mortgage of properties belonging to promoters, directors, group companies.
- Personal guarantee of promoter directors, group companies/firms and relatives.

Period and amount of principal and interest default as on balance sheet date:

Name of the Loan	Default amount (₹ in Lakhs)	
	No. of Days delay	Interest
Working Capital Facilities	0 to 30	620.51
	31 to 60	1,317.85

8.3 Unsecured loans from related parties

The unsecured loans received from related parties are repayable on demand along with interest rate at 16% p.a.

9. Trade Payables: **₹ in Lakhs**

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Micro, Small and Medium Enterprises	—	—
(b) Others	**39,934.61**	92,171.09
Total	**39,934.61**	92,171.09

* There are no Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

10. Other current liabilities **₹ in Lakhs**

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Current maturities of Long Term Borrowings		
- Non Convertible Debentures		
292.78 (31st March, 2013: 156) 11.50% Redeemable Non-Convertible Debentures (NCDs) of ₹ 10,00,000/- each	**2,927.84**	1,560.00
11,25,00,000 10.50% Compulsorily Convertible Debentures (CCD) of ₹10/- each	**11,250.00**	3,750.00
- Term Loans	**25,218.75**	272,085.28
(b) Interest accrued but not due on Borrowings	**2,519.35**	6,242.81
(c) Interest accrued and due on Borrowings	**3,682.58**	4,377.46
(d) Unpaid Dividends	**5.43**	5.05
(e) Remuneration payable to Directors	**109.11**	148.74
(f) Application Money received for allotment	**1,028.20**	335.69
(g) Capital Creditors	**2,853.65**	40,273.69
(h) Statutory Payables	**3,419.38**	3,248.87
(i) Other Payables	**3,890.77**	4,903.28
Total	**56,905.06**	336,930.87

11. Short-Term Provisions **₹ in Lakhs**

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Employee Benefits	**7.20**	12.60
(b) Provision for Periodic Maintenance	**6,460.18**	4,888.63
(c) Provision for Dividend & Dividend Distribution Tax	**456.38**	707.28
(d) Provision for Expenses	**10.56**	1.44
Total	**6,934.32**	5,609.95

12. Statement of Fixed Assets and Depreciation /Amortization

₹ in Lakhs

Particulars	Original Cost				Depreciation And Amortization				Net Book Value	
	As at 1st April 2014	Additions/ Adjustment during the year	Deductions/ Retirement/ Adjustment during the year	As at 31 March 2015	Up to 1st April 2014	For the year	Deductions/ Adjustment duing the year	As at 31st March 2015	As at 31st March 2015	As at 31st March 2014
a) TANGIBLE ASSETS										
Land	21,971.57	5.25	15,727.21	**6,249.61**	—	—	—	**—**	**6,249.61**	21,971.57
Roads & Buildings	5,489.08	—	5,489.08	**—**	138.15	—	138.15	**—**	**—**	5,350.93
Plant and Equipment	39,250.85	1,437.40	2,858.53	**37,829.72**	20,472.38	2,632.22	462.13	**22,642.47**	**15,187.25**	18,778.47
Vehilcles	2,913.42	18.06	161.13	**2,770.35**	1,545.22	202.24	40.56	**1,706.90**	**1,063.45**	1,368.20
Wind Power Equipment	5,936.86	—	—	**5,936.86**	880.79	263.22	—	**1,144.01**	**4,792.85**	5,056.07
Furniture and Fixutures	688.21	0.89	272.76	**416.34**	254.41	42.60	20.78	**276.23**	**140.11**	433.80
Sub-total :	**76,249.99**	**1,461.60**	**24,508.71**	**53,202.88**	**23,290.95**	**3,140.28**	**661.62**	**25,769.61**	**27,433.27**	**52,959.04**
b) INTANGIBLE ASSETS										
Goodwill on consolidation	2,061.55	315.11	—	**2,376.66**	—	—	—	**—**	**2,376.66**	2,061.55
Goodwill on Amalgamation	0.97	—	—	**0.97**	—	—	—	**—**	**0.97**	0.97
Carriage Way	140,059.06	1,253.44	2,762.61	**138,549.89**	25,369.20	9,129.17	—	**34,498.37**	**104,051.52**	114,689.86
Computer Software	401.08	—	208.07	**193.01**	104.67	7.73	84.74	**27.66**	**165.35**	296.41
Sub-total :	142,522.66	1,568.55	2,970.68	**141,120.53**	25,473.87	9,136.90	84.74	**34,526.03**	**106,594.50**	117,048.79
Total	**218,772.65**	**3,030.15**	**27,479.39**	**194,323.41**	**48,764.82**	**12,277.18**	**746.36**	**60,295.64**	**134,027.77**	**170,007.83**

Less : Transferred to Preoperative Expenditure/Capital Work in Progress	(108.86)
Transfer to Reserves & Surplus (Refr note No. 31.16)	**(197.27)**
Net Depreciation charged to Statement of Profit and Loss	**11,971.05**

12.c Capital work in progress ₹ **in Lakhs**

Particulars	**As at 31[st] March 2015**	As at 31[st] March 2014
Opening Balance	**690,644.23**	461,937.36
Add : Expenditure incurred during the year	**45.01**	239,334.15
Less : Transfer to Asset / Capitalised during the year / Adjusted	**(690,106.28)**	(10,627.28)
Closing Balance	**582.96**	690,644.23

12.d Intangible assets under development ₹ **in Lakhs**

Particulars	**As at 31[st] March 2015**	As at 31[st] March 2014
Opening Balance	**102,666.81**	35,017.13
Add : Expenditure incurred during the year	**46,836.37**	67,649.68
Less : Adjustment for chage in status of erstwhile Subsidiary into Associate	**(2,018.00)**	—
Closing Balance	**147,485.18**	102,666.81

13. Non-current investments

₹ in Lakhs

Particulars	As at 31st March 2015	As at 31st March 2014
Non-Trade investments		
(valued at cost unless stated otherwise)		
A. Investment in Associate Companies		
Nil (Previous Year 49,000) Equity Shares of ₹10/- each, fully paid in Balaji Highways Holdings Pvt. Ltd.,	**—**	4.90
22,47,27,125 (Previous Ycar:Nil) Equity share of ₹10/- each fully paid - NCC Infrastructure Holdings Ltd (Refer note No.13.1)	**22,376.03**	—
30,000 (Previous Year:30,000) equity share of ₹10/- each fully paid up - Sembcorp Gayatri O&M Co. Pvt Ltd	**2.20**	2.34
Nil (Previous Year:28,32,66,074) Equity share of ₹10/- each fully paid - NCC Power Projects Ltd	**—**	22,514.29
Nil (Previous Year 52,647) Equity Shares of ₹10/- each, fully paid in HKR Roadways Ltd.	**—**	5.26
241600000 (Previous Year:236600000) equity share of ₹10/- each fully paid up Thermal Powetech Corporation India Limited (Refer note 13.2)	**48,434.07**	—
B. Other Investments		
Quoted - at Cost		
24,79,338 (Previous Year:24,79,338) Equity shares of ₹10/- each fully paid up - Jimbhuish Power Generation Pvt Ltd	**3,000.00**	3,000.00
11,63,607 (Previous Year 11,63,607) Equity Shares of ₹10/- each in Gayatri Sugars Ltd., (Refer note 13.3)	**293.10**	293.10
1,728 (Previous Year 1,728) Equity Shares of ₹10/- each in Syndicate Bank Ltd.,	**0.86**	0.86
Investments in Mutual Funds	**35.00**	55.00
Less: Provision for diminution in value of Investment (Refer note 13.3)	**(278.44)**	(278.44)
Total	**73,862.81**	25,597.31
Details of Quoted and Unquoted Investments:		
Aggregate Amount of Quoted Investment	**70.52**	70.52
Aggregate Market value of Quoted Investment	**54.55**	80.52
Aggregate Amount of Unquoted Investment	**73,812.30**	25,526.79

13.1 7,47,49,590 Equity Shares of NCC Infrastructure Holdings Ltd held by the Gayatri Energy Ventures Pvt Ltd are pledged in favour of IFCI Limited as colleteral security for the debentures issued by the Subsidiary Company.

13.2 23,65,99,300 Equity Shares of TPCIL are pledged in favour of Rural Electrification Corporation Ltd as collateral security for the loan availed by TPCIL.

13.3 The company has made provision for the diminution in the market value of quoted investments in the books as envisaged in the Companies (Accounting Standard) Rules, prescribed by the Central Government.

14. Long-term loans and advances ₹ in Lakhs

Particulars	As at 31st March 2015	As at 31st March 2014
To Related Parties - Unsecured, Considered Good		
Subordinate Shareholders' Contribution to Associate Companies	**6,414.59**	6,840.87
Other Advances	**0.45**	58.53
To Others - Unsecured, Considered Good		
- Capital Advances	**7,193.73**	8,340.01
- Other Advances (Refer No. 30.13)	**33,032.14**	25,647.48
- Security Deposit with Govt. Depts and Others	**73.60**	116.27
- Deposits with Customs departments	**1,250.51**	6,142.18
Total	**47,965.02**	47,145.34

15. Other Non-Current Assets ₹ in Lakhs

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Margin Deposit against Bank Guarantees / Letter of Credits.	—	16,078.06
(b) Unamortised process fees	—	1,660.00
(c) Advance for purchase of Equity Shares (Refer Note No. 30.17)	**10,000.00**	—
(c) Receivable from Related Parties (Refer Note No. 30.14)	**21,851.46**	—
Total	**31,851.46**	17,738.06

16. Current Investments ₹ in Lakhs

Particulars	As at 31st March 2015	As at 31st March 2014
Mutual Funds	**76.79**	352.58
Total	**76.79**	352.58

17. Inventories ₹ in Lakhs

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Construction materials, Stores and Spares	**9,994.76**	10,133.85
(b) Work in Progress	**14,207.53**	13,619.16
Total	**24,202.29**	23,753.01

18. Trade Receivables ₹ in Lakhs

Particulars	As at 31st March 2015	As at 31st March 2014
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good*	**55,877.80**	60,549.13
Unsecured, considered doubtful	—	—
Less: Provision for doubtful debts	—	—
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	**3,298.48**	24,509.81
Unsecured, considered doubtful	—	—
Less: Provision for doubtful debts	—	—
Total	**59,176.28**	85,058.94

* Includes claims amount receivable of ₹ 4106.84 lakhs

19. Cash and cash equivalents **₹ in Lakhs**

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Cash on hand	**63.46**	57.61
(b) Balances with banks		
In current accounts	**12,474.56**	32,415.86
In deposit accounts (due with in 12 months)		
i. Margin money for Bank Guarantees / LCs	**9,801.87**	7,442.26
ii. Other Deposits	**2,743.76**	28,749.87
Total	**25,083.65**	68,665.60

20. Short-term loans and advances **₹ in Lakhs**

Particulars	As at 31st March 2015	As at 31st March 2014
To Related Parties - Unsecured, Considered Good		
- Advances to Holding Company	**6,660.24**	6,838.50
- Loans and Advances to Subsidiaries		
- Loans and Advances to Joint Ventures (Refer Note No.30.5)	**—**	3,902.52
- Loans and Advances to Associates	**9,882.28**	7,662.23
- Mobilisation Advance to a company where KMP are having substantial interest	**—**	1,984.15
- Other advances (JV Share)	**—**	1,542.79
To Others - Unsecured, Considered Good		
- Advances to Suppliers	**646.59**	1,114.08
- Advances to Sub-Contractors (Refer Note No.30.15)	**58,023.51**	38,443.90
- Staff Advances	**189.33**	183.33
- Advances with Govt. Departments	**7,829.10**	7,727.75
- Other Advances	**2,056.21**	1,187.58
Total	**85,287.26**	70,586.83

21. Other current assets **₹ in Lakhs**

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Interest accrued but not due	**74.04**	1,902.27
(b) Advance for purchase of Equity Shares (Refer Note No. 30.18)	**2,471.40**	12,444.86
(d) Annuity Income accrued but not due	**2,287.93**	2,095.45
(e) Prepaid Expenses	**183.50**	1,583.16
(f) Others	**354.06**	438.86
Total	**5,370.93**	18,464.60

22. Revenue from Operations **₹ in Lakhs**

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
(a) Construction Revenue	**86,717.95**	109,327.28
(b) Materials Supply Revenue	**35,631.22**	27,217.99
(c) Claims (refer Note No. 1.3 (vi))	**4,518.20**	—
(d) Revenue from Electricity Generation	**579.51**	618.54
(e) Share of profit from Joint Ventures	**186.42**	157.23
(f) Annuity Income	**17,779.00**	17,778.94
(g) Toll Revenue	**4,664.62**	4,301.77
Total	**150,076.92**	159,401.75

23. Other income

₹ in Lakhs

Particulars	**For the year ended 31st March 2015**	For the year ended 31st March 2014
(a) Interest income from Fixed Deposits	**367.96**	256.70
(b) Other Miscellaneous Income	**416.99**	337.82
Total	**784.95**	594.52

24. Consumption of Materials and Cost of Purchases & Services

₹ in Lakhs

Particulars	**For the year ended 31st March 2015**	For the year ended 31st March 2014
(a) Steel	**6,170.64**	4,330.13
(b) Cement	**2,574.93**	2,934.51
(c) Bitumen	**4,045.15**	8,324.54
(d) Metal	**3,213.47**	3,843.33
(e) Sand & Gravel	**772.07**	541.05
(f) Electrical Materials	**8,823.74**	9,132.43
(g) Railway Line Materials	**4,519.49**	4,688.77
(h) Coal Handling System Materials	**13,228.08**	6,305.65
(i) RCC & GI Pipes	**87.53**	415.56
(j) HSD Oils & Lubricants	**4,224.48**	5,069.59
(k) Stores and Consumables	**470.04**	488.85
(l) Other Materials	**47.19**	913.21
Total	**48,176.81**	46,987.62

25. Work Expenditure

₹ in Lakhs

Particulars	**For the year ended 31st March 2015**	For the year ended 31st March 2014
(a) Departmental Recoveries	**1,953.27**	3,603.38
(b) Work executed by sub contractors	**19,069.56**	28,655.97
(c) Earth Work	**8,722.11**	8,078.57
(d) Concrete Work	**7,817.64**	5,662.97
(e) Transport Charges	**1,007.11**	1,315.63
(f) Hire Charges	**1,397.30**	1,103.33
(g) Road work	**8,438.94**	5,565.13
(h) Repairs and Maintenance	**965.32**	971.00
(i) Taxes and Duties	**3,738.18**	4,217.54
(j) Royalties, Seigniorage and Cess	**582.02**	491.42
(k) Insurance	**138.16**	205.13
(l) Operation & Maintenance Expenses	**3,805.96**	3,415.29
(m) Other Work Expenditure	**4,690.60**	6,021.11
Total	**62,326.17**	69,306.47

26. Change in Inventories of Work-in-Progress

₹ in Lakhs

Particulars	**For the year ended 31st March 2015**	For the year ended 31st March 2014
Opening Work in Progress	**13,619.16**	10,042.39
Closing Work in Progress	**14,207.53**	13,619.16
Changes in Inventory	**(588.37)**	(3,576.77)

27. Employee benefits expense ₹ in Lakhs

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
(a) Salaries & Wages	**2,084.35**	2,437.51
(b) Director's Remuneration (Refer Note No.30.11)	**444.00**	602.75
(c) Staff Welfare Expenses	**318.26**	236.70
(d) Contribution to Statutory Funds	**94.14**	56.85
Total	**2,940.75**	3,333.81

28. Finance costs ₹ in Lakhs

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
(a) Interest on Term Loans	**19,498.22**	17,972.11
(b) Interest on Debentures	**3,079.31**	2,203.97
(c) Interest on Working Capital Facilities	**7,012.03**	7,921.21
(d) Interest on ECB Loan	**1,306.55**	1,461.64
(e) Exchange loss on ECB Loan	**199.38**	777.81
(f) Bank Guarantee & Other Financial Charges	**280.18**	511.76
(h) Less : Interest received on BG/LC Margin Money Deposits	**(1,059.48)**	(1,380.63)
(i) Less : Interest Received on Loans & Advances	**(3,788.18)**	(2,605.50)
Total	**26,528.01**	26,862.37

29. Other expenses ₹ in Lakhs

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
(a) Advertisement expenses	**29.87**	108.24
(b) Audit fee	**65.83**	66.24
(c) Corporate Social Responsibility Expenditure	**203.18**	618.28
(d) Donations	**110.50**	462.19
(e) Insurance charges	**56.70**	47.81
(f) Consultancy, Legal & professional charges	**742.11**	573.11
(g) General Expenses	**111.54**	92.87
(h) Power & fuel	**129.96**	150.66
(i) Miscellaneous expenses / Other administration expenses	**445.67**	408.60
(j) Printing & stationery	**52.10**	45.72
(k) Rent	**358.47**	321.00
(l) Loss on sale of Investments	**—**	6,834.08
(m) Taxes & licenses	**60.17**	49.34
(n) Tender Expenses	**39.30**	31.84
(o) Telephone	**69.20**	69.13
(p) Traveling, Conveyance & Stay expenses	**365.65**	381.88
(q) Loss on sale of assets / Impairment of assets	**214.47**	3.67
Total	**3,054.72**	10,264.66

30. Other Notes forming part of the Consolidated Financial Statements:

30.1 All amounts in the financial statements are presented in ₹ in Lakhs except per share data and as otherwise stated. Figures in brackets represent corresponding previous year figures in respect of Profit & Loss items and in respect of Balance Sheet items as on the Balance Sheet date of the previous year. Figures for the previous year have been regrouped / rearranged wherever considered necessary to conform to the figures presented in the current year.

30.2 Basis of preparation of consolidated financial statements:

Gayatri Projects Limited ("the company") has presented consolidated Financial statements by consolidating its own financial statements with those of its Subsidiaries, Associates and Joint Ventures in accordance with Accounting Standard- 21(Consolidated Financial statements), Accounting Standard-23 (Accounting for Investments in Associates in consolidated Financial statements) and Accounting Standard – 27 (Financial reporting of Interests in joint ventures) notified in section 211 (3C) of the Companies Act, 1956.

The Financial statements of each of those Subsidiaries, Associates and Joint Ventures are prepared in accordance with the generally accepted accounting principles & accounting policies of Parent Company. The effects of inter-company transactions between consolidated companies/entities are eliminated in consolidation.

30.3 Disclosure of particulars regarding Subsidiaries, Joint ventures and Associates.

Subsidiaries, Joint Ventures and Associates Included in Consolidated Financial statements in terms of AS-21, AS-23 and AS-27 are as follows :

S. No	Name of the Entity	Nature of the Entity	% of Holding	Country of Incorporation
1	Gayatri Energy Ventures Private Limited	Wholly owned Subsidiary	100	India
2	Gayatri Infra Ventures Limited	Subsidiary	70.59	India
3	Sai MaatariniTollways Limited	Subsidiary	99.51	India
4	Balaji Highways Holding Limited	Associate	49	India
5	HKR Roadways Limited	Associates	26(33.77 along with subsidiary)	India
6	Indore DewasTollways Limited (Considered as subsidiary as per AS-21 for consolidation)	Associate	33.33(66.66 along with subsidiary)	India
7	IJM Gayatri Joint Venture	Joint Venture	40	India
8	Jaiprakash Gayatri Joint Venture	Joint Venture	49	India
9	Gayatri ECI Joint Venture	Joint Venture	50	India
10	Gayatri Ratna Joint Venture	Joint Venture	80	India
11	Gayatri – Ranjit Joint Venture	Joint Venture	60	India
12	Gayatri – GDC Joint Venture	Joint Venture	70	India
13	Gayatri – BCBPPL Joint Venture	Joint Venture	60	India
14	Gayatri – RNS Joint Venture	Joint Venture	60	India
15	Gayatri - JMC Joint Venture	Joint Venture	75	India
16	MEIL-Gayatri-ZVS-ITT Consortium	Joint Venture	48.44	India
17	Viswanath-Gayatri Joint Venture	Joint Venture	50	India
18	Maytas-Gayatri Joint Venture	Joint Venture	37	India
19	GPL-RKTCPL Joint Venture	Joint Venture	51	India
20	GPL-SPL Joint Venture	Joint Venture	51	India

30.4. Contingent Liabilities and Commitments

The details of the Contingent Liabilities and Commitments to the extent not provided as follows:

a. Contingent Liabilities **₹ in Lakhs**

Particulars	**As at 31st March 2015**	As at 31st March 2014
a) Guarantees given by the Banks towards performance & Contractual Commitments		
i) issued on behalf of the Company	**47,097.06**	51,639.03
ii) Issued on behalf of Subsidiaries / Group Companies	**30,442.35**	30,630.36
b) Corporate Guarantees given to group companies	**8,38,456.00**	748,110.00
c) Other money for which the company is contingently liable	**—**	—
d) Disputed Liability of Income Tax, Sales Tax, Service Tax and Seigniorage charges	**19,681.91**	15,521.11

b. Commitments **₹ in Lakhs**

Particulars	**As at 31st March 2015**	As at 31st March 2014
Contracts remaining to be executed on capital accounts (net of advances)	**1,019.64**	1,061.64
Commitments towards investment in subsidiaries, Joint Ventures and Associates	**25,480.00**	—
Other Commitments (as stated in subsidiary company financials.	**2,410.00**	—

30.5 Joint Venture Losses not considered - IJM-Gayatri Joint Venture

IJM – Gayatri Joint Venture is a joint venture in which IJM Corporation Berhad, Malaysia holds 60% and Gayatri Projects Limited holds 40% share. The Joint venture has executed road works during the period 1998-2006 in Package I, II & III and AP 13 of NHAI, APSH 7 and APSH 8 in the State of Andhra Pradesh.

An excess expenditure of ₹ 134.45 crores is incurred for completion of the IJM Gayatri JV by our company and the same is debited to the JV account. The JV has not accounted the same due to pending claims with the employers and with an intention to account the same as and when the claims are actually realized.

The JV has raised claims in excess of ₹ 300 Crores on the National Highways Authority of India and Andhra Pradesh State Government, which are pending for consideration before the appropriate legal forum.

During the previous year, SEBI has referred the above matter to “Financial Reporting and Review Board (FRRB)” for further examination. As per the Directions of the FRRB the company has provided an amount of ₹ 45.01 Crores (included in work expenditure) towards its 40% share of loss in the joint venture which was hitherto been the subject matter of qualification in the Auditors Report till previous year.

30.6. EARNING PER SHARE (EPS)

Basic EarningPer Share is calculated as per Accounting Standard 20 on Earnings Per Share. **₹ in Lakhs**

Particulars	2014-15	2013-14
Profit After Tax for calculation of Basic EPS (₹ in Lakhs)	**(3,547.27)**	(6,496.65)
Profit After Tax for calculation of Diluted EPS (₹ in Lakhs)	**(3,547.27)**	(6,496.65)
Weighted average No. of equity shares as denominator for calculating Basic EPS. (No. in Lakhs)	**302.27**	302.27
Weighted average No. of equity shares as denominator for calculating Diluted EPS. (No. in Lakhs)	**302.27**	302.27
Basic EPS (₹)	**(10.49)**	(21.49)
Diluted EPS (₹)	**(10.49)**	(21.49)

30.7 Related party transactions pursuant to Accounting Standard AS-18

(i) Details of related parties:

Entities in which KMP are interested	Key Management Personnel (KMP)
Deep Corporation Pvt. Ltd Indira Constructions Pvt. Ltd Gayatri Sugars Ltd Gayatri Hi-Tech Hotels Ltd Gayatri Property Ventures Pvt. Ltd. Gayatri Hotels & Theaters Pvt. Ltd GSR Ventures Pvt. Ltd. Gayatri Tissue & Papers Ltd. Indira Energy Holdings P.Ltd. Gayatri Bio-Organics Limited TSR Foundation Dr.T.Subbarami Reddy (HUF) Balaji Charitable Trust TSR LalitakalaParishad T.V.Sandeep Kumar Reddy & Others	Mr. T.V.Sandeep Kumar Reddy Mr. J.Brij Mohan Reddy Mrs.T. Indira Subbirami Reddy Mr.T.Rajiv Reddy Mr.P.Sreedhar Babu (CFO) Mrs.I.V.lakshmi (CS& CO)

(ii) Transactions with the related parties: **₹ in Lakhs**

Sl. No.	Description	2014-15		2013-14	
		Entities in which KMP are interested	KMP	Entities in which KMP are interested	KMP
1	Contract Receipts	—	—	—	—
2	Contract payments	—	**385.10**	526.13	—
3	Office Rent & Maintenance	—	**110.14**	106.16	—
4	Other Payments	**52.48**	**11.38**	99.69	—
5	Donations	**176.90**	—	423.66	—
6	Remuneration Paid	—	**444.00**	—	602.75
7	Contract Advances/ Other Adv.	—	—	—	—
8	Unsecured Loans received	—	**3300.00**	—	—
9	Closing balances – Debit	**25,099.87**	—	24,948.91	—
10	Closing balances – Credit	**110.53**	**3409.11**	**259.30**	**148.71**

30.8 Hedged Foreign Currency Exposures

The yearend foreign exposures that have been hedged by a derivate instrument or otherwise are given below:

Amount in Lakhs

Particulars	Currency	2014-15		2013-14	
		Foreign Currency Equivalent	Rupee Equivalent	Foreign Currency Equivalent	Rupee Equivalent
Amount payable in Foreign Currency:					
Hedged :					
External Commercial Borrowings (ECB)	USD	**229.78**	**13510.27**	239.38	13776.56
Un-hedged					
External Commercial Borrowings (ECB)	USD	**Nil**	**Nil**	Nil	Nil
Buyers credit	USD	**Nil**	**Nil**	2680.39	145784.95
Capital creditors	USD	**Nil**	**Nil**	1150.09	67791.56
Capital creditors	SGD	**Nil**	**Nil**	0.19	8.36
Estimated amount of contracts remaining to be executed on capital account and not provided for)	USD	**Nil**	**Nil**	1237.88	67327.39

30.9 Segment Reporting

The Company's operations predominantly consist of providing infrastructure facilities. Hence there are no reportable segments under Accounting Standard – 17. During the year under report, the Company's business has been carried out only in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

30.10 Observations and Qualifications made by the Independent Auditors of the Subsidiary Companies:

The Independent auditors of Gayatri Infra Ventures Limited, the subsidiary of the Company, have qualified their consolidated audit report on the financial statements as at 31st March, 2015 of step down subsidiaries of the company namely Gayatri Jhansi Roadways Limited and Gayatri Lalitpur Roadways Limited in respect of following matters:

i. For non-compliances with the provisions of Accounting Standard – 29, where in Gayatri Jhansi Roadways Limited and Gayatri Lalitpur Roadways Limited have not disclosed contingent liabilities to the extent of ₹1,202,718,645 (31 March 2014:₹ 1,202,718,645) and ₹ 996,673,320 (31 March 2014: ₹ 996,673,320), respectively, on account of escalation claims raised by the EPC contractor and not acknowledged as debts.

ii. Loans and advances of Gayatri Jhansi Roadways Limited and Gayatri Lalitpur Roadways Limited include receivables of ₹ 272,960,257 (31 March 2014: ₹ 272,960,257) and ₹ 283,594,725 (31 March 2014: ₹ 283,594,725), respectively, given to Gayatri Projects Limited and is doubtful of recovery. The Hon'ble High Court of Andhra Pradesh has appointed an arbitrator in respect of this matter and the related proceedings are under progress.

30.11. Managerial Remuneration:

The excess managerial remuneration paid/payable for the year will be recovered in the subsequent financial year.

30.12 Unsecured Loans from the Directors

As a part of the restructuring package, the promoters contribution amounting to ₹3300.00 lakhs is brought in by promoter Directors. The company is planning to raise the money through equity route and promoters have option to take refund of the unsecured loan from the equity proceeds.

30.13 Long term Loans and Advances

During the previous years, the Holding Company has given advances to its subcontractors for execution of various projects. The recovery of advances is delayed due to slow progress of the works on account of changes in government policy and bifurcation of the State. In view of this the parties have mutually decided to convert the advance as interest bearing loans carrying an interest equivalent to the bank deposit rate. Such loans during the current year have been grouped under "Long term loans & Advances". The advances will be recovered in future from the bill proceeds.

30.14 Receivables from Related Parties

Other Non-current Assets include an amount of ₹218.51 crores receivable from Gayatri Hi-tech Hotels Ltd (GHHL), a related party of the Group. The Holding Company has executed the hotel project of the GHHL under EPC scheme and the amount represents the balance receivables. GHHL has expressed its inability to pay dues immediately due to its liquidity constraints and has placed a proposal to convert the outstanding dues into 9% Cumulative Redeemable Preference Shares (CRPS) of ₹ 1,000/- each. The Holding Company has agreed in-principal for conversion of outstanding into CRPS and necessary statutory formalities are yet to be completed.

30.15 Advances to sub-contractors include amounts paid as work advances to certain sub-contractors wherein the corresponding contract works are yet to commence. In the opinion of the management, the said contract works have not commenced due to certain extraneous factors beyond the control of such sub-contractor and without any default/failure of performance from their end. The management is confident to commence the works in near future and recover the advances from the sub-contractors.

30.16 Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation and Amortization. The net value of Fixed Assets amounting to ₹ 297.30 Lakhs whose lives have expired as at 1st April 2014,of which ₹ 197.27 Lakhs (net of Deferred Tax of ₹ 100.03 lakhs) has been adjusted in the opening balance of Profit and Loss.

30.17 During the previous financial years one of the subsidiary company had given an Amount of ₹100 crores to NCC Limited for the purpose of acquisition of equity shares of NCC Infrastructure Holdings Limited. As per the amended agreement dated on 14/11/2014 the shares will be allotted to subsidiary company in 3 tranches on or before 31st March 2017 from the date of agreement.

30.18 During the previous financial years one of the subsidiary company had made various investments in JPGPL by way of acquisition of shares, share application money, advance for purchase of equity shares all together amounting to ₹54.44 crores. The subsidiary company had entered into an exit agreement dated 25th may 2013 with the said party, which was duly amended by various letter agreements from time to time and as per the latest letter agreement dated 30th December 2014, the company shall exit from JPGPL by 31st October 2015.

30.19 In the opinion of the management and to the best of their knowledge and belief, the value under the head of current assets are approximately of the value stated, if realized in ordinary course of business, unless stated otherwise. The provision for all known liabilities is adequate and not in excess of amount considered reasonably necessary.

30.20 The balances under Other Long Term Liabilities, Trade Payables, Trade Receivables, Other Current Liabilities, Other Non-Current Assets, Long Term Loans and Advances, Short term loans and advances and Other Current Assets are subject to reconciliation and confirmation.

30.21 There are no amounts due and outstanding to be credited to Investors Education & Protection Fund as on 31-03-2015 and amounts which are required to be transferred to such funds have been transferred. There were no amounts which were required to be transferred to Investor Education & Protection Fund by the subsidiary and associate companies.

30.22 Additional Information pursuant to Schedule III of the Companies Act, 2013.

i) CIF value of Imports **₹ in Lakhs**

Sl. No.	**Particulars**	**2014-15**	2013-14
1.	Purchase of Capital Goods	**Nil**	Nil

ii) Expenditure / (Income) in Foreign Currency :

Sl. No.	**Particulars**	**2014-15**	2013-14
1.	Travelling Expenses	**15.37**	16.51
2.	Interest on ECB Loan	**1,599.81**	1,461.64

30.23 Bilateral Restructuring of Debt under Joint Lenders Forum (JLF) Scheme

Due to liquidity constraints on account of stretched working capital cycles, increased cost of inputs, higher interest cost, slowdown in Infrastructure sector etc., which has led to a strain on the resulting cash flows of the Holding Company. Keeping in view of the above the Holding Company has restructured its debt obligations under bilateral restructuring route monitored by the Joint Lenders forum (JLF). The scheme was approved by the lenders on 19.01.2015 and the relevant agreements like MRA, TRA etc., were executed on 23.1.2015. The restructuring is effected from 1st July 2014. Pursuant to this scheme, some of the Long Term and Short Term Loans have been rescheduled along with reduced rate of interest.

30.24 Additional information as required by paragraph 2 of the General Instructions for the preparation of Consolidated Financial Statements to Schedule III of Companies Act, 2013.

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit or Loss	
	As % of Consolidated net assets	Amount (₹ in Lakhs)	As % of Consolidated Profit/(Loss)	Amount (₹ in Lakhs)
Parent - GPL	86.93	66,235.75	69.59	2,205.30
Subsidiary - Indian				
Gayatri Energy Ventures Private Limited	12.93	9,850.83	(85.29)	(2,703.03)
Gayatri Infra Ventures Limited	(7.64)	(5,822.82)	(90.06)	(2,854.26)
Sai MaatariniTollways Limited	6.54	4,985.12	(0.65)	(20.47)
Indore DewasTollways Limited	—	3.48	(0.01)	(0.32)
Associates - Indian				
Balaji Highways Holding Limited	—	—	—	—
HKR Roadways Limited	—	—	—	—
Joint Ventures - Indian				
IJM Gayatri Joint Venture	0.05	34.81	0.54	16.98
Jaiprakash Gayatri Joint Venture	0.01	6.21	—	—
Gayatri ECI Joint Venture	1.16	886.57	5.88	186.42
Gayatri Ratna Joint Venture	0.01	5.37	—	—
Gayatri – Ranjit Joint Venture	—	—	—	—
Gayatri – GDC Joint Venture	—	—	—	—
Gayatri – BCBPPL Joint Venture	0.01	7.69	—	—
Gayatri – RNS Joint Venture	—	—	—	—
Gayatri - JMC Joint Venture	—	—	—	—
MEIL-Gayatri-ZVS-ITT Consortium	—	—	—	—
Viswanath-Gayatri Joint Venture	—	—	—	—
Maytas-Gayatri Joint Venture	—	—	—	—
GPL-RKTCPL Joint Venture	—	—	—	—
GPL-SPL Joint Venture	—	—	—	—
Minority Interest				
Gayatri Infra Ventures Limited	3.98	3,033.48	(49.97)	(1,583.62)\
Indore DewasTollways Limited	—	2.27	(0.01)	(0.16)

30.25 One of the Joint Venture namely Maytas-Gayatri Joint Venture is not considered for consolidated financial statements since the financials of the said JV are not available.

30.26 Figures pertaining to the subsidiary companies and Joint ventures have been reclassified wherever necessary to bring them in line with the company's financial statements.

30.27 All amounts are rounded off to nearest thousand.

30.28 Current year figures are not comparable to previous year figures since one of the subsidiary company has become Associate which has major impact on the balances of Loans, CWIP, Other Long Term Liabilities, Trade Payables Cash and Bank Balances etc.,.

30.29 Previous year figures have been regrouped wherever considered necessary.

As per our report attached
For M O S & Associates LLP
(Formerly M O S & Associates)
Chartered Accountants

S.V.C. Reddy
Partner

Place : Hyderabad.
Date : 30th May 2015

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary & Compliance Officer

INDEPENDENT AUDITORS' REPORT

To The Members of Gayatri Projects Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Gayatri Projects Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to 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 accounting records, relevant to the preparation and presentation of these financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

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 Board of 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 standalone financial statements.

Opinion

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

Emphasis of Matters

(Note Nos. referred hereunder are with reference to respective Notes forming part of the standalone financial statement)

We draw member's attention to the following matter:

i) Note No.31.21 & 31.22 regarding certain loans & advances and work advances given to some of the sub-contractors which are long pending for recovery.

   Our Opinion is not qualified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our

knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of accounts 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, 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;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

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

   i. As stated in Note No. 19 & 31.2 (d), the company has disclosed the impact of pending litigations on its standalone financial position.

   ii. As per the information and explanations given by the company, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. As per the information and explanations given by the company, the amounts which are required to be transferred to Investor Education & Protection Fund have been transferred.

For M O S & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No.: 001975S/S200020

S V C REDDY
Partner
Membership No.: 224028

Place: Hyderabad
Date: 30th May 2016

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i) In respect of Fixed Assets:

a. In our opinion and as per the information and explanations given to us, the Company has maintained proper records showing particulars, including quantitative details and situation of fixed assets.

b. The management of the company has verified the fixed assets at reasonable intervals during the year. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii) According to the information and explanations given to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to the book records, which in our opinion were not material, have been properly dealt with.

iii) According to the information and explanations given to us, the Company has granted unsecured Loans of Rs.11,550.50 lakhs to parties covered in the Register maintained under section 189 of the Companies Act, 2013. In respect of such loans,

a. In our opinion and according to information and explanations given to us, the terms and conditions of such loans given by the Company are not prima facie prejudicial to the interest of the company.

b. The Schedule of repayment of the principal and interest has not been stipulated as the principal amount is repayable on demand.

c. There is no repayment schedule and therefore there is no overdue amount.

iv) According to the information and explanations given to us and in our opinion, the company has complied with the provisions of sections 185 and 186 of the Act, to the extent applicable, in respect of grant of loans, making investments and providing guarantees and securities.

v) According to the information and explanations given to us, the Company has not accepted any deposits from public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.

vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) In respect of statutory dues:

a. According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Sales Tax, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess with the appropriate authorities during the year.

b. According to the information and explanation given to us, there are no dues of Sales tax, Income Tax, Wealth Tax, Service Tax, Customs Duty and Cess which have not been deposited as on 31st March, 2016 on account of any dispute, *except the following:*

Sl. No.	Name of the Statute	Name of the Tax Due	Forum where Dispute is pending	Amount ₹ in Lakhs
1	Mines and Minerals (Development and Regulation) Act, 1957	Department of Mines and Geology	Supreme Court	1,043.51
2	Central Sales Tax Act, 1956 and Sales Tax Acts of Various States	Sales Tax/Vat	Appeals pending before High Courts of respective states and Appellate Tribunals and other appropriate authorities.	3,436.55
3	Central Excise Act, 1944	Service Tax	Appeals pending before various Authorities	323.03
4	Income Tax Act, 1961	Income Tax	Appeal pending before CIT(Appeals) Hyderabad	3768.07

viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government and dues to debenture holders as at the Balance Sheet date.

ix) According to information and explanations given to us, the company has not raised moneys by way of public offer (including debt instruments). Based on our audit procedures and according to the information and explanations given to us, in our opinion, the Term loans availed by the Company were, prima facie, applied for the purpose for which they were obtained.

x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the management.

xi) The company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii) The Company has entered into transactions with the related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard - 18, Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv) The Company has made preferential allotment and private placement of equity shares during the year. According to the information and explanations given to us, the preferential allotment and private placement of equity shares are in compliance with the provisions of Section 42 of the Act and the amounts raised have been used for the purpose for which they were raised.

xv) According to the information and explanations given to us, the company has not entered into any non cash transactions with its directors or persons connected with them and accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi) The Company is not required to be registered under section 45-IA IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For M O S & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No.: 001975S/S200020

S V C REDDY
Partner
Membership Number: 224028

Place: Hyderabad
Date: 30th May 2016

Annexure "B" to Independent Auditor's Report

(Referred to in paragraph 2(f) under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls over Financial Reporting 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 Projects Limited ("the Company"), as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for the 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 ('ICAI'). 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of 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 were established and maintained and if such controls operating effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control 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 auditors' judgment including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control system 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 (GAAP). A Company's internal financial control system over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, 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 authorization of the Management and Directors' of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's Assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial control system over financial reporting, including the possibility of collusion or improper management override of controls, material misstatement due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial control system over financial reporting to future periods are subject to the risk that the internal financial control system over financial reporting may become inadequate because of the 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 control system over financial reporting and such internal financial control system over financial reporting were operating effectively as at 31st March 2016, based on the internal financial control system 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 Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M O S & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No.: 001975S/S200020

S V C REDDY
Partner
Membership Number: 224028

Place: Hyderabad
Date: 30^{th} May 2016

BALANCE SHEET AS AT 31st MARCH, 2016

₹ in Lakhs

Particulars	Note No.	As at 31st March, 2016		As at 31st March, 2015	
I. EQUITY AND LIABILITIES					
1 Shareholders' Funds					
(a) Share Capital	3	**3,545.04**		3,022.70	
(b) Reserves and Surplus	4	**80,322.25**		65,231.05	
			83,867.29		68,253.75
2 Non-Current Liabilities					
(a) Long-Term Borrowings	5	**97,197.13**		92,715.38	
(b) Deferred Tax Liabilities (net)	6	**2,308.89**		2,876.25	
(c) Other Long Term Liabilities	7	**62,711.66**		49,721.61	
(d) Long-Term Provisions	8	**894.56**		694.21	
			163,112.24		146,007.45
3 Current Liabilities					
(a) Short-Term Borrowings	9	**89,021.38**		79,178.76	
(b) Trade Payables	10	**41,801.40**		44,561.16	
(c) Other Current Liabilities	11	**10,013.35**		12,752.99	
(d) Short Term Provisions	12	**862.79**		463.44	
			141,698.92		136,956.35
Total			**388,678.45**		351,217.55
II ASSETS					
1 Non-Current Assets					
(a) Fixed Assets - Tangable Assets	13	**22,686.19**		20,812.12	
(b) Non-Current Investments	14	**118,177.03**		94,677.03	
(c) Long Term Loans and Advances	15	**51,026.05**		51,041.04	
(d) Other Non-Current Assets	16	**—**		21,851.46	
			191,889.27		188,381.65
2 Current Assets					
(a) Current Investments	17	**—**		71.79	
(b) Inventories & Work in progress	18	**15,488.43**		24,202.29	
(c) Trade Receivables	19	**78,766.06**		57,183.35	
(d) Cash and Cash Equivalents	20	**18,004.94**		14,515.83	
(e) Short Term Loans and Advances	21	**84,303.83**		66,731.96	
(f) Other Current Assets	22	**225.92**		130.68	
			196,789.18		162,835.90
Total			**388,678.45**		351,217.55
Significant Accounting Policies	2				
Other Notes forming part of the Financial Statements	31				

As per our report attached
For M O S & ASSOCIATES LLP
Chartered Accountants

S.V.C. REDDY
Partner

Place : Hyderabad.
Date : 30th May 2016

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary & Compliance Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016

₹ in Lakhs

	Particulars	Note No.	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
I.	**Revenue**			
	(a) Revenue from Operations	23	**181,221.25**	160,114.16
	(b) Other Income	24	**659.89**	439.21
	Total Revenue		**181,881.14**	160,553.37
II.	**Expenses**			
	(a) Consumption of Materials and Cost of Purchases & Services	25	**50,574.16**	58,338.78
	(b) Work Expenditure	26	**91,329.40**	74,744.65
	(c) Changes in Inventories of Work in Progress	27	**5,643.82**	(588.37)
	(d) Employee Benefits Expenses	28	**4,206.24**	3,632.82
	(e) Finance Costs	29	**15,792.93**	14,867.18
	(f) Depreciation and Amortization Expenses	13	**3,747.47**	2,820.08
	(g) Other Expenses	30	**3,521.69**	3,229.37
	Total Expenses		**174,815.71**	157,044.51
III.	**Profit/ (Loss) Before Exceptional & Extraordinary items and Tax (I-II)**		**7,065.43**	3,508.86
IV.	Exceptional items		—	—
V.	**Profit/ (Loss) Before Extra ordinary items and Tax**		**7,065.43**	3,508.86
VI.	Extraordinary items		—	—
VII.	**Profit/ (Loss) Before Tax**		**7,065.43**	3,508.86
VIII.	Tax Expenses			
	(a) Current Tax - paid (Refer Note No. 31.18)		**1,767.94**	1,439.18
	(b) Deferred Tax (Net)		**(567.35)**	(135.64)
IX.	**Profit for the year**		**5,864.84**	2,205.32
X.	**Earning per Share (of ₹10/- each):**			
	Basic & Diluted		**17.50**	7.30
	Significant Accounting Policies	**2**		
	Other Notes forming part of the Financial Statements	**31**		

As per our report attached
For M O S & ASSOCIATES LLP
Chartered Accountants

S.V.C. REDDY
Partner

Place : Hyderabad.
Date : 30th May 2016

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary & Compliance Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

₹ in Lakhs

Particulars	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
A Cash Flow from Operating Activities		
Profit before Tax excluding extraordinary and exceptional items	**7,065.43**	3,508.86
Adjustments for:		
Depreciation and amortization	**3,747.47**	2,820.08
Interest and other Income	**(659.89)**	(439.21)
Loss on sale of Fixed Assets	—	214.47
Finance Costs	**15,746.74**	14,573.91
Foreign Currency Translation and Transactions – ECB	**46.19**	293.27
Other non-cash items/ Provisions	**202.73**	(43.57)
Operating Profit before Working Capital Changes	**26,148.67**	20,927.81
Adjustments for :		
(Increase) / Decrease in Trade Receivables	**(23,231.25)**	9,859.69
(Increase) / Decrease in long term loans and Advances	**14.99**	(7,401.84)
(Increase) / Decrease in Short term loans and Advances	**(17,571.87)**	(29,540.35)
(Increase) / Decrease in Other current assets	**(95.24)**	(43.73)
(Increase) / Decrease in Inventory	**8,713.86**	(449.28)
Increase / (Decrease) in other current liabilities	**(1,072.44)**	405.09
Increase / (Decrease) in other Long Term liabilities	**12,990.05**	(11,431.03)
Increase / (Decrease) in Trade Payables	**(2,759.76)**	5,997.19
Cash (used in) / generated from Operating Activities	**3,137.01**	(11,676.45)
Direct Taxes paid	**(1,767.94)**	(1,439.18)
Net Cash (used in) / generated from Operating Activities	**1,369.07**	(13,115.63)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	**(5,621.54)**	(957.46)
Purchase of Non-Current Investments	—	(117.00)
Investments in Mutual Funds	**71.79**	117.77
Proceeds from sale of Fixed Assets	—	250.05
Interest and other income received	**659.89**	439.21
Net Cash (used in) / generated from Investing Activities	**(4,889.86)**	(267.43)
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital including Share Premium	**10,644.21**	—
Redemption of Debentures	**(2,927.84)**	(712.16)
Net Proceeds from Long term borrowings	**7,195.68**	11,498.35
Net Proceeds from Short term borrowings	**9,842.62**	12,793.93
Finance Costs	**(17,200.03)**	(14,918.21)
Foreign Currency Translation and Transactions loss paid	**(46.19)**	(293.27)
Dividend & Dividend Tax paid	**(498.55)**	(604.54)
Net Cash (used in) / generated from Financing Activities	**7,009.90**	7,764.10
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	**3,489.11**	(5,618.96)
Cash and Cash Equivalents at the beginning of the year	**14,515.83**	20,134.79
Cash and Cash Equivalents at the end of the year	**18,004.94**	14,515.83

a Cash & Cash Equivalents consist of Cash on hand and balances with banks includes Margin Money Deposits for Bank Guarantees of ₹ 12556.51 lakhs (Previous Year ₹ 9017.02 lakhs).

b The cash flow statement is prepared in accordance with the indirect method as stated in Accounting Standard 3 issued by ICAI on "Cash Flow Statements" and presents cash flows by Operating, Investing and Financing activities.

c Figures in brackets represent cash outflows.

d The Accompanying Notes and other explanatory information form an integral part of the Financial Statements.

As per our report attached
For M O S & ASSOCIATES LLP
Chartered Accountants

S.V.C. REDDY
Partner

Place : Hyderabad.
Date : 30th May 2016

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary & Compliance Officer

1. CORPORATE INFORMATION

Gayatri Projects Limited founded in 1989 is one of India's premier infrastructure company based in Hyderabad executing major civil works including Roads, Canals, Airport Runways, Ports/Harbors, Dams & Reservoirs, Railways etc., across India.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Presentation of Financial Statements

The Company's Financial statements have been prepared to comply with generally accepted accounting principles (Indian GAAP) including the Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Act (to the extent notified). 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 viz. SEBI guidelines override the same requiring a different treatment. Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy used previously.

