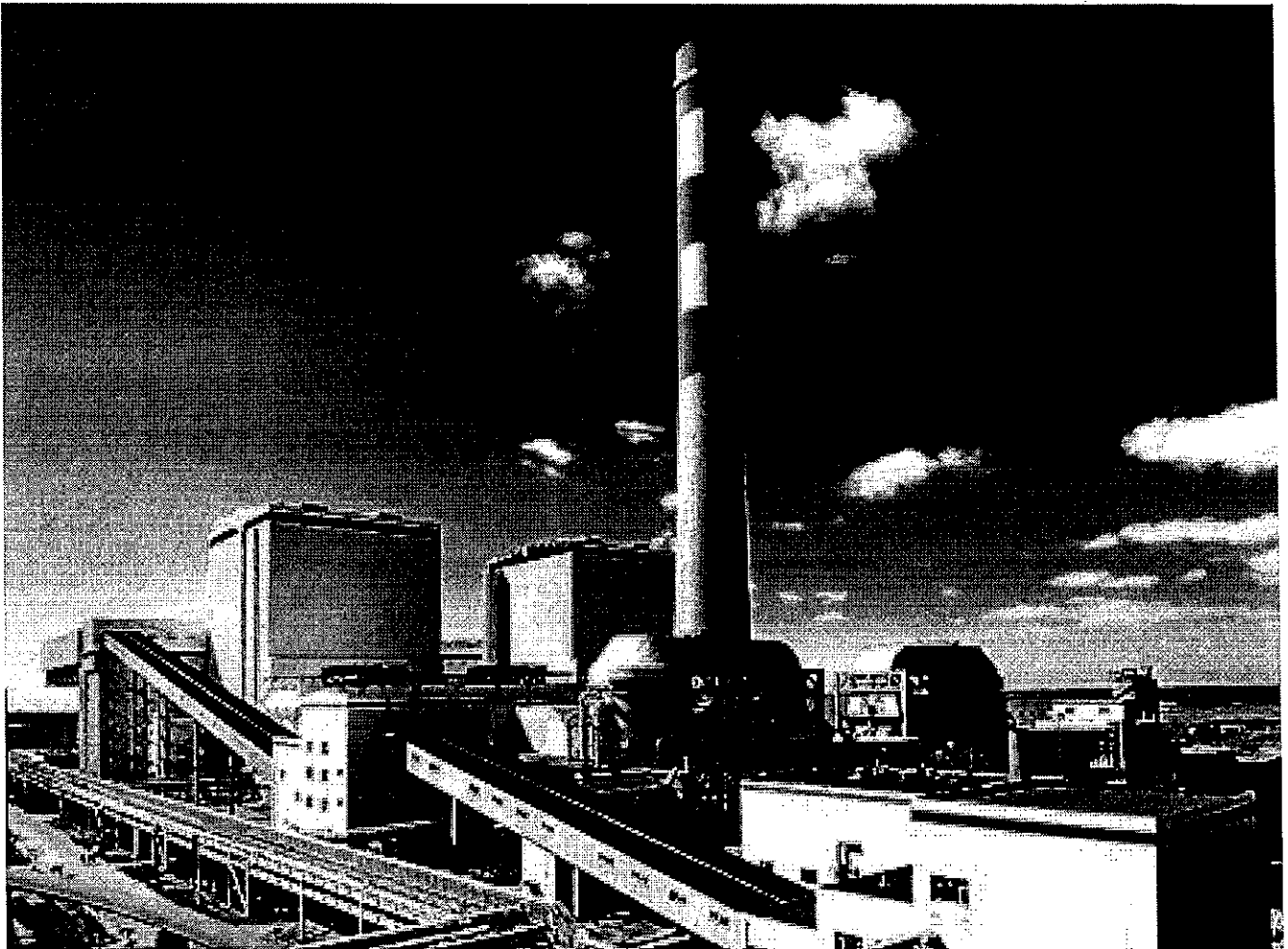




GAYATRI ENERGY VENTURES PRIVATE LIMITED



8th ANNUAL REPORT

2015-2016

CORPORATE INFORMATION:

DIRECTORS:

SRI T.V.SANDEEP KUMAR REDDY	DIRECTOR
SMT. T. INDIRA REDDY	DIRECTOR
SRI V.L.MURTHY	DIRECTOR
SRI CH. HARI VITTAL RAO	DIRECTOR
SRI M.V.NARASIMHA RAO	DIRECTOR
SRI G.K.MISHRA	NOMINEE DIRECTOR

REGISTERED OFFICE:

6-3-1090, B-1
TSR TOWERS
RAJBHVAN ROAD,
SOMAJIGUDA,
HYDERABAD- 500 082.

Corporate Identification No.U40108TG2008PTC057788

AUDITORS:

M O S & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
FLAT NO.501, LAHARI BENZ APTS,
RAJ BHAVAN ROAD
SOMAJIGUDA
HYDERABAD-500 082

BANKERS

CANARA BANK
RAJBHAVAN ROAD
SOMAJIGUDA
HYDERABAD.



Independent Auditors' Report

To the members of Gayatri Energy Ventures Private Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Gayatri Energy Ventures Private 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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, 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 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 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 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 loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 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 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, 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 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 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 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations as at 31st March 2016, which would impact its standalone financial position in its standalone financial statements;
 - ii. the Company does not have any long term contracts with material foreseeable losses and did not have any long-term derivative contracts as at 31st March 2016;
 - iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund during the year ended 31st March 2016.



Hyderabad, May 28, 2016

for MOS & Associates LLP

Chartered Accountants

Firm registration number: 001975S/S200020


Omman Mani
Partner

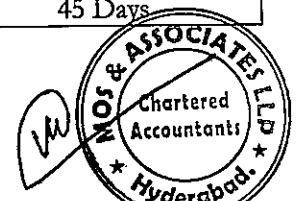
Membership Number: 234119

Annexure A to the Auditors' Report

The Annexure referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2016, we report that:

- (i) As explained to us, and according to the information and explanations given to us by the management, the Company does not have any fixed assets. Hence paragraph 3(i) of the Order is not applicable for the current year under report.
- (ii) As explained to us, and according to the information and explanations given to us by the management, the Company does not have any physical inventories. Hence paragraph 3(ii) of the Order is not applicable for the current year under report.
- (iii) The Company has granted unsecured loans to companies, parties covered in the register maintained under Section 189 of the Act. In respect of such loans:
 - a. The loans are interest free and repayable on demand with no specific repayment terms.
 - b. As there are no specific terms of repayment, there is no overdue amount outstanding as at the year end.
- (iv) According to the information and explanation given to us, the company has obtained an opinion from an expert regarding the non applicability of provisions of sec 185 and sec 186 of the act for the Company. Hence provisions of clause 3(iv) of the order are not applicable for the current year under report.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public during the year. Hence paragraph 3(v) of the Order is not applicable for the current year under report.
- (vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of any cost records under Section 148 (1) of the Act for the current level of activities of the Company. Hence paragraph 3(vi) of the Order is not applicable for the current year under report.
- (vii) In respect of statutory dues
 - a. According to the information and explanations given to us, and based on our examination of records the Company, amounts deducted/ accrued in the books of accounts in respect of undisputed 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. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, value added tax, cess and other material statutory dues were in arrears as at 31st March 2016 for a period more than six months from the date they became payable.
 - b. According to the information and explanations given to us and based on our examination of records of the Company, there are no material dues of provident fund, income tax, value added tax, cess and other material statutory dues which have not been deposited as on 31st March 2016 with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