The Financial statements are prepared on accrual basis following the historical cost convention except in certain cases of fixed assets which are carried at revalued amounts and in case of certain financial instruments which are measured at fair values. The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) - 3 "Cash Flow Statements". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the Listing Agreement.

2.2 Use of Estimates

The preparation of financial statements in conformity with GAAP requires the management of the Company to make 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, estimation of costs as a proportion to the total costs. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known/ materialized. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material are disclosed in the notes to Account.

2.3 Revenue Recognition

A. Revenue from Operations

a. Revenue from Construction activity:

i) Income is recognized on fixed price construction contracts in accordance with the percentage completion basis, which necessarily involve technical estimates of the percentage of completion, and costs to completion, of each contract / activity, on the basis of which profits and losses are accounted. Such estimates, made by the Company and certified to the Auditors have been relied upon by them, as these are of technical nature.

ii) The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract.

iii) Price escalation and other variations in the contract work are included in contract revenue only when:

   a) Negotiations have reached at an advanced stage such that it is probable that customer will accept the claim and

   b) The amount that is probable will be accepted by the customer can be measured reliably.

iv) Incentive payments, as per customer-specified performance standards, are included in contract revenue only when:

   a) The contract is sufficiently advanced that it is probable that the specified performance standards will be met and

   b) The amount of the incentive payment can be measured reliably.

v) Insurance claims are accounted for on cash basis.

vi) Contract Claims raised by the company which can be reliably measured and have reached an advanced stage of arbitration pending in High court have been recognized as income.

b. Revenue from supply of materials:

Revenue from supply of materials is recognized when substantial risks and rewards of ownership are transferred to the buyer and invoice for the same is raised.

c. Revenue form generation and distribution of Wind Power:

Revenue from wind power operations is recognized when the units are reliably measured and billed and it is reasonable to expect ultimate collection.

d. Revenue receipts on Joint Venture Contracts

i) In work sharing Joint Venture arrangements, revenues, expenses, assets and liabilities are accounted for in the Company's books to the extent work is executed by the Company.

ii) In jointly controlled entities, the share of profits or losses is accounted as and when dividend/ share of profit or loss are declared by the entities.

e. Other Operational Revenue:

All other revenues are recognized only when collectability of the resulting receivable is reasonably assured.

B. Other Income

i) Interest income is accounted on accrual basis as per applicable interest rates and on time proportion basis taking into account the amount outstanding.

ii) Dividend income is accounted in the year in which the right to receive the same is established.

2.4 Inventories and work in progress

Raw Materials, construction materials and stores & spares are valued at weighted average cost. Expenditure incurred towards construction work and yet to be certified is carried forward as work in progress. Cost includes direct material, work expenditure, labour cost and appropriate overheads.

2.5 Fixed Assets and Depreciation & Amortization

a) Tangible Fixed assets

Tangible Fixed Assets are stated at cost of acquisition, less accumulated depreciation thereon. Expenditure which are capital in nature are capitalized at cost, which comprises of purchase price (net of rebates and discounts), import duties, levies, financing costs and all other expenditure directly attributable to bringing the asset to its working condition for its intended use.

b) Capital work in progress

Tangible assets which are purchased but not yet installed and not ready for the intended use on the date of balance sheet are disclosed as "Capital Work-in-Progress".

c) Depreciation and amortization

In respect of fixed assets (other than land and Capital Work in Progress) depreciation / amortization is charged on a straight line basis over the useful lives as prescribed in Schedule II to the Companies Act 2013. For the assets acquired prior to April 1, 2014 the carrying amount is depreciated over the remaining useful life as stipulated in the Act.

However, the remaining use-full life of certain class of plant & machinery is considered as 6 years (w.e.f. 01.04.2014) based on the technical assessment, managements experience of use of those assets, present condition of the asset etc.

Leasehold improvements or assets are amortized over the period of lease.

2.6 Foreign Currency Transactions

The reporting currency of the company is Indian Rupee. Foreign exchange transactions are accounted at the rates prevailing on the date of transactions. Monetary assets and current liabilities related to foreign currency transactions remaining unsettled at the exchange rate date prevailing on the balance sheet date. The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions are recognized in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

2.7 Investments

Trade investments comprise investments in subsidiary companies, joint ventures, associate companies and in the entities in which the Company has strategic business interest. Investments are classified as Current investments and Non-Current investments.

Investments, which are readily realizable and are intended to be held for not morethan 1 year from the date of acquisition, are classified as current investments. All other investments are classified as long term investments.

Non-Current Investments are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

2.8 Employee Benefits

Liability for employee benefits, both short and long term, for present and past service which are due as per the terms of employment are recorded in accordance with Accounting Standard (AS) 15 "Employee Benefits" issued by the Institute of Chartered Accountants of India.

i) Gratuity

In accordance with the Payment of Gratuity Act, 1972 the Company provides for Gratuity covering eligible employees. The liability on account of Gratuity is provided on the basis of valuation of the liability by an independent actuary as at the year end.

ii) Provident Fund

In accordance with applicable local laws, eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan to which both the employee and employer contributes monthly at a determined rate (currently up to 12% of an employee's salary). These contributions are either made to the respective Regional Provident Fund Commissioner, or the Central Provident Fund under the State Pension Scheme, and are recognized as expenses incurred.

iii) Compensated Absences

Liability for compensated absence is treated as a long term liability and is provided on the basis of valuation by an independent actuary as at the year end.

2.9 Deferred Revenue Expenditure

Projects and Other amenities expenditure incurred up to 31st March, 2016, the benefit of which is spread over more than one year is accounted as Project Promotion Expenses grouped under Other Advances and is amortized over the period in which benefits would be derived.

2.10 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such asset. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

2.11 Leases

Assets taken on finance lease are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

Operating leases in respect of office & other equipment, house for employees, Office buildings are cancelable / renewable by mutual consent on agreed terms. Lease payments under an operating lease are recognized as an expense in the Profit and Loss Account.

2.12 Earnings per Share (EPS)

In arriving at the EPS, the Company's net profit after tax, computed in terms of the Indian GAAP, is divided by the weighted average number of equity shares outstanding on the last day of the reporting period. The EPS thus arrived at is known as 'Basic EPS'. To arrive at the diluted EPS the net profit after tax, referred above, is divided by the weighted average number of equity shares, as computed above and the weighted average number of equity share that could have been issued on conversion of shares having potential dilutive effect subject to the terms of issue of those potential shares. The date/s of issue of such potential shares determine the amount of the weighted average number potential equity shares.

2.13 Taxation

i) Current Tax

Provision for Current tax is made based on the liability computed in accordance with the relevant tax rates and provisions of Income Tax Act, 1961.

ii) Deferred Taxes

Deferred tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods. Deferred tax assets are recognized and carried forward only 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.

2.14 Impairment of Fixed Assets

The carrying amount of assets, other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

2.15 Provisions for Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation in respect of which reliable estimate can be made as on the balance sheet date.

Contingent liabilities are present obligations arising from a past event, when it is not probable / probability is remote that an outflow of resources will be required to settle the obligation and they are not recognized but are disclosed in the notes.

Contingent Assets are neither recognized nor disclosed in the financial statements except where it has become virtually certain that an inflow of economic benefit will arise, the asset and the related income are recognized in financial statements of the period in which the change occurs. Provisions for Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

2.16 Commitments

Commitments are future liabilities for contractual expenditure.

Commitments are classified and disclosed as follows:

a. Estimated amount of contracts remaining to be executed on capital account and not provided for
b. Uncalled liability on shares and other investments partly paid
c. Funding related commitment to subsidiary, associate and joint venture companies and
d. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

2.17 Operating cycle for current and non-current classification

Operating cycle for the business activities of the Company covers the duration of the specific project/contract/ product line/service including the defect liability period, wherever applicable and extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

2.18 Cash Flow Statement

Cash Flow Statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

i. transactions of a non-cash nature
ii. any deferrals or accruals of past or future operating cash receipts or payments and
iii. items of income or expense associated with investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

2.19 Cash and Cash Equivalents

Cash and cash equivalents include cash, bank balances, fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being not free from more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

Amounts in the financial statements are presented in ₹ lakhs, except for per share data and as otherwise stated.

3. SHARE CAPITAL

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares	**₹ in Lakhs**	Number of shares	₹ in Lakhs
(i) Authorised Share Capital Equity shares of ₹10/- each	**80,000,000**	**8,000.00**	80,000,000	8,000.00
(ii) Issued Share Capital Equity shares of ₹10/- each	**35,450,380**	**3,545.04**	30,226,994	3,022.70
(iii) Subscribed and fully paid up Share Capital Equity shares of ₹10/- each	**35,450,380**	**3,545.04**	30,226,994	3,022.70
Total	**35,450,380**	**3,545.04**	30,226,994	3,022.70

(a) Terms / Rights, Preferences and restrictions attached to Equity Shares:

The company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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.

The Board of Directors have recommended dividend of ₹ 2/- per equity share in their meeting held on 30th May, 2016, subjected to approval of the shareholders in the ensuing Annual General Meeting (For the year ended 31st March, 2015 : ₹ 1.00 per equity share).

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares	**₹ in Lakhs**	Number of shares	₹ in Lakhs
Equity shares of ₹10/- each with voting rights At the beginning of the period	**30,226,994**	**3,022.70**	30,226,994	3,022.70
Add: Shares issued during the year	**5,223,386**	**522.34**	—	—
Outstanding at the end of the period	**35,450,380**	**3,545.04**	30,226,994	3,022.70

(c) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: Nil

(d) **Details of shares held by each shareholder holding more than 5% shares:**

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares of ₹10/- each with voting rights				
Indira Subbarami Reddy Tikkavarapu	**11,425,900**	**32.23**	10,630,932	35.17
Sandeep Kumar Reddy Tikkavarapu	**5,403,962**	**15.24**	4,579,544	15.15
GMO Emerging Markets Fund	**3,380,000**	**9.53**	—	—
Afrin Dia	**2,820,000**	**7.95**	2,820,000	9.33
India Max Investment Fund Limited	**2,357,000**	**6.65**	2,357,000	7.80
GMO Emerging Domestic Opportunities Fund	**2,110,969**	**5.95**	2,039,278	6.75

4. RESERVES & SURPLUS

₹ in Lakhs

Particulars	As at 31st March, 2016	As at 31st March, 2015
a. **Capital Reserve**		
Opening balance	**143.40**	143.40
Add : Additions to Reserve during the year	—	—
Closing balance	**143.40**	143.40
b. **General Reserve**		
Opening balance	**10,500.00**	10,000.00
Add Amount transferred from DRR	**1,300.00**	—
Add: Amount transferred from Statement of Profit and Loss	**500.00**	500.00
Closing balance	**12,300.00**	10,500.00
c. **Securities Premium Account**		
Opening balance	**25,400.19**	25,400.19
Add: Premium received on Shares issued during the year	**10,121.87**	—
Closing balance	**35,522.06**	25,400.19
d. **Debenture Redemption Reserve**		
Opening balance	**1,300.00**	1,300.00
Amount transferred to General Reserve	**(1,300.00)**	—
Closing balance	—	1,300.00
e. **Surplus / (Deficit) in Statement of Profit and Loss**		
Opening balance	**27,887.46**	26,730.03
Add : Surplus / (Deficit) for the year	**5,864.84**	2,205.32
Amount available for Appropriation	**33,752.30**	28,935.35
Less: Appropriations		
Dividend and Dividend Tax (Prev. Year)	**42.16**	—
Dividend and Dividend Tax	**853.35**	353.64
Adjustment relating to Fixed Assets	—	194.25
Transferred to General Reserve	**500.00**	500.00
Closing balance	**32,356.79**	27,887.46
Total (a+b+c+d+e)	**80,322.25**	65,231.05

5 LONG-TERM BORROWINGS

₹ in Lakhs

Particulars	As at 31[st] March, 2016		As at 31[st] March, 2015	
Secured	Non-Current	Current	Non-Current	Current
(i) Non-Convertible Debentures Nil (31st March, 2015: NIL) 11.50% Redeemable, Non-Convertible Debentures (NCDs) of ₹ 10,00,000/- each	—	—	—	2,927.84
ii) Term Loans from Banks				
a. Equipment Loans (Refer note 5.1)	**1,949.75**	**1,091.03**	56.03	1,560.38
b. Other Term Loans (Refer note 5.2)	**76,814.71**	**3,810.00**	70,774.17	520.83
c. External Commercial Borrowings (Refer note 5.3)	**11,792.05**	**620.63**	13,510.27	—
iii) Term Loans from others				
a. Equipment Loans (Refer note 5.1)	**6,448.91**	**250.58**	5,074.91	982.64
b. Vehicle Loans (Refer note 5.4)	**39.61**	**8.41**	—	2.87
Un-Secured				
From Directors (Interest Free Loans) (Refer Note 5.6)	**152.10**	—	3,300.00	—
Total	**97,197.13**	**5,780.65**	92,715.38	5,994.56

5.1 Equipment Loans

The Equipment loans are secured by hypothecation of specific equipments acquired out of the said loans and all these loans are guaranteed by directors. The rate of interest on these loans varies between 11% to 15%.

5.2 Term Loans:

The secured term loans are secured by hypothecation of construction equipments not specifically charged to other banks, immovable properties of group companies and personal guarantees of the promoters. The rate of interest various between 11% to 13% with an average yield of 12.04% p.a.

5.3 External Commercial Borrowing:

Details of External Commercial Borrowings

The Company availed Foreign Currency Loan of USD 24.42 million from an Indian Scheduled Bank to meet a part of funds requirement towards redemption of outstanding FCCBs. The ECB loan is repayable in 24 quarterly installments commencing from October 2013 with rate of interest at 3 months USD LIBOR+500bps.

Nature of Security

(i) Equitable mortgage of immovable property of 600 acres in the name of step down subsidiary company.
(ii) Pledge of unencumbered equity shares of promoters in Gayatri Projects Ltd.
(iii) Personal guarantee of the two promoter directors.

5.4 Vehicle Loans:

The Vehicle loans availed are secured by hypothecation of specific vehicles purchased out of the said loans. The vehicle loans carry interest rate between 11% to 15% p.a.

5.5 Maturity Profile of Long Term Borrowings is set out below:

₹ in Lakhs

Particulars	2017-18	2018-19	2019-20	2020-21 onwards
Equipment loans from Banks	**1,392.00**	**557.75**	—	—
Term Loans from Banks	**7,303.97**	**8,906.30**	10,220.80	50,383.62
ECB Loan	**993.02**	**993.02**	993.02	8,813.01
Equipment loans from Others	**332.57**	**1,256.05**	2,591.97	2,307.93

5.6 The promoters have brought back the dividend amount of ₹ 152.10 Laks as unsecured loan in compliance of the lenders stipulation for distribution of dividend to share holders.

5.7 Current Maturities of long term borrowings have been disclosed under the head "Other Current Liabilities" (Refer Note - 11).

6. Deferred Tax Liabilities (Net)

₹ in Lakhs

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Deferred Tax (Asset) on timing Differences due to: Provision for Gratuity and Leave Encashment	**(70.16)**	(8.27)
(b) Deferred Tax Liability on timing differences due to: Depreciation	**2,379.05**	2,884.52
Total	**2,308.89**	2,876.25

7. Other Long-Term Liabilities

₹ in Lakhs

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Advances from Contractees	**55,951.41**	42,572.22
(b) Margin Money Deposits received	**6,760.25**	7,149.39
Total	**62,711.66**	49,721.61

8. Long-Term Provisions

₹ in Lakhs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Employee Benefits (Refer Note No.31.5)	**894.56**	694.21
Total	**894.56**	694.21

9. Short Term Borrowings

₹ in Lakhs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Secured Working Capital Facilities (Refer Note No.9.1)	89,021.38	79,178.76
Total	89,021.38	79,178.76

Nature of Security and Terms of Repayment

9.1 Working Capital Facilities (Secured)

The working capital facilities from the consortium of Banks are secured by:

- Hypothecation against first charge on stocks, book debts and other current assets of the Company both present and future ranking paripassu with consortium banks.
- Hypothecation against first charge on all unencumbered fixed assets of the Company both present and future ranking paripassu with consortium banks.
- Equitable mortgage of properties belonging to promoters, directors and group companies.
- Personal guarantee of promoter directors, group companies/firms and relatives.

Period and amount of interest due as on balance sheet date:

- Interest amount of ₹ 8.28 crores for the month of March, 2016 charged on 31.03.2016 is due as on Balance Sheet date.

10. Trade Payables:

₹ in Lakhs

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
(a) Micro, Small and Medium Enterprises (refer Note No.31.11)	—	—
(b) Others	41,801.40	44,561.16
Total	41,801.40	44,561.16

11. Other current liabilities

₹ in Lakhs

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
(a) Current maturities of Long Term Borrowings		
- Non Convertible Debentures	—	2,927.84
- Term Loans	**5,780.65**	3,066.72
(b) Interest accrued but not due on Borrowings - NCD's	—	42.67
(c) Interest accrued and due on Borrowings	**828.37**	2,238.99
(d) Unpaid Dividends	**4.34**	5.43
(e) Remuneration payable to Directors	**109.69**	109.11
(f) Statutory Payables	**642.84**	1,799.07
(g) Other Payables	**2,647.46**	2,563.16
Total	**10,013.35**	12,752.99

12. Short-Term Provisions

₹ in Lakhs

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
(a) Employee Benefits (Refer Note No.31.5)	**9.44**	7.06
(b) Provision for Dividend	**709.01**	302.27
(c) Provision for Dividend Distribution Tax	**144.34**	154.11
Total	**862.79**	463.44

13. STATEMENT OF FIXED ASSETS AND DEPRECIATION & AMORTISATION

₹ in Lakhs

Particulars	Original Cost				Depreciation and Amortization				Net Book Value	
	As at April 1, 2015	Additions/ Adjustment during the year	Deductions/ Retirement during the year	As at March 31, 2016	As at April 1, 2015	For the year	Deductions/ Adjustment duing the year	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible Assets										
Land	35.12	—	—	**35.12**	—	—	—	**—**	**35.12**	35.12
Plant and Equipment	37,124.16	5,138.47	4,266.69	**37,995.94**	22,306.75	3,128.46	4,266.69	**21,168.52**	**16,827.42**	14,817.41
Wind Power Equipment	5,936.86	—	—	**5,936.86**	1,144.01	263.95	—	**1,407.96**	**4,528.90**	4,792.85
Furniture and Fixutures	404.88	12.38	90.08	**327.18**	269.06	31.48	90.08	**210.46**	**116.72**	135.82
Vehilcles	2,702.27	470.69	248.64	**2,924.32**	1,671.35	323.58	248.64	**1,746.29**	**1,178.03**	1,030.92
Total	46,203.29	5,621.54	4,605.41	**47,219.42**	25,391.17	3,747.47	4,605.41	**24,533.23**	**22,686.19**	20,812.12

14. Non-current investments **₹ in Lakhs**

Particulars	As at 31st March, 2016	As at 31st March, 2015
Non-Trade investments (valued at cost unless stated otherwise)		
Unquoted		
A. Investment in Subsidiary Companies		
(i) 12,50,000 (Previous Year 12,50,000) Equity Shares of ₹ 10/- each, fully paid in Gayatri Infra Ventures Ltd., (Refer note 14.1)	**12,532.38**	12,532.38
(ii) 65,24,030 (Previous year 65,24,030) Equity Shares of ₹ 10/- each, fully paid in Gayatri Energy Ventures Pvt. Ltd., (Refer note 14.2)	**63,983.28**	63,983.28
(iii) 25,500 (Previous Year 25,500) Equity Shares of ₹ 10/- each, fully paid in Bhandara Thermal Power Corporation Ltd. (Refer note 14.3)	**2.55**	2.55
(iv) 1,00,00,843 (Previous year 1,00,00,843) Equity Shares of ₹10/- each, fully paid in Sai Maatarani Tollways Ltd. (Refer note 14.4)	**18,016.03**	18,016.03
B. Investment in Associate Companies		
(i) 12,07,000 (Previous Year 37,000) Equity Shares of ₹.10/- each, fully paid in HKR Roadways Ltd. (Refer note 14.5)	**120.70**	120.70
(ii) 49,000 (Previous Year 49,000) Equity Shares of ₹.10/- each, fully paid in Balaji Highways Holdings Pvt. Ltd.,	**4.90**	4.90
(iii) 16,660 (Previous Year 16,660) Equity Shares of ₹.10/- each, fully paid in Indore Dewas Tollways Ltd., (Refer note 14.6)	**1.67**	1.67
C. Other Investments		
Un-quoted - at Cost		
2,35,00,000 (Previous year Nil) 9% non- Convertible Redeemable Cumulative Preferential Shares of Rs.10/- each, fully paid in Gayatri Hitech Hotels Ltd. (Refer note 31.17)	**23,500.00**	—
Quoted - at Cost		
(i) 11,63,607 (Previous Year 11,63,607) Equity Shares of ₹10/- each in Gayatri Sugars Ltd., (Refer note 14.7)	**293.10**	293.10
(ii) 1,728 (Previous Year 1,728) Equity Shares of ₹10/- each in Syndicate Bank.	**0.86**	0.86
Less: Provision for diminution in value of Investment (Refer note 14.7)	**(278.44)**	(278.44)
Total	**118,177.03**	94,677.03

Details of Quoted and Unquoted Investments: **₹ in Lakhs**

Particulars	As at 31st March, 2016	As at 31st March, 2015
Aggregate Amount of Quoted Investment	**15.52**	15.52
Aggregate Market value of Quoted Investment	**59.35**	19.55
Aggregate Amount of Unquoted Investment	**118,161.51**	94,654.94

14.1 Of these, 12,00,000 Equity shares of Gayatri Infra Ventures Limited have been pledged to IL & FS for the term loan availed by Bhandara Thermal Power Corporation Limited, a step-down subsidiary of the Company.

14.2 Of these, 16,96,248 Equity shares of Gayatri Energy Ventures Pvt. Ltd. have been pledged to IFCI for the loan availed by the same company.

14.3 Of these, 25,500 Equity shares of Bhandara Thermal Power Corporation Limited have been pledged to IL & FS for the term loan availed by same company.

14.4 Of these, 51,00,930 Equity shares of Sai Maatarani Tollways Limited (SMTL) have been pledged to IDBI Trusteeship Services Ltd for the Loan availed by SMTL.

14.5 Of these, 11,80,151 Equity shares of HKR Roadways Limited have been pledged to ITCL for the loan availed by HKR Roadways Limited.

14.6 Of these, 16,660 Equity shares of Indore DewasTollways Limited have been pledged to SBI Capital Security Trustee Company Limited for the Loan availed by Indore DewasTollways Limited.

14.7 The company has made provision for the diminution in the market value of quoted investments in the books as envisaged in the Companies (Accounting Standard) Rules, prescribed by the Central Government.

15. Long-term loans and advances

₹ in Lakhs

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
To Related Parties - Unsecured, Considered Good		
- Loans and Advances to Subsidiaries	**13,411.00**	13,411.00
- Loans and Advances to Associates	**4,535.01**	4,535.01
To Others - Unsecured, Considered Good		
- Security Deposit with Govt. Depts and Others	**47.90**	62.89
- Other Loans and Advances (Refer Note No. 31.21)	**33,032.14**	33,032.14
Total	**51,026.05**	51,041.04

16. Other Non-Current Assets

₹ in Lakhs

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
Unsecured, Considered Good		
- Receivables from Related Party (Refer Note No.31.17)	—	21,851.46
Total	—	21,851.46

17. Current Investments

₹ in Lakhs

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
Mutual Funds	—	71.79
Total	—	71.79

18. Inventories & Work in Progress

₹ in Lakhs

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
(a) Construction materials, Stores and Spares	**6,924.72**	9,994.76
(b) Work in Progress	**8,563.71**	14,207.53
Total	15,488.43	24,202.29

19. Trade Receivables **₹ in Lakhs**

Particulars	As at 31st March, 2016	As at 31st March, 2015
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good*	**61,038.97**	54,233.28
Unsecured, considered doubtful	—	—
Less: Provision for doubtful debts	—	—
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	**17,727.09**	2,950.07
Unsecured, considered doubtful	—	—
Less: Provision for doubtful debts	—	—
Total	**78,766.06**	57,183.35

* Includes claims amount receivable of ₹ 4106.84 lakhs (Previous year : ₹ 4106.84 lakhs)

20. Cash and cash equivalents **₹ in Lakhs**

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Cash on hand	**49.84**	42.58
(b) Balances with banks		
In current accounts	**3,660.37**	2,712.47
In deposit accounts (due with in 12 months)		
i. Margin money for Bank Guarantees / LCs	**12,556.51**	9,017.02
ii. Other Deposits	**1,738.22**	2,743.76
Total	**18,004.94**	14,515.83

21. Short-term loans and advances **₹ in Lakhs**

Particulars	As at 31st March, 2016	As at 31st March, 2015
To Related Parties - Unsecured, Considered Good		
- Loans and Advances to Subsidiaries	**11,450.67**	10,817.92
- Loans and Advances to Associates	**3,620.49**	3,266.72
To Others - Unsecured, Considered Good		
- Advances to Suppliers	**1,784.82**	646.59
- Advances to Sub-Contractors (Refer Note No.31.22)	**58,144.81**	44,175.78
- Staff Advances	**231.75**	188.24
- Advances with Govt. Departments	**7,571.18**	5,890.86
- Other Advances	**1,500.11**	1,745.85
Total	**84,303.83**	66,731.96

22. Other current assets **₹ in Lakhs**

Particulars	As at 31st March, 2016	As at 31st March, 2015
Prepaid Expenses	**25.91**	130.68
Others (Refer Note No.31.19)	**200.01**	—
Total	**225.92**	130.68

23. Revenue from Operations

₹ in Lakhs

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
(a) Construction Revenue	**170,169.84**	119,198.81
(b) Materials Supply Revenue	**10,160.60**	35,631.22
(c) Claims	—	4,518.20
(d) Revenue from Electricity Generation	**501.91**	579.51
(e) Share of profit from Joint Ventures	**388.90**	186.42
Total	**181,221.25**	160,114.16

24. Other income

₹ in Lakhs

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
(a) Interest income from Fixed Deposits	**385.60**	322.38
(b) Other Miscellaneous Income	**274.29**	116.83
Total	**659.89**	439.21

25. Consumption of Materials and Cost of Purchases & Services

₹ in Lakhs

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
(a) Steel	**8,068.34**	9,076.24
(b) Cement	**4,976.47**	3,787.40
(c) Bitumen	**8,751.07**	5,949.91
(d) Metal	**9,743.51**	4,726.62
(e) Sand & Gravel	**1,364.95**	1,135.62
(f) Electrical Materials	**2,586.96**	8,812.23
(g) Railway Line Materials	**2,449.20**	4,519.49
(h) Coal Handling System Materials	**5,651.93**	13,228.08
(i) RCC & GI Pipes	**135.25**	128.74
(j) HSD Oils & Lubricants	**5,803.85**	6,213.69
(k) Stores and Consumables	**509.66**	691.37
(l) Other Materials	**532.97**	69.39
Total	**50,574.16**	58,338.78

26. Work Expenditure

₹ in Lakhs

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
(a) Departmental Recoveries	**5,252.19**	2,873.01
(b) Work executed by sub contractors	**38,427.73**	19,088.46
(c) Earth Work	**16,473.75**	12,829.14
(d) Concrete Work	**5,671.93**	11,498.77
(e) Transport Charges	**1,374.46**	1,481.33
(f) Hire Charges	**2,304.11**	2,055.25
(g) Road work	**4,961.83**	10,293.31
(h) Repairs and Maintenance	**1,925.36**	1,419.86
(i) Taxes and Duties	**5,315.74**	5,434.36
(j) Royalties, Seigniorage and Cess	**1,804.82**	856.08
(k) Insurance	**261.97**	203.22
(l) Commission to Banks on BG/LC	**986.20**	1,419.61
(m) Other Work Expenditure	**6,569.31**	5,292.25
Total	**91,329.40**	74,744.65

27. Change in Inventories of Work-in-Progress

₹ in Lakhs

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Opening Work in Progress	**14,207.53**	13,619.16
Less : Closing Work in Progress	**(8,563.71)**	(14,207.53)
Changes in Inventory	**5,643.82**	(588.37)

28. Employee benefits expense

₹ in Lakhs

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
(a) Salaries & Wages	**3,062.41**	2,630.20
(b) Director's Remuneration	**529.41**	444.00
(c) Staff Welfare Expenses	**483.98**	466.29
(d) Contribution to Statutory Funds	**130.44**	92.33
Total	**4,206.24**	3,632.82

29. Finance costs

₹ in Lakhs

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
(a) Interest on Term Loans	**9,001.25**	6,949.71
(b) Interest on Non Convertible Debentures	**194.38**	409.56
(c) Interest on Working Capital Facilities	**9,657.25**	9,600.03
(d) Interest on Equipment Loans	**761.62**	749.52
(e) Interest on ECB Loan *	**1,239.95**	1,306.55
(f) Exchange loss on ECB Loan	**46.19**	293.27
(g) Interest on Others	**3.23**	8.49
(h) Bank Guarantee & Other Financial Charges	**412.47**	397.71
	21,316.34	19,714.84
(i) Less : Interest on BG/LC Margin Money Deposits	**(1,106.92)**	(1,059.48)
Interest on Loans & Advances	**(4,416.49)**	(3,788.18)
Total	**15,792.93**	14,867.18

* includes premium paid on foreign currency forward contract.

30. Other expenses

₹ in Lakhs

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
(a) Advertisement expenses	**75.10**	43.94
(b) Audit fee	**59.54**	59.55
(c) CSR Expenditure & Donations	**301.99**	313.68
(d) Insurance charges	**52.49**	23.38
(e) Consultancy, Legal & professional charges	**867.00**	810.53
(f) General Expenses	**191.33**	163.25
(g) Power & fuel	**199.30**	191.15
(h) Miscellaneous expenses	**286.04**	179.49
(i) Printing & stationery	**87.10**	75.82
(j) Rent	**497.05**	464.97
(k) Taxes & licenses	**63.03**	60.45
(l) Tender Expenses	**61.99**	39.30
(m) Telephone	**95.18**	101.17
(n) Traveling, Conveyance & Stay expenses	**684.55**	488.22
(o) Loss on sale of assets / Impairment of assets	—	214.47
Total	**3,521.69**	3,229.37

31. Other Notes forming part of the Financial Statements:

31.1 Leases

Disclosure under Accounting Standard - 19 "Leases", issued by the Institute of Chartered Accountants of India. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under operating leases are recognized in the statement of profit and loss on a straight-line basis.The Company has taken various residential/godown/office premises (including Furniture and Fittings if any) under lease and license agreements for periods which generally range between 11 months to 3 years. These arrangements are renewable by mutual consent on mutually agreed terms. Under some of these arrangements the Company has given refundable security deposits. The lease payments are recognized in Profit and Loss Account under Rent, Rates and Taxes.

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalized at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

31.2 Contingent Liabilities and Commitments

The details of the Contingent Liabilities and Commitments to the extent not provided are as follows:

a. **Contingent Liabilities** **₹ in Lakhs**

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
a) Claims against the company not acknowledged as debt	**—**	5,565.55
b) Guarantees given by the Banks towards performance & Contractual Commitments	**1,23,892.32**	77,539.41
c) Corporate Guarantees given to group companies	**2,98,048.00**	8,38,456.00
d) Disputed Liability of Income Tax, Sales Tax, Service Tax and Seigniorage charges	**8,571.16**	14,617.34

b. **Commitments** **₹ in Lakhs**

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
Commitments towards investment in subsidiaries,Joint Ventures and Associates	**—**	25,480.00

31.3 Particulars of Loans and Advances in the nature of loans as required by clause 32 of the Listing Agreement.

₹ in Lakhs

Name of the Company	**Relationship**	**Balances as at**		**Maximum outstanding**	
		31.03.2016	**31.03.2015**	**2015-16**	**2014-15**
IJM Gayatri Joint Venture	Joint Venture	—	—	—	3,902.52
Western UP Tollways Ltd	Associate	3,620.49	3,266.72	3,620.49	3,266.72
Sai MaatariniTollways Ltd	Subsidiary	10,015.99	10,015.99	10,015.99	10,015.99
Indore DewasTollways Ltd	Associate	3,395.00	3,395.00	3,395.00	3,395.00
HKR Roadways Ltd	Associate	4,535.01	4,535.01	4,652.01	4,652.01
Gayatri Energy Ventures P. Ltd	Subsidiary	5,934.00	5,645.37	5,934.00	5,645.37
Gayatri Infra Ventures Ltd	Subsidiary	5516.68	5172.55	5729.70	5172.55

31.4 Impairment of Assets

In the opinion of the management, there are no impaired assets requiring provision for impairment loss as per the accounting standard 28 on Impairment of assets. The recoverable amount of building, plant and machinery and computers has been determined on the basis of 'Value in use' method.

31.5 Disclosure pursuant to Accounting Standard (AS) - 15(Revised) "Employee's Benefits":

i) The summarized position of Post-employment benefits and long term employee benefits recognized in the statement of Profit & Loss and Balance Sheet as required in accordance with Accounting Standard - 15 (Revised) issued by the Institute of Chartered Accountants of India are as under:-

ii) (a) **Changes in the Benefit Obligations:** ₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	2015-16	**2014-15**	**2015-16**	**2014-15**
Present Value of Obligation as at the beginning of the year	**555.63**	542.01	**145.64**	202.83
Interest Cost	**44.45**	43.36	**11.65**	16.23
Current Service Cost	**33.69**	25.25	**11.81**	17.04
Benefits Paid	**(6.17)**	(5.77)	**(15.12)**	(3.85)
Actuarial loss / (gain) on Obligations	**91.13**	(49.22)	**31.30**	(86.61)
Present Value of Obligation at year end	**718.73**	555.63	**185.28**	145.64

(b) Amount Recognized in Balance Sheet: ₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	2015-16	**2014-15**	**2015-16**	**2014-15**
Estimated Present Value of obligations as at the end of the year	**718.73**	555.63	**185.28**	145.64
Fair value of Plan Assets as at the end of the year	—	—	—	—
Net Liability recognized in Balance Sheet	**718.73**	555.63	**185.28**	145.64

(c) Expenses recognized in Statement of Profit & Loss: ₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	2015-16	**2014-15**	**2015-16**	**2014-15**
Current Service Cost	**33.69**	25.25	**11.81**	17.04
Interest Cost	**44.45**	43.36	**11.65**	16.23
Expected return on Plan Asset	—	—	—	—
Net Actuarial (Gain)/Loss recognized during the period	**91.13**	(49.22)	**31.30**	(86.61)
Total expenses recognized in Statement of Profit & Loss	**169.27**	19.39	**54.76**	(53.34)

(d) Principal Actuarial Assumption: ₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	2015-16	**2014-15**	**2015-16**	**2014-15**
Discount Rate	**8.00%**	8.00%	**8.00%**	8.00%
Salary Escalation Rate	**4.00%**	4.00%	**4.00%**	4.00%
Retirement Age	**60**	60	**60**	60
Morality	**LIC (2006-08)**	LIC (2006-08)	**LIC (2006-08)**	LIC (2006-08)
Attrition Rate	**1%**	**1%**	**1%**	1%

(e) The entire present value of funded obligation at the yearend is unfunded and hence, fair value of assets is not furnished.

31.6 Related Party Transactions pursuant to Accounting Standard(AS)-18

Details of related parties:

Subsidiary Companies	Step-down Subsidiary Companies
Gayatri Energy Ventures Pvt.Ltd Gayatri Infra Ventures Ltd Sai MataraniTollways Limited	Gayatri Lalitpur Roadways Ltd Gayatri Jhansi Roadways Ltd Bhandara Thermal Power Corporation Ltd
Associate Companies	**Key Management Personnel and their Relatives**
Hyderabad Expressways Limited Cyberabad Expressways Limited Western UP Tollway Limited HKR Roadways Limited Balaji Highways Holding Limited Indore DewasTollways Limited (Considered as Subsidiary as per AS-21 for consolidation)	Mr. T.V. Sandeep Kumar Reddy Mr. J. Brij Mohan Reddy Mrs.T. Indira Subbarami Reddy Mr.T. Rajiv Reddy Mr.T. Anirudh Reddy Mr.P. Sreedhar Babu (CFO) Mrs.I.V. Lakshmi (CS & CO)
Entities in which KMP are interested	**Joint Ventures**
Deep Corporation Pvt. Ltd Indira Constructions Pvt. Ltd Gayatri Tissue & Papers Ltd Gayatri Sugars Ltd Gayatri Hi-Tech Hotels Ltd Gayatri Property Ventures Pvt. Ltd. Gayatri Hotels & Theaters Pvt. Ltd GSR Ventures Pvt. Ltd. T.V.Sandeep Kumar Reddy & Others Gayatri Bio-Organics Limited TSR Foundation Dr.T.Subbarami Reddy (HUF) Balaji Charitable Trust TSR Lalita KalaParishad (Trust) Invento Labs Pvt.Ltd.	Gayatri- RNS Joint Venture IJM Gayatri Joint Venture Gayatri Ranjit Joint Venture Gayatri - GDC Joint Venture Gayatri - BCBPPL Joint Venture Jaiprakash Gayatri Joint Venture Gayatri ECI Joint Venture Maytas-Gayatri Joint Venture Gayatri - Ratna Joint Venture MEIL-GAYATRI-ZVS-ITT Consortium Gayatri-SPL Joint Venture Gayatri-JMC Joint Venture Viswanath - Gayatri Joint Venture GPL-RKTCPL Joint Venture Vishwa-Gayatri Joint Venture

Transactions with the related parties: **₹ in Lakhs**

Sl. No.	Description	2015-16 Subsidiary & Step-down Subsidiaries	Associate Companies	Entities in which KMP are interested	Joint ventures	KMP& their Relatives
1	Equity contribution	— (117.00)	— (—)	23,500.00 (—)	— (—)	— (—)
2	Contract Receipts	64,106.61 (46,528.22)	5,998.10 (15,909.24)	515.08 (1,105.22)	29,097.10 (23,002.40)	— (—)
3	Contract payments	— (—)	— (—)	359.32 (385.10)	— (—)	— (—)
4	Office Rent & Maintenance	— (—)	— (—)	113.00 (110.14)	— (—)	— (—)
5	Other Payments	— (—)	— (—)	12.83 (52.48)	— (—)	79.12 (67.81)
6	Interest Received	(—)	637.84 (567.36)	— (—)	231.87 (31.40)	— (—)
7	Donations	— (—)	— (—)	149.52 (176.90)	— (—)	— (—)
8	Remuneration Paid	— (—)	— (—)	— (—)	— (—)	529.41* (444.00)
9.	Contract Advances/ Other Adv.	645.77 (14,944.23)	— (2,881.60)	84.00 (—)	— (8,297.36)	— (—)
10	Unsecured Loans received	243.00 (—)	45.70 (—)	— (—)	3757.00 (—)	152.10 (3300.00)
11	Corporate Guarantees	15,000.00 (8,000.00)	— (79,863.00)	— (—)	— (—)	— (—)
12	Closing balances - Debit	30,007.83 (29,248.65)	15,969.01 (15,742.72)	1,156.58 (25,099.87)	27,883.84 (20,532.32)	— (—)
13	Closing balances - Credit	5,261.87 (6,102.79)	382.78 (12,080.44)	417.12 (110.53)	14,669.87 (13,759.62)	261.79 (3,409.11)

Figures in brackets relate to previous year.

* Net off of Excess remuneration of ₹10.59 Lakhs repaid by the Managing Director

Disclosure of transactions which are more than 10% of the total transactions of the same type with related parties during the year.

₹in Lakhs

Name of the Entity	Nature of Transaction	2015-16	2014-15
HKR Roadways Limited	Contract Receipts	**2,051.40**	8,081.05
Sai MaataraniTollways Ltd	Contract Receipts	**63,158.34**	44,597.48
Indore Dewas Tollways Limited	Contract Receipts	**3,761.40**	3,037.93
Gayatri - ECI Joint Venture	Contract Receipts	**10,758.18**	9,453.61
Jaiprakash-Gayatri Joint Venture	Contract Receipts	**12,617.89**	2,761.99
Gayatri - RNS Joint Venture	Contract Receipts	**1,857.51**	3,267.26
MEIL-Gayatri-ZVS-ITT Consortium	Contract Receipts	**1,833.34**	2,347.56
Gayatri-RKTCPL Joint Venture	Contract Receipts	**1,564.22**	2,710.63
Indore Dewas Tollways Limited	Financial Guarantees	—	62,613.00
Bhandara Thermal Power Corporation Ltd	Financial Guarantee	**15,000.00**	—
Gayatri Hitech Hotels Ltd	Equity contribution	**23,500.00**	—
HKR Roadways Limited	Contract Adv./ Other Adv.	—	3,344.23
Sai Maatarani Tollways Ltd	Contract Adv./ Other Adv.	—	5,106.40
MEIL-Gayatri-ZVS-ITT Consortium	Contract Adv./ Other Adv.	**2,430.40**	—

31.7 Un-hedged Foreign Currency Exposure as at 31st March,2016

The year end foreign currency exposure that have not been hedged by a derivate instrument or otherwise are given below:

₹in Lakhs

Particulars	Hedged/ Un-hedged	2015-16		2014-15	
		Foreign Currency USD	Rupee Equivalent	Foreign Currency USD	Rupee Equivalent
Amount payable in Foreign Currency:					
External Commercial Borrowings (ECB)	Un-hedged	**Nil**	**Nil**	Nil	Nil
	Hedged	**210.38**	**12,412.69**	229.78	13,510.27

31.8 Segment Reporting

The Company's operations predominantly consist of construction / project activities. Hence there are no reportable segments under Accounting Standard - 17. During the year under report, the Company's business has been carried out only in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

31.9 Earnings Per Share (EPS)

Basic and Diluted Earnings per share calculated in accordance with Accounting Standard (AS) 20 "Earning per share".

Particulars	2015-16	2014-15
Profit After Tax for calculation of Basic EPS (₹ in Lakhs)	**5,864.84**	2,205.32
Profit After Tax for calculation of Diluted EPS (₹ in Lakhs)	**5,864.84**	2,205.32
Weighted average No. of equity shares as denominator for calculating Basic EPS. (No. in Lakhs)	**335.04**	302.27
Weighted average No. of equity shares as denominator for calculating Diluted EPS. (No. in Lakhs)	**335.04**	302.27
Basic EPS (₹)	**17.50**	7.30
Diluted EPS (₹)	**17.50**	7.30

31.10 Disclosure in respect of Joint Ventures pursuant to Accounting Standard - 27 "Financial Reporting of Interest in Joint Ventures"

a) List of Joint Ventures/Jointly controlled entities

Sl. No	Name of the Joint Venture / Jointly controlled entities	Description of Interest	% of Holding	Country of residence
1	IJM Gayatri Joint Venture	Jointly controlled entity (construction of Road works)	40 (40)	India
2	Jaiprakash Gayatri Joint Venture	Jointly controlled entity (construction of Canals, Dams etc., works)	49 (49)	India
3	Gayatri Ranjit Joint Venture	Jointly controlled entity (construction of Road works)	60 (60)	India
4	Gayatri ECI Joint Venture	Jointly controlled entity (construction of Road works)	50 (50)	India
5	Gayatri - Ratna Joint Venture	Jointly controlled entity (construction of Road and Irrigation works)	80 (80)	India
6	Gayatri - GDC Joint Venture	Jointly controlled entity (construction of Road works)	70 (70)	India
7	Gayatri - BCBPPL Joint Venture	Jointly controlled entity (construction of Canals, Dams etc., works)	60 (60)	India
8	Gayatri-RNS Joint Venture	Jointly controlled entity (construction of Road works)	60 (60)	India
9	Gayatri- JMC Joint Venture	Jointly controlled entity (construction of Road works)	75 (75)	India
10	MEIL-Gayatri-ZVS-ITT Consortium	Jointly controlled entity (construction of Canals, Dams etc., works)	48.44 (48.44)	India
11	Viswanath - Gayatri Joint Venture	Jointly controlled entity (Transmission and Distribution works)	50 (50)	India
12	Maytas-Gayatri Joint Venture	Jointly controlled entity (construction of Road works)	37 (37)	India
13	GPL-RKTCPL Joint Venture	Jointly controlled entity (construction of Road works)	51 (51)	India
14	Gayatri-SPL Joint Venture	Jointly controlled entity (construction of Road works)	51 (51)	India
15	Vishwa-Gayatri Joint Venture	Jointly controlled entity (construction of Water works)	49 (–)	India

Figures in brackets relate to previous year

b) **Financial Interest in Joint Ventures / Jointly Controlled Entities:**

₹in Lakhs

Sl. No.	Name of the Integrated Joint Ventures/ Jointly controlled entities	Company's Share						
		As at 31st March, 2016		For the Year ended 31st March,2016				
		Assets	Liabilities	Income	Expenses	Tax	Net Profit	Net Loss
1	IJM Gayatri Joint Venture	**3,096.45 (3,821.88)**	**3,054.49 (3,787.07)**	83.08 (536.14)	72.74 (621.88)	3.20 102.72	7.15 (16.98)	— (—)
2	Jaiprakash Gayatri Joint Venture	**1,561.77 (1,685.64)**	**1,556.11 (1,679.43)**	3,352.09 (1,353.38)	3,352.09 (1,353.38)	0.55 (—)	— (—)	0.55 (—)
3	Gayatri ECI Joint Venture	**2,276.12 (3,360.03)**	**1,000.66 (2,473.47)**	8,283.18 (6,388.86)	7,876.52 (6,202.43)	16.26 (—)	390.40 (186.42)	— (—)
4	Gayatri - Ratna Joint Venture	**8,701.19 (8,828.00)**	**8,695.82 (8,822.62)**	3.21 (157.60)	3.21 (157.60)	— (—)	— (—)	— (—)
5	Gayatri - GDC Joint Venture	**368.46 (368.46)**	**368.46 (368.46)**	— (1.02)	— (1.02)	— (—)	— (—)	— (—)
6	Gayatri - BCBPPL Joint Venture	**537.32 (748.97)**	**530.05 (741.29)**	234.61 (744.96)	234.61 (744.96)	0.42 (—)	— (—)	0.42 (—)
7	Gayatri- RNS Joint Venture	**520.12 (737.76)**	**520.12 (737.76)**	1,123.19 (1,979.20)	1,123.19 (1,979.20)	— (—)	— (—)	— (—)
8	Gayatri- JMC Joint Venture	**226.53 (168.91)**	**226.53 (168.91)**	111.47 (856.82)	111.47 (856.82)	— (—)	— (—)	— (—)
9	MEIL-Gayatri-ZVS-ITT Consortium	**1,596.52 (513.02)**	**1,596.52 (513.02)**	1,788.45 (1,265.11)	1,788.45 (1,265.11)	— (—)	— (—)	— (—)
10	Viswanath-Gayatri Joint Venture	**1,327.43 (1,320.55)**	**1,327.43 (1,320.55)**	21.61 (93.74)	21.61 (93.74)	— (—)	— (—)	— (—)
11	Gayatri-Ranjit Joint Venture	**154.40 (154.40)**	**154.40 (154.40)**	— (—)	— (—)	— (—)	— (—)	— (—)
12	Maytas-Gayatri Joint Venture	**5,874.82** (—)	**5,883.37** (—)	— (—)	8.55 (—)	— (—)	— (—)	8.55 (—)
13	GPL-RKTCPL Joint Venture	**732.25 (182.22)**	**732.25 (182.22)**	1,564.22 (—)	1,564.22 (—)	— (—)	— (—)	— (—)
14	GPL-SPL Joint Venture	**1,472.30 (223.94)**	**1,471.70 (223.94)**	510.66 (330.93)	510.05 (330.93)	— (—)	0.61 (—)	— (—)
15	Vishwa-Gayatri Joint Venture	**347.67** (—)	**347.67** (—)	— (—)	— (—)	— (—)	— (—)	— (—)
	Total	**28,708.21 (22,113.78)**	**27,380.41 (21,173.13)**	17,075.77 (13,707.74)	16,666.70 (13,607.06)	20.43 (102.72)	398.15 (203.40)	9.52 (—)
	Share of net assets in jointly controlled entities	1,327.80 (940.65)						

Figures in brackets relate to previous year.

31.11 Dues to Micro and Small Enterprises:

On the basis of information available with the Company, there are no dues outstanding for more than 45 days to Small Scale Industrial Undertaking (SSI). The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

31.12 There are no amounts due and outstanding to be credited to Investors Education & Protection Fund as on 31-03-2016 and amounts which are required to be transferred to such funds have been transferred.

31.13 Auditors' Remuneration (excluding service tax and reimbursement of expenses):

₹ in Lakhs

Sl.No	Particulars	2015-16	2014-15
a	Statutory Audit	**23.00**	23.00
b	Limited Review	**16.00**	16.00
c	Tax Audit	**6.50**	6.50
d	Certification Fee	**6.50**	6.50
	Total	**52.00**	52.00

31.14 Disclosure pertaining to Accounting Standard -29 is as below.

₹ in Lakhs

Account Head	Opening Balance	Provisions made during the year	Paid/Utilized during the year	Closing Balance
Gratuity	**555.63**	**169.27**	6.17	718.73
Leave Encashment	**145.64**	**54.76**	15.12	185.28
Taxation	**—**	**1,767.94**	1,767.94	—
Proposed Dividend & Dividend Tax	**456.38**	**853.35**	456.38	853.35

31.15 Disclosure pursuant to Accounting Standard - 7 (Revised) "Construction Contracts"

₹ in Lakhs

Sl.No	Particulars	2015-16	2014-15
1	Contract revenue recognized for the year ended	**1,80,719.34**	1,59,534.65
2	Contract cost incurred and recognized profits, less losses	**1,65,586.30**	1,44,106.38
3	Amount of advances received till date, net of recoveries	**55,951.41**	42,572.22
4	Gross amount due from customers for contract works	**78,491.27**	62,137.14

Since the principal business of the Company is in construction activities, quantitative data as required by Schedule III to the Companies Act, 2013 is not furnished.

31.16 Additional Information pursuant to Schedule III of the Companies Act, 2013.

i) CIF value of Imports **₹ in Lakhs**

Sl. No.	Particulars	2015-16	2014-15
1	Purchase of Capital Goods	**1,155.67**	Nil

ii) Expenditure / (Income) in Foreign Currency: **₹ in Lakhs**

Sl. No.	Particulars	2015-16	2014-15
1	Travelling Expenses	**20.92**	15.37
2	Interest on ECB Loan	**811.95**	1,599.81

iii) Details of major raw materials consumption ₹ in Lakhs

Particulars	2015-16		2014-15	
	Value	%	Value	%
Steel	**8,068.34**	**16.33**	9,076.24	15.80
Cement	**4,976.47**	**10.07**	3,787.40	6.59
Bitumen	**8,751.07**	**17.72**	5,949.91	10.36
Metal	**9,743.51**	**19.73**	4,726.62	8.23
Electrical Materials	**2,586.96**	**5.24**	8,812.23	15.34
Railway Line Materials	**2,449.20**	**4.96**	4,519.49	7.87
Coal Handling System Materials	**5,651.93**	**11.44**	13,228.08	23.03
HSD Oil & Lubricants	**5,803.85**	**11.75**	6,213.69	10.82
Sand & Gravel	**1,364.95**	**2.76**	1,135.62	1.98
Total	**49,396.28**	**100.00**	57,449.28	100.00

31.17 As per the approval of Board and Shareholders of the Company, Gayatri Hi-tech Hotels Ltd (GHHL), a related party of the Company, has allotted 2,35,00,000 - 9% Cumulative Redeemable Preference Shares (CRPS) of ₹ 10/- each at a premium of ₹ 90/- per share against receivables from GHHL.

31.18 As per an expert opinion, during the year the Company has claimed deduction u/s 80IA of the Income Tax Act, 1961 in respect of income earned on infrastructure projects.

31.19 In pursuance of share purchase agreement entered between the Company and AMP Capital Finance Mauritius Limited (AMP) to purchase shares of Gayatri Infra Ventures Limited held by AMP, an amount of ₹ 200.01 Lakhs has been paid as an advance towards purchase of shares.

31.20 (a) During the year, the Company has issued 16,19,386 Equity Share of ₹10/- each at a premium of ₹193.78 per equity share by way of preferential allotment to promoters against unsecured loans of ₹33.00 crores received during the previous year, in terms of the Master Restructuring Agreement entered with the Company's Lenders.

(b) The company has further issued 36,04,000 Equity Shares of ₹10 each at a premium of ₹193.20 on preferential allotment / private placement.

31.21 Some of the Contract Advances given by the Company in earlier years and which are long pending for recovery due to reasons beyond the control of both the parties have been converted into interest bearing loans and are grouped under "Long term Loans & Advances". The management of the Company has already initiated steps to recover the same and is confident that these advances / loans will be recovered and hence no provision has been made in the financials.

31.22 Advances to sub-contractors include amounts paid as work advances to certain sub-contractors wherein the corresponding contract works are yet to commence. In the opinion of the management, the said contract works have not commenced due to certain extraneous factors beyond the control of such sub-contractor and without any default/failure of performance from their end. The management is confident to commence the works in near future and recover the advances from the sub-contractors.

31.23 In the opinion of the management and to the best of their knowledge and belief, the value of the assets reported under Long Term Loans and Advances and Current Assets are approximately of the value stated, if realized in ordinary course of business, unless stated otherwise. The provision for all known liabilities is adequate and not in excess of amount considered reasonably necessary.

31.24 The company has spent an amount of Rs.88.79 Lakhs towards Corporate Social Responsibility during the year 2015-16 which is 2.01% of average net profits of the company made during the three immediate preceding financial years. This amount has been spent as per the recommendations of the Corporate Social Responsibility committee of the Board.

31.25 All amounts are rounded off to nearest thousand

31.26 Previous year figures have been regrouped wherever considered necessary.

As per our report attached
For M O S & ASSOCIATES LLP
Chartered Accountants

S.V.C. REDDY
Partner

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

Place : Hyderabad.
Date : 30th May 2016

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary &
Compliance Officer

INDEPENDENT AUDITORS' REPORT

To The Members of Gayatri Projects Limited.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Gayatri Projects Limited ("the holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, comprising the Consolidated Balance Sheet as at 31st March 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 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, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

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

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred in point no. a, b and c of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Basis for qualified Opinion

In stated in note no. 30.20, M/s Gayatri Infra Ventures Limited (GIVL), a subsidiary of the company, has entered into a definitive sale agreement for divestment of its entire equity stake amounting to ₹ 4606.09 lakhs held in Western UP Tollway Limited, a jointly controlled entity of GIVL. The Independent Auditors of GIVL in their audit report on consolidated financial statements of GIVL have qualified the above said matter by stating that pending final outcome of the said process, they are unable to comment upon the consequential effects, if any, of the said matter, on the financial statements of GIVL.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of Imatter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

(Note Nos. referred hereunder is with reference to respective Notes forming part of the consolidated financial statement)

We draw member's attention to the following matters:

Note No.30.14 & 30.15 regarding certain loans & advances and work advances given to some of the sub-contractors which are long pending for recovery.

Our Opinion is not qualified in respect of the above matters.

Other Matters :

a. We did not audit the financial statements / consolidated financial statements of three subsidiaries whose financial statements / consolidated financial statements reflect total assets (net) of ₹ 3,91,971.25 lakhs as at 31st March 2016, total revenues (net) of ₹ 27,564.70 lakhs and net cash outflows amounting to ₹ 3021.01 lakhs for the year ended on that date. These financial statements / consolidated financial statements have been audited by other auditors whose audit reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures in respect of these subsidiaries, and our report in terms of sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

b. We did not audit the financial statements of two associates in which the share of loss of the Group is ₹176.66 lakhs. These financial statements have been audited by other auditors whose audit reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures in respect of these associates, and our report in terms of sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on the reports of the other auditors.

c. We did not audit the financial statements of six joint ventures / jointly controlled entities whose financial statements to the extent of company's share reflected in the consolidated financial statements with a total assets of ₹ 6,926.67 lakhs as at 31st March 2016, total revenues of ₹ 18,086.36 lakhs and net cash outflows amounting to ₹ 36.26 lakhs for the year ended on that date. These financial statements have been audited by other auditors and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, and our report in terms of sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid joint ventures, is based solely on such financial statements.

d. We have relied on the unaudited (management certified) financial statements of four joint ventures whose financial statements to the extent of company's share reflected in the consolidated financial statements with a total assets of ₹ 9,494.13 lakhs as at 31st March 2016, total revenues of ₹ 84.11 lakhs and net cash outflows amounting to ₹ 370.21 lakhs for the year ended on that date. These financial statements/financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, and our report in terms of sub section (3) and (11) of Section 143 of the Act, in so far as it relates to these joint ventures, is based solely on such unaudited financial statements/financial information.

Our opinion on the consolidated financial statements, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors and the financial statements / financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, and based on the auditor's report of the subsidiaries, associates and jointly controlled entities, we report, to the extent applicable, that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the consolidated financial statements;

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

    c. The Consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d. In our opinion, the consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

e. On the basis of the written representations received from the directors of holding company as on 31st March, 2016 taken on record by the board of directors of the holding company and reports of the statutory auditors of its subsidiary companies and associate companies, none of the directors of the Group Companies and its associate companies incorporated in India is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.;

f. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the basis for qualified opinion paragraph;

g. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in "Annexure A", which is based on the auditors' reports of the Holding Company, subsidiary companies and associate companies; and

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 knowledge and belief and according to the information and explanations given to us:

   i. The Group, its associates and jointly controlled entities have disclosed the impact of pending litigations on its consolidated financial position, as stated in Note No. 19 & 30.4.

   ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses relating to long-term contracts including derivative contracts.

   iii. The amounts which are required to be transferred to Investor Education & Protection Fund by the Holding Company have been transferred and there were no amounts which were required to be transferred to Investor Education & Protection Fund by the subsidiary and associate companies.

For M O S & ASSOCIATES LLP
Chartered accountants
Firm's Registration No.: 001975S/S200020

S V C REDDY
Partner
Membership No.: 224028

Place: Hyderabad
Date: 30th May 2016

Annexure "A" to Independent Auditor's Report

(Referred to in paragraph 1(g) under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls over Financial Reporting 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 Projects Limited ("the holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate as of 31st March 2016 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and associate companies, which are companies incorporated in India, are responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the respective Companies considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and associate companies, which are companies incorporated in India, based on our audit.

We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing, prescribed under Section 143(10) of the Act , to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operating effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control 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 auditors' judgment including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors, in terms of their reports referred in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control system over financial reporting of the Holding Company, its subsidiary and associate companies as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control system 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 (GAAP). A Company's internal financial control system over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, 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 authorization of the Management and Directors' of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's Assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary and associate companies, have, in all material respects, adequate internal financial control system over financial reporting and such internal financial control system over financial reporting were operating effectively as at 31st March 2016, based on the internal financial control system 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 Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

We did not audit the Internal Financial Controls over Financial Reporting insofar as it relates to three subsidiaries whose financial statements / consolidated financial statements reflect total assets (net) of ₹ 3,91,971.25 lakhs as at 31st March 2016, total revenues (net) of ₹ 27,564.70 lakhs and net cash outflows amounting to ₹ 3,021.01 lakhs for the year ended on that date; and two associates, in respect of which, the share of loss of the Group is ₹176.66 lakhs for the year ended 31st March 2016 has been considered in the consolidated financial statements. Our report on the adequacy and operating effectiveness of the Internal Financial Controls over Financial Reporting for the Holding Company, its subsidiary and associate companies, under section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiaries and associates, is solely based on the corresponding reports of the auditors of such companies.

For M O S & ASSOCIATES LLP
Chartered accountants
Firm's Registration No.: 001975S/S200020

S V C REDDY
Partner
Membership No.: 224028

Place: Hyderabad
Date: 30th May 2016

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2016

₹ in Lakhs

Particulars	Note	As at 31st March, 2016		As at 31st March, 2015	
I. EQUITY AND LIABILITIES					
1 Shareholders' Funds					
(a) Share capital	2	3,545.04		3,022.70	
(b) Reserves and surplus	3	72,520.82	76,065.86	70,134.56	73,157.26
2 Minority Interest			134.22		3,035.75
3 Non-current liabilities					
(a) Long-term borrowings	4	334,539.78		301,588.18	
(b) Deferred Tax Liabilities (net)	5	1,951.64		2,519.00	
(c) Other Long term liabilities	6	191,717.14		62,520.61	
(d) Long-Term provisions	7	8,708.31	536,916.87	8,057.68	374,685.47
4 Current liabilities					
(a) Short-term borrowings	8	90,797.82		85,395.38	
(b) Trade payables	9	46,008.11		39,934.61	
(c) Other current liabilities	10	59,021.38		56,905.06	
(d) Short term provisions	11	2,187.93		1,858.86	
			198,015.24		184,093.91
Total			811,132.19		634,972.40
II ASSETS					
1 Non-current assets					
(a) Fixed assets					
(i) Tangible assets	12a	28,928.49		27,433.27	
(ii) Intangible assets	12b	245,239.48		106,594.50	
(iii) Capital work-in-progress	12c	636.85		582.96	
(iv) Intangible Assets under Development	12d	149,960.80		147,485.18	
(b) Non-Current Investments	13	71,211.19		73,862.82	
(c) Long term loans and advances	14	45,630.22		52,500.03	
(d) Other non-current Assets	15	10,000.00		31,851.46	
			551,607.03		440,310.22
2 Current assets					
(a) Current Investments	16	30.00		76.79	
(b) Inventories	17	15,497.29		24,202.29	
(c) Trade receivables	18	81,120.12		59,176.28	
(d) Cash and cash equivalents	19	32,639.96		25,083.65	
(e) Short term loans and advances	20	98,171.57		80,752.25	
(f) Other Current Assets	21	32,066.21		5,370.92	
			259,525.15		194,662.18
Total			811,132.18		634,972.40
Significant Accounting Policies	1				
Other Notes forming part of the Financial Statements	30				

As per our report attached
For M O S & ASSOCIATES LLP
Chartered Accountants

S.V.C. REDDY
Partner

Place : Hyderabad.
Date : 30th May 2016

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary & Compliance Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016

₹ in Lakhs

	Particulars	Note	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
I.	**Revenue**			
	(a) Revenue from operations	**22**	**162,040.91**	150,076.92
	(b) Other Income	**23**	**1,319.17**	784.95
	Total		**163,360.08**	150,861.87
II.	**Expenses**			
	(a) Const of Materials and cost of Purchase & Services	**24**	**31,046.17**	48,176.81
	(b) Work Expenditure	**25**	**77,833.75**	62,326.17
	(c) Changes in Inventories of Work in Progress	**26**	**5,643.82**	(588.37)
	(d) Employee benefits expenses	**27**	**3,322.67**	2,940.75
	(e) Finance costs	**28**	**28,518.10**	26,528.01
	(f) Depreciation and amortization expense	**12(a,b)**	**15,149.08**	11,971.05
	(g) Other Expenses	**29**	**3,338.16**	3,054.72
	Total		**164,851.75**	154,409.14
III.	**Profit/ (Loss) before Exceptional & Extraordinary items and Tax (I-II)**		**(1,491.67)**	(3,547.27)
IV.	**Exceptional items**		**—**	—
V.	**Profit/(Loss) before Extraordinary items and Tax**		**(1,491.67)**	(3,547.27)
VI.	**Extraordinary items**		**—**	—
VII.	**Profit/(Loss) before Tax**			
VIII.	**Tax Expenses**			
	(a) Current Tax - paid		**1,853.37**	1,444.25
	(b) Current Tax - for earlier years		**0.97**	—
	(c) Deferred Tax		**(567.35)**	(238.36)
IX.	**Profit / (Loss) for the year before Minority Interest**		**(2,778.66)**	(4,753.16)
X.	Less: Share of Profit / (Loss) transferred to Minority Interest		**(2,901.53)**	(1,583.78)
XI.	**Profit / (Loss) for the year after Minority Interest**		**122.87**	(3,169.38)
XII.	**Earning per Share (of ₹10/- each):**			
	Basic & Diluted		**0.35**	(10.49)
	Significant Accounting Policies	**1**		
	Other Notes forming part of the Financial Statements	**30**		

As per our report attached
For M O S & ASSOCIATES LLP
Chartered Accountants

S.V.C. REDDY
Partner

Place : Hyderabad.
Date : 30th May 2016

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary & Compliance Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

₹ in Lakhs

Particulars	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
A Cash Flow from Operating Activities:		
Profit before Tax excluding extraordinary and exceptional items	**(1,491.67)**	(3,547.27)
Adjustments for:		
Depreciation and amortization	**15,149.08**	11,971.05
Interest and other Income	**(1,319.17)**	(367.96)
Loss on sale of Fixed Assets	—	214.47
Loss on sale of Investments	—	—
Finance Costs	**28,471.91**	26,328.63
Foreign Currency Translation and Transactions – ECB	**46.19**	199.38
Other non-cash items/ Provisions	**566.47**	1,862.02
Operating Profit before working Capital Changes	**41,422.81**	36,660.32
Adjustments for:		
(Increase) / Decrease in Trade Receivables	**(21,943.84)**	5,843.44
(Increase) / Decrease in long term loans and Advances	**6,869.81**	(39,985.62)
(Increase) / Decrease in Other current assets	**(1,648.54)**	(11,779.65)
(Increase) / Decrease in short term loans and Advances	**(17,419.32)**	8,947.09
(Increase) / Decrease Other current assets	**(26,695.29)**	12,690.14
(Increase) / Decrease in Inventory	**8,705.00**	(449.28)
Increase / (Decrease) in other current liabilities	**19,794.42**	49,819.16
Increase / (Decrease) in other Long Term liabilities	**16,268.46**	(10,418.57)
Increase / (Decrease) in Trade Payables	**6,073.50**	(52,236.48)
Cash (used in) / generated from Operating activities	**31,427.01**	(909.45)
Direct Taxes paid	**(1,838.08)**	(1,444.25)
Net Cash (used in)/ generated from Operating Activities	**29,588.93**	(2,353.70)
B Cash Flow from Investing Activities		
Purchase of Fixed Assets including Capital workin progress and Intangible assets under Development	**(43,043.45)**	(51,314.06)
Adjustment for chage in status of erstwhile Associate into Subsidiary	**834.32**	(20,407.79)
Net Sale / (Purchase) of Non-Current Investment	**30.29**	(21,973.43)
Proceeding from sale Investments / (Investmenty) in Mutual Funds	**46.79**	275.79
Proceeds from sale of Fixed Assets	—	3,023.50
Interest and other income received	**1,319.17**	367.96
Net Cash (used in)/ generated from Investing Activities	**(40,812.88)**	(90,028.03)
C Cash Flow from Financing Activities		
Proceeds from issue of Share Capital including share premium	**10,644.21**	—
Redemption of Debentures	**(1,935.34)**	(712.16)
Net Proceeds from Long term borrowings	**18,582.95**	51,967.48
Net Proceeds from Short term borrowings	**5,402.44**	22,430.73
Capital Grant Received	**16,476.78**	3,102.27
Proceeds from Minority Interest (net)	—	(813.75)
Finance Cost	**(29,846.04)**	(26,268.13)
Foreign Currency Translation and Transactions-net	**(46.19)**	(199.38)
Dividend & Dividend Tax paid	**(498.54)**	(707.28)
Net Cash (used in)/ generated from Financing Activities	**18,780.27**	48,799.78
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	**7,556.32**	(43,581.95)
Cash and Cash Equivalents at the beginning of the year	**25,083.65**	68,665.60
Cash and Cash Equivalents at the end of the year	**32,639.97**	25,083.65

Note:

1 Cash and Cash Equivalents consist of Cash on hand and balances with Banks that includes Margin Money Deposits for Bank Guarantees of ₹ 15,679.39 Lakhs (Previous Year ₹ 9,017.02 Lakhs)

2 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 flows by Operating, Investing and Financing activities.

3 Figures in brackets represent cash outflows.

4 The Accompanying Notes and other explanatory information form an integral part of the Financial Statements.

As per our report attached
For M O S & ASSOCIATES LLP
Chartered Accountants

S.V.C. REDDY
Partner

'Place : Hyderabad.
Date : 30th May 2016

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary & Compliance Officer

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation and Presentation of Consolidated Financial Statements

The Consolidated Financial statements of the Company and its Subsidiaries and Jointly Controlled Entities (constitutes the 'Group') have been prepared to comply with generally accepted accounting principles (Indian GAAP) including the Accounting Standards notified under Section 133 of the Companies Act 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Act (to the extent notified). 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 viz. SEBI guidelines override the same requiring a different treatment. Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy used previously.

The Financial statements are prepared on accrual basis following the historical cost convention except in certain cases of fixed assets which are carried at revalued amounts and in case of certain financial instruments which are measured at fair values. The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) - 3 "Cash Flow Statements". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the Listing Agreement.

1.2 Use of estimates

The preparation of financial statements in conformity with GAAP requires the management of the Company to make 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, estimation of costs as a proportion to the total costs. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known/ materialized. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material are disclosed in the notes to Account.

1.3 Revenue recognition

A. Revenue from Operations

a. Revenue from Construction activity:

i) Income is recognized on fixed price construction contracts in accordance with the percentage completion basis, which necessarily involve technical estimates of the percentage of completion, and costs to completion, of each contract / activity, on the basis of which profits and losses are accounted. Such estimates, made by the Company and certified to the Auditors have been relied upon by them, as these are of technical nature.

ii) The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract

iii) Price escalation and other variations in the contract work are included in contract revenue only when:

   a) Negotiations have reached at an advanced stage such that it is probable that customer will accept the claim and

   b) The amount that is probable will be accepted by the customer can be measured reliably.

iv) Incentive payments, as per customer-specified performance standards, are included in contract revenue only when:

   a) The contract is sufficiently advanced that it is probable that the specified performance standards will be met and

   b) The amount of the incentive payment can be measured reliably.

v) Insurance claims are accounted for on cash basis.

vi) Contract Claims raised by the company which can be reliably measured and have reached an advanced stage of arbitration pending in High court have been recognized as income.

b. Revenue from supply of materials:

Revenue from supply of materials is recognized when substantial risks and rewards of ownership are transferred to the buyer and invoice for the same is raised.

c. **Revenue form generation and distribution of Wind Power:**
Revenue from wind power operations is recognized when the units are reliably measured and billed and it is reasonable to expect ultimate collection.

d. **Income from development of highways i.e Toll Revenue & Annuity Income:**
In case of companies involved in construction and maintenance of roads, toll revenue from operations is recognized on accrual basis which coincides with the collection of toll. In annuity based projects, revenue recognition is based on annuity accrued on time basis in accordance with the provisions of the concessionaire agreements entered into with NHAI or with respective state governments or authorities. Claims raised on NHAI or with respective state governments or authorities under concessionaire agreements are accounted for in the year of acceptance.

e. **Revenue receipts on Joint Venture Contracts**

i) In work sharing Joint Venture arrangements, revenues, expenses, assets and liabilities are accounted for in the Company's books to the extent work is executed by the Company.

ii) In jointly controlled entities, the share of profits or losses is accounted as and when dividend/ share of profit or loss are declared by the entities.

f. **Other Operational Revenue:**
All other revenues are recognized only when collectability of the resulting receivable is reasonably assured.

B. **Other Income**

i) Interest income is accounted on accrual basis as per applicable interest rates and on time proportionate basis taking into account the amount outstanding.

ii) Dividend income is accounted in the year in which the right to receive the same is established.

1.4 Principles of Consolidation

The consolidated financial statements have been prepared on the following basis:

a) The Financial Statements of the Company and its subsidiary companies have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as per Accounting Standard - 21 "Consolidated Financial Statements" issued by Institute of Chartered Accountants of India ('AS-21') specified Under Section 133 of the Companies Act, 2013.

b) Investments in associate companies have been accounted for, by using equity method as per Accounting Standard - 23 "Accounting for Investments in Associates in Consolidated Financial Statements" specified Under Section 133 of the Companies Act, 2013,whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post-acquisition change in the Company's share of net assets of the associate. The carrying amount of investment in associate companies is reduced to recognize any decline which is other than temporary in nature and such determination of decline in value, if any, is made for each investment individually. The unrealized profits/losses on transactions with associate companies are eliminated by reducing the carrying amount of investment.

c) The Company's interests in joint ventures are consolidated as follows:

Type of Joint Venture	Accounting treatment
Jointly controlled operations	Company's share of revenues, common expenses, assets and liabilities are included in revenues, expenses, assets and liabilities respectively.
Jointly controlled assets	Share of the assets, according to nature of the assets, and share of the liabilities are shown as part of gross block and liabilities respectively. Share of expenses incurred on maintenance of the assets is accounted as expense. Monetary benefits, if any, from use of the assets are reflected as income.
Jointly controlled entities	The Company's interest in jointly controlled entities are proportionately consolidated on a line-by-line basis by adding together the book values of assets, liabilities, income and expenses, after eliminating the unrealized profits/losses on intra-group transactions.

d) The financial statements are presented to the extent possible, in the same manner as the parent company's independent financial statements.

e) Goodwill/Capital Reserve arrived on account of consolidation of Associates in accordance with AS-23 is included /adjusted in the carrying amount of the investment.

f) Minority interest in the net assets of the consolidated subsidiaries is computed and presented in consolidated balance sheet separately from current liabilities and equity of the Company.

g) Minority interest in the net assets of consolidated subsidiaries consists of:

   i) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and

   ii) The minorities' share of changes in the equity since the date the parent subsidiary relationship came into existence.

h) Minority interest in the net profit/(loss) for the year of consolidated subsidiaries is computed and adjusted against the net profit/(loss) after tax of the group.

1.5 Inventories and work in progress

Raw Materials, construction materials and stores & spares are valued at weighted average cost. Expenditure incurred towards construction work and yet to be certified is carried forward as work in progress. Cost includes direct material, work expenditure, labour cost and appropriate overheads.

1.6 Fixed Assets and Depreciation & Amortization

a) Tangible Fixed assets

Tangible Fixed Assets are stated at cost of acquisition, less accumulated depreciation thereon. Expenditure which are capital in nature are capitalized at cost, which comprises of purchase price (net of rebates and discounts), import duties, levies, financing costs and all other expenditure directly attributable to bringing the asset to its working condition for its intended use.

b) Capital work in progress

i) Tangible assets which are purchased but not yet installed and not ready for the intended use on the date of balance sheet are disclosed as "Capital Work-in-Progress".

ii) Capital Expenditure incurred towards projects which is yet to be capitalized is accounted and disclosed as Capital Work in Progress.

c) Depreciation and amortization

In respect of fixed assets (other than land and Capital Work in Progress) depreciation / amortization is charged on a straight line basis over the useful lives as prescribed in Schedule II to the Companies Act 2013. For the assets acquired prior to April 1, 2014 the carrying amount is depreciated over the remaining useful life as stipulated in the Act.

However, the remaining use-full life of certain class of plant & machinery is considered as 6 years (w.e.f. 01.04.2014) based on the technical assessment, managements experience of use of those assets, present condition of the asset etc.

Leasehold improvements or assets are amortized over the period of lease.

d) Intangible Assets and Amortization

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

ii) Goodwill represents the difference between the Group's share in the net worth of a subsidiary or an associate or a joint venture, and the cost of acquisition at each point of time of making the investment in the subsidiary or the associate or the joint venture. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

e) Intangible Asset under development :

Expenses incurred relating to the development of Road Projects prior to commencement of commercial operations are included under Intangible Asset under development (net of income earned during project development stage) and after completion of the road project to be transferred to Intangible Asset.Intangible Asset under development includes direct and indirect expenditure incurred for the road project and costs incidental and related thereto.

1.7 Foreign Currency Transactions

The reporting currency of the Group is Indian Rupee. Foreign exchange transactions are accounted at the rates prevailing on the date of transactions. Monetary assets and current liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates. The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions are recognized in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

1.8 Investments

Trade investments comprise investments in subsidiary companies, joint ventures, associate companies and in the entities in which the Company has strategic business interest. Investments are classified as Current investments and Non-Current investments.

Investments, which are readily realizable and are intended to be held for not more than 1 year from the date of acquisition, are classified as current investments. All other investments are classified as long term investments.

Non-Current Investments are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value. Dividend income is accounted when the right to receive dividend is established.

1.9 Employee Benefits

Liability for employee benefits, both short and long term, for present and past service which are due as per the terms of employment are recorded in accordance with Accounting Standard (AS) 15 "Employee Benefits" issued by the Institute of Chartered Accountants of India.

i) **Gratuity**
In accordance with the Payment of Gratuity Act, 1972 the company provides for Gratuity covering eligible employees. The liability on account of Gratuity is provided on the basis of valuation of the liability by an independent actuary as at the year end.

ii) **Provident Fund**
In accordance with applicable local laws, eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan to which both the employee and employer contributes monthly at a determined rate (currently up to 12% of an employee's salary). These contributions are either made to the respective Regional Provident Fund Commissioner, or the Central Provident Fund under the State Pension Scheme, and are expenses as incurred.

iii) **Compensated Absences**
Liability for compensated absence is treated as a long term liability and is provided on the basis of valuation by an independent actuary as at the year end.

iv) Actuarial gains and losses are immediately recognized and taken to the profit and loss account and are not deferred.

1.10 Deferred Revenue Expenditure

Projects and Other amenities expenditure incurred up to 31st March, 2016, the benefit of which is spread over more than one year is accounted as Project Promotion Expenses grouped under Other Advances and is amortized over the period in which benefits would be derived

1.12 Grants

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

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

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

1.13 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such asset. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

1.14 Leases

Assets taken on finance lease are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

Operating leases in respect of office & other equipment, house for employees, Office buildings are cancelable / renewable by mutual consent on agreed terms. Lease payments under an operating lease are recognized as an expense in the Profit and Loss Account.

1.15 Earnings per Share (EPS)

In arriving at the EPS, the Company's net profit after tax, computed in terms of the Indian GAAP, is divided by the weighted average number of equity shares outstanding on the last day of the reporting period. The EPS thus arrived at is known as 'Basic EPS'. To arrive at the diluted EPS the net profit after tax, referred above, is divided by the weighted average number of equity shares, as computed above and the weighted average number of equity share that could have been issued on conversion of shares having potential dilutive effect subject to the terms of issue of those potential shares. The date/s of issue of such potential shares determine the amount of the weighted average number potential equity shares.

1.16 Taxation

i) **Current Tax**

Provision for Current tax is made based on the liability computed in accordance with the relevant tax rates and provisions of Income Tax Act, 1961.

ii) **Deferred Taxes**

Deferred Tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods. Deferred tax assets are recognized and carried forward only 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.

1.17 Impairment of Fixed Assets

The carrying amount of assets, other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

1.18 Provisions for Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are present obligations arising from a past event, when it is not probable / probability is remote that an outflow of resources will be required to settle the obligation and they are not recognized but are disclosed in the notes.

Contingent Assets are neither recognized nor disclosed in the financial statements. Provisions for Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

1.19 Commitments

Commitments are future liabilities for contractual expenditure.

Commitments are classified and disclosed as follows:

a. Estimated amount of contracts remaining to be executed on capital account and not provided for
b. Uncalled liability on shares and other investments partly paid

c. Funding related commitment to subsidiary, associate and joint venture companies and

d. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

1.20 Operating cycle for current and non-current classification

Operating cycle for the business activities of the Company covers the duration of the specific project/contract/product line/service including the defect liability period, wherever applicable and extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

1.21 Cash Flow Statement

Cash Flow Statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

i. transactions of a non-cash nature
ii. any deferrals or accruals of past or future operating cash receipts or payments and
iii. items of income or expense associated with investing or financing cash flows

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

1.22 Cash and bank balances

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being not free from more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

2. SHARE CAPITAL

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares	**₹ in Lakhs**	Number of shares	₹ in Lakhs
(i) Authorised Share Capital Equity shares of ₹10/- each	**80,000,000**	**8,000.00**	80,000,000	8,000.00
(ii) Issued Share Capital Equity shares of ₹10/- each	**35,450,380**	**3,545.04**	30,226,994	3,022.70
(iii) Subscribed and fully paid up Share Capital Equity shares of ₹10/- each	**35,450,380**	**3,545.04**	30,226,994	3,022.70
Total	**35,450,400**	**3,545.04**	30,226,994	3,022.70

2(a) Terms / Rights, Preferences and restrictions attached to Equity Shares:

The company has only one class of shares referred to as equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

The Board of Directors have recommended dividend of ₹ 2/ per equity share in their meeting held on 30th May, 2016, subjected to approval of the share holders in the ensuing Annual General Meeting (For the year ended 31st March, 2015 : ₹ 1.00 per equity share).

2(b) **Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
Equity shares of ₹10/- each with voting rights				
At the beginning of the period	**30,226,994**	**3,022.70**	30,226,994	3,022.70
Add: Shares issued during the year	**5,223,386**	522.34	—	—
Outstanding at the end of the period	**35,450,380**	**3,545.04**	30,226,994	3,022.70

2(c) **Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: Nil**

2(d) **Details of shares held by each shareholder holding more than 5% shares:**

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares of ₹10/- each with voting rights				
Indira Subbarami Reddy Tikkavarapu	**11,425,900**	**32.23**	10,630,932	35.17
Sandeep Kumar Reddy Tikkavarapu	**5,403,962**	**15.24**	4,579,544	15.15
GMO Emerging Markets Fund	**3,380,000**	**9.53**	—	—
Afrin Dia	**2,820,000**	**7.95**	2,820,000	9.33
India Max Investment Fund Limited	**2,357,000**	**6.65**	2,357,000	7.80
GMO Emerging Domestic Opportunities Fund	**2,110,969**	**5.95**	2,039,278	6.75

3. RESERVES & SURPLUS

₹ in Lakhs

Particulars	As at 31st March, 2016	As at 31st March, 2015
a. **Capital Reserve**		
Opening balance	**143.40**	143.40
Add : Additions to Reserve during the year	—	—
Closing balance	**143.40**	143.40
b. **General Reserve**		
Opening balance	**10,500.00**	10,000.00
Add: Amount transferred from Statement of Profit and Loss	**500.00**	500.00
Add : Amount trasfer from DRR	**1,300.00**	
Closing balance	**12,300.00**	10,500.00
c. **Capital Grant**	**21,529.18**	5,052.40
d. **Capital Reserve on Consolidation**	—	24,274.07
e. **Securities Premium Account**		
Opening balance	**28,519.93**	42,929.60
Add: Premium received on Shares issued during the year	**10,121.87**	—
Less: Adjusted due to Subsidiary become Associate	—	(14.409.67)
Closing balance	**38,641.80**	28,519.93
f. **Debenture Redemption reserve**		
Opening balance	**1,300.00**	1,300.00
Less : Amount transferred to General Reserve	**(1,300.00)**	—
Closing balance	—	1,300.00
g. **Surplus / (Deficit) in Statement of Profit and Loss**		
Opening balance	**344.76**	4,393.08
Add : Surplus / (Deficit) for the year	**122.87**	(3,169.38)
(+)Add /(-) Less : Other Adjustments of Subsidiaries/Associates	**834.32**	171.97
Amount available for Appropriation	**1,301.95**	1,395.67
Less: Appropriations		
Dividend and Dividend Tax (Prev. year)	**42.16**	—
Dividend and Dividend Tax	**853.35**	353.64
Adjustment relating to Fixed Assets	—	197.27
Transferred to General Reserve	**500.00**	500.00
Closing balance	**(93.56)**	344.76
Total (a+b+c+d+e+f+g)	**72,520.82**	70,134.56

4 LONG-TERM BORROWINGS

₹ in Lakhs

Particulars	As at 31st March 2016		As at 31st March 2015	
	Non-Current	**Current**	Non-Current	Current
(i) Non-Convertible Debentures				
a. Nil (31st March, 2015:NIL) 11.50% Redeemable, Non-Convertible Debentures (NCDs) of ₹ 10,00,000/- each	—	—	—	2,927.84
b. 7,50,00,000 (31 March 2015: 15,00,00,000) 10.50% Compulsorily Convertible Debentures (CCD) of ₹10/- each (Refer note 4.1)	**7,500.00**	**7,500.00**	3,750.00	11,250.00
c. 99,25,000 - 9% Optionally Full Convertible Debtures (OFCD) of ₹10/- each (Refer note 4.2)	**992.50**	—	—	—
ii) Term Loans from Banks				
a. Equipment Loans (Refer note 4.3)	**1,949.75**	**1,091.03**	56.03	1,560.38
b. Other Term Loans (Refer note 4.4)	**76,814.71**	**3,810.00**	70,774.17	520.83
c. Project Loans (Refer note 4.5, 4.6, 4.7 & 4.8)	**157,872.74**	**6,566.08**	129,581.76	5,849.18
d. External Commercial Borrowings (Refer note 4.9)	**11,792.05**	**620.63**	13,510.27	—
iii) Term Loans from others				
a. Equipment Loans (Refer note 4.3)	**6,448.91**	**250.58**	5,074.91	982.64
b. Project Loans (Refer note 4.5, 4.6, 4.7 & 4.8)	**65,940.33**	**3,245.87**	57,208.18	16,302.85
c. Vehicle Loans (Refer note 4.10)	**39.61**	**8.41**	-	2.87
Un-Secured Borrowings				
i) Term Loans from related parties (Refer Note 4.6)	**2,724.00**	—	519.19	—
ii) From Directors (Interest Free Loans) (Refer Note No. 4.11)	**152.10**	—	3,300.00	—
iii) Term Loans from others	**2,313.08**	—	17,813.67	—
Total	**334,539.78**	**23,092.60**	301,588.18	39,396.59

4.1 15,00,00,000 – 10.50% Secured Compulsorily Convertible Debentures (CCDs) of ₹10/- each issued by Gayatri Energy Ventures Pvt. Ltd., (GEVPL) a subsidiary company amounting to ₹150,00.00 Lakhs (31st March, 2015: ₹15000.00 Lakhs) are secured by way of (a) Pledge of 7,47,49,590 Equity Shares of NCC Infrastructure Holdings Ltd held by the GEVPL, (b) Pledge of 16,96,248 equity shares of GEVPL held by Gayatri Projects Limited (GPL) (c) Personal guarantee of promoter directors of GEVPL, (d) the buyback guarantee from the Company. The CCDs carry an interest rate of 10.50% p.a. payable in quarterly basis and balance 6% premium yield shall be payable at the time of buyout as a premium. The CCDs are repayable in 8 equal quarterly installments commencing from 15th May, 2016.

4.2 During the year, Gayatri Energy Ventures Pvt. Ltd., (GEVPL), a subsidiary company has issued 99,25,000 Unsecured Optionally Fully Convertible Debentures (OFCD) of ₹10/- each, amounting to ₹ 992.50 Lakhs (31st March, 2015: ₹ Nil). The OFCD carry an interest of 9% cumulative and will be matured in 36 Months from the date of issue. The subscriber has an option to convert these Debentures into Equity Shares of ₹760/- per share with prior consent of the Board.

4.3 The Equipment loans are secured by hypothecation of specific equipments acquired out of the said loans and all these loans are guaranteed by directors. The rate of interest on these loans varies between 11% to 15%.

4.4 Secured Term Loans from Banks of GPL are secured by hypothecation of construction equipments not specifically charged to other banks, immovable properties of group companies and personal guarantees of the promoters. The rate of interest various between 11% to 13% with an average yield of 12.04% p.a. and the repayment is in 84 structured monthly installments commencing from 31st July, 2016.

4.5 Project Loans comprising of ₹15000.00 lakhs Term Loan obtained by Bhandara Thermal Power Corporation Ltd.(BTPCL) a step-down subsidiary company is secured by a) Pledge of 100% Equity Shares of BTPCL held by its Holding Company. b) 67.76% Equity Shares of Gayatri Infra Ventures Limited (GIVL) held by the Company. c) Hypothecation of 21.291 Acres of Freehold Land at Mohadi Dist. Maharashtra held by BTPCL. d) Corporate Guarantee from GIVL and the Company e) Personal Guarantee of a Director. The rate of interest is 16% and the loan will be repaid at the end of 36 months from the date of first disbursement i.e. 30th June, 2015. Interest amount of ₹528.52 lakhs is due for more than 90 days.

4.6 Project Loans – Gayatri Infraventures Ltd. group (GIVL):

i) Secured Indian Rupee Term Loan from Banks of ₹19383.00 Lakhs (31st March, 2015: ₹ 20582.00 Lakhs) of GJRL is secured by way of (a) first mortgage and charge of all the borrower's immovable properties, present and future, (b) first charge by way of hypothecation of all the movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future, operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future, all intangibles, including but not limited to goodwill, uncalled capital, present and future, (c) assignment or creation of security interest in all Insurance Contracts/Insurance proceeds (d) Escrow Account, Debt Service Reserve, other reserves and any other bank accounts of the borrower wherever maintained (e) pledge of all the shares (equity and preference) held by the sponsors representing 51% of the paid up share capital. The facilities carry an annual interest rate of 11.20% (31st March 2015: 11.20%).

ii) Secured Indian Rupee Term Loan from Banks of ₹ 6923.00 Lakhs (31st March, 2015: ₹7311.00 Lakhs) of Gayatri Jhansi Roadway Limited (GJRL) is secured by way of (a) Second mortgage and charge of all the borrower's immovable properties, present and future, (b) Second charge by way of hypothecation of all the movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future, Operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future, all intangibles, including but not limited to goodwill, uncalled capital, present and future, (c) Assignment or creation of security interest in all Insurance Contracts/Insurance proceeds, (d) Escrow Account, Debt Service Reserve, other reserves and any other bank accounts of the borrower wherever maintained, (e) pledge of all the shares (equity and preference) held by the sponsors representing 51% of the paid up share capital. The facilities carry annual interest rate ranging from 11.50% to 12.85%(31st March 2015: 11.50% to 12.85%)

iii) Secured Indian Rupee Term Loan from Banks of ₹11541.00 Lakhs (31st March, 2015: ₹12288.00 Lakhs) of Gayatri Lalitpur Roadways Limited (GLRL) is secured by way of (a) first mortgage and charge of all the borrower's immovable properties, present and future, (b) first charge by way of hypothecation of all the movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future, operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future, all intangibles, including but not limited to goodwill, uncalled capital, present and future, (c) Assignment or creation of security interest in all Insurance Contracts/Insurance proceeds, (d) Escrow Account, Debt Service Reserve, other reserves and any other bank accounts of the borrower wherever maintained (e) pledge of all the shares (equity and preference) held by the sponsors representing 51% of the paid up share capital. The facilities carry an annual interest rate of 11.25% (31st March 2015: 11.25%).

iv) Secured Indian Rupee Term Loan from Banks of ₹7986.00 Lakhs (31st March, 2015: ₹8487.00 Lakhs) of GLRL is secured by way of (a) Second mortgage and charge of all the borrower's immovable properties, present and future, (b) second charge by way of hypothecation of all the movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future, Operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future, all intangibles, including but not limited to goodwill, uncalled capital, present and future, (c) assignment or creation of security interest in all Insurance Contracts/Insurance proceeds, (d) Escrow Account, Debt Service Reserve, other reserves and any other bank accounts of the borrower wherever maintained (e) Pledge of all the shares (equity and preference) held by the sponsors representing 51% of the paid up share capital. The facilities carry an annual interest rate ranging from 11.50% to 12.85% (31 March 2015: 11.50% to 12.85%).

v) Unsecured Rupee Term Loans of ₹2724.00 Lakhs (31st March 2015: ₹ 3224.00 Lakhs) of GJRL and GLRL from its shareholder's represents zero interest subordinate loan repayable after the repayment of other secured loans from banks and financial institutions.

vi) Secured Rupee Term Loans from Banks of ₹11667.00 Lakhs (31st March 2015: ₹13472.00 Lakhs) of Cyberabad Expressways Limited (CEL) is secured by way of pari passu first charge on (a) all monies including annuity receivable from Hyderabad Growth Corridor Limited (HGCL) to the credit of the escrow Account, b) All rights, title, interest, benefits, claims and demands of the company under project agreements subject to the provisions of the concession agreement, (c) Assignment of rights, title and interest to or in favor of the lenders pursuant to and in accordance with the substitution agreement as per the provisions of the financing documents of the project. The facilities carry an annual interest rate of 11.50% (31st March 2015: 11.50%).

vii) Secured Rupee Term Loans from Banks of ₹ 8999.00 Lakhs (31st March 2015: ₹9771.00 Lakhs) of Hyderabad Expressways Limited (HEL) is secured by way of pari passu first charge on (a) all monies including annuity receivable from HGCL to the credit of the escrow Account, (b) all rights, title, interest, benefits, claims and demands of the company under project agreements subject to the provisions of the concession agreement, (c) Assignment of rights, title and interest to or in favor of the lenders pursuant to and in accordance with the substitution agreement as per the provisions of the financing documents of the project. The facilities carry an annual interest rate of 11.50% (31st March 2015: 11.50%).

viii) Secured Rupee Term Loans from Banks of ₹ Nil (31st March 2015: ₹19488.00 Lakhs) of Western UP Tollways Limited (WUPTL) is secured by way of (a) first mortgage and charge in a form satisfactory to all company's immovable properties, present and future expect project assets, (b) first charge by way of hypothecation of all the company's movables, including movable plant and machinery, present and future except the project assets, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, (c) a first charge on operating cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising present or future, (d) subject to provisions of provisions on concession agreement, first charge on the escrow account, debt service reserve, MMR and other reserves, (e) a first pledge of 100% of paid up capital till three years of commencement of commercial operations and thereafter minimum 51% of total paidup capital of the company held by the promoters during the tenure of the loan. The facilities carry an annual interest rate of Nil (31st March 2015: 11.50% to 14.00%).

ix) Unsecured Rupee Term Loan of ₹ Nil (31st March 2015: ₹ 2468.00 Lakhs) of WUPTL from related parties carrying interest at the annual rate of Nil (31st March 2015: 12%).

x) Maturity Profile of the Project Loans are as under

₹ in Lakhs

Particulars	As at	
	31 March 2016	**31 March 2015**
Up to 1 year	**7,944.75**	22,012.29
2 to 5 years	**50,794.20**	43,201.51
Above 5 years	**25,483.27**	45,376.09
	84,222.22	110,589.89

xi) Details of overdue installments of principal and interest on unsecured loans from banks and others

₹ in Lakhs

Particulars	As at	
	31 March 2016	**31 March 2015**
Principal		
0-30 days	**805.86**	742.24
30-90 days	**1,120.88**	—
	1,926.74	742.24
Interest		
0-30 days	**482.59**	191.18
30-90 days	**334.34**	519.40
90-180 days	**605.02**	34.05
above 180 days	**31.63**	77.94
	1,453.58	822.57

4.7 Project Loans of Indore – Dewas Tollways Ltd (IDTL):

Secured Rupee Term Loan-I of ₹34964.00 Lakhs (31st March, 2015: ₹34964.00 Lakhs), Secured Rupee Term Loan-II of ₹2556.00 Lakhs (31st March, 2015: Nil) and FITL of ₹ 6740.00 Lakhs (31st March, 2015: ₹ 2515.00 Lakhs) from Banks of Indore Dewas Tollways Limited (IDTL) is secured by way of (a) all monies including Toll collected on the Project Highway to the credit of the Escrow Account as per the provisions of the Concession Agreement, (b) all the Borrower's Properties and Assets excluding the Project Assets as defined in the Concession Agreement, (c) all Tangable Assets of the Company not limited to Goodwill, undertaking and uncalled capital of the company, (d) pledge of shares aggregating to 51% of the paid-up equity capital of the Borrower, (e) all rights, title, interest, benefits, claims and demands of IDTL under project documents subject to the provisions of the Concession Agreement, (f) assignment of rights in favour of the lenders in accordance with the substitution agreement in respect of financing by the senior lenders under the financing documents for the project, (g) assignment or creation of security interest in all Insurance Contracts/Insurance proceeds. The Bankers have approved the restructuring package with the cutoff date being 1st July, 2014 with a Moratorium of 33 months for Interest and principal Obligations. The facilities carry an annual interest rate of 11% p.a.

4.8 Project Loans of Indore – Sai Maatarani Tollways Ltd (SMTL):

i) Secured Rupee Term Loan from Banks / Financial Institutions of ₹ 87937.00 Lakhs (31st March, 2015: ₹ 61239.00 Lakhs) of Sai Maatarani Tollways Limited (SMTL) is secured by way of (a)first mortgage and charge on all the borrower's immovable properties, present and future, if any, save and except the Project Assets, (b) a first charge by way of hypothecation on all the Borrower's tangible moveable assets, including but not limited to all current/ non-current assets, moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, all other movable assets, both present and future, save and except the Project Assets, (c) a first charge on all the Borrower's bank accounts including but not limited to the Escrow Account/its Sub-Accounts, (d) a first charge on all intangibles of the Borrower including but not limited to goodwill, rights, undertakings, uncalled capital and intellectual property rights, both present and future, (e) an assignment by way of security of the right, title, interests, benefits, claims and demands of the Borrower in, to and under the Project Documents, (f) pledge of equity shares held by the Sponsor constituting 51% of the total paid up and voting equity share capital of the Borrower until the Final Settlement Date. The applicable interest rate on Term Loans shall be floating at - (a) Spread @ 2% p.a. above the Base Rate of the Lead Bank viz. IDBI Bank Ltd.; or (b) Spread @ 2% p.a. above the IIFCL benchmark rate, whichever is higher. The term loan shall be repayable in 48 unequal quarterly installments commencing from 1st January, 2018.

ii) Secured Rupee Term Loan (Subordinate Debt) from Financial Institutions of ₹ 8000.00 Lakhs (31st March, 2015: ₹ 8000.00 Lakhs) of SMTL is secured by way of mortgage second charge on all the borrower's immovable properties, present and future, if any, save and except the Project Assets, (b) A second charge by way of hypothecation on all the Borrower's tangible moveable assets, including but not limited to all current/ non-current assets, moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, all other movable assets, both present and future, save and except the Project Assets, (c) A second charge on all the borrower's bank accounts including but not limited to the Escrow Account/its sub-accounts that may be opened in accordance with any of the Project Agreement, (d) A second charge on all intangibles of the Borrower including but not limited to goodwill, rights, undertakings, uncalled capital and intellectual property rights, both present and future, save and except the Project Assets (provided that all amounts received on account of any of these shall be deposited in the Escrow Account and that the charges on the same shall be subject to the extent permissible as per the priority specified in the Clause 31 of the Concession Agreement and Clause 4 of the Escrow Agreement). Further, a charge on uncalled capital, as set in above, shall be subject however to the provisions of Clauses 5.3 and 7.1 (k) and Clause 31 of the Concession Agreement, (e) an assignment by way of security of the right, title, interests, benefits, claims and demands of the Borrower in, to and under the Project Documents, (f) An irrevocable and unconditional corporate guarantee from the Sponsor. The applicable interest rate on Subordinate Loan shall be floating at Spread, i.e. 2% p.a. above the Interest rate applicable to IDBI Bank Ltd. as per the Common Loan Agreement. The subordinate loan is repayable in 18 quarterly installments commencing from 1st January, 2023.

4.9 External Commercial Borrowing of the Company:

Details of External Commercial Borrowing: The Company availed Foreign Currency Loan of USD $ 24.42 million from an Indian Scheduled Bank to meet a part of funds requirement towards redemption of outstanding FCCBs. The ECB loan is repayable in 24 quarterly installments commencing from October 2013 with rate of interest at 3 months USD LIBOR+500bps.

Nature of Security : (a) Equitable mortgage of immovable property of 600 acres in the name of step down subsidiary company, (b) Pledge of 76,37,738 equity shares of GPL held by promoters, (c) Personal guarantees of the two promoter directors.

4.10 Secured Vehicle Loans of the Company availed from the Financial Institutions are secured by hypothecation of specific vehicles purchased out of the said loans. The vehicle loans carry interest rate between 11% to 15% p.a.

4.11 The promoters of the Company have brought back the dividend amount of ₹ 152.10 Lakhs as unsecured loan in compliance of the lenders stipulation for distribution of dividend to shareholders.

4.12 Maturity Profile of the Long Term Borrowings of the Company are as under: **₹ in Lakhs**

Particulars	2017-18	2018-19	2019-20	2020-21 onwards
Equipment loans from Banks	1,392.00	557.75	—	—
Term Loans from Banks	7,303.97	8,906.30	10,220.80	50,383.62
ECB Loan	993.02	993.02	993.02	8,813.01
Equipment loans from Others	332.57	1,256.05	2,591.97	2,307.93

5. Deferred Tax Liabilities (Net) **₹ in Lakhs**

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Deferred Tax (Asset) on timing Differences due to:		
Provision for Gratuity and Leave Encashment	**(70.56)**	(8.27)
Carry Forward losses	**357.25**	(357.25)
(b) Deferred Tax Liability on timing differences due to:		
Depreciation	**1,664.95**	2,884.52
Total	**1,951.64**	2,519.00

6. Other Long-Term Liabilities **₹ in Lakhs**

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Advances from Contractees	**66,352.15**	46,359.03
(b) Margin Money Deposits received	**6,760.25**	7,149.39
(c) Additional Concession Fee payable to NHAI*	**112,928.07**	4,201.43
(d) Interest accured but not due	**1,889.12**	1,181.77
(e) Retention Money Payable	**3,787.55**	3,628.99
Total	**191,717.14**	62,520.61

*** Additional Concession Fee payable to NHAI by Indore Dewas Tollways Limited :**

In order to more appropriately present the Financials statements of the company, the total premium amount of ₹ 1,18,119.88 Lakhs as per the Concession Agreement, has been capitalized as "Intangible Assets" and amortized over a period of service concession Agreement as per the method prescribed in Part A to the Schedule II to the Companies Act, 2013 and corresponding Obligation for committed premium has been recognised as liabilities.

The Contractual Obligation to pay premium (Additional Concession Fees) to National Highways Authority of India over the Concession period has been recognized upfront on an undiscounted basis when the project gets completed as per the Concession Agreement and is a part of the "Intangible Asset " and corresponding Obligation for committed premium is recognized as liabilities.

Additional Concession fee has to be paid to National Highways Authority of India as per clause 26.2.1 of the Concession Agreement dated 17th May, 2010. National Highways Authority of India has granted deferment of Additional concession fees payable to them vide their sanction letter dated 11th June, 2014 . Interest on the Additional concession fees payable to National Highways Authority of India for the FY 15-16 is not provided in the books of accounts as National Highways Authority of India has deferred the premium payment upto 6 years. The Interest liability on Additional Concession fees has neither accured nor due until the completion of the 6 years upto which NHAI has deferred the premium. After the completion of the 6th year, NHAI will review the deferment of premium payment based on the cash flows available then. The liability accrues and becomes due as and when there are cash flows sufficient for the payment of premium. At the end of the 6th year based on the the cash flow position, National Highways Authority of India will review the deferment proposal and may extend the deferment, if the cash flows are not sufficient to meet the debt and O&M obligations.

There is a decline in the Toll collections due to the non maintenance of the adjoining stretches of the project highway ie., Shivpuri to Dewas & Ghar to Dewas. The development of those streches were stalled due to issues between the National Highways Authority of India and the developer to whom the projects were awarded. Now Shivpuri - Dewas project has been awarded on EPC basis to new developers, which are expected to be completed within a period of 3-4 years from now. Till such time the revenues from the Toll collections seem bleak and no surplus cash flows are being expected after debt obligations, so as to pay the Additional Concession fees to National Highways Authority of India or Interest thereon. In view of the total stress in the Funds flow the management has considered that the liability accrues and becomes due as and when the cash flows are sufficient for the payment as explained above.

7. Long-Term Provisions

₹ in Lakhs

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
(a) Employee Benefits	915.74	704.65
(b) Provision for Periodic Maintenance	7,792.57	7,353.03
Total	**8,708.31**	8,057.68

8. Short Term Borrowings

₹ in Lakhs

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
(a) Secured Working Capital Facilities (Refer Note No 8.1)	**89,021.38**	79,178.76
(b) Unsecured Term loans:		
(i) Related parties (Refer Note No. 8.2)	**1,068.07**	6,216.62
(iii) Others	**708.37**	—
Total	**90,797.82**	**85,395.38**

Nature of Security and Terms of Repayment

8.1 Working Capital Facilities (Secured)

The working capital facilities from the consortium of Banks are secured by:

- Hypothecation against first charge on stocks, book debts and other current assets of the Company both present and future ranking *paripassu* with consortium banks.
- Hypothecation against first charge on all unencumbered fixed assets of the Company both present and future ranking *paripassu* with consortium banks.
- Equitable mortgage of properties belonging to promoters, directors, group companies.
- Personal guarantee of promoter directors, group companies/firms and relatives.

Period and amount of interest due as on balance sheet date:

- Interest amount of ₹ 8.28 crores for the month of March, 2016 charged on 31.03.2016 is due on balance sheet date.

8.2 Unsecured loans from related parties

The unsecured loans received from related parties are repayable on demand along with interst rate at 16% p.a.

9. Trade Payables:

₹ in Lakhs

Particulars	As at 31st March 2016	As at 31st March 2015
(a) Micro, Small and Medium Enterprises	—	—
(b) Others	**46,008.11**	39,934.61
Total	**46,008.11**	39,934.61

* There are no Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

10. Other current liabilities

₹ in Lakhs

Particulars	As at 31st March 2016	As at 31st March 2015
(a) Current maturities of Long Term Borrowings		
i) Non Convertible Debentures	—	2,927.84
ii) 11,25,00,000 10.50% Compulsorily Convertible Debentures (CCD) of ₹10/- each	**7,500.00**	11,250.00
iii) Term Loans	**15,592.60**	25,218.75
(b) Interest accrued but not due on Borrowings	**1,665.61**	2,519.35
(c) Interest accrued and due on Borrowings	**3,162.21**	3,682.58
(d) Unpaid Dividends	**4.34**	5.43
(e) Remuneration payable to Directors	**109.69**	109.11
(f) Application Money received for allotment	**35.69**	1,028.20
(g) Capital Creditors	—	2,853.65
(h) Statutory Payables	**4,089.57**	3,419.38
(i) Liabilities held for sale (Refer Note No. 30.20)	**22,851.01**	—
(i) Other Payables	**4,010.66**	3,890.77
Total	**59,021.38**	56,905.06

11. Short-Term Provisions

₹ in Lakhs

Particulars	As at 31st March 2016	As at 31st March 2015
(a) Employee Benefits	**9.88**	7.20
(b) Provision for Periodic Maintenance	**1,298.39**	1,384.72
(c) Provision for Dividend & Dividend Distribution Tax	**853.35**	456.38
(d) Provision for Expenses	**10.05**	10.56
(e) Provision for Income Tax	**16.26**	—
Total	**2,187.93**	1,858.86

12. Statement of Fixed Assets and Depreciation / Amortisation

₹ in Lakhs

Particulars	Original Cost				Depreciation And Amortization				Net Book Value	
	As at 1st April 2015	Additions during the year	Deductions/ Retirement/ Adjustment during the year	As at 31 March 2016	Up to 1st April 2015	For the year	Deductions/ Adjustment duing the year	As at 31st March 2016	As at 31st March 2016	As at 31st March 2015
a) Tangible Assets										
Land	6,249.61	9.75	3.09	**6,256.27**	—	—	—	—	**6,256.27**	6,249.61
Roads & Buildings	—	—	—	—	—	—	—	—	—	—
Plant and Equipment	37,829.72	5,139.07	4,641.82	**38,326.97**	22,642.47	3,131.37	4,276.20	**21,497.64**	**16,829.33**	15,187.25
Vehilcles	2,770.35	470.69	265.71	**2,975.33**	1,706.90	335.15	262.95	**1,779.10**	**1,196.23**	1,063.45
Wind Power Equipment	5,936.86	—	—	**5,936.86**	1,144.01	263.95	—	**1,407.96**	**4,528.90**	4,792.85
Furniture and Fixutures	416.34	12.38	97.44	**331.28**	276.23	32.34	95.05	**213.52**	**117.76**	140.11
Sub-total :	**53,202.88**	**5,631.89**	**5,008.06**	**53,826.71**	**25,769.61**	**3,762.81**	**4,634.20**	**24,898.22**	**28,928.49**	**27,433.27**
b) Intangible Assets										
Goodwill on consolidation	2,376.66	1,847.27	—	**4,223.93**	—	—	—	—	**4,223.93**	2,376.66
Goodwill on Amalgamation	0.97	—	—	**0.97**	—	—	—	—	**0.97**	0.97
Carriage Way	138,549.89	174,169.93	34,210.29	**278,509.53**	34,498.37	11,380.61	8,226.40	**37,652.58**	**240,856.95**	104,051.52
Computer Software	193.01	—	—	**193.01**	27.66	7.72	—	**35.38**	**157.63**	165.35
Sub-total :	**141,120.53**	**176,017.20**	**34,210.29**	**282,927.44**	**34,526.03**	**11,388.33**	**8,226.40**	**37,687.96**	**245,239.48**	**106,594.50**
Total	**194,323.41**	**181,649.09**	**39,218.35**	**336,754.15**	**60,295.64**	**15,151.14**	**12,860.60**	**62,586.18**	**274,167.97**	**134,027.77**

Less : Transferred to Preoperative Expenditure/Capital Work in Progress	(2.06)
Net Depreciation charged to Statement of Profit and Loss	**15,149.08**

12.c Capital work in progress

₹ in Lakhs

Particulars	As at 31st March 2016	As at 31st March 2015
Opening Balance	**582.96**	690,644.23
Add : Expenditure incurred during the year	**53.89**	45.01
Less : Transfer to Asset / Capitalised during the year	—	(690,106.28)
Closing Balance	**636.85**	582.96

12.d Intangible assets under development

₹ in Lakhs

Particulars	As at 31st March 2016	As at 31st March 2015
Opening Balance	**147,485.18**	102,666.81
Add : Expenditure incurred during the year	**170,206.01**	46,836.37
Less : Capitalised during the year	**(167,212.98)**	—
Less : Adjustment for change in status of erstwhile Subsidiary into Associate	**(517.41)**	(2,018.00)
Closing Balance	**149,960.80**	147,485.18

13. Non-current investments

₹ in Lakhs

Particulars	As at 31st March 2016	As at 31st March 2015
Non-Trade investments		
(valued at cost unless stated otherwise)		
Unquoted		
A. Investment in Associate Companies		
22,47,27,125 (Previous Year:22,47,27,125) Equity share of ₹10/- each fully paid - NCC Infrastructure Holdings Ltd (Refer Note No.13.1)	**20,528.90**	22,376.03
30,000 (Previous Year:30,000) equity share of ₹10/- each fully paid up - Sembcorp Gayatri O&M Co. Pvt Ltd	**2.08**	2.20
241600000 (Previous Year:236600000) equity share of ₹10/- each fully paid up Thermal Powetech Corporation Indian Limited (Refer note 13.2)	**24,161.60**	48,434.07
B. Other Investments		
Quoted - at Cost		
2,35,00,000 (Previous year Nil) 9% non-convertible redeemable cumulative preferential Shares of ₹ 10/- each, fully paid in Gayatri Hitech Hotels Ltd. (Refer Note No. 30.10)	**23,500.00**	—
24,79,338 (Previous Year:24,79,338) Equity shares of ₹10/- each fully paid up - Jimbhuish Power Generation Pvt Ltd (Refer note 13.3)	**3,000.00**	3,000.00
Land (Investment in Property)	**3.09**	—
Quoted - at Cost		
11,63,607 (Previous Year 11,63,607) Equity Shares of ₹10/- each in Gayatri Sugars Ltd., (Refer note 13.4)	**293.10**	293.10
1,728 (Previous Year 1,728) Equity Shares of ₹10/- each in Syndicate Bank Ltd.,	**0.86**	0.86
Investments in Mutual Funds	—	35.00
Less: Provision for diminution in value of Investment (Refer note 13.4)	**(278.44)**	(278.44)
Total	**71,211.19**	73,862.82
Details of Quoted and Unquoted Investments:		
Aggregate Amount of Quoted Investment	**15.52**	15.52
Aggregate Market value of Quoted Investment	**59.35**	19.55
Aggregate Amount of Unquoted Investment	**71,211.19**	73,862.82

13.1 7,47,49,590 Equity Shares of NCC Infrastructure Holdings Ltd held by the Gayatri Energy Pvt Ltd are pledged in favour of IFCI Limited as colleteral security for the debentures issued by the Subsidiary Company.

13.2 23,65,99,300 Equity Shares of TPCIL are pledged in favour of Rural Electrification Corporation Ltd as collateral security for the loan availed by TPCIL.

13.3 In pursuance of Exit Aggreement entered between Gayatri Energy Venture Pvt. Ltd (GEVPL) and Jinbhuvish Power Generation Private Limited (JPGPL), 2,74,49,989 Equity Shares of JPGPL held by the GEVPL are pledged in favour of JPGPL.

13.4 The company has made provision for the diminution in the market value of quoted investments in the books as envisaged in the Companies (Accounting Standard) Rules, prescribed by the Central Government.

14. Long-term loans and advances ₹ in Lakhs

Particulars	As at 31st March 2016	As at 31st March 2015
To Related Parties - Unsecured, Considered Good		
Subordinate Shareholders' Contribution to Associate Companies	**11,565.58**	10,949.60
Other Advances	**517.12**	0.45
To Others - Unsecured, Considered Good		
- Capital Advances	—	7,193.73
- Other Advances (Refer No. 30.14)	**33,490.08**	33,032.14
- Security Deposit with Govt. Depts and Others	**57.44**	73.60
- Deposits with Customs departments	—	1,250.51
Total	**45,630.22**	52,500.03

15. Other Non-Current Assets ₹ in Lakhs

Particulars	As at 31st March 2016	As at 31st March 2015
(a) Advance for purchase of Equity Shares (Refer Note No. 30.16)	**10,000.00**	10,000.00
(b) Receivable from Related Parties (Refer Note No. 30.10)	—	21,851.46
Total	**10,000.00**	31,851.46

16. Current Investments ₹ in Lakhs

Particulars	As at 31st March 2016	As at 31st March 2015
Mutual Funds	**30.00**	76.79
Total	**30.00**	76.79

17. Inventories ₹ in Lakhs

Particulars	As at 31st March 2016	As at 31st March 2015
(a) Construction materials, Stores and Spares	**6,933.58**	9,994.76
(b) Work in Progress	**8,563.71**	14,207.53
Total	**15,497.29**	24,202.29

18. Trade Receivables ₹ in Lakhs

Particulars	As at 31st March 2016	As at 31st March 2015
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good*	**63,007.86**	55,877.80
Unsecured, considered doubtful	—	—
Less: Provision for doubtful debts	—	—
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	**18,112.26**	3,298.48
Unsecured, considered doubtful	—	—
Less: Provision for doubtful debts	—	—
Total	**81,120.12**	**59,176.28**

* Includes claims amount receivable of ₹ 4106.84 lakhs

19. Cash and cash equivalents ₹ in Lakhs

Particulars	As at 31st March 2016	As at 31st March 2015
(a) Cash on hand	64.98	63.46
(b) Balances with banks		
In current accounts	15,157.40	12,474.56
In deposit accounts (due with in 12 months)		
i. Margin money for Bank Guarantees / LCs	15,679.36	9,801.87
ii. Other Deposits	1,738.22	2,743.76
Total	**32,639.96**	**25,083.65**

20. Short-term loans and advances ₹ in Lakhs

Particulars	As at 31st March 2016	As at 31st March 2015
To Related Parties - Unsecured, Considered Good		
- Advances to Holding Company	**735.31**	6,660.24
- Loans and Advances to Associates	**5,885.24**	5,347.27
To Others - Unsecured, Considered Good		
- Advances to Suppliers	**1,798.51**	646.59
- Advances to Sub-Contractors (Refer Note No.30.15)	**76,788.21**	58,023.51
- Staff Advances	**231.75**	189.33
- Advances with Govt. Departments	**10,945.31**	7,829.10
- Other Advances	**1,787.24**	2,056.21
Total	**98,171.57**	**80,752.25**

21. Other current assets ₹ in Lakhs

Particulars	As at 31st March 2016	As at 31st March 2015
(a) Interest accrued but not due	**75.19**	74.04
(b) Advance for purchase of Equity Shares (Refer Note No.30.17)	**2,490.83**	2,471.40
(c) Annuity Income accrued but not due	**1,977.27**	2,287.93
(d) Prepaid Expenses	**58.87**	183.50
(e) Others (Refer Note No.30.12)	**250.22**	354.05
(f) Receivable from Disposal of interest in JCE (Refer Note No.30.20)	**27,213.83**	
Total	**32,066.21**	**5,370.92**

22. Revenue from Operations ₹ in Lakhs

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
(a) Construction Revenue	**125,444.20**	86,717.95
(b) Materials Supply Revenue	**10,160.60**	35,631.22
(c) Claims	—	4,518.20
(d) Revenue from Electricity Generation	**501.91**	579.51
(e) Share of profit from Joint Ventures	**388.90**	186.42
(f) Annuity Income	**17,779.00**	17,779.00
(g) Toll Revenue	**7,766.30**	4,664.62
Total	**162,040.91**	**150,076.92**

23. Other income

₹ in Lakhs

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
(a) Interest income from Fixed Deposits & Others	**520.50**	367.96
(b) Other Miscellaneous Income	**798.67**	416.99
Total	**1,319.17**	784.95

24. Consumption of Materials and Cost of Purchases & Services

₹ in Lakhs

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
(a) Steel	**5,046.71**	6,170.64
(b) Cement	**3,112.77**	2,574.93
(c) Bitumen	**5,473.76**	4,045.15
(d) Metal	**5,499.23**	3,213.47
(e) Sand & Gravel	**853.77**	772.07
(f) Electrical Materials	**1,625.65**	8,823.74
(g) Railway Line Materials	**1,531.96**	4,519.49
(h) Coal Handling System Materials	**3,535.27**	13,228.08
(i) RCC & GI Pipes	**84.59**	87.53
(j) HSD Oils & Lubricants	**3,630.29**	4,224.48
(k) Stores and Consumables	**318.79**	470.04
(l) Other Materials	**333.38**	47.19
Total	**31,046.17**	48,176.81

25. Work Expenditure

₹ in Lakhs

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
(a) Departmental Recoveries	**3,285.23**	1,953.27
(b) Work executed by sub contractors	**39,020.84**	19,069.56
(c) Earth Work	**10,204.41**	8,722.11
(d) Concrete Work	**3,547.77**	7,817.64
(e) Transport Charges	**1,455.03**	1,007.11
(f) Hire Charges	**1,441.21**	1,397.30
(g) Road work	**3,103.61**	8,438.94
(h) Repairs and Maintenance	**1,489.62**	965.32
(i) Taxes and Duties	**3,324.97**	3,738.18
(j) Royalties, Seigniorage and Cess	**1,128.91**	582.02
(k) Insurance	**163.87**	138.16
(l) Operation & Maintenance Expenses	**4,831.39**	3,805.96
(m) Other Work Expenditure	**4,836.89**	4,690.60
Total	**77,833.75**	**62,326.17**

26. Change in Inventories of Work-in-Progress

₹ in Lakhs

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Opening Work in Progress	**14,207.53**	13,619.16
Less : Closing Work in Progress	**(8,563.71)**	(14,207.53)
Total	**5,643.82**	**(588.37)**

27. Employee benefits expense

₹ in Lakhs

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
(a) Salaries & Wages	**2,399.19**	2,084.35
(b) Director's Remuneration	**529.41**	444.00
(c) Staff Welfare Expenses	**257.47**	318.26
(d) Contribution to Statutory Funds	**136.60**	94.14
Total	**3,322.67**	**2,940.75**

28. Finance costs

₹ in Lakhs

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
(a) Interest on Term Loans	**24,458.48**	19,498.22
(b) Interest on Debentures	**194.38**	3,079.31
(c) Interest on Working Capital Facilities	**7,657.25**	7,012.03
(d) Interest on ECB Loan	**1,239.95**	1,306.55
(e) Exchange loss on ECB Loan	**46.19**	199.38
(f) Bank Guarantee & Other Financial Charges	**445.26**	280.18
	34,041.51	31,375.67
Less : Interst on BG/LC Margin money deposits	**(1,106.92)**	(1,059.48)
Interst on Loans & Advances given	**(4,416.49)**	(3,788.18)
Total	**28,518.10**	**26,528.01**

29. Other expenses

₹ in Lakhs

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
(a) Advertisement expenses	**46.98**	29.87
(b) Audit fee	**85.47**	65.83
(c) Donations & Corporate Social Responsibility Expenditure	**301.99**	313.68
(d) Insurance charges	**66.46**	56.70
(e) Consultancy, Legal & professional charges	**988.88**	742.11
(f) General Expenses	**120.72**	111.54
(g) Power & fuel	**140.28**	129.96
(h) Miscellaneous expenses / Other administration expenses	**461.23**	445.67
(i) Printing & stationery	**54.81**	52.10
(j) Rent	**355.29**	358.47
(k) Taxes & licenses	**89.95**	60.17
(l) Tender Expenses	**61.99**	39.30
(m) Telephone	**62.73**	69.20
(n) Traveling, Conveyance & Stay expenses	**501.38**	365.65
(o) Loss on sale of assets / Impairment of assets	—	214.47
Total	**3,338.16**	**3,054.72**

30. Other Notes forming part of the Consolidated Financial Statements:

30.1 All amounts in the financial statements are presented in ₹ in Lakhs except per share data and as otherwise stated. Figures in brackets represent corresponding previous year figures in respect of Profit & Loss items and in respect of Balance Sheet items as on the Balance Sheet date of the previous year. Figures for the previous year have been regrouped / rearranged wherever considered necessary to conform to the figures presented in the current year.

30.2 Basis of preparation of consolidated financial statements:

Gayatri Projects Limited ("the company") has presented consolidated Financial statements by consolidating its own financial statements with those of its Subsidiaries, Associates and Joint Ventures in accordance with Accounting Standard- 21(Consolidated Financial statements), Accounting Standard-23 (Accounting for Investments in Associates in consolidated Financial statements) and Accounting Standard - 27 (Financial reporting of Interests in joint ventures) notified in section 211 (3C) of the Companies Act, 1956.

The Financial statements of each of those Subsidiaries, Associates and Joint Ventures are prepared in accordance with the generally accepted accounting principles & accounting policies of Parent Company. The effects of inter-company transactions between consolidated companies/entities are eliminated in consolidation.

30.3 Disclosure of particulars regarding Subsidiaries, Joint ventures and Associates.

Subsidiaries, Joint Ventures and Associates Included in Consolidated Financial statements in terms of AS-21, AS-23 and AS-27 are as follows :

S. No	Name of the Entity	Nature of the Entity	% of Holding	Country of Incorporation
1	Gayatri Energy Ventures Private Limited	Wholly owned Subsidiary	100	India
2	Gayatri Infra Ventures Limited	Subsidiary	70.59	India
3	Sai MaatariniTollways Limited	Subsidiary	99.51	India
4	Balaji Highways Holding Limited	Associate	49	India
5	HKR Roadways Limited	Associates	26 (33.77 along with subsidiary)	India
6	Indore DewasTollways Limited (Considered as subsidiary as per AS-21 for consolidation)	Associate	33.33 (66.66 along withsubsidiary)	India
7	IJM Gayatri Joint Venture	Joint Venture	40	India
8	Jaiprakash Gayatri Joint Venture	Joint Venture	49	India
9	Gayatri ECI Joint Venture	Joint Venture	50	India
10	Gayatri Ratna Joint Venture	Joint Venture	80	India
11	Gayatri - Ranjit Joint Venture	Joint Venture	60	India
12	Gayatri - GDC Joint Venture	Joint Venture	70	India
13	Gayatri - BCBPPL Joint Venture	Joint Venture	60	India
14	Gayatri - RNS Joint Venture	Joint Venture	60	India
15	Gayatri - JMC Joint Venture	Joint Venture	75	India
16	MEIL-Gayatri-ZVS-ITT Consortium	Joint Venture	48.44	India
17	Viswanath-Gayatri Joint Venture	Joint Venture	50	India
18	Maytas-Gayatri Joint Venture	Joint Venture	37	India
19	GPL-RKTCPL Joint Venture	Joint Venture	51	India
20	GPL-SPL Joint Venture	Joint Venture	51	India
21	Vishwa-Gayatri Joint Venture	Joint Venture	49	India

30.4. Contingent Liabilities

The details of the Contingent Liabilities to the extent not provided as follows: **₹ in Lakhs**

Particulars	As at 31st March 2016	As at 31st March 2015
a) Claims against the Company	**90.33**	225.13
b) Guarantees given by the Banks towards performance & Contractual Commitments	**1,23,892.32**	77,539.41
c) Corporate Guarantees given to group companies	**2,98,048.00**	8,38,456.00
d) Disputed Liability of Income Tax, Sales Tax, Service Tax, Etc.,	**13,635.73**	14,617.34

30.5 Contingent Commitments **₹ in Lakhs**

Particulars	As at 31st March 2016	As at 31st March 2015
Contracts remaining to be executed on capital accounts (net of advances)	**78,666.16**	1,25,887.22
Commitments towards investment in subsidiaries, Joint Ventures and Associates	—	25,480.00
Other Commitments (as stated in subsidiary company financials.	**2,410.00**	2,410.00

30.6 EARNING PER SHARE (EPS)

Basic EarningPer Share is calculated as per Accounting Standard 20 on Earnings Per Share. **₹ in Lakhs**

Particulars	2015-16	2014-15
Profit After Tax for calculation of Basic EPS (₹ in Lakhs)	**122.86**	(3547.27)
Profit After Tax for calculation of Diluted EPS (₹ in Lakhs)	**122.86**	(3547.27)
Weighted average No. of equity shares as denominator for calculating Basic EPS. (No. in Lakhs)	**335.04**	302.27
Weighted average No. of equity shares as denominator for calculating Diluted EPS. (No. in Lakhs)	**335.04**	302.27
Basic EPS (₹)	**0.35**	(10.49)
Diluted EPS (₹)	**0.35**	(10.49)

30.7 Related party transactions pursuant to Accounting Standard AS-18

(i) Details of related parties:

Entities in which KMP are interested	Key Management Personnel (KMP)
Deep Corporation Pvt. Ltd	Mr. T.V.Sandeep Kumar Reddy
Indira Constructions Pvt. Ltd	Mr. J.Brij Mohan Reddy
Gayatri Sugars Ltd	Mrs.T.Indira Reddy
Gayatri Hi-Tech Hotels Ltd	Mr.T.Aniruth Reddy
Gayatri Property Ventures Pvt. Ltd.	Mr.T.Rajiv Reddy
Gayatri Hotels & Theaters Pvt. Ltd	Mr.P.Sreedhar Babu (CFO)
GSR Ventures Pvt. Ltd.	Mrs.I.V.lakshmi (CS& CO)
Gayatri Tissue & Papers Ltd.	
Indira Energy Holdings P.Ltd.	
Gayatri Bio-Organics Limited	
TSR Foundation	
Dr.T.Subbarami Reddy (HUF)	
Balaji Charitable Trust	
TSR LalitakalaParishad	
T.V.Sandeep Kumar Reddy & Others	
Invento Labs Pvt. Ltd.	

(ii) Transactions with the related parties: **₹ in Lakhs**

Sl. No.	Description interested	2015-16 Entities in which KMP are relatives	2015-16 KMP & their interested	2014-15 Entities in which KMP are relatives	2014-15 KMP & their
1.	Equity Contribution	**23,500.00**	—	—	—
2	Contract Receipts	**515.08**	—	1,105.22	—
3	Contract payments	**359.32**	—	385.10	—
4	Office Rent & Maintenance	**113.00**	—	110.14	—
5	Other Payments	**12.83**	**79.12**	52.48	67.81
6	Donations	**149.52**	—	176.90	—
7	Remuneration Paid	—	**529.41**	—	444.00
8	Contract Advances/ Other Adv.	**84.00**	—	—	—
9	Unsecured Loans received	—	**152.10**	—	3,300.00
10	Corporate Guarantees	—	—	—	—
11	Closing balances - Debit	**1156.58**	—	25,099.87	—
12	Closing balances - Credit	**417.12**	**261.79**	110.53	3,409.11

30.8 Hedged Foreign Currency Exposures

The yearend foreign exposures that have been hedged by a derivate instrument or otherwise are given below:

Amount in Lakhs

Particulars	Currency	2015-16 Foreign Currency Equivalent	2015-16 Rupee Equivalent	2014-15 Foreign Currency Equivalent	2014-15 Rupee Equivalent
Amount payable in Foreign Currency:					
Hedged :					
External Commercial Borrowings (ECB)	USD	210.38	12412.69	229.78	13510.27
Un-hedged					
External Commercial Borrowings (ECB)	USD	**Nil**	**Nil**	Nil	Nil

30.9 Segment Reporting

The Company's operations predominantly consist of providing infrastructure facilities. Hence there are no reportable segments under Accounting Standard - 17. During the year under report, the Company's business has been carried out only in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

30.10 Observations and Qualifications made by the Independent Auditors of the Subsidiary Companies:

As per the approval of Board and Shareholders of the Company, Gayatri Hi-tech Hotels Ltd (GHHL), a related party of the Company, has allotted 2,35,00,000 - 9% Cumulative Redeemable Preference Shares (CRPS) of ₹ 10/- each at a premium of ₹90/- per share against receivables from GHHL.

30.11. As per an expert opinion, during the year the Company has claimed deduction u/s 80IA of the Income Tax Act, 1961 in respect of income earned on infrastructure projects.

30.12 In pursuance of share purchase agreement entered between the Company and AMP Capital Finance Mauritius Limited (AMP) to purchase shares of Gayatri Infra Ventures Limited held by AMP, an amount of ₹ 200.01Lakhs has been paid as an advance towards purchase of shares.

30.13 (a) During the year, the Company has issued 16,19,386 Equity Share of ₹10/- each at a premium of ₹193.78 per equity share by way of preferential allotment to promoters against unsecured loans of ₹33.00 crores received during the previous year, in terms of the Master Restructuring Agreement entered with the Company's Lenders.

(b) The company has further issued 36,04,000 Equity Shares of ₹10 each at a premium of ₹193.20 on preferential allotment / private placement.

30.14 Some of the Contract Advances given by the Company in earlier years and which are long pending for recovery due to reasons beyond the control of both the parties have been converted to interest bearing loans and grouped under "Long term Loans & Advances". The management of the Company has already initiated steps to recover the same and is confident that these advances / loans will be recovered and hence no provision has been made in the financials.

30.15 Advances to sub-contractors include amounts paid as work advances to certain sub-contractors wherein the corresponding contract works are yet to commence. In the opinion of the management, the said contract works have not commenced due to certain extraneous factors beyond the control of such sub-contractor and without any default/failure of performance from their end. The management is confident to commence the works in near future and recover the advances from the sub-contractors.

30.16 During the previous financial years one of the Subsidiary Company had given an Amount of ₹100 crores to NCCLtd for the purpose of acquisition of equity shares of NCC Infrastructure Holdings Limited (NCCIHL). As per the amended agreement dated on 14 November, 2014 the shares will be allotted to Gayatri Energy Ventures Private Limited in 3 tranches on or before 31st March, 2017.

30.17 During the previous financial years,one of the Subsidiary Company Gayatri Energy Ventures Pvt. Ltd. (GEVPL) had made various investments in Jinbhuvish Power Generation Private Limited (JPGPL) by way of acquisition of shares, share application money, advance for purchase of equity shares total amounting to ₹54.91 crores. During the previous financial years the GEVPL had entered into an Exit Agreement dated 25th May 2013 with JPGPL, which was duly amended by various letter agreements from time to time and as per the latest letter agreement dated 31st October 2015, the GEVPL shall exit from JPGPL by 31st October 2016.

30.18 In the opinion of the management and to the best of their knowledge and belief, the value of the assets reported under Long Term Loans and Advances and Current Assets are approximately of the value stated, if realized in ordinary course of business, unless stated otherwise. The provision for all known liabilities is adequate and not in excess of amount considered reasonably necessary.

30.19 There are no amounts due and outstanding to be credited to Investors Education & Protection Fund as on 31-03-2016 and amounts which are required to be transferred to such funds have been transferred.

30.20 One of the Subsidiary Company Gayatri Infraventures Limited (GIVL) has entered into a definitive sale agreement dated 19 January 2016 with Cube Highways and Infrastructure PTE Limited for divestment of its entire equity stake amounting to ₹4,606.09 Lakhs held in Western UP Tollway Limited, a jointly controlled entity. On the basis of assessment of the status of compliances with certain mandatory conditions stipulated in the agreement and pending finalisation of the sale consideration, the financial statements of the jointly controlled entity have been accordingly consolidated in the financial statement of the GIVL group as at and for the year ended 31st March 2016 and duly disclosed as a discontinuing operations in accordance with the provisions of Indian GAAP. The details of the assets, liabilities, income and expenditure pertaining to the aforesaid jointly controlled entity, duly consolidated, considered for consolidation in the financial statements of GIVL group as at and for the year ended 31st March 2016 are as follows:

₹ in Lakhs

Sl. No.	Particulars	Amount
1.	Share in liabilities	22,851.01
2.	Share in assets	27,213.83
3.	Revenue	5,142.32
4.	Expenses	6,635.11
5.	Loss for the year	(1,492.79)
6.	Net decrease in cash and cash equivalents	(450.74)

30.21 Additional Information pursuant to Schedule III of the Companies Act, 2013.

i) CIF value of Imports **₹ in Lakhs**

Sl. No.	Particulars	2015-16	2014-15
1.	Purchase of Capital Goods	**1,155.67**	Nil

ii) Expenditure / (Income) in Foreign Currency : **₹ in Lakhs**

Sl. No.	Particulars	2015-16	2014-15
1	Travelling Expenses	**20.92**	15.37
2	Profession Fee	**12.64**	—
3	Interest on ECB Loan	**811.95**	1,599.81

30.22 Additional information as required by paragraph 2 of the General Instructions for the preparation of Consolidated Financial Statements to Schedule III of Companies Act, 2013.

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit or Loss	
	As % of Consolidated net assets	Amount (₹ in Lakhs)	As % of Consolidated Profit/(Loss)	Amount (₹ in Lakhs)
Parent - GPL	107.59	81,849.29	47.73	5,864.84
Subsidiary - Indian				
Gayatri Energy Ventures Pvt. Ltd.	(18.41)	(14,007.23)	(3.40)	(418.32)
Gayatri Infra Ventures Limited	(15.97)	(12,147.06)	(26.78)	(3,290.75)
Sai MaatariniTollways Limited	28.20	21,453.62	(0.08)	(8.27)
Indore DewasTollways Limited	(3.17)	(2,410.56)	(19.63)	(2,411.78)
Associates - Indian				
Balaji Highways Holding Limited	—	—	—	—
HKR Roadways Limited	—	—	—	—
Joint Ventures - Indian				
IJM Gayatri Joint Venture	0.06	41.96	0.06	7.15
Jaiprakash Gayatri Joint Venture	0.01	5.66	—	(0.55)
Gayatri ECI Joint Venture	1.68	1,275.46	3.17	388.90
Gayatri Ratna Joint Venture	0.01	5.37	—	—
Gayatri - Ranjit Joint Venture	—	—	—	—
Gayatri - GDC Joint Venture	—	—	—	—
Gayatri - BCBPPL Joint Venture	0.01	7.27	—	(0.42)
Gayatri - RNS Joint Venture	—	—	—	—
Gayatri - JMC Joint Venture	—	—	—	—
MEIL-Gayatri-ZVS-ITT Consortium	—	—	—	—
Viswanath-Gayatri Joint Venture	—	—	—	—
Vishwa-Gayatri Joint Venture	—	—	—	—
GPL-RKTCPL Joint Venture	—	—	—	—
GPL-SPL Joint Venture	—	0.60	—	0.60
Maytas-Gayatri Joint Venture	(0.01)	(8.55)	(0.07)	(8.55)
Minority Interest				
Gayatri Infra Ventures Limited	996.62	1,337.66	0.58	1,695.82
Indore DewasTollways Limited	(896.62)	(1,203.44)	0.42	1,205.71

30.23 Figures pertaining to the subsidiary companies and Joint ventures have been reclassified wherever necessary to bring them in line with the company's financial statements.

30.24 All amounts are rounded off to nearest thousand.

30.25 Previous year figures have been regrouped wherever considered necessary.

As per our report attached
For M O S & ASSOCIATES LLP
Chartered Accountants

S.V.C. REDDY
Partner

Place : Hyderabad.
Date : 30th May 2016

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary & Compliance Officer

30.24 Additional information as required by paragraph 2 of the General Instructions for the preparation of Consolidated Financial Statements to Schedule III of Companies Act, 2013.

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit or Loss	
	As % of Consolidated net assets	Amount (₹ in Lakhs)	As % of Consolidated Profit/(Loss)	Amount (₹ in Lakhs)
Parent - GPL	86.93	66,235.75	69.59	2,205.30
Subsidiary - Indian				
Gayatri Energy Ventures Private Limited	12.93	9,850.83	(85.29)	(2,703.03)
Gayatri Infra Ventures Limited	(7.64)	(5,822.82)	(90.06)	(2,854.26)
Sai MaatariniTollways Limited	6.54	4,985.12	(0.65)	(20.47)
Indore DewasTollways Limited	—	3.48	(0.01)	(0.32)
Associates - Indian				
Balaji Highways Holding Limited	—	—	—	—
HKR Roadways Limited	—	—	—	—
Joint Ventures - Indian				
IJM Gayatri Joint Venture	0.05	34.81	0.54	16.98
Jaiprakash Gayatri Joint Venture	0.01	6.21	—	—
Gayatri ECI Joint Venture	1.16	886.57	5.88	186.42
Gayatri Ratna Joint Venture	0.01	5.37	—	—
Gayatri – Ranjit Joint Venture	—	—	—	—
Gayatri – GDC Joint Venture	—	—	—	—
Gayatri – BCBPPL Joint Venture	0.01	7.69	—	—
Gayatri – RNS Joint Venture	—	—	—	—
Gayatri - JMC Joint Venture	—	—	—	—
MEIL-Gayatri-ZVS-ITT Consortium	—	—	—	—
Viswanath-Gayatri Joint Venture	—	—	—	—
Maytas-Gayatri Joint Venture	—	—	—	—
GPL-RKTCPL Joint Venture	—	—	—	—
GPL-SPL Joint Venture	—	—	—	—
Minority Interest				
Gayatri Infra Ventures Limited	3.98	3,033.48	(49.97)	(1,583.62)\
Indore DewasTollways Limited	—	2.27	(0.01)	(0.16)

30.25 One of the Joint Venture namely Maytas-Gayatri Joint Venture is not considered for consolidated financial statements since the financials of the said JV are not available.

30.26 Figures pertaining to the subsidiary companies and Joint ventures have been reclassified wherever necessary to bring them in line with the company's financial statements.

30.27 All amounts are rounded off to nearest thousand.

30.28 Current year figures are not comparable to previous year figures since one of the subsidiary company has become Associate which has major impact on the balances of Loans, CWIP, Other Long Term Liabilities, Trade Payables Cash and Bank Balances etc.,.

30.29 Previous year figures have been regrouped wherever considered necessary.

As per our report attached
For M O S & Associates LLP
(Formerly M O S & Associates)
Chartered Accountants

S.V.C. Reddy
Partner

Place : Hyderabad.
Date : 30th May 2015

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary &
Compliance Officer

INDEPENDENT AUDITORS' REPORT

To The Members of Gayatri Projects Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Gayatri Projects Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information. For the reasons detailed in Note No. 33.18 and 33.23 of the standalone Ind AS financial statements, the accompanying standalone Ind AS financial statements are the revised statements of the original Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended covered by our audit report dated 29th May, 2017 and approved by the Board of Directors of the Company held on 29th May, 2017.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015,(as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS 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 of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10)of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the merged companies as referred to in Other Matters paragraph below, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date..

Emphasis of Matters

(Note Nos. referred hereunder are with reference to respective Notes forming part of the standalone Ind AS financial statements)

We draw member's attention to the following matters:

i) As stated in Note No.33.19 regarding loans given to some of the sub-contractors and accumulated interest thereon which are long pending for recovery.

ii) As stated in Note No.33.20 regarding certain Contract and work advances given to some of the sub-contractors which are long pending for recovery.

iii) As stated in Note No. 33.18(f)(i), pursuant to Composite Scheme of Arrangement ('Scheme'), the consideration receivable by the Company in the form of Equity and Preference Shares amounting to ₹180,16,03,000 (Rupees One Hundred and Eighty Crores Sixteen Lakhs and Three Thousand Only) have been grouped under Investments in the revised standalone financial statements although the shares are yet to be issued and allotted by the resulting company.

Our Opinion is not qualified in respect of the above matters.

Other Matters

(Note Nos. referred hereunder are with reference to respective Notes forming part of the standalone Ind AS financial statements)

a. As stated in Note No.33.18 and 33.23, pursuant to Composite Scheme of Arrangement ('Scheme') approved by the Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench vide its order dated 3rd November, 2017, the revised standalone Ind AS financial statements for the year ended 31st March, 2017 were prepared and presented by the Company's management by giving effect to the Scheme, having an appointed date for merger as 1st April, 2016 and demerger as 31st March, 2017, in the place of original standalone Ind AS financial statements approved by the Board of Directors of the Company held vide their meeting dated 29th May, 2017.Consequently, our original audit report dated 29th May, 2017 on the standalone Ind AS financial statements of the Company for the year ended 31st March, 2017 is revised by this report.

b. As stated in Note No. 33.18 (a) &(c), we have relied on the audited (by other auditors) financial statements of M/s. Gayatri Infra Venture Limited (GIVL), a merged company as per the approved Scheme. We have not conducted audit on the said financial statements of GIVL and our report in terms of sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid GIVL, is based solely on the reports of such other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "**Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, and based on the consideration of reports of the other auditors on separate financial statements of the merged companies as referred to in Other Matters paragraph above, we report that:

   (a) We have sought and obtained all the information and explanations, reports of the other auditors, 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 and reports issued by other auditors;

   (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act and Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B";**

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

i. As stated in Note No.33.2 of the Standalone Ind AS financial statements, the Company has disclosed the impact of pending litigations on its standalone Ind AS financial statements.

ii. As per the information and explanations given by the Company, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. As per the information and explanations given by the Company, there has been no delay in transferring the amounts which are required to be transferred to Investor Education & Protection Fund.

iv. The Company has provided requisite disclosures in Note No. 33.17 to the standalone Ind AS financial statements as to the holding of Specified Bank Notes on 8th November, 2016 and 30th December, 2016 as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Company's Management.

For M O S & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No.: 001975S/S200020

S V C REDDY
Partner
Membership No.: 224028

Place: Hyderabad
Date: 06th December, 2017

Annexure A to the Auditors' Report

The Annexure referred to in the Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March, 2017, we report that:

(i). In respect of Fixed Assets:

a. In our opinion and as per the information and explanations given to us, the Company has maintained proper records showing particulars, including quantitative details and situation of fixed assets;

b. The management of the company has verified the fixed assets at reasonable intervals during the year. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii). According to the information and explanations given to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to the book records, which in our opinion were not material, have been properly dealt with.

(iii). According to information and explanations given to us, the Company has granted unsecured Loans of ₹31,919.83 lakhs to parties covered in the Register maintained under section 189 of the Companies Act, 2013. In respect of such loans,

a. In our opinion and according to information and explanations given to us, the terms and conditions of such loans given by the Company are not prima facie prejudicial to the interest of the company.

b. The Schedule of repayment of the principal and interest has not been stipulated as the principal amount is repayable on demand.

c. There is no repayment schedule and therefore there is no overdue amount.

(iv). According to information and explanations given to us and in our opinion, the company has complied with the provisions of sections of 185 and 186 of the Act, to the extent applicable, in respect of grant of loans, making investments and providing guarantees and securities.

(v). According to the information and explanations given to us, the Company has not accepted any deposits from public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Accordingly the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.

(vi). We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii). In respect of statutory dues

a. According to the information and explanations given to us, and based on our examination of records of the Company, amounts deducted/ accrued in the books of accounts in respect of statutory dues including provident fund, income tax, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with appropriate statutory authorities.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, Cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

c. According to the information and explanation given to us, there are no dues of Sales tax, Income Tax, Wealth Tax, Service Tax, Customs Duty and Cess which have not been deposited as on 31st March, 2017 on account of any dispute, except the following:

Sl. No.	Name of the Statute	Name of the Tax Due	Forum where Dispute is pending	Amount ₹ in Lakhs
1	*Mines and Minerals (Development and Regulation) Act, 1957*	*Department of Mines and Geology*	*Supreme Court*	*1,043.51*
2	*Central Sales Tax Act, 1956 and Sales Tax Acts of Various States*	*Sales Tax/Vat*	*Appeals pending before High Courts of respective states and Appellate Tribunals and other appropriate authorities.*	*3,436.55*
3	*Central Excise Act, 1944*	*Service Tax*	*Appeals pending before various Authorities*	*1894.28*
4	*Income Tax Act, 1961*	*Income Tax*	*Appeal pending before CIT(Appeals)*	*307.12*

(viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government.

(ix) According to information and explanations given to us, the company has not raised moneys by way of public offer (including debt instruments). Based on our audit procedures and according to the information and explanations given to us, in our opinion, the Term loans availed by the Company were, prima facie, applied for the purpose for which they were obtained.

(x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the management.

(xi) In our opinion and according to the information and explanations given to us, the company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, paragraph 3 (xii) of the Order are not applicable to the Company.

(xiii) According to the information and explanations given to us and based on examination of records of the Company, transactions with related parties are in compliance of Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

(xiv) According to the information and explanations given to us and based on examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence, paragraph 3 (xiv) of the Order is not applicable for the current year under audit.

(xv) According to the information and explanations given to us and based on examination of records of the Company, the Company has not entered into any non-cash transaction with directors or persons connected with them. Hence paragraph 3(xv) of the Order is not applicable for the current year under report.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For M O S & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No.: 001975S/S200020

S V C REDDY
Partner
Membership Number: 224028

Place: Hyderabad
Date: 06th December, 2017

Annexure - B to the Auditors' Report

The Annexure referred to in the Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March 2017:

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 Projects Limited** ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M O S & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No.: 001975S/S200020

S V C REDDY
Partner
Membership Number: 224028

Place: Hyderabad
Date: 06th December, 2017

BALANCE SHEET AS AT 31st MARCH, 2017

₹ in Lakhs

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	3a	**30,925.49**	22,686.19	20812.12
(b) Capital Work in Progress	3b	**2,409.70**	—	—
(c) Financial Asset				
(i) Investments	4	**1,05,612.14**	1,18,220.86	94,681.06
(ii) Loans	5	**51,023.52**	51,026.05	51,041.04
(iii) Other Financial Assets	6	—	-	21,851.46
Total Non-Current Assets		**1,89,970.85**	**1,91,933.10**	**1,88,385.68**
Current assets				
(a) Inventories	7	**36,005.19**	15,488.43	24,202.29
(b) Financial Asset				
(i) Investments	8	—	—	71.79
(ii) Trade receivables	9	**85,036.43**	62,399.34	39,420.65
(iii) Cash and cash equivalents	10	**19,700.64**	18,004.94	14,515.83
(iv) Loans	11	**17,594.33**	15,071.16	14,084.64
(c) Current Tax Assets (net)	12	**4,074.55**	7,571.18	5,890.86
(d) Other Current Assets	13	**95,429.59**	78,254.13	64,649.84
Total Current Assets		**2,57,840.73**	**1,96,789.18**	**1,62,835.90**
TOTAL ASSETS		**4,47,811.58**	**3,88,722.28**	**3,51,221.58**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	14	**3,545.04**	3,545.04	3,022.70
(b) Other Equity	15	**70,555.34**	81,056.66	65,588.72
		74,100.38	**84,601.70**	**68,611.42**
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	**96,777.30**	97,197.13	92,715.38
(ii) Other Financial liabilities	17	**92,391.80**	62,711.66	49,721.61
(b) Provisions	18	**978.31**	894.56	694.21
(c) Deferred Tax Liabilities (Net)	19	**2,320.22**	2,243.80	2,876.25
Total Non-Current Liabilities		**1,92,467.63**	**1,63,047.15**	**1,46,007.45**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	**95,960.82**	89,021.38	79,178.76
(ii) Trade payables	21	**66,079.21**	41,911.09	44,670.27
(iii) Other Financial Liabilities	22	**14,886.66**	6,841.22	8,281.65
(b) Other Liabilities	23	**4,307.25**	3,290.30	4,362.23
(c) Provisions	24	**9.63**	9.44	109.80
Total Current Liabilities		**1,81,243.57**	**1,41,073.43**	**1,36,602.71**
TOTAL EQUITY AND LIABILITIES		**4,47,811.58**	**3,88,722.28**	**3,51,221.58**
Significant Accounting Policies	2			
Other Notes forming part of the Financial Statements	33			

As per our report attached
For M O S & ASSOCIATES LLP
Chartered Accountants

S.V.C. REDDY
Partner

Place : Hyderabad.
Date : 6th December, 2017

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary & Compliance Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

₹ in Lakhs

	Particulars	Note No.	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
I	Revenue from operations	25	2,11,535.05	1,81,221.25
II	Other Income	26	3,058.34	699.69
III	Total Income (I+II)		2,14,593.39	1,81,920.94
IV	Expenses			
	(a) Cost of Materials Consumed and Cost of Purchases & Services	27	67,936.87	50,574.16
	(b) Work Expenditure	28	1,06,573.75	91,329.40
	(c) Changes in Work in Progress	29	(5,542.82)	5,643.82
	(d) Employee benefits expenses	30	5,866.53	4,115.11
	(e) Finance costs	31	20,138.18	16,017.56
	(f) Depreciation and amortization expense	3	4,315.54	3,747.47
	(g) Other Expenses	32	4,359.01	3,524.92
	Total Expenses (IV)		2,03,647.06	1,74,952.44
V	Profit before Exceptional items and Tax (III-IV)		10,946.33	6,968.50
VI	Exceptional items (Net) (Refer Note No.33.16)		(1,538.65)	—
VII	**Profit Before Tax**		9,407.68	6,968.50
VIII	Tax Expenses			
	(a) Current Tax (including previous year taxations)		2,297.80	1,767.94
	(b) Deferred Tax Liability / (Asset) (Net)		67.36	(600.90)
IX	Profit for the year (VII-VIII)		7,042.52	5,801.46
X	Other Comprehensive Income (OCI)			—
	Items that will not be reclassified to profit or loss :			
	i) Re-measurement gains / (losses) on actuarial valuation of Post Employment defined benefits		26.17	(91.13)
	ii) Income tax relating to Items that will not be reclassified to profit or loss		(9.06)	31.54
	Items that will be reclassified to profit or loss:		—	—
	Total Other Comprehensive Income (X)		17.11	(59.59)
XI	Total Comprehensive Income for the Year (IX+X)		7,059.63	5,741.87
XII	Earning per Share (of ₹ 2/- each)			
	Basic and Diluted (₹) (Refer Note No. 33.7)		3.97	3.46
	Significant Accounting Policies	2		
	Other Notes forming part of the Financial Statements	33		

As per our report attached
For M O S & ASSOCIATES LLP
Chartered Accountants

S.V.C. REDDY
Partner

Place : Hyderabad.
Date : 6th December, 2017

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary & Compliance Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2017

A. Equity Share Capital and Other Equity

₹ in Lakhs

Particulars	Equity Share Capital (Note 14)	Other Equity					
		Reserves & Surplus					
		Capital Reserve	General Reserve	Securities Premium Account	Debenture Redemption Reserve	Retained earnings	Total other Equity
As at 01st April 2015	***3,022.70***	***143.40***	***10,500.00***	***25,400.19***	***1,300.00***	***28,245.13***	***65,588.72***
Changes in Equity Share Capital	*522.34*	–	–	–	–	–	–
Premium received on Shares issued during the year	–	–	–	*10,121.87*	–	–	*10,121.87*
Surplus / (Deficit) for the year	–	–	–	–	–	*5,741.87*	*5,741.87*
Amount transferred from DRR	–	–	*1,300.00*	–	*(1,300.00)*	–	–
Fair value of Equity Instruments	–	–	–	–	–	–	
Dividend and Dividend Tax	–	–	–	–	–	*(395.80)*	*(395.80)*
Transferred from Surplus to General Reserve	–	–	*500.00*	–	–	*(500.00)*	–
As at 31st March 2016	***3,545.04***	***143.40***	***12,300.00***	***35,522.06***	–	***33,091.20***	***81,056.66***
Changes in Equity Share Capital	–	–	–	–	–	–	–
Adjustment on account of Composite Scheme of Arrangement (Refer Note No.33.18)	–	–	–	*(16,707.60)*	–	–	*(16,707.60)*
Surplus / (Deficit) for the year	–	–	–	–	–	*7,059.63*	*7,059.63*
Dividend and Dividend Tax	–	–	–	–	–	*(853.35)*	*(853.35)*
As at 31st March, 2017	***3,545.04***	***143.40***	***12,300.00***	***18,814.46***	–	***39,297.48***	***70,555.34***

As per our report attached
For M O S & ASSOCIATES LLP
Chartered Accountants

S.V.C. REDDY
Partner

Place : Hyderabad.
Date : 6th December, 2017

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary & Compliance Officer

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2017

₹ in Lakhs

	Particulars	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
A	**Cash Flow from Operating Activities:**		
	Profit before Tax excluding extraordinary and exceptional items	**10,946.33**	6,968.50
	Adjustments for:		
	Depreciation and amortization	**4,315.54**	3,747.47
	Interest and other Income	**(3,058.34)**	(699.69)
	Loss / (Profit) on sale of Property, Plant and Equipment	**(1.37)**	-
	Finance Costs	**20,136.98**	15,971.37
	Foreign Currency Translation and Transactions – ECB	**1.20**	46.19
	Other non-cash items/ Provisions	**26.17**	(91.13)
	Operating Profit before working Capital Changes	**32,366.51**	**25,942.71**
	Adjustments for:		
	(Increase) / Decrease in Trade Receivables	**(22,637.09)**	(22,978.69)
	(Increase) / Decrease in non-current financial asset	**2.53**	(1,633.55)
	(Increase) / Decrease in current financial asset	**(2,523.17)**	(986.52)
	(Increase) / Decrease in Other current assets	**(13,678.83)**	(15,284.61)
	(Increase) / Decrease in Inventory	**(20,516.76)**	8,713.86
	Increase / (Decrease) in current financial liabilities	**1,759.55**	(2,298.46)
	Increase / (Decrease) in non-current financial liabilities	**29,050.78**	14,543.33
	Increase / (Decrease) in Trade Payables	**24,168.12**	(2,759.18)
	Cash (used in) / generated from Operating activities	**27,991.64**	3,258.89
	Direct Taxes paid (Net)	**(2,297.80)**	(1,767.94)
	Net Cash (used in)/ generated from Operating Activities (A)	**25,693.84**	**1,490.95**
B	**Cash Flow from Investing Activities**		
	Purchage of Property, Plant and Equipment including capital work-in-progress	**(19,542.57)**	(5,621.54)
	Purchase of Non-Current Investments	**(4,098.88)**	(39.80)
	Investments in Mutual Funds	**–**	71.79
	Proceeds from sale of Property, Plant & Equipment	**3,040.75**	–
	Interest and other income received	**3,058.34**	699.69
	Net Cash (used in)/ generated from Investing Activities (B)	**(17,542.36)**	**(4,889.86)**
C	**Cash Flow from Financing Activities**		
	Proceeds from issue of Share Capital including share premium	–	10,644.21
	Redemption of Debentures	–	(2,927.84)
	Net Proceeds from Long term borrowings	**6,883.01**	7,195.68
	Net Proceeds from Short term borrowings	**6,939.44**	9,842.62
	Finance Costs	**(19,424.88)**	(17,470.85)
	Dividend & Dividend Distribution Tax paid	**(853.35)**	(395.80)
	Net Cash (used in)/ generated from Financing Activities (C)	**(6,455.78)**	**6,888.02**
	Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	**1,695.70**	3,489.11
	Cash and Cash Equivalents at the beginning of the year	**18,004.94**	14,515.83
	Cash and Cash Equivalents at the end of the year	**19,700.64**	**18,004.94**

Note:

a Figures in brackets represent cash outflows.

b The Accompanying Notes and other explanatory information form an integral part of the Financial Statements.

As per our report attached
For M O S & ASSOCIATES LLP
Chartered Accountants

S.V.C. REDDY
Partner

Place : Hyderabad.
Date : 6th December 2017

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary & Compliance Officer

1. INCORPORATE INFORMATION

Gayatri Projects Limited (the "Company") was incorporated in the year 1989 and its registered office is located at B1, 6-3-1090, TSR Towers, Raj Bhavan Road, Somajiguda, Hyderabad – 500 082. The Company is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). The Company is one of India's premier infrastructure companies based at Hyderabad executing major civil works including Roads, Canals, Airport Runways, Ports/Harbors, Dams & Reservoirs, Railways etc., across India.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 (a) Compliance with Indian Accounting Standards (Ind AS)

The Company's Financial statements have been prepared to comply with generally accepted accounting principles in accordance with the Indian Accounting Standards (herein after referred to as "Ind AS") as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act 2013 ("the Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendments rules 2016.

(b) First time adoption of Ind AS

These Financial statements for the financial year ended March, 2017 is the first year that the company has prepared the Financial Statements as per Ind AS. The financial statements for the year ended 31st March, 2016 and the opening Balance Sheet as on 1st April, 2015 have been restated in accordance with Ind AS for comparative information. Reconciliation and effects of the transition from previous GAAP to Ind AS of the financials are provided in the Note No. 33.21.

On first time adoption of Ind AS, Ind AS 101 allows certain exemptions from the retrospective application of certain requirements under Ind AS. The following exemptions are availed by the company in first time adoption of Ind AS:

(i) The Company has elected to consider the carrying values for all property, plant and equipment as deemed cost at the date of the transition i.e on 01st April, 2015 and further the Company has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for investments in subsidiaries and associates on the date of transition to Ind AS i.e on 01st April, 2015.

(ii) As per the requirement of Ind AS 101 for first time adaptors of Ind AS, The Company has elected to apply the derecognition requirements for financial assets and financial liabilities as stated in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

(iii) The estimates as at April 01, 2015 and March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 01st April, 2015 (transition date) and as of 31st March, 2016.

2.2 Basis of Preparation and Presentation of Financial Statements

The Financial statements are prepared on accrual basis following the historical cost convention except in case of certain financial instruments which are measured at fair values. The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed under Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Indian Accounting Standard (Ind AS) - 7 on "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with other notes required to be disclosed under the notified Ind AS and the Listing Agreement. 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 viz. SEBI guidelines override the same requiring a different treatment. Accounting Policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy used previously.

Fair value for measurement adopted in these financial statements is determined on such a basis, except leasing transactions that are within the scope of Ind AS 17, Net Realizable value as per Ind AS 2 or value in use in Ind AS 36.Fair value measurements under Ind AS are categorized as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are other than quoted prices included with in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or Liability.

2.3 Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management of the Company to make 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 on the date of the financial statements. Actual results may differ from these estimates. The Company evaluates these estimations and assumptions on a continuous basis based on the historical experience and other factors including expectation of future events believed to be reasonable. 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, estimation of costs as a proportion to the total costs, etc.,. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known/ materialized. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, are disclosed in the Notes to Account.

2.4 Revenue Recognition

A. Revenue from Operations

a. Revenue from Construction activity:

i) Income is recognized on fixed price construction contracts in accordance with the percentage of completion basis, which necessarily involve technical estimates of the percentage of completion, and costs to completion, of each contract / activity, on the basis of which profits and losses are accounted. When the outcome of the contract is ascertained reliably, contract revenue is recognized at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed up to the date, to the total estimated contract costs

ii) The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract

iii) Price escalation and other variations in the contract work are included in contract revenue only when:

   a) Negotiations have reached at an advanced stage such that it is probable that customer will accept the claim and

   b) The amount that is probable will be accepted by the customer and can be measured reliably.

iv) Incentive payments, as per customer-specified performance standards, are included in contract revenue only when:

   a) The contract has sufficiently advanced such that it is probable that the specified performance standards will be met; and

   b) The amount of the incentive payment can be measured reliably.

v) Contract Claims raised by the company which can be reliably measured and have reached an advanced stage of arbitration and pending in High court have been recognized as income.

b. Revenue from supply of materials:

Revenue from supply of materials is recognized when substantial risk and rewards of ownership are transferred to the buyer and invoice for the same are raised.

c. Revenue receipts from Joint Venture Contracts

i) In work sharing Joint Venture arrangements, revenues, expenses, assets and liabilities are accounted for in the Company's books to the extent work is executed by the Company.

ii) In Jointly Controlled Entities, the share of profits or losses is accounted as and when dividend/ share of profit or loss are declared by the entities.

d. Other Operational Revenue:

i) All other revenues are recognized only when collectability of the resulting receivable is reasonably assured.

ii) Revenue is reported net of discounts, if any.

B. Other Income

i) Interest income is accounted on accrual basis as per applicable interest rates and on time proportion basis taking into account the amount outstanding.

ii) Dividend income is accounted in the year in which the right to receive the same is established.

iii) Insurance claims are accounted for on cash basis.

2.5 (a) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation thereon. Expenditure which are capital in nature are capitalized at cost, which comprise of purchase price (net of rebates and discounts), import duties, levies, financing costs and all other expenditure directly attributable to bringing the asset to its working condition for its intended use.

Any gain/loss on the disposal of the Property, Plant and Equipment is recognized in the Statement of Profit &Loss account and is determined as the difference between the sales proceeds and the carrying amount of the asset.

(b) Capital work in progress

Property, Plant and Equipment which are purchased but not yet installed and not ready for their intended use on the date of balance sheet are disclosed as "Capital Work-in-Progress". Cost of materials used in the process of erection/installation of an asset but not yet completed as on the reporting date is also disclosed as "Capital Work-in-Progress".

2.6 Depreciation and amortization

In respect of Property, Plant & Equipment (other than Land and Capital Work in Progress) depreciation / amortization is charged on a straight line basis over the useful lives as specified in Schedule II to the Companies Act 2013..

Assets individually costing ₹ 5,000/- or less and temporary structures are fully depreciated in the year of acquisition.

The residual values and useful lives are reviewed at the end of the reporting period.

The Company has adopted the carrying amount of the previous GAAP as its deemed cost on the date of the transition to Ind AS i.e 1st April, 2015.

2.7 Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the Assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.
- In assessing Value in Use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified with the asset. In determining fair value less cost to sell, recent market transactions are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through the Statement of Profit and Loss.

2.8 Financial Instruments

Financial Assets and Financial Liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial Assets and Financial Liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets and

Financial Liabilities (other than Financial Assets and Financial Liabilities at fair value through profit or loss) are added to or deducted from the fair value of the Financial Assets or Financial Liabilities, as appropriate, on initial recognition.

2.9 Financial Assets

Financial Asset is any Asset that is -

(a) Cash

(b) Equity Instrument of another Entity,

(c) Contractual right to -

   i) receive Cash / another Financial Asset from another Entity, or

   ii) exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially favourable to the Entity.

Investment in Equity Shares issued by Subsidiary, Associate and Joint Ventures are carried at cost less impairment.

Investment in preference shares are classified as debt instruments and carried at Amortized cost if they are not convertible into equity instruments and are not held to collect contractual cash flows. Other Investment in preference shares which are classified as Debt instruments are mandatorily carried at Fair value through Profit & loss Account (FVTPL).

All investments in equity instruments other than as classified above under Financial Assets are initially carried at fair value. The Company has adopted to measure the fair value of equity instruments through FVTPL Fair value changes on an equity instrument are recognized in the Statement of Profit & Loss.

Investments in equity instruments are classified as at FVTPL, unless the related instruments are not held for trading and the company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income.

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss.

Financial Liabilities

Financial liabilities are recognized at fair value net of transaction costs and are subsequently held at amortized cost using the effective interest rate method. Financial liabilities carried at fair value through profit and loss are measured at fair value with changes in fair value recognized in the profit and loss account. Interest bearing bank loans are initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

De-recognition of Financial Instruments

A Financial Asset is derecognized when the rights to receive cash flows from the asset have expired or the company has transferred substantially all the risks and rewards or the right to receive the cash flows under a contractual arrangement or has transferred the asset.

A Financial Liability is derecognized when the obligation under the liability is discharged or cancelled or expires. In the case where the existing liability is replaced by another liability either from the same lender or otherwise such an exchange is treated as de-recognition of the original liability and recognition of a new liability. Any change in the carrying amount of a liability is recognized in the Statement of Profit and Loss.

The Company has entered into certain forward contracts in respect of foreign currency risks. The gain or loss relating to the ineffective portion of the hedge is recognized immediately in the Statement of Profit and Loss.

2.10 Inventories and Work in Progress

Raw Materials, Construction Materials and Stores &Spares are valued at lower of weighted average cost or net realizable value. Cost includes direct material, Work Expenditure, Labour Cost and appropriate overheads excluding refundable duties and taxes.

Work in Progress is valued at contracted rates less profit margin / estimates.

2.11 Cash & Cash Equivalents

Cash and Cash Equivalents are short term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits.

2.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation in respect of which reliable estimate can be made as on the balance sheet date.

Contingent Liabilities are present obligations arising from a past event, when it is not probable / probability is remote that an outflow of resources will be required to settle the obligation and they are not recognized but are disclosed in the notes.

Contingent Assets are neither recognized nor disclosed in the financial statements except where it has become virtually certain that an inflow of economic benefit will arise, the asset and the related income are recognized in financial statements of the period in which the change occurs. Provisions for Contingent Liabilities and Contingent Assets are reviewed at the end of Balance Sheet date.

2.13 Foreign Currency Transactions and Translation

The reporting currency of the company is Indian Rupee. Foreign Currency Transactions are translated at the functional currency spot rates prevailing on the date of transactions.

Monetary assets and current liabilities related to foreign currency transactions remaining unsettled are translated at the functional currency spot rates prevailing on the balance sheet date. The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions are recognized in the Statement of Profit and Loss.

Non-monetary foreign currency items are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

2.14 Employee Benefits

Payments to Defined Contribution schemes are charged as an expense as they fall due. Company's contribution to provident fund in respect of certain employees is made to a government administrated fund and charged as an expense to the Statement of Profit and Loss.

Liability for employee benefits, both short and long term, for present and past service which are due as per the terms of employment are recorded in accordance with Indian Accounting Standard 19 "Employee Benefits" issued by the Companies (Accounting Standard) Rules, 2015. Re-measurement gains /losses on post-employment defined benefits comprising gains/ losses is reflected immediately in the balance sheet with a charge or credit to other comprehensive income in the period in which it arises.

i) Gratuity

In accordance with the Payment of Gratuity Act, 1972 the Company provides for Gratuity covering eligible employees. The liability on account of Gratuity is provided on the basis of valuation of the liability by an independent actuary as at the year end.

ii) Provident Fund

In accordance with applicable local laws, eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan to which both the employee and employer contributes monthly at a determined rate (currently up to 12% of an employee's salary). These contributions are either made to the respective Regional Provident Fund Commissioner, or the Central Provident Fund under the State Pension Scheme, and are recognized as expenses incurred.

iii) Compensated Absences

The employees are entitled to accumulate leave subject to certain limits, for future encashment and availment, as per the policy of the Company.

The liability towards such unutilized leave as at the end of each balance sheet date is determined based on independent actuarial valuation and recognized in the Statement of Profit and Loss.

2.15 Deferred Revenue Expenditure

Projects and other related expenditure incurred up to 31st March, 2017, the benefit of which is spread over more than one year is accounted as Project Promotion Expenses grouped under Other Advances and is amortized over the period in which benefits would be derived.

2.16 Leases

a) Finance Leases

Assets taken on finance lease are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

b) Operating Leases

Operating Leases range from 11 months to 36 months and are usually cancellable / renewable by mutual consent on agreed terms. Further Lease payments under an operating lease are recognized as an expense in the Statement of Profit and Loss.

2.17 Earnings per Share (EPS)

In arriving at the EPS, the Company's Net Profit After Tax, is divided by the weighted average number of equity shares outstanding. The EPS thus arrived at is known as 'Basic EPS'. To arrive at the diluted EPS, the net profit after tax, referred above, is divided by the weighted average number of equity shares, as computed above and the weighted average number of equity share that could have been issued on conversion of shares having potential dilutive effect subject to the terms of issue of those potential shares. The date(s) of issue of such potential shares determine the amount of the weighted average number of potential equity shares.

2.18 Taxation

i) Current Tax

Provision for Current tax is made based on the liability computed in accordance with the relevant tax rates and provisions of Income Tax Act, 1961 as at the balance sheet date and any adjustments to taxes in respect of the previous years, penalties if any related to income tax are included in the current tax expense.

ii) Deferred Taxes

Deferred Tax is the tax expected to be payable or recoverable on differences between the carrying amount of the assets and liabilities for financial reporting purpose and the corresponding tax bases used in computation of taxable profit. Deferred tax assets are recognized and carried forward only 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.

Current and deferred tax is recognized in profit or loss, except to the extent that it related to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.19 Commitments

Commitments are future liabilities for contractual expenditure.

Commitments are classified and disclosed as follows:

a. Estimated amount of contracts remaining to be executed on capital account and not provided for;

b. Uncalled liability on shares and other investments partly paid;

c. Funding related commitment to subsidiary, associate and joint venture companies and

d. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

2.20 Operating cycle for current and non-current classification

Operating cycle for the business activities of the Company covers the duration of the specific project/contract including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

2.21 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

i. transactions of a non-cash nature;

ii. any deferrals or accruals of past or future operating cash receipts or payments;

iii. items of income or expense associated from investing or financing cash flows; and

Cash and cash equivalents (including bank balances) are reflected as such in the Statement of Cash Flows.

2.22 Exceptional Items:

Items of income and expenditure within profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items are disclosed separately as Exceptional Items.

2.23 Borrowing Cost

Borrowing costs net of any investment income from the temporary investment of related borrowings, that are attributable to the acquisition or construction of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

3a. Property, Plant and Equipment

₹ in Lakhs

Particulars	Gross Carrying amount as at April 1, 2016	Additions/ Adjustment during the year	Deletions/ Retirement during the year	Gross Carrying amount as at March 31, 2017	Accumulated Depreciation as at April 1, 2016	Depreciation for the Year	Deductions/ Adjustment during the year	Accumulated Depreciation as at March 31, 2017	Net Carrying Amount as at March 31, 2017	Net Carrying Amount as at March 31, 2016	Net Carrying Amount as at April 1, 2015
Land	35.12	—	9.75	25.37	—	—	—	—	25.37	35.12	35.12
Plant and Equipment	37,995.94	16,220.19	427.58	53,788.55	21,168.52	3,937.06	387.84	24,717.74	29,070.81	16,827.42	14,817.41
Wind Power Equipment	5,936.86	—	5,936.86	—	1,407.96	—	1,407.96	—	—	4,528.90	4,792.85
Furniture and Fixtures	327.18	105.96	—	433.14	210.46	29.21	—	239.67	193.47	116.72	135.82
Vehicles	2,924.32	808.09	42.20	3,690.21	1,746.29	349.27	41.19	2,054.37	1,635.84	1,178.03	1,030.92
Total	**47,219.42**	**17,134.24**	**6,416.39**	**57,937.27**	**24,533.23**	**4,315.54**	**1,836.99**	**27,011.78**	**30,925.49**	**22,686.19**	**20,812.12**

3b.Capital work in Progress

Particulars	**As at 31st March, 2017**	**As at 31st March, 2016**	**As at 1st April, 2015**
Opening Balance	—	—	—
Additions during the year	2,409.70	—	—
Less : Capitalisation / Adjustments	-	—	—
Capital Work in Progress	2,409.70	—	—

4. Investments

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-Trade investments			
Unquoted			
A. Investment in Subsidiary Companies			
(i) Nil (As at 31st March 2016 : 12,50,000, As at 1st April 2015 : 12,50,000) Equity Shares of ₹ 10/- each, fully paid in Gayatri Infra Ventures Ltd. (Refer Note No.33.18)	—	12,532.38	12,532.38
(ii) 65,24,030 (As at 31st March 2016 : 65,24,030, As at 1st April 2015 : 65,24,030) Equity Shares of ₹ 10/- each, fully paid in Gayatri Energy Ventures Pvt. Ltd., (Refer note 4.1)	**63,983.28**	63,983.28	63,983.28
(iii) 25,500 (As at 31st March 2016 : 25,500, As at 1st April 2015 : 25,500) Equity Shares of ₹ 10/- each, fully paid in Bhandara Thermal Power Corporation Ltd. (Refer note 4.2)	**2.55**	2.55	2.55
(iv) Nil (As at 31st March 2016 : 1,00,00,843, As at 1st April 2015 : 1,00,00,843) Equity Shares of ₹ 10/- each, fully paid in Sai Maatarani Tollways Ltd. (Refer Note No.33.18)	—	18,016.03	18,016.03
B. Investment in Associate Companies			
(I) 1,24,80,000 Equity Shares of ₹10/- each, fully paid in Gayatri Domicile Pvt.Ltd. (Refer Note 33.18)	**1,248.00**	—	—
(i) Nil (As at 31st March 2016 : 12,07,000, As at 1st April 2015 : 12,07,000) Equity Shares of ₹ 10/- each, fully paid in HKR Roadways Ltd. (Refer Note No.33.18)	—	120.70	120.70
(ii) Nil (As at 31st March 2016 : 49,000, As at 1st April 2015 : 49,000) Equity Shares of ₹ 10/- each, fully paid in Balaji Highways Holdings Pvt. Ltd., (Refer Note No.33.18)	—	4.90	4.90
(iii) Nil (As at 31st March 2016 : 16,660, As at 1st April 2015 : 16,660) Equity Shares of ₹ 10/- each, fully paid in Indore Dewas Tollways Ltd. (Refer Note No.33.18)	—	1.67	1.67
C. Other Investments			
Un-quoted			
i) 2,35,00,000 (As at 31st March 2016 : 2,35,00,000) 9% non- Convertible redeemable cumulative preferential Shares of ₹ 10/- each, fully paid in Gayatri Hitech Hotels Ltd. (Refer Note No. 4.3 below)	**23,500.00**	23,500.00	—
ii) 16,77,00,300 Preferential Shares of ₹ 10/- each, fully paid in Gayatri Domicile Pvt. Ltd. (Refer note 33.18)	**16,770.03**	—	—
Quoted			
(i) 11,63,607 (As at 31st March 2016 : 11,63,607, As at 1st April 2015 : 11,63,607) Equity Shares of ₹ 10/- each in Gayatri Sugars Ltd. (Refer Note No. 4.4 below)	**293.10**	293.10	293.10
(ii) 1,728 (As at 31st March 2016 :1,728, As at 1st April 2015 : 1,728) Equity Shares of ₹ 10/- each in Syndicate Bank Ltd.,	**0.86**	0.86	0.86
Less: Provision for diminution in value of Investment	**(278.44)**	(278.44)	(278.44)
Gain /(Loss) on Fair Valuation of Investments	**92.76**	43.83	4.03
Total	**105,612.14**	**118,220.86**	**94,681.06**

Details of Quoted and Unquoted Investments: ₹ **in Lakhs**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Aggregate Amount of Quoted Investment	**15.52**	**15.52**	**15.52**
Aggregate Market value of Quoted Investment	**108.28**	**59.35**	**19.55**
Aggregate Amount of Unquoted Investment	**105,503.86**	**118,161.51**	**94,654.94**

4.1 Of these, 16,96,248 Equity shares of Gayatri Energy Ventures Pvt. Ltd. have been pledged to IFCI for the loan availed by the said subsidiary company and remaining shares of GEVPL held by the company have been pledged to the consortium of the lenders of the Company.

4.2 Of these, 25,500 Equity shares of Bhandara Thermal Power Corporation Limited have been pledged to IL & FS for the term loan availed by an Associate of the company.

4.3 All the Preferential Shares heldby the company in Gayatri Hitech Hotels Ltd have been pledged to the consortium of the lenders of the Company.

4.4 All the Equity Shares held by the company in Gayatri Sugars Limited have been pledged to the consortium of the lenders of the Company.

5. Loans

₹ **in Lakhs**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Security Deposit with Govt. Depts and Others	**45.37**	47.90	62.89
Loans to Related Parties - Unsecured, Considered Good			
- Loan to Subsidiaries	—	13,411.00	13,411.00
- Loan to Associates	**17,946.01**	4,535.01	4,535.01
To Others - Unsecured, Considered Good			
- Inter Corporate Loan (Refer Note No. 33.19)	**33,032.14**	33,032.14	33,032.14
Total	**51,023.52**	**51,026.05**	**51,041.04**

6. Other Financial assets

₹ **in Lakhs**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unsecured, Considered Good			
- Receivables from Related Party	—	—	21,851.46
Total	—	—	**21,851.46**

7. Inventories

₹ **in Lakhs**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(a) Construction materials, Stores and Spares	**21,898.66**	6,924.72	9,994.76
(b) Work in Progress	**14,106.53**	8,563.71	14,207.53
Total	**36,005.19**	**15,488.43**	**24,202.29**

8. Investments

₹ **in Lakhs**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Mutual Funds	—	—	71.79
Total	—	—	**71.79**

9. Trade Receivables

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(a) Secured, considered good	—	—	—
(b) Unsecured, considered good			
- Related Parties:	**900.96**	965.56	1,490.55
- Others	**84,135.47**	61,433.78	37,930.10
Total	**85,036.43**	**62,399.34**	**39,420.65**

10. Cash and cash equivalents

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(a) Balances with banks			
In current accounts	**1,623.45**	3,660.37	2,712.47
In deposit accounts			
i. Margin money for Bank Guarantees / LCs	**15,925.63**	12,556.51	9,017.02
ii. Other Deposits	**2,116.80**	1,738.22	2,743.76
(b) Cash in hand	**34.76**	49.84	42.58
Total	**19,700.64**	**18,004.94**	**14,515.83**

11. Loans

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
To Related Parties - Unsecured, Considered Good			
- Loans to Subsidiaries	**11,799.06**	11,450.67	10,817.92
- Loans to Associates	**5,795.27**	3,620.49	3,266.72
Total	**17,594.33**	**15,071.16**	**14,084.64**

12. Current Tax Assets (Net)

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Tax Refund Receivable	**4,074.55**	7,571.18	5,890.86
Total	**4,074.55**	**7,571.18**	**5,890.86**

13. Other Current Assets

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deposits with Contractees	**21,761.12**	16,366.72	17,762.70
Deposits with Govt. Dept & Others	**440.99**	428.73	363.15
Advances - Unsecured, considered Good - Related Parties			
- Advances to Suppliers	**5.88**	84.00	-
Advances - Unsecured, considered Good - Others			
- Advances to Suppliers	**5,564.80**	1,700.82	646.59
- Advances to Sub-Contractors (Refer Note No.33.20)	**63,097.17**	58,144.81	44,175.78
- Staff Advances	**278.91**	231.75	188.24
- Other Advances	**3,531.12**	1,271.39	1,382.70
Prepaid Expenses	**749.60**	25.91	130.68
Total	**95,429.59**	**78,254.13**	**64,649.84**

14. Equity Share Capital

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
(i) Authorised Share Capital Equity shares of ₹ 2/- each (As at 31st March 2016 : ₹ 10/- each, As at 1st April 2015 : ₹ 10/- each)	**400,000,000**	**8,000.00**	80,000,000	8,000.00	80,000,000	8,000.00
(ii) Issued Share Capital Equity shares of ₹ 2/- each (As at 31st March 2016 : ₹ 10/- each, As at 1st April 2015 : ₹ 10/- each)	**177,251,900**	**3,545.04**	35,450,380	3,545.04	30,226,994	3,022.70
(iii) Subscribed and fully paid up Share Capital Equity shares of ₹ 2/- each (As at 31st March 2016 : ₹ 10/- each, As at 1st April 2015 : ₹ 10/- each)	**177,251,900**	**3,545.04**	35,450,380	3,545.04	30,226,994	3,022.70
Total	**177,251,900**	**3,545.04**	**35,450,380**	**3,545.04**	**30,226,994**	**3,022.70**

14(a) Terms / Rights, Preferences and restrictions attached to Equity Shares:
The company has only one class of shares referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

14(b) The face value of shares of the Company was split from ₹10.00 per share to ₹ 2.00 per share with effect from 10.02.2017 (record date 13.02.2017).

14(c) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
Equity shares of ₹ 2/- each (As at 31st March 2016 : ₹ 10/- each, As at 1st April 2015 : ₹ 10/- each) :						
At the beginning of the period	**35,450,380**	**3,545.04**	30,226,994	3,022.70	30,226,994	3,022.70
Add: Shares issued during the year	—	—	5,223,386	522.34	—	—
Add: Shares issued during the year by splitting one equity share of Rs.10/- each into 5 equity shares of Rs.2/- each	**141,801,520**	—	—	—	—	—
Outstanding at the end of the period	**177,251,900**	**3,545.04**	**35,450,380**	**3,545.04**	**30,226,994**	**3,022.70**

14 (d) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: Nil

14 (e) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Number of shares held	% holding	Number of shares held	% holding	Number of shares held	% holding
Equity shares of ₹ 2/- each (As at 31st March 2016 : ₹ 10/- each, As at 1st April 2015 : ₹ 10/- each) :						
Indira Subbarami Reddy Tikkavarapu	**57,129,500**	**32.23**	11,425,900	32.23	10,630,932	35.17
Sandeep Kumar Reddy Tikkavarapu	**27,019,810**	**15.24**	5,403,962	15.24	4,579,544	15.15
GMO Emerging Markets Fund	**16,900,000**	**9.53**	3,380,000	9.53	—	—
Afrin Dia	**13,488,500**	**7.61**	2,820,000	7.95	2,820,000	9.33
India Max Investment Fund Limited	—	—	2,357,000	6.65	2,357,000	7.80
GMO Emerging Domestic Opportunities Fund	**10,683,040**	**6.03**	2,110,969	5.95	2,039,278	6.75

15. Other Equity

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(a) Capital Reserve			
Opening balance	**143.40**	143.40	143.40
Add : Additions to Reserve during the year	—	—	—
Closing balance	**143.40**	143.40	143.40
(b) General Reserve			
Opening balance	**12,300.00**	10,500.00	10,000.00
Add: Amount transferred from DRR	—	1,300.00	—
Add: Amount transferred from Statement of Profit and Loss	—	500.00	500.00
Closing balance	**12,300.00**	12,300.00	10,500.00
(c) Securities Premium Account			
Opening balance	**35,522.06**	25,400.19	25,400.19
Add: Premium received on Shares issued during the year	—	10,121.87	—
Adjustment on account of Composite Scheme of Arrangement (Refer Note No.33.18 (g))	**(16,707.60)**		
Closing balance	**18,814.46**	35,522.06	25,400.19
(d) Debenture Redemption Reserve			
Opening balance	—	1,300.00	1,300.00
Amount transferred to General Reserve	—	(1,300.00)	—
Closing balance	—	—	1,300.00
(e) Retained earnings			
Opening balance	**33,091.20**	28,245.13	26,730.03
Add : Surplus / (Deficit) for the year	**7,059.63**	5,741.87	2,205.32
Fair value of Equity Instruments		—	4.03
Dividend and Dividend Distribution Tax (Refer Note No.15.1)	**(853.35)**	(395.80)	—
Adjustment related to Property, Plant and Equipment	—	—	(194.25)
Transferred to General Reserve	—	(500.00)	(500.00)
Closing balance	**39,297.48**	33,091.20	28,245.13
Total (a+b+c+d+e)	**70,555.34**	**81,056.66**	**65,588.72**

Note No.15.1.

The Directors have not proposed for any dividend for the financial year 2016-17 as the lenders of the Company have not accorded their permission for declaration of the Dividend. The Dividend and Dividend Distribution Tax proposed for the Financial Year 2015-16, was paid during the current financial year and accordingly accounted as per the disclosure requirements of Ind AS.

16. Borrowings

₹ in Lakhs

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
Secured						
(a) Non-Convertible Debentures Nil (as at 31st March, 2016: Nil, as at 1st April 2015: Nil) 11.50% Redeemable, Non-Convertible Debentures (NCDs) of Rs. 10,00,000/- each	**—**	**—**	—	—	—	2,927.84
(b) Term Loans from Banks						
i. Equipment Loans (Refer note 16.1)	**9,893.38**	**4,390.36**	1,949.75	1,091.03	56.03	1,560.38
ii. Other Term Loans (Refer note 16.2)	**71,177.47**	**7,661.29**	76,814.71	3,810.00	70,774.17	520.83
iii. External Commercial Borrowings (Refer note 16.3)	**10,689.88**	**620.63**	11,792.05	620.63	13,510.27	—
(c) Term Loans from others						
i. Equipment Loans (Refer note 16.1)	**4,165.67**	**287.73**	6,448.91	250.58	5,074.91	982.64
ii. Vehicle Loans (Refer note 16.4)	**362.20**	**123.48**	39.61	8.41	—	2.87
Un-secured						
From Directors (Interest Free Loans) (Refer Note 16.6)	**488.70**	**—**	152.10	—	3,300.00	—
Total	**96,777.30**	**13,083.49**	**97,197.13**	**5,780.65**	**92,715.38**	**5,994.56**

16.1 Equipment Loans

The Equipment loans are secured by hypothecation of specific equipments acquired out of the said loans and all these loans are guaranteed by directors. The rate of interest on these loans varies between 11% to 15%.

16.2 Term loans

The secured term loans are secured by hypothecation of construction equipments not specifically charged to other banks, immovable properties of group companies and personal guarantees of the promoters. The rate of interest various between 11% to 13% with an average yield of 12.04% p.a.

16.3 External Commercial Borrowing:

Details of External Commercial Borrowings

The Company availed Foreign Currency Loan of USD $ 24.42 million from an Indian Scheduled Bank to meet a part of funds requirement towards redemption of outstanding FCCBs. The ECB loan is repayable in 24 quarterly installments commencing from October 2013 with rate of interest at 3 months USD LIBOR+500bps.

Nature of Security

(i) Equitable mortgage of immovable property of 600 acres in the name of step down subsidiary company.

(ii) Pledge of unencumbered equity shares of promoters in Gayatri Projects Ltd.

(iii) Personal guarantee of the two promoter directors.

16.4 Vehicle Loans:

The Vehicle loans availed are secured by hypothecation of specific vehicles purchased out of the said loans. The vehicle loans carry interest rate between 11% to 15% p.a.

16.5 Maturity Profile of long term borrowings is set out below: ₹ in Lakhs

Particulars	2018-19	2019-20	2020-21	2021-22 onwards
Equipment loans from Banks	5,172.59	3,825.75	895.03	—
Term Loans from Banks	9,167.02	10,738.90	13,402.66	36,309.14
ECB Loan	1,112.00	1,112.00	1,668.00	8,357.63
Equipment loans from Others	939.31	1,477.34	1,272.21	838.99
Total	16,390.92	17,153.99	17,237.90	45,505.76

16.6 The promoters have brought back the dividend amount of ₹ 336.60 Lakhs (as at 31st March 2016 ₹ 152.10 Lakhs) as unsecured loan in compliance with the terms and conditions stipulated by Lenders for distribution of dividend to share holders.

16.7 Current Maturities of long term borrowings have been disclosed under the head “Other Financial Liabilities” (Refer Note 22).

16.8 Interest amount of ₹7.29 crores for the month of March, 2017 debited on 31.03.2017 is due as on in Balance Sheet date.

17. Other Financial Liabilities ₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advances from Contractees	**85,631.55**	55,951.41	42,572.22
Margin Money Deposits received	**6,760.25**	6,760.25	7,149.39
Total	**92,391.80**	**62,711.66**	**49,721.61**

18. Provisions ₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Employee Benefits (Refer Note No.33.5)	**978.31**	894.56	694.21
Total	**978.31**	**894.56**	**694.21**

19. Deferred Tax Liabilities (Net) ₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(a) Deferred Tax (Asset) on timing differences:			
i) on account of Gratuity and Leave Encashment	**(38.11)**	(70.16)	(8.27)
ii) on account of IND AS Adjustments	**(65.09)**	(65.09)	—
(b) Deferred Tax Liability on timing differences:			
i) other Comprehensive Income	**9.06**	—	—
ii) Depreciation	**2,414.36**	2,379.05	2,884.52
Total	**2,320.22**	**2,243.80**	**2,876.25**

20. Borrowings ₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Loans repayable on demand			
Secured Working Capital Facilities from Banks (Refer Note No.20.1)	**95,960.82**	89,021.38	79,178.76
Total	**95,960.82**	**89,021.38**	**79,178.76**

Nature of Security and Terms of Repayment

20.1 Working Capital Facilities (Secured)

The working capital facilities from the consortium of Banks are secured by:

- Hypothecation against first charge on stocks, book debts and other current assets of the Company both present and future ranking *paripassu* with consortium banks.
- Hypothecation against first charge on all unencumbered fixed assets of the Company both present and future ranking *paripassu* with consortium banks.
- Equitable mortgage of properties belonging to promoters, directors, group companies.
- Personal guarantee of promoter directors, group companies/firms and relatives.

Period and amount of interest due as on balance sheet date:

- Interest amount of ₹8.09 crores for the month of March, 2017 debited on 31.03.2017 is due as on Balance Sheet date.

21. Trade Payables: ₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Micro, Small and Medium Enterprises (Refer Note No.33.8)	**—**	—	—
Others	**66,079.21**	41,911.09	44,670.27
Total	**66,079.21**	**41,911.09**	**44,670.27**

22. Other Financial liabilities ₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current maturities of Long Term Borrowings			
- Non Convertible Debentures	—	—	2,927.84
- Term Loans	13,083.49	5,780.65	3,066.72
Interest accrued but not due on Borrowings - NCD's	—	—	42.67
Interest accrued and due on Borrowings	1,541.67	828.37	2,238.99
Amortisation of Finance Cost	257.38	227.86	—
Unpaid Dividends	4.12	4.34	5.43
Total	**14,886.66**	**6,841.22**	**8,281.65**

23. Other Liabilities ₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision / Payables for Expenses and Services	3,022.95	2,647.46	2,563.16
Statutory Payables	1,284.30	642.84	1,799.07
	4,307.25	**3,290.30**	**4,362.23**

24. Provisions ₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Employee Benefits (Refer Note No.33.5)	9.63	9.44	7.06
Provision for Dividend Distribution Tax	—	—	102.74
Total	**9.63**	**9.44**	**109.80**

25. Revenue from Operations ₹ in Lakhs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a) Construction Revenue	204,956.61	170,169.84
(b) Materials Supply Revenue	3,465.83	10,160.60
(c) Claims	2,898.22	—
(d) Revenue from Electricity Generation	206.75	501.91
(e) Share of profit from Joint Ventures	7.64	388.90
Total	**211,535.05**	**181,221.25**

26. Other income ₹ in Lakhs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a) Interest income from Fixed Deposits	1,929.27	385.60
(b) Other Miscellaneous Income	1,129.07	314.09
Total	**3,058.34**	**699.69**

27. Cost of Materials Consumed and Cost of Purchases & Services

₹ in Lakhs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a) Steel	**9,061.95**	8,068.34
(b) Cement	**8,133.96**	4,976.47
(c) Bitumen	**12,399.55**	8,751.07
(d) Metal	**17,840.99**	9,743.51
(e) Sand & Gravel	**2,022.01**	1,364.95
(f) Electrical Materials	**3,065.01**	2,586.96
(g) Railway Line Materials	**453.61**	2,449.20
(h) Coal Handling System Materials	**1,089.28**	5,651.93
(i) RCC & GI Pipes	**577.41**	135.25
(j) HSD Oils & Lubricants	**11,290.62**	5,803.85
(k) Stores and Consumables	**626.70**	509.66
(l) Other Materials	**1,375.78**	532.97
Total	**67,936.87**	**50,574.16**

28. Work Expenditure

₹ in Lakhs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a) Departmental Recoveries	**7,876.73**	7,057.01
(b) Work executed by sub contractors	**32,741.12**	38,427.73
(c) Earth Work	**25,365.46**	16,473.75
(d) Concrete Work	**5,814.97**	5,671.93
(e) Transport Charges	**2,249.96**	1,374.46
(f) Hire Charges	**3,344.34**	2,304.11
(g) Road work	**8,290.16**	4,961.83
(h) Repairs and Maintenance	**2,630.44**	1,925.36
(i) Taxes and Duties	**8,180.54**	5,315.74
(j) Insurance	**468.86**	261.97
(k) Commissoin to Banks on BG/LC	**2,188.81**	986.20
(l) Other Work Expenditure	**7,422.36**	6,569.31
Total	**106,573.75**	**91,329.40**

29. Change in Inventories of Work-in-Progress

₹ in Lakhs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Opening Work in Progress	**8,563.71**	14,207.53
Less : Closing Work in Progress	**(14,106.53)**	(8,563.71)
Changes in Inventory	**(5,542.82)**	**5,643.82**

30. Employee benefits expense

₹ in Lakhs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a) Salaries & Wages	**4,540.85**	2,971.28
(b) Director's Remuneration	**540.00**	529.41
(c) Staff Welfare Expenses	**639.59**	483.98
(d) Contribution to Statutory Funds	**146.09**	130.44
Total	**5,866.53**	**4,115.11**

31. Finance costs **₹ in Lakhs**

	Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a)	Interest on Term Loans	**11,539.91**	9,001.25
(b)	Interest on Non Convertible Debentures	**—**	194.38
(c)	Interest on Working Capital Facilities	**9,819.18**	9,657.25
(d)	Interest on Equipment Loans	**1,501.33**	761.62
(e)	Interest on ECB Loan *	**1,262.75**	1,239.95
(f)	Exchange loss on ECB Loan	**1.20**	46.19
(g)	Effect of application of effective interest rate on borrowings	**29.52**	227.86
(h)	Bank Guarantee & Other Financial Charges	**1,093.58**	412.47
		25,247.47	21,540.97
(i)	Less : Interest on BG/LC Margin Money Deposits	**(960.26)**	(1,106.92)
	Interest on Loans & Advances	**(4,149.03)**	(4,416.49)
	Total	**20,138.18**	**16,017.56**

* includes premium paid on foreign currency forward contract.

32. Other expenses **₹ in Lakhs**

	Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a)	Advertisement expenses	**63.62**	75.10
(b)	Audit fee (Refer Note below 32.1)	**60.66**	59.54
(c)	Donations	**225.44**	197.43
(d)	CSR Expenditure (Refer Note No.33.15)	**86.21**	104.56
(e)	Insurance charges	**52.56**	52.49
(f)	Consultancy, Legal & professional charges	**1,073.55**	867.00
(g)	General Expenses	**211.11**	191.33
(h)	Power & fuel	**190.02**	199.30
(i)	Miscellaneous expenses	**432.34**	289.27
(j)	Printing & stationery	**115.86**	87.10
(k)	Rent	**668.03**	497.05
(l)	Taxes & licenses	**323.48**	63.03
(m)	Tender Expenses	**122.94**	61.99
(n)	Telephone	**105.38**	95.18
(o)	Traveling, Conveyance & Stay expenses	**629.18**	684.55
(p)	Loss /(Gain)on sale of Property, Plant and Equipment	**(1.37)**	-
	Total	**4,359.01**	**3,524.92**

32.1 Auditors Remuneration (excluding service tax and reimbursement of expenses): **₹ in Lakhs**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Statutory Audit	**23.00**	23.00
Limited Review	**16.00**	16.00
Tax Audit	**6.50**	6.50
Certification Fee	**6.50**	6.50
Total :	**52.00**	**52.00**

33. OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS

33.1 Leases

Disclosure under Indian Accounting Standard – 17 "Leases", issued by the Institute of Chartered Accountants of India.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under operating leases are recognized in the statement of profit and loss on a straight-line basis. The Company has taken various residential/ godown/office premises (including Furniture and Fittings if any) under lease and license agreements for periods which generally range between 11 months to 3 years. These arrangements are renewable by mutual consent on mutually agreed terms. Under some of these arrangements the Company has given refundable security deposits. The lease payments are recognized in the Statement of Profit and Loss under Rent, Rates and Taxes.

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalized at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

The Company has taken vehicles on financial lease from banks / Financial Institutions. The details of contractual payments under the agreement are as follows:

Lease Obligations Payable **₹ in Lakhs**

Due	**Minimum Lease Payments**
Less than one year	Nil
Between one and five years	Nil
More than five years	Nil

Lease Obligations Recognized **₹ in Lakhs**

Particulars	**As at 31st March, 2017**	As at 31st March, 2016
Lease Rentals recognized during the year	Nil	75.90

33.2 Contingent Liabilities and Commitments

The details of the Contingent Liabilities and Commitments to the extent not provided are as follows:

a. Contingent Liabilities **₹ in Lakhs**

Particulars	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
a) Claims against the company not acknowledged as debt *	—	—	5,565.55
b) Guarantees given by the Banks towards performance & Contractual Commitments	**1,28,789.02**	1,23,892.32	77,539.41
c) Corporate Guarantees given to group companies	**3,10,548.00**	2,98,048.00	8,38,456.00
d) Disputed Liability of Income Tax, Sales Tax, Service Tax and Seigniorage charges	**6,681.46**	8,571.16	14,617.34

* Some of the contractees /employer have made claims against company for which the company has preferred appeal and in the opinion of the management the award will be in favour of the company. Therefore the said claims have not been provided.

b. Commitments

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Commitments towards investment in Subsidiaries, Joint Ventures and Associates	Nil	Nil	25,480.00

33.3 Related Party Transactions pursuant to Indian Accounting Standard(Ind AS)-24

Details of related parties:

Subsidiary Companies	Step-down Subsidiary Companies
Gayatri Energy Ventures Pvt. Ltd	Bhandara Thermal Power Corporation Ltd
Associate Companies and companies in which the Company has substantial Interest.	**Key Management Personnel and their Relatives**
Gayatri Lalitpur Roadways Ltd (Refer Below Note (ii)).	Mr. T.V.Sandeep Kumar Reddy
Gayatri-Jhansi Roadways Ltd Refer Below Note (ii)).	Mr. J. Brij Mohan Reddy
Sai Matarani Tollways Limited (Refer Below Note (iii))	Mrs. Indira T Subbarami Reddy
Gayatri Domicile Private Limited (Refer Below Note (iv))	Mr. T. Rajiv Reddy
Hyderabad Expressways Limited	Mr. T. Anirudh Reddy
Cyberabad Expressways Limited	Mr. P. Sreedhar Babu (CFO)
Western UP Tollway Limited	Mrs. I.V.Lakshmi (CS & CO)
HKR Roadways Limited	
Balaji Highways Holding Limited	
Indore Dewas Tollways Limited	
Entities in which KMP or their relatives are interested	**Joint Ventures**
Deep Corporation Pvt. Ltd	Gayatri- RNS Joint Venture
Indira Constructions Pvt. Ltd	IJM Gayatri Joint Venture
Gayatri Tissue & Papers Ltd	Gayatri Ranjit Joint Venture
Gayatri Sugars Ltd	Gayatri - GDC Joint Venture
Gayatri Hi-Tech Hotels Ltd	Gayatri – BCBPPL Joint Venture
Gayatri Property Ventures Pvt. Ltd.	Jaiprakash Gayatri Joint Venture
Gayatri Hotels & Theaters Pvt. Ltd	Gayatri ECI Joint Venture
GSR Ventures Pvt. Ltd.	Maytas-Gayatri Joint Venture
T.V.Sandeep Kumar Reddy & Others	Gayatri – Ratna Joint Venture
Gayatri Bio-Organics Limited	MEIL-GAYATRI-ZVS-ITT Consortium
T. Subbarami Reddy Foundation	Gayatri-SPL Joint Venture
Dr.T.Subbarami Reddy (HUF)	Gayatri-JMC Joint Venture
Balaji Charitable Trust	Viswanath - Gayatri Joint Venture
TSR Lalitakala Parishad	GPL-RKTCPL Joint Venture
Invento Labs Private Limited	Vishwa-Gayatri Joint Venture
	Gayatri-RNS-SIPL Joint Venture
	SOJITZ-LNT-GAYATRI Joint Venture
	Gayatri PTPS Joint Venture

(i) Gayatri Infra Ventures Limited ceased to be a subsidiary w.e.f. 01.04.2016 (Refer Note No.33.18) and accordingly related party transactions with this Company have been presented for the F.Y 2015-16.

(ii) Upon on merger of Gayatri Infra Ventures Limited w.e.f 01.04.2016 as stated above, these two step down subsidiary companies have become the subsidiary companies of the company and upon demerger w.e.f 31.03.2017 these two subsidiary companies ceased to be subsidiaries and related party transactions are presented for the F.Y 2015-16 & 2016-17.

(iii) Upon effect of Scheme, the subsidiary company has become an Associate.

(iv) Name of the Gayatri Domicile Private Limited is changed to Gayatri Highways Pvt. Ltd w.e.f 7th August 2017 and accordingly wherever Gayatri Domicile Private Limited appears in the financial statements, Notes to Financial Statements and other reports, the name shall be read as Gayatri Highways Pvt. Ltd.

Transactions with the related parties: **₹ in Lakhs**

Sl. No.	Description	Year	Subsidiary & Step-down Subsidiaries	Associate Companies	Entities in which KMP are interested	Joint ventures	KMP& their Relatives
1	Equity contribution	2016-17	4,443.88	—	—	—	—
		2015-16	—	—	23,500.00	—	—
2	Contract Receipts	2016-17	—	61,451.60	26.91	24,112.04	—
		2015-16	64,106.61	5,998.10	515.08	29,097.10	—
3	Contract payments	2016-17	—	—	586.83	—	—
		2015-16	—	—	359.32	—	—
4	Office Rent &	2016-17	—	—	102.08	—	—
	Maintenance	2015-16	—	—	113.00	—	—
5	Other Payments	2016-17	—	—	—	—	97.75
		2015-16	—	—	12.83	—	79.12
6	Interest Received	2016-17	—	244.09	—	43.05	—
		2015-16	—	637.84	—	231.87	—
7	Donations	2016-17	—	—	169.45	—	—
		2015-16	—	—	149.52	—	—
8	Remuneration Paid	2016-17	—	—	—	—	540.00
		2015-16	—	—	—	—	*529.41
9	Contract Advances /	2016-17	5,865.07	5,279.43	215.00	—	—
	Other Adv.	2015-16	645.77	—	84.00	—	—
10	Unsecured Loans	2016-17	—	—	—	10,533.60	—
	received	2015-16	243.00	45.70	—	3,757.00	152.10
11	Corporate Guarantees	2016-17	—	—	—	—	—
		2015-16	15,000.00	79,863.00	—	—	—
12	Closing balances – Debit	2016-17	11,799.06	32,921.81	1212.66	25055.13	—
		2015-16	30,007.83	15,969.01	1,156.58	27,883.84	—
		2014-15	29,248.65	15,742.72	25,099.87	20,532.32	—
13	Closing balances –	2016-17	—	2,147.05	613.58	21876.56	6.22
	Credit	2015-16	5,261.87	382.78	417.12	14,669.87	261.79
		2014-15	6,102.79	12,080.44	110.53	13,759.62	3,409.11

** Net off of Excess remuneration of '10.59 Lakhs repaid by the Managing Director*

Disclosure of transactions which are more than 10% of the total transactions of the same type with related parties during the year.

₹ in Lakhs

Name of the Entity	Nature of Transaction	2016-17	2015-16
HKR Roadways Limited	Contract Receipts	**15.52**	2,051.40
Sai MaataraniTollways Ltd.	Contract Receipts	**54,750.91**	63,158.34
Indore DewasTollways Limited	Contract Receipts	**1,653.68**	3,761.40
Gayatri - ECI Joint Venture	Contract Receipts	**5,038.71**	10,758.18
Jaiprakash-Gayatri Joint Venture	Contract Receipts	**10,151.31**	12,617.89
Gayatri - RNS Joint Venture	Contract Receipts	**1,296.60**	1,857.51
Meil-Gayatri-ZVS-LIT Consortium	Contract Receipts	**2,903.39**	1,833.34
Gayatri-RKTCPL Joint Venture	Contract Receipts	**3,702.47**	1,564.22
Bhandara Thermal power Corporation Ltd.	Financial Guarantee	—	15,000.00
Gayatri Hitech Hotels Ltd	Equity contribution	—	23,500.00
Meil-Gayatri-ZVS-LIT Consortium	Contract Adv./ Other Adv.	—	2,430.40
Gayatri-RNS-SIPL Joint Venture	Contract Adv./ Other Adv.	**5,000.00**	—
SOJITZ-LNT-GAYATRI Joint Venture	Contract Adv./ Other Adv.	**4,252.33**	—

33.4 Impairment of Non-Financial Assets

In the opinion of the management, there are no impaired assets requiring provision for impairment loss as per the Ind AS 36 on "Impairment of Non Financial Assets". The recoverable amount of building, plant and machinery and computers has been determined on the basis of 'Value in use' method.

33.5 Disclosure pursuant to Indian Accounting Standard (Ind AS) – 19 "Employee's Benefits":

i) The summarized position of Post-employment benefits and long term employee benefits recognized in the statement of Profit & Loss and Balance Sheet as required in accordance with Indian Accounting Standard – 19 issued by the Institute of Chartered Accountants of India are as under:-

ii) **(a) Changes in the Benefit Obligations:**

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	2016-17	2015-16	2016-17	2015-16
Present Value of Obligation as at the beginning of the year	**718.73**	555.63	**185.28**	145.64
Interest Cost	**57.50**	44.45	**14.82**	11.65
Current Service Cost	**42.35**	33.69	**5.29**	11.81
Benefits Paid	**(7.50)**	(6.17)	**(1.65)**	(15.12)
Actuarial loss / (gain) on Obligations	**(26.17)**	91.13	**(0.71)**	31.30
Present Value of Obligation at year end	**784.91**	718.73	**203.03**	185.28

(b) Amount Recognized in Balance Sheet:

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	2016-17	2015-16	2016-17	2015-16
Estimated Present Value of obligations as at the end of the year	**784.91**	718.73	**203.03**	185.28
Fair value of Plan Assets as at the end of the year	—	-		
Net Liability recognized in Balance Sheet	**784.91**	718.73	**203.03**	185.28

(c) Expenses recognized in Statement of Profit & Loss / Other Comprehensive Income (OCI) :

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	2016-17	**2015-16**	**2016-17**	**2015-16**
Current Service Cost	**42.35**	33.69	**5.29**	11.81
Interest Cost	**57.50**	44.45	**14.82**	11.65
Net Actuarial (Gain)/Loss recognized in Statement of Profit & Loss.	—	—	**(0.71)**	31.30
Net Actuarial (Gain)/Loss recognized in Statement of Other Comprehensive Income.	**(26.17)**	91.13	—	—
Total expenses recognized in Statement of Profit & Loss	**73.68**	169.27	**19.40**	54.76

(d) Principal Actuarial Assumption:

Particulars	Gratuity		Leave Encashment	
	2016-17	**2015-16**	**2016-17**	**2015-16**
Discount Rate	**4.00%**	8.00%	**4.00%**	8.00%
Salary Escalation Rate	**8.00%**	4.00%	**8.00%**	4.00%
Retirement Age	**60**	58	**60**	58
Mortality	**IALM 2006-08 Ultimate**	IALM 2006-08 Ultimate	**ALM 2006-08 I Ultimate**	ALM 2006-08 I Ultimate
Attrition Rate	**1%**	1%	**1%**	1%

(e) The entire present value of funded obligation at the year end is unfunded and hence, fair value of assets is not furnished.

33.6 Segment Reporting

The Company's operations predominantly consist of construction / project activities. Hence there are no reportable segments under Ind AS – 108. During the year under report, the Company's business has been carried out only in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

33.7 Earnings Per Share (EPS)

₹ in Lakhs

Particulars	2016-17	2015-16
Profit After Tax for calculation of Basic EPS (₹ in Lakhs)	**7,042.52**	5,801.46
Profit After Tax for calculation of Diluted EPS (₹ in Lakhs)	**7,042.52**	5,801.46
Weighted average No. of equity shares as denominator for calculating Basic EPS. (No. in Lakhs)	**1,772.52**	1,675.20
Weighted average No. of equity shares as denominator for calculating Diluted EPS. (No. in Lakhs)	**1,772.52**	1,675.20
Basic EPS (₹)	**3.97**	3.46
Diluted EPS (₹)	**3.97**	3.46

33.8 Dues to Micro and Small Enterprises:

On the basis of information available with the Company, there are no dues outstanding for more than 45 days to Small Scale Industrial Undertaking (SSI). The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year-end together with interest paid/payable as required under the said Act have not been given.

33.9 There are no amounts due and outstanding to be credited to Investors Education & Protection Fund as on 31-03-2017 and amounts which are required to be transferred to such funds have been transferred.

33.10 Disclosure pursuant to Indian Accounting Standard – 11 "Construction Contracts"

₹ in Lakhs

Sl.	Particulars	2016-17	2015-16
1	Contract revenue recognized for the year ended	**2,11,328.30**	1,80,719.34
2	Contract cost incurred and recognized profits, less losses	**1,92,982.17**	1,65,586.30
3	Amount of advances received till date, net of recoveries	**85,631.55**	55,951.41
4	Gross amount due from customers for contract works	**85,036.43**	78,766.06

Income is recognized on fixed price construction contracts in accordance with the percentage completion basis, which necessarily involve technical estimates of the percentage of completion, and costs to completion, of each contract / activity, on the basis of which profits and losses are accounted. Such estimates, made by the Company and certified to the Auditors have been relied upon by them, as these are of technical nature.

33.11 Additional Information pursuant to Schedule III of the Companies Act, 2013.

i) CIF value of Imports **₹ in Lakhs**

Sl.	Particulars	2016-17	2015-16
1	Purchase of Capital Goods	**3173.34**	1155.67

ii) Expenditure / (Income) in Foreign Currency: **₹ in Lakhs**

Sl. No.	Particulars	2016-17	2015-16
1	Travelling Expenses	**12.70**	20.92
2	Interest on ECB Loan	**782.14**	811.95
3	Consultancy & Technical Fees	**1,584.34**	—

iii) Details of major raw materials consumption **₹ in Lakhs**

Particulars	2016-17		2015-16	
	Value	%	Value	%
Steel	**9,061.95**	**13.96%**	8,068.34	17.19%
Cement	**8,133.96**	**12.53%**	4,976.47	10.60%
Bitumen	**12,399.55**	**19.10%**	8,751.07	18.64%
Metal	**17,840.99**	**27.49%**	9,743.51	20.75%
Sand & Gravel	**2,022.01**	**3.12%**	1,364.95	2.91%
Electrical Materials	**3,065.01**	**4.72%**	2,586.96	5.51%
Coal Handling System Materials	**1,089.28**	**1.68%**	5,651.93	12.04%
HSD Oils & Lubricants	**11,290.62**	**17.40%**	5,803.85	12.36%
Total :	**64,903.37**	**100.00%**	46,947.08	100.00%

33.12 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximize returns for the shareholders and benefits for other stake holders. The aim is to maintain an optimal capital structure and minimize the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with other entities in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total equity.

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Debt:i) Non-Current Borrowings	**96,677.30**	97,197.13	92,715.38
ii) Current Maturities of Non-Current Borrowings	**13,083.49**	5,780.65	5,994.56
iii) Current / Short term Borrowings	**95,960.82**	89,021.38	79,178.76
Total Debt:	**2,05,821.61**	**19,19,999.16**	**1,77,888.70**
Equity:i) Equity Share capital	**3,545.04**	3,545.04	3,022.70
ii) Other Equity	**70,555.34**	81,056.66	65,588.72
Total Equity:	**74,100.38**	**84,601.70**	**68,611.42**
Total debt to equity ratio (Gearing ratio)	**2.78**	**2.27**	**2.59**

33.13 Financial Instruments:

A. Some of the Company's financial assets and financial liabilities are measured at fair value at the end of the reporting period.

Financial Instruments by category.

Financial Assets and Financial Liabilities are the categories of Financial Instruments.

Financial Assets: **₹ in Lakhs**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
EQUITY INVESTMENTS:			
Measured at fair value through profit or loss (FVTPL):			
Equity Investments in Other Entities	**108.28**	59.35	19.55
Measured at Cost:			
i) Investments in Equity Instruments of Subsidiaries, Associates	**63,985.83**	94,661.51	94,661.51
ii) Investments of Equity Instruments of Associate Company pursuant to composite scheme of Merger & Demerger (Refer Note No.33.18.)	**1,248.00**	Nil	Nil
INVESTMENTS IN PREFERENCE SHARES:			
Measured at Fair value through profit or loss (FVTPL):			
Non- Convertible redeemable cumulative preferential Shares in Other Entity	**23,500.00**	23,500.00	Nil
Measured at Cost:			
Investments of Preference Shares of Associate Company pursuant to composite scheme of Merger & Demerger (Refer Note No.33.18)	**16,770.03**	Nil	Nil

Financial Liabilities: **₹ in Lakhs**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Measured at amortized cost: Financial Liabilities i.e Borrowings	**1,94,511.10**	1,79,586.48	1,64,378.43

B. Fair value hierarchy

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or Liability.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31stMarch, 2017:

₹ in lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Equity Investments (Quoted)	**108.28level -1)**	59.35(Level- 1)	19.55(Level-1)
Non- Convertible Redeemable Cumulative Preference Shares	**23,500.00(Level -2)**	23,500.00(Level -2)	—

Certain Financial Assets and Financial Liabilities that are not measured at Fair Value but Fair value disclosures are required:

₹ in lakhs

Particulars	As at 31st March, 2017 (Carrying Value & Fair Value)	As at 31st March, 2016 (Carrying Value & Fair Value)	As at 1st April, 2015 (Carrying Value & Fair Value)
Fair Value Hierarchy	**(Level - 2)**	**(Level - 2)**	**(Level - 2)**
Financial Assets:			
Investments	**82,003.86**	94,661.51	94,661.51
Non- Current Loans	**51,023.52**	51,026.05	51,041.04
Other Financial Assets	**Nil**	Nil	21,851.46
Current Investments	**Nil**	Nil	71.79
Trade Receivables	**85,036.43**	62,399.34	39,420.65
Deposits with Contractees	**21,761.12**	16,366.72	17,762.70
Cash & Cash Equivalents	**19,700.64**	18,004.94	14,515.83
Current Loans	**17,594.33**	15,071.16	14,084.64
Financial Liabilities:			
Borrowings	**1,92,738.12**	1,86,218.51	1,71,894.14
Trade Payables	**66,079.21**	41,911.09	44,670.27
Other Financial Liabilities	**1,07,278.46**	69,552.88	58,003.26

33.14 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks like market risk, credit risk and liquidity risks. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk, includes loans and borrowings.

a. Interest rate risk

Majority of the Non-current (Long Term) borrowings of the Company bear fixed interest rate, thus interest rate risk is limited for the Company.

b. Foreign Currency Risk:

The Company's foreign Currency exposure i.e External Commercial Borrowings in US$ is completely hedged and the details are as follows:

₹ in Lakhs

Particulars	Hedged/ Un-hedged	As At 31st March, 2017		As at 31st March, 2016		As at 1st April 2015	
		Foreign Currency USD	Rupee Equivalent	Foreign Currency USD	Rupee Equivalent	Foreign Currency USD	Rupee Equivalent
Amount payable in Foreign Currency:							
External Commercial	Un-hedged	Nil	Nil	Nil	Nil	Nil	N i
Borrowings (ECB)	Hedged	181.18	10,689.89	210.38	12,412.69	229.78	13,510.27

c. Equity Price Risks:

Majority of the Company's investments are made into non-listed equity securities. The Company's exposure into listed equity investments is very limited and the fair value of listed securities as at 31st March, 2017 was ₹ 108.28 Lakhs. Since the exposure into listed equity investments are very limited, the changes of equity securities price would not have a material effect on the profit or loss of the Company.

(ii) Credit risk management

Credit risk refers to the risk of default in its obligation by the counter party resulting in a financial loss. The maximum exposure of the financial assets is contributed by trade receivables, unbilled work-in-progress, cash and cash equivalents and receivables from group companies.

Credit risk on trade receivables, work in progress is limited as the customers of the company mainly consist of the Government promoted entities, having strong credit worthiness. The company takes into account ageing of accounts receivables and the company's historical experience of the customers and financial conditions of the customers.

(iii) Liquidity Risk:

Liquidity Risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's management and finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by the senior management.

The following are the details regarding contractual maturities of Significant Financial Liabilities:

a) **As at 31st March, 2017** **₹ in Lakhs**

Particulars	On Demand	Less than 1 year	1-5 Years	More than 5 Years	Total
Borrowings	95,960.82	13,083.49	89,315.95	6,972.63	2,05,332.89
Trade Payables	66,079.21	—	—	—	66,079.21
Interest Accrued	1,541.67	—	—	—	1,541.67
Other Financial Liabilities	6,929.69	11,087.51	41,578.16	32,800.56	92,395.92
Total	**1,70,511.39**	**24,171.00**	**1,30,894.11**	**39,773.19**	**3,65,349.69**

b) **As at 31st March, 2016** **₹ in Lakhs**

Particulars	On Demand	Less than 1 year	1-5 Years	More than 5 Years	Total
Borrowings	89,021.38	5,780.66	71,386.01	25,659.01	1,91,847.06
Trade Payables	41,911.09	—	—	—	41,911.09
Interest Accrued	828.37	—	—	—	828.37
Other Financial Liabilities	4,703.70	7,525.92	28,222.20	22,264.18	62,716.00
Total	**1,36,464.54**	**13,306.58**	**99,608.21**	**47,923.19**	**2,97,302.52**

c) **As at 1st April, 2015** **₹ in Lakhs**

Particulars	On Demand	Less than 1 year	1-5 Years	More than 5 Years	Total
Borrowings	79,178.76	5,994.56	44,918.20	44,497.18	1,74,588.70
Trade Payables	44,670.27	—	—	—	44,670.27
Interest Accrued	2,281.66	—	—	—	2,281.66
Other Financial Liabilities	3,729.53	5,967.24	22,377.17	17,653.10	49,727.04
Total	**1,29,860.22**	**11,961.80**	**67,295.37**	**62,150.28**	**2,71,267.67**

33.15 The Company has incurred an amount of ₹ 86.21 Lakhs on Corporate Social Responsibility (CSR) programs under Section 135 of the Companies Act, 2013 which are charged to the Statement of Profit and Loss.

33.16 The company had entered into an agreement to sell the wind power business on "Slump Sale" basis subject to approval by the regulatory authorities and completion of registration formalities. The management has received the respective regulatory authorities' approvals and registration of sale of wind assets is completed during the financial year. Therefore, the net result (loss) from sale of wind power business amounting to ₹ 1,538.65 Lakhs is recognized under exceptional items in the statement of profit and loss for the year ended 31st March 2017.

33.17 Disclosure on Specified Bank Notes (SBN) pursuant to MCA notification 308(E) dated 30th March, 2017:

Amount in ₹

Particulars	**SBNs**	**Other Denomination Notes**	**Total**
Closing cash in hand as on 08th November,2016	24,25,500	1,28,36,533	1,52,62,033
(+) Withdrawal from Banks	—	1,04,82,350	1,04,82,350
(+) Permitted Receipts	—	—	—
(-) Permitted Payments	—	(1,61,76,107)	(1,61,76,107)
(-) Amount deposited in Banks	(24,25,500)	(950)	(24,26,450)
Closing cash in hand on 30th December,2016	—	71,41,826	71,41,826

Explanation: For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated the 8th November, 2016.

33.18 Composite Scheme of Arrangement between Gayatri Projects Limited (Transferee Company / Demerged Company/ GPL), Gayatri Infra Ventures Limited (Transferor Company / GIVL) and Gayatri Domicile Private Limited (Resulting Company / GDPL) and their respective Shareholders:

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

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

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

i. Transfer of investments in Sai Maatarini Tollways Limited ("SMTL") from GPL to GDPL, and the consequent discharge of consideration by GDPL to GPL

ii. Merger of GIVL with GPL

iii. Transfer of Infrastructure Road BOT Assets Business of GPL to GDPL, and the consequent discharge of consideration by GDPL to the shareholders of GPL.

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

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

b) The relevant dates of the Scheme are as follows:

Particulars	**Relevant date**
Appointed date for amalgamation of GIVL	01st April, 2016
Appointed date for Demerger of BOT Business	31st March, 2017
Effective date of the Scheme (Date of filing with the ROC)	23rd November, 2017

c) Pursuant to the Scheme, all the assets and liabilities pertaining to the Transferor Company (GIVL) have been transferred to and vested in the Transferee Company (GPL) with retrospective effect from the appointed date i.e. 1st April 2016 at their respective book values appearing in the books of Transferor Company i.e., GIVL.

Financial Statements of GIVL for the Financial Year 2015-16 & 2016-17 were audited and financial statements of 2016-17 were already approved in its Board meeting held on 30th May, 2017 and also adopted in the Annual General Meeting of GIVL held on 19th September, 2017. These approved and adopted financial statements were considered for the purpose of accounting of Assets, Liabilities, Income and expenses of GIVL in the books of accounts and in the restated financial statements of GPL so as to give effect of the merger.

d) Further pursuant to the Scheme, all Infrastructure Road BOT Assets business (i.e all Fixed Assets, all Investments, Current Assets, and Liabilities of BOT Assets business including Investments in Infrastructure Road BOT Assets business held by GPL) of the Demerged Company (GPL) shall stand transfer to and be vested in the resulted Company (GDPL) with effect from the appointed date i.e. 31st March 2017 at their respective book values appearing in the books of Demerged Company. Accordingly, the Scheme has been given effect to in the books of accounts and in the restated financial statements of GPL so as to give effect of the demerger. (Refer Below table for net effect of the Scheme).

e) As stated in the above note, Investments held by the Demerged Company in the Road BOT Assets business companies i.e Sai Maatarani Tollways Ltd, HKR Roadways Ltd, Balaji Highways Holdings Pvt. Ltd and Indore Dewas Tollways Ltd shall stand transferred and vested in the Resulting Company (GDPL) with effect from the appointed date i.e. 31st March 2017.

f) The Consideration for demerger by the resulting company shall be as under :

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

The investments of GPL in SMTL are transferred to GDPL at book value. As at 31st March, 2016, the GPL investment in SMTL was at Rs.180.16 crores. The consideration for transfer of investments in SMTL held by GPL to GDPL is discharged by the Resulting Company i.e., Gayatri Domicile Private Limited in lump sum consideration to GPL amounting to ₹180,16,03,000 (Rupees One Hundred and Eighty Crores Sixteen Lakhs Three Thousand Only) in the form of issuance of 1,24,60,000 equity shares of ₹10/- each and 16,77,00,300 redeemable preference shares of ₹10/- each, issued and redeemable at par. Pursuant to Scheme, effect is given in the books of accounts and financial statements of demerged company (GPL) as on 31st March, 2017, the consideration receivable by GPL in the form of Equity and Preference shares have been accounted in the books of accounts as investments in Equity and Preference shares and grouped under Investments in the restated financial statements based on opinion obtained from independent Company Secretary although the shares are yet to be issued and allotted by the resulting company (**GDPL).**

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

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

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

₹ in lakhs

Particulars	As on 31st March, 2017
Value of Investments of BOT Assets business Transferred:	
i) 16,65,304 Equity Shares of ₹10/- each, fully paid in Gayatri Infra Ventures Limited	16,074.26
ii) 1,00,00,843 Equity Shares of ₹10/- each, fully paid in Sai Maatarani Tollways Ltd.	18,016.03
iii) 12,07,000 Equity Shares of ₹10/- each, fully paid in HKR Roadways Ltd.	120.70
iv) 49,000 Equity Shares of ₹10/- each, fully paid in Balaji Highways Holding Ltd.,	4.90
v) 16,660 Equity Shares of ₹10/- each, fully paid in Indore Dewas Tollways Ltd.	1.67
vi) Liability towards pending share purchase	900.02
Sub Total :	35,117.58
Consideration to be received in the form of Shares:	
i) 1,24,80,000 Equity Shares of ₹ 10/- each, fully paid in Gayatri Domicile Private Limited.	1,246.00
ii) 16,77,00,300 Preference Shares of ₹10/- each, fully paid in Gayatri Domicile Private Limited.	16,770.03
Sub Total :	**18,016.03**
Net Effect (Amount) adjusted in Securities Premium Account	**17,101.55**

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

33.19 In the ordinary course of business, the Company has given Contract Advances to non-related parties which on mutual consent have been converted into loans and grouped as “Loans” under “Non-Current Financial Asset”. The recovery of these loans is delayed due to extraneous reasons like change in government policies, delay in execution of projects etc. However, the management is making all efforts to recover the same and is confident that the recovery process of these loans will commence in due course and therefore no provision for the same is required to be made in the financial statements of the company.

33.20 Advances to sub-contractors include amounts paid as work advances to sub-contractors wherein the corresponding contract works are yet to commence. The management is able to recover considerable amount after the balance sheet date and is confident to recover the balance amount in due course. In the opinion of the management, the said works for which advances are given have not commenced due to certain extraneous factors and delay is not attributed to sub-contractor default/failure. In view of this, the management is confident to commence the works in near future and recover the advances from the sub-contractors

33.21 The reconciliation of net profit/(loss) as previously reported (referred to in previous GAAP) and Ind AS is as under

a. Reconciliation of Statement of Profit and Loss and Other Comprehensive Income

₹ in lakhs

Particulars	Year Ended 31st March, 2016
Net profit under previous GAAP for the year ended 31st March. 2016	5,864.84
Impact of account of Equity Instruments at fair value through Profit and Loss	39.80
Re-measurement gains / losses on actuarial valuation of Post employment defined benefits	91.13
Effect of application of effective interest rate on financial liabilities / borrowings	(227.86)
Effect of Application of Effective rate of interest for borrowings	
Deferred Tax effect on above adjustments	33.55
Net profit recast to Ind AS for the year ended 31st March 2016	**5,801.46**
Other Comprehensive Income as per Ind AS	(59.59)
Total Comprehensive Income as per Ind AS	**5,741.87**

b. Reconciliation of equity as previously reported under Previous GAAP to Ind AS

₹ in lakhs

Particulars	Year Ended 31st March, 2016	As at 01st April, 2015
Equity reported under previous GAAP	83,867.29	68253.75
Impact of account of Equity Instruments at fair value through Profit and Loss	43.83	4.03
Effect of application of effective interest rate on financial liabilities / borrowings	(227.86)	—
Deferred Tax effect on above adjustments	65.09	—
Dividend & Dividend Distribution Tax	853.35	353.64
Equity reported under Ind AS on 31st March 2016	84,601.70	68611.42

33.22 Disclosure pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of loans and advances in the nature of loans

₹ in lakhs

Name of the Company	Relationship	Balances as at			Maximum outstanding		
		31.03.2017	31.03.2016	31.03.2015	2016-17	2015-16	2014-15
IJM Gayatri Joint Venture	Joint Venture	—	—	—	—	—	3,902.52
Wetern UP Tollways Ltd	Associate	—	3,620.49	3,266.72	3,620.49	3,620.49	3,266.72
Sai Maatarini Tollways Ltd	Associate	10,015.99	10,015.99	10,015.99	10,015.99	10,015.99	10,015.99
Indore Dewas Tollways Ltd	Associate	3,395.00	3,395.00	3,395.00	3,395.00	3,395.00	3,395.00
HKR Roadways Ltd	Associate	4,535.01	4,535.01	4,535.01	4,535.01	4,652.01	4,652.01
Gayatri Energy Ventures P. Ltd	Subsidiary	11,799.06	5,934.00	5,645.37	11,799.06	5,934.00	5,645.37
Gayatri Domicile Pvt.Ltd.	Associate	2,174.77	5,516.68	5,172.55	3,516.67	5,729.70	5,172.55

33.23 The original audited financial statements / results of the Company for the financial year ended 31st March, 2017 have been approved by the Board of Directors of the Company vide its meeting held on 29th May, 2017 and the same were declared/published to the stock exchanges as per the listing agreement. However, pursuant to the Composite Scheme of Arrangement ('Scheme'), as approved by the Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench vide its order dated 3rd November, 2017, the accounting effect /impact of the said scheme as stated in Note No. 33.18 is considered in the books of accounts for the financial year ended 31st March, 2017 and accordingly the present financial statements revised as per the Scheme above, replace the original audited financial statements which were approved by the Board of Directors vide their meeting held on 29th May, 2017 as mentioned above.

33.24 Pursuant to Composite Scheme of Arrangement (`Scheme') as stated in Note No. 33.15, figures of the current financial year are not comparable to the previous year's figures.

33.25 All amounts are rounded off to nearest thousands.

For and on behalf of the Board

For M O S & ASSOCIATES LLP
Chartered Accountants

S.V.C. REDDY
Partner

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

Place : Hyderabad.
Date : 6th December, 2017

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary &
Compliance Officer

INDEPENDENT AUDITORS' REPORT

To The Members of Gayatri Projects Limited.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Gayatri Projects Limited ("the Holding Company") and its subsidiary (collectively referred to as "the Group"), its jointly controlled entities, comprising the Consolidated Balance Sheet as at 31st March 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements"). For the reasons detailed in Note No. 33.15 and 33.18 of the consolidated Ind AS financial statements, the accompanying consolidated Ind AS financial statements are the revised statements of the original Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended covered by our audit report dated 29th May, 2017 and approved by the Board of Directors of the Company held on 29th May, 2017.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015. The respective Board of Directors of the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors as referred to in Other Matters paragraph below, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group, and its jointly controlled entities as at 31st March 2017, and its consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Emphasis of Matters

(Note Nos. referred hereunder are with reference to respective Notes forming part of the Consolidated financial statement)

We draw member's attention to the following matters:

i) As stated in Note No. 33.16 regarding loans given to some of the sub-contractors and accumulated interest thereon which are long pending for recovery.

ii) As stated in Note No. 33.17 regarding certain Contract and work advances given to some of the sub-contractors which are long pending for recovery.

iii) As stated in Note No. 33.15(f)(i), pursuant to Composite Scheme of Arrangement (‘Scheme’), the consideration receivable by the company in the form of Equity and Preference Shares amounting to ₹ 180,16,03,000/- (Rupees One Hundred and Eighty Crores Sixteen Lakhs and Three Thousand Only) have been grouped under Investments in the restated financial statements although the shares are yet to be issued and allotted by the resulting company.

iv) As stated in Note No. 33.23, pursuant to Composite Scheme of Arrangement (‘Scheme’), Gayatri Domicile Private Limited (GDPL) becomes Associate Company as on 31st March, 2017 by virtue of Equity Shareholding held by the Holding Company in the said GDPL. For the reasons stated in Note No.33.23, the said associate company i.e GDPL has not been considered for consolidation in the above referred consolidated Ind AS financial statements.

Our Opinion is not qualified in respect of the above matters.

Other Matters

a. As stated in Note No. 33.15 and 33.18, pursuant to Composite Scheme of Arrangement (‘Scheme’) approved by the Hon’ble National Company Law Tribunal (NCLT), Hyderabad Bench vide its order dated 3rd November, 2017, the revised consolidated Ind AS financial statements for the year ended 31st March, 2017 were prepared and presented by the Company’s management by giving effect to the Scheme, having an appointed date for merger as 1st April, 2016 and demerger as 31st March, 2017, in the place of original consolidated Ind AS financial statements approved by the Board of Directors of the Company held vide their meeting dated 29th May, 2017. Consequently, our original audit report dated 29th May, 2017 on the consolidated Ind AS financial statements of the Company for the year ended 31st March, 2017 is revised by this report.

b. We did not audit the financial statements of four jointly controlled entities whose financial statements in which the share of Group’s loss of 7.63 Lakhs included in consolidated financial results. These financial statements have been audited by other auditors whose audit reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity and our report in terms of subsection (3) and (11) of section 143 of the Act, in so far as it relates to the jointly controlled entity, is solely based on such reports of the other auditors. In respect of unaudited (management certified) financial statements, our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, is based solely on such unaudited financial statements/ financial information.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on the consideration of reports of the other auditors on separate financial statements, and based on the auditor’s report of the subsidiary company and jointly controlled entities, we report, to the extent applicable, that:

    a. We have sought and obtained all the information and explanations, reports of the other auditors, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

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

(c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the Directors of the Group companies is disqualified as on 31st March, 2017 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **"Annexure A"**; and

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

i. As stated in Note No.33.2 of the consolidated Ind AS financial statements, the Group has disclosed the impact of pending litigations on its consolidated Ind AS financial statements.

ii. As per the information and explanations given by the Holding Company, the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. As per the information and explanations given by the Company, there has been no delay in transferring the amounts which are required to be transferred to Investor Education & Protection Fund.

iv. The Holding Company has provided requisite disclosures of the Group in Note No. 33.14 to the consolidated Ind AS financial statements as to the holding of Specified Bank Notes on 8th November, 2016 and 30th December, 2016 as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation and the reports of the other auditors, regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Company's Management.

For M O S & ASSOCIATES LLP
Chartered accountants
Firm's Registration No.: 001975S/S200020

S V C REDDY
Partner
Membership No.: 224028

Place: Hyderabad
Date: 6th December 2017

Annexure - A to the Auditor's Report

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 Projects Limited ("the Holding Company") and its subsidiary (collectively referred to as "the Group"), and its jointly controlled entities as on 31st March 2017 in conjunction with our audit of the consolidated Ind AS financial statements of the holding company for the year ended on that date.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and Companies (Indian Accounting Standards) Rules, 2015, (as amended). The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 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, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company and its subsidiary company 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") issued by ICAI 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 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 judgment, 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 and the audit evidence obtained by the other auditors in terms of their reports referred in the other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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, to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary company and jointly controlled entities, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, 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 ICAI.

For M O S & ASSOCIATES LLP
Chartered accountants
Firm's Registration No.: 001975S/S200020

S V C REDDY
Partner
Membership No.: 224028

Place: Hyderabad
Date: 6th December, 2017

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2017

₹ in Lakhs

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	**2a**	**37,146.64**	28,919.62	27,040.15
(b) Intangible Assets	**2b**	**2,220.15**	83,815.89	2,385.51
(c) Intangible Assets Under Development	**2c**	—	1,30,391.20	1,49,506.55
(d) Capital Work in Progress	**2d**	**3,047.02**	636.85	582.96
(e) Investment in Property		—	3.09	3.09
(f) Financial Asset				
(i) Investments	**3**	**97,794.49**	76,435.09	86,174.77
(ii) Loans	**4**	**51,023.52**	43,728.09	47,955.79
(iii) Other Financial Assets	**5**	**2,180.55**	15,336.89	38,195.44
Total Non-Current Assets		**1,93,412.37**	**3,79,266.72**	**3,51,844.26**
Current assets				
(a) Inventories	**6**	**36,005.19**	15,488.43	24,202.29
(b) Financial Asset				
(i) Investments	**7**	—	9,451.60	77.27
(ii) Trade receivables	**8**	**85,036.43**	56,243.04	36,798.76
(iii) Cash and cash equivalents	**9**	**19,704.09**	22,441.46	19,234.33
(iv) Loans	**10**	**5,795.27**	12,042.58	10,449.50
(v) Other Financial Asset	**11**	—	75.18	32.01
(c) Current Tax Assets (Net)	**12**	**4,074.55**	8,157.76	5,978.71
(d) Other Current Assets	**13**	**1,00,279.76**	84,851.88	70,210.05
Total Current Assets		**2,50,895.29**	**2,08,751.93**	**1,66,982.92**
TOTAL ASSETS		**4,44,307.66**	**5,88,018.65**	**5,18,827.18**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	**14**	**3,545.04**	3,545.04	3,022.70
(b) Other Equity	**15**	**47,600.10**	51,444.38	70,918.08
		51,145.14	54,989.42	73,940.78
Non-controlling Interest		—	(1,823.32)	990.00
		51,145.14	**53,166.10**	**74,930.78**
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	**16**	**97,769.80**	2,72,805.26	2,24,853.60
(ii) Other Financial liabilities	**17**	**92,391.80**	91,965.11	53,923.04
(b) Provisions	**18**	**978.31**	910.06	702.11
(c) Deferred Tax Liabilities (Net)	**19**	**2,320.22**	2,243.80	2,876.25
Total Non-Current Liabilities		**1,93,460.13**	**3,67,924.23**	**2,82,355.00**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	**20**	**95,960.82**	94,551.08	84,351.31
(ii) Trade payables	**21**	**66,079.21**	43,211.85	45,358.06
(iii) Other Financial Liabilities	**22**	**33,216.40**	22,551.68	25,296.70
(b) Other Liabilities	**23**	**4,436.33**	6,604.27	6,425.53
(c) Provisions	**24**	**9.63**	9.44	109.80
Total Current Liabilities		**1,99,702.39**	**1,66,928.32**	**1,61,541.40**
TOTAL EQUITY AND LIABILITIES		**4,44,307.66**	**5,88,018.65**	**5,18,827.18**
Significant Accounting Policies	**1**			
Other Notes forming part of the Financial Statements	**33**			

As per our report attached
For M O S & ASSOCIATES LLP
Chartered Accountants

S.V.C. REDDY
Partner

Place : Hyderabad.
Date : 6th December, 2017

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary & Compliance Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

₹ in Lakhs

	Particulars	Note No	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
I.	Revenue from Operations	25	**2,11,535.05**	1,72,624.14
II.	Other Income	26	**3,058.35**	1,937.98
III.	Total Income (I+II)		**2,14,593.40**	1,74,562.12
IV.	**Expenses**			
	(a) Const of Materials consumed and cost of Purchases & Services	27	**67,936.87**	87,044.05
	(b) Work Expenditure	28	**1,06,573.75**	53,389.75
	(c) Changes in Work in Progress	29	**(5,542.82)**	5,643.82
	(d) Employee benefits expenses	30	**5,866.98**	2,966.36
	(e) Finance costs	31	**25,693.71**	18,555.39
	(f) Depreciation and amortization expense	2	**4,315.54**	4,373.67
	(g) Other Expenses	32	**4,398.56**	2,903.68
	Total Expenses (IV)		**2,09,242.59**	1,74,876.72
V.	**Profit/(Loss) before Exceptional items and Tax (III-IV)**		**5,350.81**	(314.60)
VI	a) Exceptional items (Net) (Refer Note No.33.13)		**(1,538.65)**	59.40
	b) Share of Profit /(Loss) of Joint Ventures & Associates		**(1,476.95)**	(3,221.68)
VII	**Profit / (Loss) Before Tax**		**2,335.21**	(3,476.88)
VIII	**Tax Expenses**			
	(a) Current Tax (including previous year taxations)		**2,297.80**	1,767.94
	(b) Deferred Tax (Net)		**67.36**	(600.90)
IX	**Profit / (Loss) for the year from continuing operations (VII-VIII)**		**(29.95)**	(4,643.92)
X	Non-controling Interest		**—**	1,922.34
XI	**Profit / (Loss) for the year (IX+XII)**		**(29.95)**	(2,721.58)
XII	Other Comprehensive Income (OCI)		**—**	—
	Items that will not be reclassified to profit or loss :			
	i) Re-measurement gains/(losses) on actuarial valuation of Post Employment defined benefits		**26.17**	(97.10)
	ii) Income tax relating to Items that will not be reclassified to profit or loss		**(9.06)**	31.54
	Total Other Comprehensive Income (XII)		**17.11**	(65.56)
XIII	**Total Comprehensive Income for the Year (XI+XII)**		**(12.84)**	(2,787.14)
XIV	Earning per Share (of ₹ 2/- each) (Refer Note No.33.7)			
	Basic and Diluted (₹)		**(0.02)**	(1.62)
	Significant Accounting Policies	1		
	Other Notes forming part of the Financial Statements	33		

As per our report attached
For M O S & ASSOCIATES LLP
Chartered Accountants

S.V.C. REDDY
Partner

Place : Hyderabad.
Date : 6th December, 2017

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary & Compliance Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

A. Equity Share Capital and Other Equity ₹ in Lakhs

Particulars	Equity Share Capital (Note 14)	Other Equity						
		Reserves & Surplus						
		Capital Reserve	General Reserve	Securities Premoum Account	Debenture Redemption Reserve	Equity Component of Compound Financial Instruments	Retained earnings	Total other Equity
As at 01st April 2015	***3,022.70***	***24,718.44***	***10,500.00***	***28,519.92***	***1,300.00***	***7,025.00***	***(1,145.28)***	***70,918.08***
Changes in Equity Share Capital	522.34	—	—	—	—	—	—	**—**
Premium received on Shares issued during the year	—	—	—	10,121.87	—	—	—	**10,121.87**
Additions to Reserve during the year	—	(24,575.04)	—	—	—	—	—	**(24,575.04)**
Surplus / (Deficit) for the year	—	—	—	—	—	—	(2,787.15)	**(2,787.15)**
Financial Guarantee Given on behalf of holding Company	—	—	—	—	—	—	(2,138.54)	**(2,138.54)**
Amount transferred from DRR	—	—	1,300.00	—	(1,300.00)	—	—	**—**
On account of derecognition of Associates	—	—	—	—	—	—	300.96	**300.96**
Dividend and Dividend Tax	—	—	—	—	—	—	(395.80)	**(395.80)**
Transferred from Surplus to General Reserve	—	—	500.00	—	—	—	(500.00)	**—**
As at 31st March 2016	**3,545.04**	**143.40**	**12,300.00**	**38,641.79**	—	**7,025.00**	**(6,665.81)**	**51,444.38**
Changes in Equity Share Capital	—	—	—	—	—	—	—	**—**
Less: On account of derecognition of Associates	—	—	—	(3,119.73)	—	(7,025.00)	**(10,144.73)**	
Adjustment on account of Composite Scheme of Arrangement (Refer Note No.33.15)	—	—	—	(16,707.60)	—	—	23,874.24	**7,166.64**
Surplus / (Deficit) for the year	—	—	—	—	—	—	(12.84)	**(12.84)**
Dividend and Dividend Tax	—	—	—	—	—	—	(853.35)	**(853.35)**
As at 31st March, 2017	**3,545.04**	**143.40**	**12,300.00**	**18,814.46**	**—**	**—**	**16,342.24**	**47,600.10**

As per our report attached
For M O S & ASSOCIATES LLP
Chartered Accountants

S.V.C. REDDY
Partner

Place : Hyderabad.
Date : 6th December, 2017

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary & Compliance Officer

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2017

₹ in Lakhs

	Particulars	**For theYear Ended 31st March, 2017**	For the Year Ended 31st March, 2016
A	**Cash Flow from Operating Activities:**		
	Profit before Tax excluding extraordinary and exceptional items	**5,350.81**	(314.60)
	Adjustments for:	—	
	Share of Profit /(Loss) from Joint Ventures & Associates	**(1,476.96)**	(3,221.68)
	Depreciation and amortization	**4,315.54**	4,373.67
	Interest and other Income	**(3,058.35)**	(1,937.98)
	Loss / (Profit) on sale of Property, Plant and Equipment	**(1.37)**	—
	Finance Costs	**27,010.59**	18,555.39
	Foreign Currency Translation and Transactions – ECB	**1.20**	46.19
	Other non-cash items/ Provisions	**26.17**	(97.10)
	Operating Profit before working Capital Changes	**32,167.63**	**17,403.89**
	Adjustments for:		
	(Increase) / Decrease in Trade Receivables	**(22,637.09)**	(19,444.28)
	(Increase) / Decrease in non-current financial asset	**(2,123.03)**	27,086.25
	(Increase) / Decrease in current financial asset	**(2,523.17)**	(1,636.25)
	(Increase) / Decrease in Other current assets	**(13,509.55)**	(16,820.88)
	(Increase) / Decrease in Inventory	**(20,516.76)**	8,713.86
	Increase / (Decrease) in current financial liabilities	**1,639.40**	(2,666.64)
	Increase / (Decrease) in non-current financial liabilities	**29,050.78**	38,250.02
	Increase / (Decrease) in Trade Payables	**24,164.68**	(2,146.21)
	Cash (used in) / generated from Operating activities	**25,712.89**	48,739.76
	Direct Taxes paid (Net)	**(2,297.80)**	(1,767.94)
	Net Cash (used in)/ generated from Operating Activities (A)	**23,415.09**	**46,971.82**
B	**Cash Flow from Investing Activities**		
	Purchage of Property, Plant and Equipment including capital work-in-progress	**(19,543.04)**	(68,622.06)
	Purchase of Non-Current Investments	**(2,621.93)**	9,739.68
	Proceeds from Advances	**15,000.00**	
	Purchase of Current Investments	—	(9,374.33)
	Proceeds from sale of Property, Plant & Equipment	**3,040.75**	—
	Interest and other income received	**4,056.96**	1,937.98
	Net Cash (used in)/ generated from Investing Activities (B)	**(67.26)**	**(66,318.73)**
C	**Cash Flow from Financing Activities**		
	Proceeds from issue of Share Capital including share premium	—	10,644.21
	Adjustment on account of Ind AS and application of composite scheme of arrangement		(27,290.41)
	Net Proceeds from Long term borrowings	**12,748.08**	47,951.66
	Net Proceeds from Short term borrowings	**(9,935.56)**	10,199.77
	Finance Costs	**(23,621.40)**	(18,555.39)
	Dividend & Dividend Distribution Tax paid	**(853.35)**	(395.80)
	Net Cash (used in)/ generated from Financing Activities (C)	**(21,662.23)**	**22,554.04**
	Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	**1,685.60**	3,207.13
	Cash and Cash Equivalents at the beginning of the year	**18,018.49**	19,234.33
	Cash and Cash Equivalents at the end of the year	**19,704.09**	**22,441.46**

a Figures in brackets represent cash outflows.

b The Accompanying Notes and other explanatory information form an integral part of the Financial Statements.

As per our report attached
For M O S & ASSOCIATES LLP
Chartered Accountants

S.V.C. REDDY
Partner

For and on behalf of the Board

T. INDIRA SUBBARAMI REDDY
Chairperson
DIN : 00009906

T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

Place : Hyderabad.
Date : 6th December, 2017

P. SREEDHAR BABU
Chief Financial Officer

I.V. LAKSHMI
Company Secretary & Compliance Officer

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 (a) Compliance with Indian Accounting Standards (Ind AS)

The Group's Consolidated Financial statements have been prepared to comply with generally accepted accounting principles in accordance with the Indian Accounting Standards (herein after referred to as "Ind AS") as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act 2013 ("the Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendments rules 2016.

(b) First time adoption of Ind AS

These Consolidated Financial Statements for the financial year ended 31st March, 2017 is the first year that the Company has prepared the Consolidated Financial Statements as per Ind AS. The Consolidated Financial Statements for the year ended 31st March, 2016 and the Opening Balance Sheet as on 1st April, 2015 have been restated in accordance with Ind AS for comparative information. On first time adoption of Ind AS, Ind AS 101 allows certain exemptions from the retrospective application of certain requirements under Ind AS. The following exemptions are availed by the company in first time adoption of Ind AS:

(i) The Company has elected to consider the carrying values for all property, plant and equipment as deemed cost at the date of the transition i.e on 01st April, 2015 and further the Company has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for investments in subsidiaries and associates on the date of transition to Ind AS i.e on 01st April, 2015.

(ii) As per the requirement of Ind AS 101 for first time adopters of Ind AS, the Company has elected to apply the de-recognition requirements for financial assets and financial liabilities as stated in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

The estimates as at April 01, 2015 and March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 01st April, 2015 (transition date) and as of 31st March, 2016.

1.2 a) Basis of Preparation and Presentation of Financial Statements

The Consolidated Financial Statements are prepared on accrual basis following the historical cost convention except in case of certain financial instruments which are measured at fair values. The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss are prepared and presented in the format prescribed under Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Indian Accounting Standard (Ind AS) - 7 on "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with other notes required to be disclosed under the notified Ind AS and the Listing Agreement. 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 viz. SEBI guidelines override the same requiring a different treatment. Accounting Policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy used previously.

Fair value for measurement adopted in these financial statements is determined on such a basis, except leasing transactions that are within the scope of Ind AS 17, Net Realizable value as per Ind AS

2 or value in use as per Ind AS 36.Fair value measurements under Ind AS are categorized as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

b) Principles of Consolidation

The consolidated financial statements have been prepared on the following basis:

i. Investments in Subsidiaries:

The Financial Statements of the Company and its subsidiary companies have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as per Indian Accounting Standard - 110 "Consolidated Financial Statements" issued by Institute of Chartered Accountants of India.

ii. Investments in Associates:

Investments in associate companies have been accounted for, by using equity method "Accounting for Investments in Associates in Consolidated Financial Statements, whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post-acquisition change in the Company's share of net assets of the associate. The carrying amount of investment in associate companies is reduced to recognize any decline which is other than temporary in nature and such determination of decline in value, if any, is made for each investment individually. The unrealized profits/losses on transactions with associate companies are eliminated by reducing the carrying amount of investment".

iii. Investments in Joint Ventures:

A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in Joint Venture are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in joint ventures includes goodwill identified on acquisition.

iv. The financial statements are presented to the extent possible, in the same manner as the parent company's independent financial statements.

v. On acquisition of Investment in a joint venture or associate, any excess of cost over investment over the fair value of the assets & liabilities of the joint venture is recognized as goodwill and is included in the carrying value of the investment in the joint venture and associate. The excess of fair value of assets and liabilities over the investment is recognized directly in equity as capital reserve.

Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned directly or indirectly by the parent company.

a) Non-controlling interest in the net assets of consolidated subsidiaries consists of:

i) The amount of equity not attributable to owners of parent company at the date on which investment in a subsidiary is made; and

ii) The Non-controlling share of changes in the equity since the date the parent subsidiary relationship came into existence.

b) Non-controlling interest in the net profit/(loss) for the year of consolidated subsidiaries is computed and adjusted against the net profit/(loss) after tax of the group.

Non-controlling interest in the net assets of the consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet under the head Total Equity group.

1.3 Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management of the Group to make 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 on the date of the financial statements. Actual results may differ from these estimates. The Group evaluates these estimations and assumptions on a continuous basis based on the historical experience and other factors including expectation of future events believed to be reasonable. 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, estimation of costs as a proportion to the total costs, etc.,. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known/ materialized. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, are disclosed in the Notes to Accounts.

1.4 Revenue recognition

A. Revenue from Operations

a. Revenue from Construction activity:

i) Income is recognized on fixed price construction contracts in accordance with the percentage of completion basis, which necessarily involve technical estimates of the percentage of completion, and costs to completion, of each contract / activity, on the basis of which profits and losses are accounted. When the outcome of the contract is ascertained reliably, contract revenue is recognized at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed up to the date, to the total estimated contract costs

ii) The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract

iii) Price escalation and other variations in the contract work are included in contract revenue only when:

   a) Negotiations have reached at an advanced stage such that it is probable that customer will accept the claim and

   b) The amount that is probable will be accepted by the customer and can be measured reliably.

iv) Incentive payments, as per customer-specified performance standards, are included in contract revenue only when:

   a) The contract has sufficiently advanced such that it is probable that the specified performance standards will be met; and

   b) The amount of the incentive payment can be measured reliably.

v) Contract Claims raised by the company which can be reliably measured and have reached an advanced stage of arbitration and pending in High court have been recognized as income.

b. **Revenue from supply of materials:**

Revenue from supply of materials is recognized when substantial risks and rewards of ownership are transferred to the buyer and invoice for the same are raised.

c. **Revenue receipts on Joint Venture Contracts**

i) In work sharing Joint Venture arrangements, revenues, expenses, assets and liabilities are accounted for in the Company's books to the extent work is executed by the Company.

ii) In Jointly Controlled Entities, the share of profits or losses is accounted as and when dividend/ share of profit or loss are declared by the entities.

d. **Other Operational Revenue:**

i) All other revenues are recognized only when collectability of the resulting receivable is reasonably assured.

ii) Revenue is reported net of discounts, if any.

B. **Other Income**

i) Interest income is accounted on accrual basis as per applicable interest rates and on time proportion basis taking into account the amount outstanding.

ii) Dividend income is accounted in the year in which the right to receive the same is established.

iii) Insurance claims are accounted for on cash basis.

1.5 (a) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation thereon. Expenditure which are capital in nature are capitalized at cost, which comprise of purchase price (net of rebates and discounts), import duties, levies, financing costs and all other expenditure directly attributable to bringing the asset to its working condition for its intended use.

Any gain/loss on the disposal of the Property, Plant and Equipment is recognized in the Statement of Profit &Loss account and is determined as the difference between the sales proceeds and the carrying amount of the asset.

(b) Capital Work in Progress

Property, Plant and Equipment which are purchased but not yet installed and not ready for their intended use on the date of balance sheet are disclosed as "Capital Work-in-Progress". Cost of materials used in the process of erection/installation of an asset but not yet completed as on the reporting date are also disclosed as "Capital Work-in-Progress".

1.6 Depreciation and amortization

In respect of Property, Plant & Equipment (other than Land and Capital Work in Progress) depreciation / amortization is charged on a straight line basis over the useful lives as specified in Schedule II to the Companies Act 2013.

Assets individually costing ₹ 5,000/- or less and temporary structures are fully depreciated in the year of acquisition.

The residual values and useful lives are reviewed at the end of the reporting period.

The Group has adopted the carrying amount of the previous GAAP as its deemed cost on the date of the transition to Ind AS i.e 1st April, 2015.

1.7 Impairment of Non-Financial Assets

As at each Balance Sheet date, the Group assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the

Group determines the recoverable amount and impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the Assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows),at the higher of cash generating unit's fair value less cost to sell and value in use.
- In assessing Value in Use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified with the asset. In determining fair value less cost to sell, recent market transactions are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through the Statement of Profit and Loss.

1.8 Financial Instruments

Financial Assets and Financial Liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial Assets and Financial Liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets and Financial Liabilities (other than Financial Assets and Financial Liabilities at fair value through profit or loss) are added to or deducted from the fair value of the Financial Assets or Financial Liabilities, as appropriate, on initial recognition.

1.9 Financial Assets

Financial Asset is any Asset that is -

(a) Cash

(b) Equity Instrument of another entity,

(c) Contractual right to -

   i) receive Cash / another Financial Asset from another entity, or

   ii) exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially favourable to the Entity.

Investment in Equity Shares issued by Subsidiary, Associate and Joint Ventures are carried at cost less impairment.

Investment in preference shares are classified as debt instruments and carried at Amortized cost if they are not convertible into equity instruments and are not held to collect contractual cash flows. Other Investment in preference shares which are classified as Debt instruments are mandatorily carried at Fair value through Profit & loss Account (FVTPL).

All investments in equity instruments other than as classified above under Financial Assets are initially carried at fair value. The Group has adopted to measure the fair value of equity instruments through FVTPL Fair value changes on an equity instrument are recognized in the Statement of Profit & Loss.

Investments in equity instruments are classified as at FVTPL, unless the related instruments are not held for trading and the company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income.

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss.

Financial Liabilities

Financial liabilities are recognized at fair value net of transaction costs and are subsequently held at amortized cost using the effective interest rate method. Financial liabilities carried at fair value through profit and loss are measured at fair value with changes in fair value recognized in the profit and loss account. Interest bearing bank loans are initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

De-recognition of Financial Instruments

A Financial Asset is derecognized when the rights to receive cash flows from the asset have expired or the Group has transferred substantially all the risks and rewards or the right to receive the cash flows under a contractual arrangement or has transferred the asset.

A Financial Liability is derecognized when the obligation under the liability is discharged or cancelled or expired. In the case where the existing liability is replaced by another liability either from the same lender or otherwise such an exchange is treated as de-recognition of the original liability and recognition of a new liability. Any change in the carrying amount of a liability is recognized in the Statement of Profit and Loss.

The Group has entered into certain forward contracts in respect of foreign currency risks. The gain or loss relating to the ineffective portion of the hedge is recognized immediately in the Statement of Profit and Loss.

1.10 Inventories and Work in Progress

Raw Materials, Construction Materials and Stores &Spares are valued at lower of weighted average cost or net realizable value. Cost includes direct material, work expenditure, labour cost and appropriate overheads excluding refundable duties and taxes.

Work in Progress is valued at contracted rates less profit margin / estimates.

1.11 Cash & Cash Equivalents

Cash and Cash Equivalents are short term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits.

1.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation in respect of which reliable estimate can be made as on the balance sheet date.

Contingent Liabilities are present obligations arising from a past event, when it is not probable / probability is remote that an outflow of resources will be required to settle the obligation and they are not recognized but are disclosed in the notes.

Contingent Assets are neither recognized nor disclosed in the financial statements except where it has become virtually certain that an inflow of economic benefit will arise, the asset and the related income are recognized in financial statements of the period in which the change occurs Provisions for Contingent Liabilities and Contingent Assets are reviewed at the end of Balance Sheet date.

1.13 Foreign Currency Transactions and Translation

The reporting currency of the Group is Indian Rupee. Foreign Currency Transactions are translated at the functional currency spot rates prevailing on the date of transactions.

Monetary assets and current liabilities related to foreign currency transactions remaining unsettled are translated at the functional currency spot rates prevailing on the balance sheet date. The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions are recognized in the Statement of Profit and Loss.

Non-monetary foreign currency items are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

1.14 Employee Benefits

Payments to Defined Contribution schemes are charged as an expense as they fall due. Company's provident fund in respect of certain employees is made to a government administrated fund and charged as an expense to the Statement of Profit and Loss.

Liability for employee benefits, both short and long term, for present and past service which are due as per the terms of employment are recorded in accordance with Indian Accounting Standard 19 "Employee Benefits" issued by the Companies (Accounting Standard) Rules, 2015. Re-measurement gains /losses on post-employment defined benefits comprising gains/ losses is reflected immediately in the balance sheet with a charge or credit to other comprehensive income in the period in which it arises.

i) Gratuity

In accordance with the Payment of Gratuity Act, 1972 the Group provides for Gratuity covering eligible employees. The liability on account of Gratuity is provided on the basis of valuation of the liability by an independent actuary as at the year end.

ii) **Provident Fund**

In accordance with applicable local laws, eligible employees of the Group are entitled to receive benefits under the provident fund, a defined contribution plan to which both the employee and employer contributes monthly at a determined rate (currently up to 12% of an employee's salary). These contributions are either made to the respective Regional Provident Fund Commissioner, or the Central Provident Fund under the State Pension Scheme, and are recognized as expenses incurred.

iii) **Compensated Absences**

The employees are entitled to accumulate leave subject to certain limits, for future encashment and availment, as per the policy of the Group.

The liability towards such unutilized leave as at the end of each balance sheet date is determined based on independent actuarial valuation and recognized in the Statement of Profit and Loss.

1.15 Deferred Revenue Expenditure

Projects and other related expenditure incurred up to 31st March, 2017, the benefit of which is spread over more than one year is accounted as Project Promotion Expenses grouped under Other Advances and is amortized over the period in which benefits would be derived.

1.16 Leases

a) Finance Lease

Assets taken on finance lease are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

b) Operating Leases

Operating Leases range from 11 months to 36 months and are usually cancellable / renewable by mutual consent on agreed terms. Further Lease payments under an operating lease are recognized as an expense in the Statement of Profit and Loss.

1.17 Earnings per Share (EPS)

In arriving at the EPS, the Group's Net Profit AfterTax, is divided by the weighted average number of equity shares outstanding. The EPS thus arrived at is known as 'Basic EPS'. To arrive at the diluted EPS, the net profit after tax, referred above, is divided by the weighted average number of equity shares, as computed above and the weighted average number of equity share that could have been issued on conversion of shares having potential dilutive effect subject to the terms of issue of those potential shares. The date(s) of issue of such potential shares determine the amount of the weighted average number of potential equity shares.

1.18 Taxation

i) **Current Tax**

Provision for Current tax is made based on the liability computed in accordance with the relevant tax rates and provisions of Income Tax Act, 1961 as at the balance sheet date and any adjustments to taxes in respect of the previous years, penalties if any related to income tax are included in the current tax expense.

ii) **Deferred Taxes**

Deferred Tax is the tax expected to be payable or recoverable on differences between the carrying amount of the assets and liabilities for financial reporting purpose and the corresponding tax bases used in computation of taxable profit. Deferred tax assets are recognized and carried forward only 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.

Current and deferred tax is recognized in profit or loss, except to the extent that it related to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

1.19 Commitments

Commitments are future liabilities for contractual expenditure.

Commitments are classified and disclosed as follows:

a. Estimated amount of contracts remaining to be executed on capital account and not provided for;

b. Uncalled liability on shares and other investments partly paid;

c. Funding related commitment to subsidiary, associate and joint venture companies and

d. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

1.20 Operating cycle for current and non-current classification

Operating cycle for the business activities of the Group covers the duration of the specific project/contract including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

1.21 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

i. transactions of a non-cash nature;

ii. any deferrals or accruals of past or future operating cash receipts or payments; and

iii. items of income or expense associated from investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in the Statement of Cash Flows

1.22 Exceptional Items:

Items of income and expenditure within profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the period, the nature and amount of such items are disclosed separately as Exceptional Items.

1.23 Borrowing Cost

Borrowing costs net of any investment income from the temporary investment of related borrowings that are attributable to the acquisition or construction of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

2a. Property, Plant and Equipment

₹ in Lakhs

Particulars	Gross Carrying amount as at April 1, 2016	Additions/ Adjustment during the year	Deletions/ Retirement during the year	Gross Carrying amount as at March 31, 2017	Accumulated Depreciation as at April 1, 2016	Depreciation for the Year	Deductions/ Adjustment during the year	Accumulated Depreciation as at March 31, 2017	Net Carrying Amount as at March 31, 2017	Net Carrying Amount as at March 31, 2016	Net Carrying Amount as at April 1, 2015
Land	6,256.27	—	9.75	6,246.52	—	—	—	—	6,246.52	6,256.27	6,246.52
Plant and Equipment	38,008.22	16,220.19	427.58	53,800.83	21,168.52	3,937.06	387.84	24,717.74	29,083.09	16,839.70	14,834.04
Wind Power Equipment	5,936.86	—	5,936.86	—	1,407.96	—	1,407.96	—	—	4,528.90	4,792.85
Furniture and Fixtures	327.18	105.96	—	433.14	210.46	29.21	—	239.67	193.47	116.72	135.82
Vehicles	2,924.32	808.09	42.20	3,690.21	1,746.29	349.27	41.19	2,054.37	1,635.84	1,178.03	1,030.92
Total	**53,452.85**	**17,134.24**	**6,416.39**	**64,170.70**	**24,533.23**	**4,315.54**	**1,836.99**	**27,011.78**	**37,158.92**	**28,919.62**	**27,040.15**

2b. Intangable Asset

₹ in Lakhs

Particulars	**As at 31st March, 2017**	**As at 31st March, 2016**	**As at 1st April, 2015**
Opening Goodwill on consolidation / Amalgamation	**2,220.15**	2,220.15	2,220.15
Additions / (Deletions) during the year	**-**	-	-
Total	**2,220.15**	**2,220.15**	**2,220.15**

2c. Intangable Assets under development

₹ in Lakhs

Particulars	**As at 31st March, 2017**	**As at 31st March, 2016**	**As at 1st April, 2015**
Opening Balance	**1,30,391.20**	1,49,506.55	1,49,506.55
Add : Expenditure incurred during the year		37,867.33	—
Less : Capitalised during the year		(56,982.68)	—
Less : Adjustment for change in status of erstwhile Subsidiary into Associate	**(1,30,391.20)**	—	—
Closing Balance	—	**1,30,391.20**	**1,49,506.55**

2b.Capital work in Progress

Particulars	**As at 31st March, 2017**	**As at 31st March, 2016**	**As at 1st April, 2015**
Opening Balance	636.85	582.96	582.96
Additions during the year	2,410.17	53.89	—
Less : Capitalisation / Adjustments	—	—	—
Total	3,047.02	636.85	582.96

3. Investments **₹ in Lakhs**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-Trade investments			
Unquoted			
Investment in Associate Companies			
(i) 1,24,80,000 Equity Shares of ₹ 10/- each, fully paid in Gayatri Domicile Pvt.Ltd. (Refer Note 33.15)	**1,248.00**	—	—
(ii) 31,32,22,701 (as at 31st March, 2016 : 22,47,27,125, as at 31st March, 2015 : 22,47,27,125) Equity share of ₹10/- each fully paid - NCC Infrastructure Holdings Ltd (Refer Note No.3.1)	**29,004.44**	20,481.26	22,218.94
(iii) 30,000 (as at 31st March, 2016 :30,000, as at 31st March, 2015 : 30,000) equity share of ₹10/- each fully paid up - Sembcorp Gayatri O&M Co. Pvt Ltd	**2.14**	2.28	2.40
(iv) Nil (As at 31st March 2016 : 9,90,000, As at 1st April 2015 : 9,90,000) Equity Shares of ₹ 10/- each Hyderabad Expressways Ltd	—	1,631.40	1,012.28
(v) Nil (As at 31st March 2016 : Nil, As at 1st April 2015 : 49,36,850) Equity Shares of ₹ 10/- each Western UP Tollways Ltd	—	—	8,074.51
(vi) Nil (As at 31st March 2016 : 2,16,19,994 , As at 1st April 2015 : 2,16,19,994) Gayatri Jhansi Roadways Ltd	—	1,790.79	1,692.74
(vii)Nil (As at 31st March 2016 : 1,62,18,000 , As at 1st April 2015 : 1,62,18,000) Gayatri Lalitpur Roadways Ltd	—	1,808.41	1,678.17
B. Other Investments			
Un-quoted			
i) 2,35,00,000 (As at 31st March 2016 : 2,35,00,000) 9% non-Convertible redeemable cumulative preferential Shares of ₹ 10/- each, fully paid in Gayatri Hitech Hotels Ltd. (Refer note 3.3)	**23,500.00**	23,500.00	—
ii) 16,77,00,300 (Previous year Nil) Preferential Shares of ₹ 10/- each, fully paid in Gayatri Domicile Pvt. Ltd. (Refer note 33.15)	**16,770.03**	—	—
iii) 24,16,00,000 (as at 31st March, 2016 : 24,16,00,000, as at 31st March, 2015 : 23,66,00,000) equity share of ₹10/- each fully paid up Thermal Powetech Corporation Indian Limited	**24,161.60**	24,161.60	48,434.07
iv) 24,79,338 (as at 31st March, 2016 :24,79,338, as at 31st March, 2015 :24,79,338) Equity shares of ₹10/- each fully paid up - Jinbhuish Power Generation Pvt Ltd (Refer note 3.2)	**3,000.00**	3,000.00	3,000.00
Quoted			
(i) 11,63,607 (As at 31st March 2016 : 11,63,607, As at 1st April 2015 : 11,63,607) Equity Shares of ₹ 10/- each in Gayatri Sugars Ltd. (Refer Note No. 3.4 below)	**293.10**	293.10	293.10
(ii) 1,728 (As at 31st March 2016 :1,728, As at 1st April 2015 : 1,728) Equity Shares of ₹ 10/- each in Syndicate Bank Ltd.,	**0.86**	0.86	0.86
(iii) Investment in Mutual Funds	—	—	42.11
Less: Provision for diminution in value of Investment	**(278.44)**	(278.44)	(278.44)
Gain /(Loss) on Fair Valuation of Investments	**92.76**	43.83	4.03
Total	**97,794.49**	**76,435.09**	**86,174.77**

Details of Quoted and Unquoted Investments: **₹ in Lakhs**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Aggregate Amount of Quoted Investment	**15.52**	**15.52**	**15.52**
Aggregate Market value of Quoted Investment	**108.28**	**59.35**	**19.55**
Aggregate Amount of Unquoted Investment	**1,05,503.86**	**1,18,161.51**	**94,654.94**

3.1) 7,47,49,590 Equity Shares of NCC Infrastructure Holdings Ltd held by the Gayatri Energy Ventures Pvt. Ltd (a Subsidiary Company) are pledged in favour of IFCI Limited as colleteral security for the debentures issued by the said Subsidiary Company.

3.2) 2,74,49,989 Equity Shares of Jinbhuvish Power Generation Private Limited held by the Gayatri Energy Ventures Pvt. Ltd are pledged in favour of JPPL with the Escrow agent.

3.3) All the Preferential Shares held by the company in Gayatri Hitech Hotels Ltd have been pledged to the consortium of the lenders.

3.4) All the Equity Shares held by the company in Gayatri Sugars Limited have been pledged to the consortium of the lenders.

4. Loans

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Security Deposit with Govt. Depts and Others	**45.37**	47.90	62.89
Loans to Related Parties - Unsecured, Considered Good			
- Loan to Subsidiaries	—	3,922.17	3,849.46
- Loan to Associates	**17,946.01**	5,398.73	9,867.21
- Others	—	1,327.15	1,144.09
To Others - Unsecured, Considered Good			
- Inter Corporate Loan (Refer Note No. 33.16)	**33,032.14**	33,032.14	33,032.14
Total	**51,023.52**	**43,728.09**	**47,955.79**

5. Other Financial assets

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unsecured, Considered Good			
- Receivables from Related Party	—	5,302.65	28,169.20
- Call option fee for TPCIL (Refer Note No.33.20)	**2,125.56**	—	—
- Advance for Purchase of Equity shares	—	10,000.00	10,000.00
- Other Advances	**54.99**	34.24	26.24
Total	**2,180.55**	**15,336.89**	**38,195.44**

6. Inventories

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(a) Construction materials, Stores and Spares	**21,898.66**	6,924.72	9,994.76
(b) Work in Progress	**14,106.53**	8,563.71	14,207.53
Total	**36,005.19**	**15,488.43**	**24,202.29**

7. Investments

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Mutual Funds	—	35.19	77.27
Investment held for Sale	—	9,416.41	—
Total	—	**9,451.60**	**77.27**

8. Trade Receivables

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(a) Secured, considered good			
Unsecured, considered good			
- Related Parties:	**902.70**	965.56	1,490.55
- Others	**84,133.73**	55,277.48	35,308.21
Total	**85,036.43**	**56,243.04**	**36,798.76**

9. Cash and cash equivalents

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(a) Balances with banks			
In current accounts	**1,626.89**	4,959.82	7,076.35
In deposit accounts	—	—	—
i. Margin money for Bank Guarantees / LCs	**15,925.63**	15,679.36	9,360.87
ii. Other Deposits	**2,116.80**	1,738.22	2,743.76
(b) Cash in hand	**34.77**	64.06	53.35
Total	**19,704.09**	**22,441.46**	**19,234.33**

10. Loans

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
To Related Parties - Unsecured, Considered Good			
- Loans to Subsidiaries	—	5,522.36	5,176.24
- Loans to Associates	**5,795.27**	6,520.22	5,273.26
Total	**5,795.27**	**12,042.58**	**10,449.50**

11. Other Financial Asset

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Interest Accrued and not received from Banks	—	75.18	32.01
Total	—	75.18	32.01

12. Current Tax Assets (Net)

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Tax Refund Receivable	**4,074.55**	8,157.76	5,978.71
Total	**4,074.55**	**8,157.76**	**5,978.71**

13. Other Current Assets

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deposits with Contractees	**21,761.12**	16,366.72	17,762.70
Deposits with Govt. Dept & Others	**440.99**	428.73	363.15
Advances - Unsecured, considered Good			
- Advances to Suppliers	**5,570.68**	1,784.82	646.59
- Advances to Sub-Contractors (Refer Note No.33.17)	**63,097.17**	58,527.59	44,797.96
- Staff Advances	**278.91**	231.75	189.20
- Other Advances	**3,540.12**	1,273.56	1,383.04
- Prepaid Expenses	**749.60**	72.13	360.27
- Share Application Money Given Pending for Allotment (Refer Note No.33.19)	**1,505.49**	1,490.83	1,471.40
- Advance for Purchase of Equity Shares (Refer Note No.33.19)	**1,000.00**	1,000.00	1,000.00
- Advance to a Company where KMP having substantial interest (Refer Note No.33.21 & 33.22)	**2,265.47**	2,265.47	2,175.68
- Others	**70.21**	1,410.28	60.06
Total	**1,00,279.76**	**84,851.88**	**70,210.05**

14. Equity Share Capital

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
(i) Authorised Share Capital Equity shares of ₹ 2/- each (As at 31st March 2016 : ₹ 10/- each, As at 1st April 2015 : ₹ 10/- each)	**80,000,000**	**8,000.00**	80,000,000	8,000.00	80,000,000	8,000.00
(ii) Issued Share Capital Equity shares of ₹ 2/- each (As at 31st March 2016 : ₹ 10/- each, As at 1st April 2015 : ₹ 10/- each)	**177,251,900**	**3,545.04**	35,450,380	3,545.04	30,226,994	3,022.70
(iii) Subscribed and fully paid up Share Capital Equity shares of ₹ 2/- each (As at 31st March 2016 : ₹ 10/- each, As at 1st April 2015 : ₹ 10/- each)	**177,251,900**	**3,545.04**	35,450,380	3,545.04	30,226,994	3,022.70
Total	**177,251,900**	**3,545.04**	**35,450,380**	**3,545.04**	**30,226,994**	**3,022.70**

14(a) Terms / Rights, Preferences and restrictions attached to Equity Shares:

The company has only one class of shares referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

14(b) The face value of shares of the Company was split from ₹10.00 per share to ₹ 2.00 per share with effect from 10.02.2017 (record date 13.02.2017).

14(c) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
Equity shares of ₹ 2/- each (As at 31st March 2016 : ₹ 10/- each, As at 1st April 2015 : ₹ 10/- each) :						
At the beginning of the period	**35,450,380**	**3,545.04**	30,226,994	3,022.70	30,226,994	3,022.70
Add: Shares issued during the year	—	—	5,223,386	522.34	—	—
Add: Shares issued during the year by splitting one equity share of ₹10/- each into 5 equity shares of ₹ 2/- each	**141,801,520**	—	—	—	—	—
Outstanding at the end of the period	**177,251,900**	**3,545.04**	**35,450,380**	**3,545.04**	**30,226,994**	**3,022.70**

14 (d) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: Nil

14 (e) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Number of shares held	% holding	Number of shares held	% holding	Number of shares held	% holding
Equity shares of ₹ 2/- each (As at 31st March 2016 : ₹ 10/- each, As at 1st April 2015 : ₹ 10/- each) :						
Indira Subbarami Reddy Tikkavarapu	**57,129,500**	**32.23**	11,425,900	32.23	10,630,932	35.17
Sandeep Kumar Reddy Tikkavarapu	**27,019,810**	**15.24**	5,403,962	15.24	4,579,544	15.15
GMO Emerging Markets Fund	**16,900,000**	**9.53**	3,380,000	9.53	-	-
Afrin Dia	**13,488,500**	**7.61**	2,820,000	7.95	2,820,000	9.33
India Max Investment Fund Limited	**-**	**-**	2,357,000	6.65	2,357,000	7.80
GMO Emerging Domestic Opportunities Fund	**10,683,040**	**6.03**	2,110,969	5.95	2,039,278	6.75

15. Other Equity

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(a) Capital Reserve			
Opening balance	**143.40**	24,718.44	143.40
Add : Additions to Reserve during the year	—	—	24,575.04
Less: On account of derecognition of Associates	—	(24,575.04)	—
Closing balance	**143.40**	143.40	24,718.44
(b) General Reserve			
Opening balance	**12,300.00**	10,500.00	10,000.00
Add: Amount transferred from DRR	—	1,300.00	—
Add: Amount transferred from Statement of Profit and Loss	—	500.00	500.00
Closing balance	**12,300.00**	12,300.00	10,500.00
(c) Securities Premium Account			
Opening balance	**38,641.79**	28,519.92	28,519.92
Less: On account of derecognition of Subsidiary / Associates	**(3,119.73)**		
Adjustment on account of Composite Scheme of Arrangement (Refer Note No.33.15)	**(16,707.60)**	—	—
Add: Premium received on Shares issued during the year	—	10,121.87	—
Closing balance	**18,814.46**	38,641.79	28,519.92
(d) Debenture Redemption Reserve			
Opening balance	—	1,300.00	1,300.00
Amount transferred to General Reserve	—	(1,300.00)	—
Closing balance	—	—	1,300.00
(e) Equity Component of Compound Financial Instruments			
Opening balance	**7,025.00**	7,025.00	7,025.00
Less: On account of derecognition of Subsidiary / Associates	**(7,025.00)**	—	—
Closing balance	—	7,025.00	7,025.00
(f) Retained earnings			
Opening balance	**(6,665.81)**	(1,145.28)	1,489.48
Less: On account of derecognition of Subsidiary / Associates	**23,874.24**	—	—
Add : Adjustment on account of Changes in holdings in Subsidiaries		—	(0.60)
Add : Surplus / (Deficit) for the year	**(12.84)**	(2,787.15)	(101.48)
Add : Financial Guarantee Given on behalf of holding Company	—	(2,138.54)	—
Fair value of Equity Instruments	—	—	4.03
Dividend and Dividend Distribution Tax	**(853.35)**	(395.80)	—
Adjustment related to Property, Plant and Equipment	—	—	(194.25)
Transferred to General Reserve	—	(500.00)	(500.00)
Less: Share of Loss from Associate & Joint Ventures	—		(1,842.46)
Less: On account of derecognition of Associates	—	300.96	—
Closing balance	**16,342.24**	(6,665.81)	(1,145.28)
Total (a+b+c+d+e+f)	**47,600.10**	**51,444.38**	**70,918.08**

16. Borrowings

₹ in Lakhs

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
Secured						
(i) Non-Convertible Debentures						
a) Nil (as at 31st March, 2016: Nil, as at 1st April 2015: Nil) 11.50% Redeemable, Non-Convertible	—	—	—	—	—	2,927.84
b) Debentures (NCDs) of Rs. 10,00,000/- each 10.50% Compulsorily Convertible Debentures of Rs. 10/- eash (Refer Note 16.9)	—	—	7,500.00	—	15,000.00	—
ii) Term Loans from Banks						
a. Equipment Loans (Refer note 16.1)	**9,893.38**	**4,390.36**	1,949.75	1,091.03	56.03	1,560.38
b. Other Term Loans (Refer note 16.2)	**71,177.47**	**7,661.29**	76,814.71	3,810.00	70,774.17	520.83
c. External Commercial Borrowings (Refer note 16.3)	**10,689.88**	**620.63**	11,792.05	620.63	13,510.27	—
d. Project Term Loans	—	—	111,336.04	—	85,524.41	—
iii) Term Loans from others						
a. Equipment Loans (Refer note 16.1)	**4,165.67**	**287.73**	6,448.91	250.58	5,074.91	982.64
b. From Financial Institutions	—	—	55,818.89	—	32,552.74	13,500.00
c. Vehicle Loans (Refer note 16.4)	**362.20**	**123.48**	39.61	8.41	—	2.87
Un-secured				—		
From Directors (Interest Free Loans) (Refer Note 16.6)	**488.70**	—	152.10	—	3,300.00	—
9% Optionally Fully Convertible Debentures of ₹10 each (Refer Note 16.10)	**992.50**	—	992.50	—	—	—
Unamortised Finance Cost	—	—	(39.30)	—	(938.93)	—
Total	**97,769.80**	**13,083.49**	**272,805.26**	**5,780.65**	**224,853.60**	**19,494.56**

16.1 Equipment Loans

The Equipment loans are secured by hypothecation of specific equipments acquired out of the said loans and all these loans are guaranteed by directors. The rate of interest on these loans varies between 11% to 15%.

16.2 Term loans

The secured term loans are secured by hypothecation of construction equipments not specifically charged to other banks, immovable properties of group companies and personal guarantees of the promoters. The rate of interest various between 11% to 13% with an average yield of 12.04% p.a.

16.3 External Commercial Borrowing:

Details of External Commercial Borrowings

The Company availed Foreign Currency Loan of USD $ 24.42 million from an Indian Scheduled Bank to meet a part of funds requirement towards redemption of outstanding FCCBs. The ECB loan is repayable in 24 quarterly installments commencing from October 2013 with rate of interest at 3 months USD LIBOR+500bps.

Nature of Security

(i) Equitable mortgage of immovable property of 600 acres in the name of step down subsidiary company.
(ii) Pledge of unencumbered equity shares of promoters in Gayatri Projects Ltd.
(iii) Personal guarantee of the two promoter directors.

16.4 Vehicle Loans:

The Vehicle loans availed are secured by hypothecation of specific vehicles purchased out of the said loans. The vehicle loans carry interest rate between 11% to 15% p.a.

16.5 Maturity Profile of long term borrowings is set out below:

₹ in Lakhs

Particulars	2018-19	2019-20	2020-21	2021-22 onwards
Equipment loans from Banks	5,172.59	3,825.75	895.03	—
Term Loans from Banks	9,167.02	10,738.90	13,402.66	36,309.14
ECB Loan	1,112.00	1,112.00	1,668.00	8,357.63
Equipment loans from Others	939.31	1,477.34	1,272.21	838.99
Total	16,390.92	17,153.99	17,237.90	45,505.76

16.6 The promoters have brought back the dividend amount of ₹ 336.60 Lakhs (as at 31st March 2016 ₹ 152.10 Lakhs) as unsecured loan in compliance with the terms and conditions stipulated by Lenders for distribution of dividend to share holders.

16.7 Current Maturities of long term borrowings have been disclosed under the head “Other Financial Liabilities” (Refer Note 22).

16.8 Interest amount of ₹7.29 crores for the month of March, 2017 debited on 31.03.2017 is due as on the Balance Sheet date.

16.9 Term Loan of the Subsidiary Company

Terms of Repayment

a) Quarterly Interest payment @ 10.50% p.a and Debentures are to be bought back at premium in eight equal quarterly installments commencing from 15th May 2016.

b) The revised Key Terms of CCDs sanctioned by IFCI Ltd. are as follows:
1) CCDs to be repaid in 8 Quarterly Installments commencing from 15-05-2016
2) Rate of Return is 16%

Nature of Security

i) 7,47,49,590 Equity Shares of NCC Infrastructure Holdings Ltd held by the Gayatri Energy Ventures Pvt Ltd (GEVPL) are pledged in favour of IFCI Limited as colleteral security for the debentures issued by GEVPL.

ii) 26% of Total equity shares of the Company held by Gayatri Projects Ltd i.e 16,96,248 as on 31-03-2017 are pledged in favour of IFCI Limited as colleteral security for the debentures issued by GEVPL.

iii) The debentures are guaranteed by the personal guarantee of T. V. Sandeep Kumar Reddy and T. Indira Reddy, Directors of GEVPL.

iv) Gayatri Projects Ltd the holding company of the GEVPL has given buy back guarantee to IFCI Ltd.

Amount of interest and principal due on secured non-covertible debentures as on 31.03.2017 ₹ in Lakhs

Due date	Principal due	Interest due	No. of days default
15-08-2016	1,875.00	1,437.80	229
15-11-2016	1,875.00	1,440.48	137
15-02-2017	1,875.00	1,443.16	45
Total	**5,625.00**	**4,321.43**	

16.10 **Unsecured Optionally Fully Convertible Debentures of the Subsidiary Company**

Terms of OFCD and repayment

The Company has issued unsecured Optionally Fully Convertible Debentures (OFCD) to M/s. Capital Fortunes Ventures Private Limited and Mr. D V Chalam, against a sum of Rs. 992.50 Lakhs received from M/s. Capital Fortunes Ventures Limited. The OFCD carry a Interest of 9% cumulative and will mature in 36 Months from the date of Allotment. Any time before the Maturity of the OFCD the subscriber can convert the Debentures into Equity Shares of ‘ 760/- each per share, with prior consent of the Board of Directors of the Company.

17. Other Financial Liabilities

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advances from Contractees	**85,631.55**	55,951.41	42,572.22
Margin Money Deposits received	**6,760.25**	6,760.25	7,149.39
Additional Concession Fees Payable to NHAI	—	28,948.99	3,896.97
Interest on Additional Concession Fees	—	304.46	304.46
Total	**92,391.80**	**91,965.11**	**53,923.04**

18. Provisions

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Employee Benefits	**978.31**	910.06	702.11
Total	**978.31**	**910.06**	**702.11**

19. Deferred Tax Liabilities (Net)

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(a) Deferred Tax (Asset) on timing differences:			
i) on account of Gratuity and Leave Encashment	**(38.11)**	(70.16)	(8.27)
ii) on account of IND AS Adjustments	**(65.09)**	(65.09)	—
(b) Deferred Tax Liability on timing differences:			
i) other Comprehensive Income	**9.06**	—	
ii) Depreciation	**2,414.36**	2,379.05	2,884.52
Total	**2,320.22**	**2,243.80**	**2,876.25**

20. Borrowings

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Loans repayable on demand			
Secured Working Capital Facilities from Banks (Refer Note No.20.1)	**95,960.82**	89,021.38	79,178.76
Unsecured Loans			
- From Related Parties	—	5,529.70	5,172.55
Total	**95,960.82**	**94,551.08**	**84,351.31**

Nature of Security and Terms of Repayment

20.1 Working Capital Facilities (Secured)

The working capital facilities from the consortium of Banks are secured by:

- Hypothecation against first charge on stocks, book debts and other current assets of the Company both present and future ranking *paripassu* with consortium banks.
- Hypothecation against first charge on all unencumbered fixed assets of the Company both present and future ranking *paripassu* with consortium banks.
- Equitable mortgage of properties belonging to promoters, directors, group companies.
- Personal guarantee of promoter directors, group companies/firms and relatives.

Period and amount of interest due as on balance sheet date:

- Interest amount of ₹8.09 crores for the month of March, 2017 debited on 31.03.2017 is due as on Balance Sheet date.

21. Trade Payables: ₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Micro, Small and Medium Enterprises (Refer Note No.33.8)	—	—	—
Others	**66,079.21**	43,211.85	45,358.06
Total	**66,079.21**	**43,211.85**	**45,358.06**

22. Other Financial liabilities ₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current maturities of Long Term Borrowings			
- Non Convertible Debentures	—	—	2,927.84
- Term Loans	**26,208.49**	15,147.85	16,706.46
Interest accrued but not due on Borrowings - NCD's	**263.19**	2,153.75	1,740.88
Interest accrued and due on Borrowings	**6,447.52**	2,257.73	2,883.89
Amortisation of Finance Cost	**257.38**	227.86	—
Unpaid Dividends	**4.12**	4.34	5.43
Financial Guarantee	—	2,720.46	—
Unsecured loan	**35.70**	39.69	1,032.20
Total	**33,216.40**	**22,551.68**	**25,296.70**

23. Other Liabilities ₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision / Payables for Expenses and Services	**3,022.95**	2,660.06	2,575.09
Statutory Payables	**1,404.96**	2,992.34	2,943.03
Other Payables	**8.42**	951.87	907.41
	4,436.33	**6,604.27**	**6,425.53**

24. Provisions ₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Employee Benefits	**9.63**	9.44	7.06
Provision for Dividend Distribution Tax	—	—	102.74
Total	**9.63**	**9.44**	**109.80**

25. Revenue from Operations ₹ in Lakhs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a) Construction Revenue	**2,04,964.25**	1,56,771.70
(b) Materials Supply Revenue	**3,465.83**	10,160.60
(c) Claims	**2,898.22**	—
(d) Revenue from Electricity Generation	**206.75**	501.91
(e) Share of profit from Joint Ventures	—	388.90
(f) Revenue From Toll Collections	—	3,923.13
(g) Other Operating Income	—	877.90
Total	**2,11,535.05**	**1,72,624.14**

26. Other income

₹ in Lakhs

	Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a)	Interest income	**1,929.27**	1,213.57
(b)	Other Miscellaneous Income	**1,129.08**	724.41
	Total	**3,058.35**	**1,937.98**

27. Cost of Materials Consumed and Cost of Purchases & Services

₹ in Lakhs

	Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a)	Steel	**9,061.95**	5,088.92
(b)	Cement	**8,133.96**	3,138.80
(c)	Bitumen	**12,399.55**	5,519.54
(d)	Metal	**17,840.99**	6,145.50
(e)	Sand & Gravel	**2,022.01**	860.91
(f)	Electrical Materials	**3,065.01**	1,631.67
(g)	Railway Line Materials	**453.61**	1,544.78
(h)	Coal Handling System Materials	**1,089.28**	3,564.83
(i)	RCC & GI Pipes	**577.41**	85.31
(j)	HSD Oils & Lubricants	**11,290.62**	3,660.65
(k)	Stores and Consumables	**626.70**	321.46
(l)	Other Materials	**1,375.78**	336.16
(m)	Operating and Maintenance Exp.	—	1,623.62
(n)	Construction Expenses	—	53,521.90
	Total	**67,936.87**	**87,044.05**

28. Work Expenditure

₹ in Lakhs

	Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a)	Departmental Recoveries	**6,521.97**	3,312.70
(b)	Work executed by sub contractors	**32,741.12**	20,023.22
(c)	Earth Work	**25,365.46**	10,390.45
(d)	Concrete Work	**5,814.97**	3,577.44
(e)	Transport Charges	**2,249.96**	866.91
(f)	Hire Charges	**3,344.34**	1,453.27
(g)	Road work	**8,290.16**	3,129.56
(h)	Repairs and Maintenance	**2,630.44**	1,214.38
(i)	Taxes and Duties	**8,180.54**	3,352.78
(j)	Royalties, Seigniorage and Cess	**1,354.76**	1,138.35
(k)	Insurance	**468.86**	165.23
(l)	Commission to Banks on BG/LC	**2,188.81**	622.02
(m)	Other Work Expenditure	**7,422.36**	4,143.44
	Total	**1,06,573.75**	**53,389.75**

29. Change in Inventories of Work-in-Progress

₹ in Lakhs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Opening Work in Progress	**8,563.71**	14,207.53
Less : Closing Work in Progress	**(14,106.53)**	(8,563.71)
Changes in Inventory	**(5,542.82)**	**5,643.82**

30. Employee benefits expense ₹ in Lakhs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a) Salaries & Wages	**4,541.30**	2,049.42
(b) Director's Remuneration	**540.00**	529.41
(c) Staff Welfare Expenses	**639.59**	305.26
(d) Contribution to Statutory Funds	**146.09**	82.27
Total	**5,866.98**	**2,966.36**

31. Finance costs ₹ in Lakhs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a) Interest on Term Loans	**11,539.91**	13,323.75
(b) Interest on Non Convertible Debentures	—	122.60
(c) Interest on Working Capital Facilities	**9,819.18**	6,091.09
(d) Interest on Equipment Loans	**1,501.33**	480.37
(e) Interest on ECB Loan *	**1,262.75**	782.07
(f) Exchange loss on ECB Loan	**1.20**	46.19
(g) Effect of application of effective interest rate on borrowings	**29.52**	227.86
(h) Interest on Others	**5,555.53**	267.75
(i) Financial Charges	—	26.98
(j) Interest Expenses-others	—	2,297.67
(k) Bank Guarantee & Other Financial Charges	**1,093.58**	412.47
	30,803.00	24,078.80
(l) Less : Interest on BG/LC Margin Money Deposits	**(960.26)**	(1,106.92)
Interest on Loans & Advances	**(4,149.03)**	(4,416.49)
Total	**25,693.71**	**18,555.39**

* includes premium paid on foreign currency forward contract.

32. Other expenses ₹ in Lakhs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a) Advertisement expenses	**63.62**	47.37
(b) Audit fee65.22	**84.59**	
(c) CSR Expenditure & Donations	**311.65**	190.47
(d) Insurance charges	**52.56**	34.67
(e) Consultancy, Legal & professional charges	**1,076.23**	671.42
(f) General Expenses	**211.11**	141.22
(g) Power & fuel	**190.02**	141.32
(h) Miscellaneous expenses	**460.11**	304.36
(i) Printing & stationery	**115.90**	55.21
(j) Rent	**668.03**	313.50
(k) Taxes & licenses	**323.48**	148.61
(l) Tender Expenses	**122.94**	39.10
(m) Telephone	**105.52**	63.23
(n) Travelling, Conveyance & Stay expenses	**633.54**	468.21
(o) Loss on sale of assets / Impairment of assets	**(1.37)**	—
(p) Toll Operation & Management Service	—	200.40
Total	**4,398.56**	**2,903.68**

33. OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS

33.1 Leases

Disclosure under Indian Accounting Standard – 17 "Leases", issued by the Institute of Chartered Accountants of India.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under operating leases are recognized in the statement of profit and loss on a straight-line basis. The Group has taken various residential/ godown/office premises (including Furniture and Fittings if any) under lease and license agreements for periods which generally range between 11 months to 3 years. These arrangements are renewable by mutual consent on mutually agreed terms. Under some of these arrangements the Group has given refundable security deposits. The lease payments are recognized in the Statement of Profit and Loss under Rent, Rates and Taxes.

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalized at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

The Group has taken vehicles on financial lease from banks / Financial Institutions. The details of contractual payments under the agreement are as follows:

Lease Obligations Payable **₹ in Lakhs**

Due	Minimum Lease Payments
Less than one year	Nil
Between one and five years	Nil
More than five years	Nil

Lease Obligations Recognized **₹ in Lakhs**

Particulars	As at 31st March, 2017	As at 31st March, 2016
Lease Rentals recognized during the year	Nil	75.90

33.2 Contingent Liabilities and Commitments

The details of the Contingent Liabilities and Commitments to the extent not provided are as follows:

a. Contingent Liabilities **₹ in Lakhs**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
a) Claims against the company not acknowledged as debt *	—	90.33	225.13
b) Guarantees given by the Banks towards performance & Contractual Commitments	**1,28,789.02**	1,23,892.32	77,539.41
c) Corporate Guarantees given to group companies	**3,29,708.00**	2,98,048.00	8,38,456.00
d) Disputed Liability of Income Tax, Sales Tax, Service Tax and Seigniorage charges	**7479.87**	8,571.16	14,617.34

* Some of the contractees /employer have made claims against the Group for which the Group has preferred appeal and in the opinion of the management the award will be in favour of the Group. Therefore, the said claims have not been provided.

b. Commitments

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Commitments towards investment in Subsidiaries, Joint Ventures and Associates	**85,000.00**	85,000.00	1,10,480.00

33.3 Disclosure of particulars regarding Subsidiaries, Joint ventures and Associates.

Subsidiaries, Joint Ventures and Associates considered for the Consolidated Financial statements are as follows :

S.No	Name of the Entity	Nature of the Entity	% of Holding	Country of Incorporation
1	Gayatri Energy Ventures Private Limited	Wholly own-ed Subsidiary	100	India
2	IJM Gayatri Joint Venture	Joint Venture	40	India
3	Jaiprakash Gayatri Joint Venture	Joint Venture	49	India
4	Gayatri ECI Joint Venture	Joint Venture	50	India
5	Gayatri Ratna Joint Venture	Joint Venture	80	India
6	Gayatri – Ranjit Joint Venture	Joint Venture	60	India
7	Gayatri – GDC Joint Venture	Joint Venture	70	India
8	Gayatri – BCBPPL Joint Venture	Joint Venture	60	India
9	Gayatri – RNS Joint Venture	Joint Venture	60	India
10	Gayatri - JMC Joint Venture	Joint Venture	75	India
11	MEIL-Gayatri-ZVS-ITT Consortium	Joint Venture	48.44	India
12	Viswanath-Gayatri Joint Venture	Joint Venture	50	India
13	Maytas-Gayatri Joint Venture	Joint Venture	37	India
14	GPL-RKTCPL Joint Venture	Joint Venture	51	India
15	GPL-SPL Joint Venture	Joint Venture	51	India
16	Vishwa-Gayatri Joint Venture	Joint Venture	49	India
17	Gayatri-RNS-SIPL Joint Venture	Joint Venture	70	India
18	SOJITZ-LNT-GAYATRI Joint Venture	Joint Venture	8.96	India
19	Gayatri PTPS Joint Venture	Joint Venture	70	India

33.3 Related Party Transactions pursuant to Indian Accounting Standard(Ind AS)-24

Associate Companies and companies in which the Company has substantial Interest.	Key Management Personnel and their Relatives
Gayatri Lalitpur Roadways Ltd (Refer Below Note (ii)).	Mr. T.V.Sandeep Kumar Reddy
Gayatri-Jhansi Roadways Ltd Refer Below Note (ii)).	Mr. J. Brij Mohan Reddy
Sai Matarani Tollways Limited (Refer Below Note (iii))	Mrs. Indira T Subbarami Reddy
Gayatri Domicile Private Limited (Refer Below Note (iv))	Mr. T. Rajiv Reddy
Hyderabad Expressways Limited	Mr. T. Anirudh Reddy
Cyberabad Expressways Limited	Mr. P. Sreedhar Babu (CFO)
Western UP Tollway Limited	Mrs. I.V.Lakshmi (CS & CO)
HKR Roadways Limited	
Balaji Highways Holding Limited	
Indore Dewas Tollways Limited	
Entities in which KMP or their relatives are interested	
Deep Corporation Pvt. Ltd	Gayatri Bio-Organics Limited
Indira Constructions Pvt. Ltd	T. Subbarami Reddy Foundation
Gayatri Tissue & Papers Ltd	Dr.T.Subbarami Reddy (HUF)
Gayatri Sugars Ltd	Balaji Charitable Trust
Gayatri Hi-Tech Hotels Ltd	TSR LalitakalaParishad
Gayatri Property Ventures Pvt. Ltd.	Invento Labs Private Limited
Gayatri Hotels & Theaters Pvt. Ltd	Indira Energy Holdings Private Limited
GSR Ventures Pvt. Ltd.	Yamne Power Private Limited
T.V.Sandeep Kumar Reddy & Others	

(i) Gayatri Infra Ventures Limited ceased to be a subsidiary w.e.f. 01.04.2016 (Refer Note No.33.18) and accordingly related party transactions with this Company have been presented for the F.Y 2015-16.

(ii) Upon merger of Gayatri Infra Ventures Limited w.e.f 01.04.2016 as stated above, these two step down subsidiary companies have become the subsidiary companies of the company and upon demerger w.e.f 31.03.2017 these two subsidiary companies ceased to be subsidiaries and related party transactions are presented for the F.Y 2015-16 & 2016-17.

(iii) Upon effect of Scheme, the subsidiary company has become an Associate.

(iv) Name of the Gayatri Domicile Private Limited is changed to Gayatri Highways Pvt. Ltd w.e.f 7th August 2017 and accordingly wherever Gayatri Domicile Private Limited appears in the financial statements, Notes to Financial Statements and other reports, the name shall be read as Gayatri Highways Pvt. Ltd.

Transactions with the related parties: **₹ in Lakhs**

Sl. No.	Description	Year	Associate Companies	Entities in which KMP are interested	KMP& their Relatives
1	Equity contribution	2016-17	4,443.88	—	—
		2015-16	—	23,500.00	—
2	Contract Receipts	2016-17	61,451.60	26.91	—
		2015-16	5,998.10	515.08	—
3	Contract payments	2016-17	—	586.83	—
		2015-16	—	359.32	—
4	Office Rent & Maintenance	2016-17	—	102.08	—
		2015-16	—	113.00	—
5	Other Payments	2016-17	—	—	97.75
		2015-16	—	12.83	79.12
6	Interest Received	2016-17	244.09	—	—
		2015-16	637.84	—	—
7	Donations	2016-17	—	169.45	—
		2015-16	—	149.52	—
8	Remuneration Paid	2016-17	—	—	540.00
		2015-16	—	—	*529.41
9	Contract Advances/ Other Adv.	2016-17	5,279.43	215.00	—
		2015-16		84.00	—
10	Unsecured Loans received	2016-17	—	—	—
		2015-16	45.70	—	152.10
11	Corporate Guarantees	2016-17	—	—	—
		2015-16	79,863.00	—	—
12	Closing balances – Debit	2016-17	32,921.81	1212.66	—
		2015-16	15,969.01	1,156.58	—
		2014-15	15,742.72	25,099.87	—
13	Closing balances – Credit	2016-17	2,147.05	613.58	6.22
		2015-16	382.78	417.12	261.79
		2014-15	12,080.44	110.53	3,409.11

** Net off of Excess remuneration of ₹ 10.59 Lakhs repaid by the Managing Director*

33.5 Impairment of Non-Financial Assets

In the opinion of the management of the Group, there are no impaired assets requiring provision for impairment loss as per the Ind AS 36 on "Impairment of Non-Financial Assets". The recoverable amount of building, plant and machinery and computers has been determined on the basis of 'Value in use' method.

33.6 Segment Reporting

The Company's operations predominantly consist of construction / project activities. Hence there are no reportable segments under Ind AS – 108. During the year under report, the Company's business has been carried out only in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

33.7 Earnings Per Share (EPS) **₹ in Lakhs**

Particulars	2016-17	2015-16
Profit After Tax for calculation of Basic EPS (₹in Lakhs)	**(29.95)**	(2,721.58)
Profit After Tax for calculation of Diluted EPS (₹ in Lakhs)	**(29.95)**	(2721.58)
Weighted average No. of equity shares as denominator for calculating Basic EPS. (No. in Lakhs)	**1,772.52**	1,675.20
Weighted average No. of equity shares as denominator for calculating Diluted EPS. (No. in Lakhs)	**1,772.52**	1,675.20
Basic EPS (₹)	**(0.02)**	(1.62)
Diluted EPS (₹)	**(0.02)**	(1.62)

33.8 Dues to Micro and Small Enterprises:

On the basis of information available with the Group, there are no dues outstanding for more than 45 days to Small Scale Industrial Undertaking (SSI). The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year-end together with interest paid/payable as required under the said Act have not been given.

33.9 Additional Information pursuant to Schedule III of the Companies Act, 2013.

i) CIF value of Imports **₹ in Lakhs**

Sl. No.	Particulars	2016-17	2015-16
1	Purchase of Capital Goods	**3173.34**	1155.67

ii) Expenditure / (Income) in Foreign Currency: **₹ in Lakhs**

Sl. No.	Particulars	2016-17	2015-16
1	Travelling Expenses	**12.70**	20.92
2	Interest on ECB Loan	**782.14**	811.95
3	Consultancy & Technical Fees	**1,584.34**	12.64

33.10 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The Group strives to safeguard its ability to continue as a going concern so that they can maximize returns for the shareholders and benefits for other stake holders. The aim is to maintain an optimal capital structure and minimize the cost of capital.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with other entities in the industry, the Group monitors its capital using the gearing ratio which is total debt divided by total capital.

₹ in Lakhs

Particulars	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
Debt:i) Non-Current Borrowings	**97,769.80**	2,72,805.26	2,24,853.60
ii) Current Maturities of Non-Current Borrowings	**26,208.49**	15,147.85	19,634.30
iii) Current / Short term Borrowings	**95,960.82**	94,551.08	84,351.31
Total Debt:	**2,19,939.11**	**3,82,504.19**	**3,28,839.21**
Equity:i) Equity Share capital	**3,545.04**	3,545.04	3,022.70
ii) Other Equity	**47,600.10**	49,621.06	71,908.08
Total Equity:	**51,145.14**	**53,166.10**	**74,930.78**
Total debt to equity ratio (Gearing ratio)	**4.30**	**7.19**	**4.39**

33.11 Financial Instruments:

A. Some of the Group's financial assets and financial liabilities are measured at fair value at the end of the reporting period.

Financial Instruments by category.

Financial Assets and Financial Liabilities are the categories of Financial Instruments.

Financial Assets: **₹ in Lakhs**

Particulars	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
EQUITY INVESTMENTS:			
Measured at fair value through profit or loss (FVTPL):			
Equity Investments in Other Entities	**108.28**	59.35	19.55
Measured at Cost:			
i) Investments in Equity Instruments of Subsidiaries, Associates	**29,006.58**	25,714.14	34,679.04
ii) Investments of Equity Instruments of Other entities	**24,161.60**	27,161.60	51,434.07
iii) Investments of Equity Instruments of Associate Company pursuant to composite scheme of Merger & Demerger (Refer Note No.33.18.)	**1,248.00**	Nil	Nil
INVESTMENTS IN PREFERENCE SHARES:			
Measured at Fair value through profit or loss (FVTPL):			
Non- Convertible redeemable cumulative preferential Shares in Other Entity	**23,500.00**	23,500.00	Nil
Measured at Cost:			
Investments of Preference Shares of Associate Company pursuant to composite scheme of Merger & Demerger (Refer Note No.33.18)	**16,770.03**	Nil	Nil

Financial Liabilities: **₹ in Lakhs**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Measured at amortized cost: Financial Liabilities i.e Borrowings	**2,08,628.60**	2,10,578.98	1,79,378.43

B. Fair value hierarchy

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

Level 2 inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or Liability.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31stMarch, 2017:

₹ in lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Equity Investments (Quoted)	**108.28 (Level -1)**	59.35(Level- 1)	19.55(Level-1)
Non- Convertible Redeemable Cumulative Preference Shares	**23,500.00(Level -2)**	23,500.00(Level -2)	—

33.12 Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks like market risk, credit risk and liquidity risks. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments which are affected by market risk include loans and borrowings.

a. Interest rate risk

Majority of the Non-current (Long Term) borrowings of the Group bear fixed interest rate, thus interest rate risk is limited for the Group.

b. Foreign Currency Risk:

The Group's foreign Currency exposure i.e External Commercial Borrowings in US$ is completely hedged and the details are as follows:

₹ in Lakhs

Particulars	Hedged/ Un-hedged	As At 31st March, 2017		As at 31st March, 2016		As at 1st April 2015	
		Foreign Currency USD	Rupee Equivalent	Foreign Currency USD	Rupee Equivalent	Foreign Currency USD	Rupee Equivalent
Amount payable in Foreign Currency:							
External Commercial	Un-hedged	**Nil**	**Nil**	Nil	Nil	Nil	Nil
Borrowings (ECB)	Hedged	**181.18**	**10,689.89**	210.38	12,412.69	229.78	13,510.27

c. **Equity Price Risks:**

Majority of the Group's investments are made into non-listed equity securities. The Group's exposure into listed equity investments is very limited and the fair value of listed securities as at 31st March, 2017 was ₹108.28 Lakhs. Since the exposure into listed equity investments are very limited, the changes of equity securities price would not have a material effect on the profit or loss of the Group.

(ii) **Credit risk management**

Credit risk refers to the risk of default in its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets is contributed by trade receivables, unbilled work-in-progress, cash and cash equivalents and receivables from group companies.

Credit risk on trade receivables, work in progress is limited as the customers of the Group mainly consist of the Government promoted entities, having strong credit worthiness. The company takes into account ageing of accounts receivables and the company's historical experience of the customers and financial conditions of the customers.

(iii) **Liquidity Risk:**

Liquidity Risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's management and finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by the senior management.

The following are the details regarding contractual maturities of Significant Financial Liabilities:

a) **As at 31st March, 2017** **₹ in Lakhs**

Particulars	On Demand	Less than 1 year	1-5 Years	More than 5 Years	Total
Borrowings	95,960.82	26,208.49	90,308.45	6,972.63	2,19,450.39
Trade Payables	66,079.21	—	—	—	66,079.21
Interest Accrued	6,710.71	—	—	—	6,710.71
Other Financial Liabilities	6,929.69	11,087.51	41,578.16	32,800.56	92,395.92
Total	**1,75,680.43**	**37,296.00**	**1,31,886.61**	**39,773.19**	**3,84,636.23**

b) **As at 31st March, 2016** **₹ in Lakhs**

Particulars	On Demand	Less than 1 year	1-5 Years	More than 5 Years	Total
Borrowings	89,021.38	13,280.66	94,878.51	25,659.01	2,22,839.56
Trade Payables	41,911.09	—	—	—	41,911.09
Interest Accrued	4,411.48	—	—	—	4,411.48
Other Financial Liabilities	4,703.70	7,525.92	28,222.20	22,264.18	62,716.00
Total	**1,40,047.65**	**20,806.58**	**1,23,100.71**	**47,923.19**	**3,31,878.13**

c) As at 1st April, 2015 **₹ in Lakhs**

Particulars	On Demand	Less than 1 year	1-5 Years	More than 5 Years	Total
Borrowings	79,178.76	5,994.56	59,918.20	44,497.18	1,89,588.70
Trade Payables	44,670.27	—	—	—	44,670.27
Interest Accrued	4,624.77	—	—	—	4,624.77
Other Financial Liabilities	3,729.53	5,967.24	22,377.17	17,653.10	49,727.04
Total	**1,32,203.33**	**11,961.80**	**82,295.37**	**62,150.28**	**2,88,610.78**

33.13 The Company had entered into an agreement to sell the wind power business on "Slump Sale" basis subject to approval by the regulatory authorities and completion of registration formalities. The management has received the respective regulatory authorities' approvals and registration of sale of wind assets is completed during the financial year. Therefore, the net result (loss) from sale of wind power business amounting to ₹1538.65 Lakhs is recognized under exceptional items in the statement of profit and loss for the year ended 31st March 2017.

33.14 Disclosure on Specified Bank Notes (SBN) pursuant to MCA notification 308(E) dated 30th March, 2017:

Amount in ₹

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08th November,2016	24,25,500	1,28,40,929	1,52,66,429
(+) Withdrawal from Banks	—	1,04,82,350	1,04,82,350
(+) Permitted Receipts	—	—	—
(-) Permitted Payments	—	(1,61,77,057)	(1,61,77,057)
(-) Amount deposited in Banks	(24,25,500)	(950)	(24,26,450)
Closing cash in hand on 30th December, 2016	—	71,45,272	71,45,272

Explanation: For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated the 8th November, 2016.

33.15 Composite Composite Scheme of Arrangement between Gayatri Projects Limited (Transferee Company / Demerged Company/ GPL), Gayatri Infra Ventures Limited (Transferor Company / GIVL) and Gayatri Domicile Private Limited (Resulting Company / GDPL) and their respective Shareholders:

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

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

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

i. Transfer of investments in Sai Maatarini Tollways Limited ("SMTL") from GPL to GDPL, and the consequent discharge of consideration by GDPL to GPL

ii. Merger of GIVL with GPL

iii. Transfer of Infrastructure Road BOT Assets Business of GPL to GDPL, and the consequent discharge of consideration by GDPL to the shareholders of GPL.

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

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

b) The relevant dates of the Scheme are as follows:

Particulars	**Relevant date**
Appointed date for amalgamation of GIVL	01st April, 2016
Appointed date for Demerger of BOT Business	31st March, 2017
Effective date of the Scheme (Date of filing with the ROC)	23rd November, 2017

c) Pursuant to the Scheme, all the assets and liabilities pertaining to the Transferor Company (GIVL) have been transferred to and vested in the Transferee Company (GPL) with retrospective effect from the appointed date i.e. 1st April 2016 at their respective book values appearing in the books of Transferor Company i.e., GIVL. Financial Statements of GIVL for the Financial Year 2015-16 & 2016-17 were audited and financial statements of 2016-17 were already approved in its Board meeting held on 30th May, 2017 and also adopted in the Annual General Meeting of GIVL held on 19th September, 2017. These approved and adopted financial statements were considered for the purpose of accounting of Assets, Liabilities, Income and expenses of GIVL in the books of accounts and in the restated financial statements of GPL so as to give effect of the merger.

d) Further pursuant to the Scheme, all Infrastructure Road BOT Assets business (i.e all Fixed Assets, all Investments, Current Assets, and Liabilities of BOT Assets business including Investments in Infrastructure Road BOT Assets business held by GPL) of the Demerged Company(GPL) shall stand transfer to and be vested in the resulted Company (GDPL) with effect from the appointed date i.e. 31st March 2017 at their respective book values appearing in the books of Demerged Company. Accordingly, the Scheme has been given effect to in the books of accounts and in the restated financial statements of GPL so as to give effect of the demerger. (Refer Below table for net effect of the Scheme).

e) As stated in the above note, Investments held by the Demerged Company in the Road BOT Assets business companies i.e. Sai Maatarani Tollways Ltd, HKR Roadways Ltd, Balaji Highways Holdings Pvt. Ltd and Indore Dewas Tollways Ltd shall stand transferred and vested in the Resulting Company (GDPL) with effect from the appointed date i.e. 31st March 2017.

f) The Consideration for demerger by the resulting company shall be as under :

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

The investments of GPL in SMTL are transferred to GDPL at book value. As at 31st March, 2016, the GPL investment in SMTL was at ₹ 180.16 crores. The consideration for transfer of investments in SMTL held by GPL to GDPL is discharged by the Resulting Company i.e., Gayatri Domicile Private Limited in lump sum consideration to GPL amounting to ₹180,16,03,000 (Rupees One Hundred and Eighty Crores Sixteen Lakhs Three Thousand Only) in the form of issuance of 1,24,60,000 equity shares of ₹10/- each and 16,77,00,300 redeemable preference shares of ₹10/- each, issued and redeemable at par. Pursuant to Scheme, effect is given in the books of accounts and financial statements of demerged company (GPL) as on 31st March, 2017, the consideration receivable by GPL in the form of Equity and Preference shares have been accounted in the books of accounts as investments in Equity and Preference shares and grouped under Investments in the restated financial statements based on opinion obtained from independent Company Secretary although the shares are yet to be issued and allotted by the resulting company (**GDPL).**

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

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

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

₹ in lakhs

Particulars	**As on 31st March, 2017**
Value of Investments of BOT Assets business Transferred:	
i) 16,65,304 Equity Shares of ₹10/- each, fully paid in Gayatri Infra Ventures Limited	16,074.26
ii) 1,00,00,843 Equity Shares of ₹10/- each, fully paid in Sai Maatarani Tollways Ltd.	18,016.03
iii) 12,07,000 Equity Shares of ₹10/- each, fully paid in HKR Roadways Ltd.	120.70
iv) 49,000 Equity Shares of ₹10/- each, fully paid in Balaji Highways Holdings Pvt. Ltd.,	4.90
v) 16,660 Equity Shares of ₹10/- each, fully paid in Indore Dewas Tollways Ltd.	1.67
vi) Liability towards pending share purchase	900.02
Sub Total :	35,117.58
Consideration to be received in the form of Shares:	
i) 1,24,80,000 Equity Shares of ₹ 10/- each, fully paid in Gayatri Domicile Private Limited.	1,246.00
ii) 16,77,00,300 Preference Shares of ₹10/- each, fully paid in Gayatri Domicile Private Limited.	16,770.03
Sub Total :	**18,016.03**
Net Effect (Amount) adjusted in Securities Premium Account	**17,101.55**

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

33.16 In the ordinary course of business, the Parent/Holding Company has given Contract Advances to non-related parties which on mutual consent have been converted into loans and grouped as "Loans" under "Non-Current Financial Asset". The recovery of these loans is delayed due to extraneous reasons like change in government policies, delay in execution of projects etc. However, the management is making all efforts to recover the same and is confident that the recovery process of these loans will commence in due course and therefore no provision for the same is required to be made in the financial statements of the Parent/Holding Company.

33.17 Advances to sub-contractors include amounts paid as work advances to sub-contractors wherein the corresponding contract works are yet to commence. The management of the Parent Company is able to recover considerable amount after the balance sheet date and is confident to recover the balance amount in due course. In the opinion of the management of the Parent Company, the said works for which advances are given have not commenced due to certain extraneous factors and delay is not attributed to sub-contractor default/failure. In view of this, the management of the Parent Company is confident to commence the works in near future and recover the advances from the sub-contractors.

33.18 The original consolidated audited financial statements / results of the Company for the financial year ended 31st March, 2017 have been approved by the Board of Directors of the Company vide its meeting held on 29th May, 2017 and the same were declared/published to the stock exchanges as per the listing agreement. However, pursuant to the Composite Scheme of Arrangement ('Scheme'), as approved by the Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench vide its order dated 3rd November, 2017, the accounting effect /impact of the said scheme as stated in Note No.33.15 is considered in the books of accounts for the financial year ended 31st March, 2017 and accordingly the present consolidated financial statements revised as per the Scheme above, replace the original consolidated audited financial statements which were approved by the Board of Directors vide their meeting held on 29th May, 2017 as mentioned above.

33.19 During the previous financial years the Subsidiary Company had made various investments in JPGPL and JPPL by way of acquisition of shares, share application money, advance for purchase of equity shares and the Company had entered into an exit agreement dated 25th May 2013 with the said party, which was duly amended by various letter agreements from time to time and as per the latest letter agreement dated 31st October 2016, the Company shall exit from JPGPL and JPPL by 31st October 2018.

33.20 In pursuance of Master Shareholders agreement entered by the Subsidiary Company, Sembcorp utilities PTE Ltd, Thermal Power Corporation India Limited and Sembcorp Gayatri Private Limited, GEVPL has paid call option fee of ₹ 21,25,56,463 to Sembcorp Utilities PTE Ltd.

33.21 Mobilization advance to subcontractors represent work advance given to a subcontractor wherein the corresponding contract works are yet to commence. In the opinion of the management, the said contract works have not commenced due to certain extraneous factors beyond the control of such sub-contractors and without any default/ failure of performance from their end. The management is confident to commence the works in near future and recover the said advance.

33.22 During the preceding financial years, the Step-down Subsidiary Company had awarded contract works of an approximate contract value of ₹ 86.58 Crores to Indira Energy Holdings Private Limited (IEHPL), a Company in which the directors and the relatives of such directors hold substantial interest vide letter of award (LOA) dated 01/09/2011. As per the terms of the said LOA the work shall be completed within a period of 120 calendar months from the date of issue of work order and a mobilization advance subject to a maximum of 25% of value of the work order will be released as per request for mobilization advance from IEHPL. As at 31st March 2017 the cumulative amount of mobilization advance outstanding given to IEHPL is ₹ 21.57 Crores. In the opinion of the management of the Company the said contract works are yet to commence due to extraneous factors beyond the control of such sub-contractor like pending land acquisition and pending coal allocation. The management of the company is confident that all the issues concerning the project shall be resolved at the earliest and consequently the contract works would commence at the earliest and subsequent recovery of the mobilization advance given.

33.23 As stated in Note No.33.15, pursuant to Composite Scheme of Arrangement ('Scheme'), the consideration receivable by the Parent Company in the form of Equity and Preference Shares amounting to ₹180,16,03,000 (1,24,60,000 equity shares of ₹10/- each and 16,77,00,300 redeemable preference shares of ₹10/- each) have been grouped under Investments although the shares are yet to be issued and allotted by the resulting company (GDPL) and by virtue of above equity shareholding amounting to 26% of GDPL Equity Share Capital, the said GDPL becomes the Associate Company as on 31st March, 2017. Pending issue and allotment of equity shares and filing of necessary forms with the ROC, the said associate company i.e GDPL has not been considered for consolidation financial statements.

33.24 Pursuant to Composite Scheme of Arrangement ('Scheme') as stated in Note No.33.15, figures of the current financial year are not comparable to the previous year's figures.

33.25 All amounts are rounded off to nearest thousand.

	For and on behalf of the Board	
For M O S & ASSOCIATES LLP **Chartered Accountants**		
S.V.C. REDDY **Partner**	**T. INDIRA SUBBARAMI REDDY** **Chairperson** **DIN : 00009906**	**T.V.SANDEEP KUMAR REDDY** **Managing Director** **DIN : 00005573**
Place : Hyderabad. Date : 6th December 2017	**P. SREEDHAR BABU** **Chief Financial Officer**	**I.V. LAKSHMI** **Company Secretary & Compliance Officer**

GAYATRI PROJECTS LIMITED

CIN : L99999TG1989PLC057289

Regd. Office: B1, TSR TOWERS, 6-3-1090, RAJ BHAVAN ROAD, SOMAJIGUDA, HYDERABAD-500082

GAYATRI

STATEMENT OF UN-AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE-MONTHS ENDED 31st DECEMBER 2017

(₹ in Lakhs)

Sl. No.	Particulars	Standalone					
		Quarter Ended			Nine-Months Ended		Year Ended
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income**						
	Revenue from operations (Refer Note No.3)	90,386.29	42,317.90	52,046.67	1,97,908.66	1,30,286.54	2,11,535.05
	Other Income	448.46	94.76	121.51	1,316.91	973.54	3,058.34
	Total Income	**90,834.75**	**42,412.66**	**52,168.18**	**1,99,225.57**	**1,31,260.08**	**2,14,593.39**
2	**Expenses**						
	a. Cost of Materials Consumed & Work Expenditure	60,092.18	30,554.59	43,449.79	1,49,094.45	1,05,953.35	1,74,510.62
	b. Changes in Inventories of Work in Progress	12,441.42	1,078.58	(2,527.13)	6,823.66	(2,951.54)	(5,542.82)
	c. Employee Benefits Expense	2,630.51	2,257.76	1,540.64	7,221.69	4,200.80	5,866.53
	d. Finance Costs	6,914.60	5,405.20	4,888.24	17,560.00	13,522.36	20,138.18
	e. Depreciation and Amortization Expense	1,285.35	1,349.62	1,264.79	3,908.40	3,320.42	4,315.54
	f. Other Expenses	1,177.45	959.92	1,335.68	3,551.50	3,292.32	4,359.01
	Total Expenses	**84,541.51**	**41,605.67**	**49,952.01**	**1,88,159.70**	**1,27,337.71**	**2,03,647.06**
3	***Profit before Exceptional items and Tax (1-2)***	**6,293.24**	**806.99**	**2,216.17**	**11,065.87**	**3,922.37**	**10,946.33**
4	Exceptional Items	-	-	-			(1,538.65)
5	**Profit before Tax (3+4)**	**6,293.24**	**806.99**	**2,216.17**	**11,065.87**	**3,922.37**	**9,407.68**
6	Tax Expense (includes earlier year taxation & Deferred Tax) (Refer Note No.5)	1,641.64	(1,564.42)	800.26	(468.51)	(290.15)	2,365.16
7	**Net Profit after tax (5-6)**	**4,651.60**	**2,371.41**	**1,415.91**	**11,534.38**	**4,212.52**	**7,042.52**
8	Other Comprehensive Income (OCI)						
	Items that will not be reclassified to profit or loss :						
	i) Re-measurement gains/losses) on actuarial valuation of Post Employment defined benefits	6.15	19.46	(83.25)	18.45	(265.33)	26.17
	ii) Income tax relating to items that will not be re-classified to profit or loss	(2.13)	(6.74)	-	(6.39)	-	(9.06)
	Items that will be reclassified to profit or loss:						
	i) Income tax relating to items that will not be re-classified to profit or loss	-	-	-	-	-	-
	Total Other Comprehensive Income (8)	4.02	12.72	(83.25)	12.06	(265.33)	17.11
9	**Total Comprehensive Income for the Year (7+8)**	**4,655.62**	**2,384.13**	**1,332.66**	**11,546.44**	**3,947.19**	**7,059.63**
10	Paid Up Equity Share Capital (Face Value ₹ 2/- per Share)	3,545.04	3,545.04	3,545.04	3,545.04	3,545.04	3,545.04
11	**Earnings Per Share of ₹ 2/- each (not annualized)**						
	- Basic & Diluted (Refer Note No.6)	2.63	1.33	0.80	6.51	2.38	3.97

1 The above published results have been prepared in accordance with the principles and procedures as set out in Ind AS on financial statements and such other applicable standards as *notified under section 133 of the Companies Act ,2013 and Companies (Indian Accounting Standard) Rules 2015 as amended.*

2 The above financial results for the quarter and Nine-Months ended 31st December 2017 have been reviewed by the Audit Committee and considered & approved by the Board of Directors of the Company at its meeting held on 7th February 2018.

3 Consequent to the introduction of Goods and Services Tax (GST) with effect from July 1, 2017, Central Excise, Value Added Tax (VAT), Service Tax etc., have been replaced by GST. Accordingly, the Revenue from Operations for the quarter and Nine Months ended December 31, 2017 are not comparable with the corresponding quarter and nine months ended 31st December 2016.

4 The Company's Operations primarily consist of Construction activities and there are no other reportable segment under Ind AS 108 "Operating Segments".

5 The Net Income Tax expense for the nine months ended *31.12.2017* is arrived after taking into account the reversal of excess income tax provision made for the previous year and recognition of MAT credit entitlement.

6 The face value of shares of the Company was split from ₹ 10.00 per share to ₹ 2.00 per share with effect from 10.02.2017 (record date 13.02.2017). All the shares and per share information reflect the effect of the split for each period presented.

7 Previous period / year figures have been regrouped to facilitate comparison wherever necessary.

By Order of the Board

For Gayatri Projects Limited

T.V.SANDEEP KUMAR REDDY

Managing Director

Place: Hyderabad.

Date: 7th February, 2018

M O S & ASSOCIATES LLP
Chartered Accountants

Independent Auditors' Review Report on Review of Interim Financial Results

To
The Board of Directors
Gayatri Projects Limited

1. We have reviewed the accompanying statement of Standalone Unaudited Financial Results of **M/s. Gayatri Projects Limited ('the Company')** for the quarter and nine months period ended 31st December, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 05th July 2016. The preparation of the statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) – "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies generally accepted in India (read with SEBI Circular No. CIR/CFD/FAC/62/ 2016 dated 05th July 2016), is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. *Attention is invited to the following material matters:*
   i) *The points specified in Emphasis of Matter paragraph of our Audit Report for the year ended 31st March 2017 in respect of the loans grouped under 'Non-current Loans' and accumulated interest thereon is long pending for recovery and further Work Advances in respect of certain contract works given to sub-contractors grouped under 'Other Current Assets' which are long pending for recovery, continue to be applicable for the quarter and nine months period ended 31st December, 2017.*

   Our conclusion is not qualified in respect of above matters.

4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/ 2016 dated 05th July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M O S & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No. 001975S/S200020

MOS & ASSOCIATES LLP Chartered Accountants Hyderabad.

S. V. C. Reddy
Partner
Membership No.224028

Place: Hyderabad
Date: 7th February, 2018

GENERAL INFORMATION

1. Incorporation: Our was originally incorporated as "Andhra Coastal Constructions Private Limited", in India, pursuant to a certificate of incorporation dated September 15, 1989, as issued by the Registrar of Companies, at Hyderabad, Andhra Pradesh, under the provisions of the Companies Act, 1956. The name of our Company was changed to Gayatri Projects Private Limited on March 31, 1994. Our Company was converted into a public company with effect from December 2, 1994, pursuant to which our name was changed to Gayatri Projects Limited. A fresh certificate of incorporation was obtained by our Company on December 2, 1994. Our Company has been allotted the following Corporate Identification Number: L99999TG1989PLC057289.

2. Registered Office: The Registered office and Corporate office of our Company are situated at B-1, T.S.R. Towers, 6-3-1090, Raj Bhavan Road, Somajiguda, Hyderabad, India – 500 082.

3. Authorized share capital: The authorized share capital of our Company is ₹ 800,000,000/- (Rupees eight hundred million only), divided into 400,000,000 (four hundred million) Equity Shares of ₹ 2 each. Our issued, subscribed and paid equity share capital is ₹ 354,503,800/- divided into 177,251,900 Equity Shares of ₹ 2 each.

4. Listing: Our Company's Equity Shares have been listed on BSE and NSE since October 17, 2006, and August 22, 2011, respectively.

5. Authorization of issue: This Issue was authorized and approved by our Board of Directors on December 6, 2017 and approved by our shareholders through a resolution dated December 30, 2017.

6. In-principle approvals: Our Company has received in-principle approvals under Regulation 28(1) (a) of the SEBI Listing Regulations to list the Equity Shares on the BSE and the NSE on March 7, 2018 and March 7, 2018 respectively, bearing numbers DCS/QIP/SS/IP/1473/2017-18 and NSE/LIST/15492 respectively.

7. Inspection of MOA and AOA: Copies of the Memorandum of Association and Articles of Association of our Company, will be available for inspection during usual business hours on any weekday between 11:00 A.M. to 1:00 P.M. (except Saturday, Sunday and all public holidays) during the Bid/Issue Period at our Registered Office.

8. Necessary consents, approvals and authorizations: Except as disclosed in this Placement Document, our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.

9. No material change: There has been no material change in the financial or trading position of our Company since December 31, 2017, the date of the Standalone financial results prepared in accordance with Ind-AS and included in this Placement Document, except as disclosed herein.

10. Legal or arbitration proceedings: Except as disclosed in this Placement Document, there are no material legal or arbitration proceedings against or affecting our Company or our assets, business or revenues, nor is our Company aware of any pending or threatened legal or arbitration proceedings, which are or might be material in the context of the Issue, or which could result a material adverse effect on our business, financial condition or results of operations.

11. Minimum public shareholding: Our Company confirms that it is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations, SCRA and SCRR.

12. Floor Price: The Floor Price for the Issue is ₹ 211.65, calculated in accordance with Chapter VIII of the SEBI ICDR Regulations, as certified by the Statutory Auditors pursuant to their certificate dated March 7, 2018.

13. Discount: Our Company has offered a discount of 5.00 % on the Floor Price in terms of Regulation 85 of the SEBI ICDR Regulations.

14. Any other source of information: Our Company and the BRLMs accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including the website of our Company, https://www.gayatri.co.in, could be doing so at his or her own risk.

15. Details of the Compliance Officer:

CS I.V. Lakshmi
(Company Secretary and Compliance Officer)
6-3-1090, Raj Bhavan Road,
Somajiguda,
Hyderabad – 500082
Telangana, India
Telephone No.: +91 40 2331 0330
Facsimile No: +91 40 23398435
E-mail: cs@gayatri.co.in

DECLARATION

Our Company certifies that all relevant provisions of Chapter VIII read with Schedule XVIII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VIII and Schedule XVIII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Further, all the relevant provisions of the Securities and Exchange Board of India Act, 1992, as amended (including all rules, regulations and guidelines issued thereunder), have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS:

Signed by:

Mrs. T. Indira Subbarami Reddy
(*Chairperson)*

Mr. T.V. Sandeep Kumar Reddy
(Managing Director)

Mr. J. Brij Mohan Reddy
(Executive Vice Chairman)

Mr. Siva Kumar Reddy Gunupati
(Independent Director)

Dr. V L Moorthy
(Independent Director)

Mr. CH. Hari Vittal Rao
(Independent Director)

Mr. J. N. Karamchetti
(Independent Director)

Mr. Birendra Kumar
(*Nominee Director)*

Date: March 12, 2018

Place: Hyderabad

DECLARATION

We, the Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act and the rules made thereunder;

(ii) the compliance with the Companies Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the offer shall be used only for the purposes and objects indicated in the Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

____

Mrs. T. Indira Subbarami Reddy
(*Chairperson)*

____

Mr. T.V. Sandeep Kumar Reddy
(Managing Director)

____

Mr. J. Brij Mohan Reddy
(Executive Vice Chairman)

____

Mr. Siva Kumar Reddy Gunupati
(Independent Director)

____

Dr. V L Moorthy
(Independent Director)

____

Mr. CH. Hari Vittal Rao
(Independent Director)

____

Mr. J. N. Karamchetti
(Independent Director)

____

Mr. Birendra Kumar
(*Nominee Director)*

I am authorized by the Board of Directors of the Company, by resolution dated February 7, 2018 to sign this form and declare that all the requirements of Companies Act 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed:

____

CS I.V. Lakshmi

Company Secretary and Compliance Officer

Date: March 12, 2018

Place: Hyderabad

Gayatri Projects Limited

Registered and Corporate Office

B-1, T.S.R. Towers, 6-3-1090
Raj Bhavan Road, Somajiguda
Hyderabad – 500082, Telangana, India

Website: www.gayatri.co.in

CIN: L99999TG1989PLC057289

Contact Person: CS I.V. Lakshmi
(Company Secretary and Compliance Officer**)**

Address of Company Secretary and Compliance Officer:
6-3-1090, Raj Bhavan Road,
Somajiguda,
Hyderabad – 500082
Telangana, India

E-mail: cs@gayatri.co.in

Telephone No: +91 40 2331 0330

Facsimile No: +91 40 23398435

BOOK RUNNING LEAD MANAGERS

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7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400025

Credit Suisse Securities (India) Private Limited
9th Floor, Ceejay House, Plot F, Shivsagar Estate, Dr.
Annie Besant Road, Worli, Mumbai – 400018.

DOMESTIC LEGAL COUNSEL TO THE ISSUE

J. Sagar Associates advocates & solicitors

Vakils House, 18 Sprott Road
Ballard Estate, Mumbai 400 001, India

INTERNATIONAL LEGAL COUNSEL

Allen & Overy
9/F, Three Exchange Square, Central,
Hong Kong SAR

STATUTORY AUDITOR TO THE COMPANY

M O S & Associates LLP, Chartered Accountants
501, Lahari Benz Apartments,
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Tel: +40-69999417
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Firm Registration No: 001975S/S200020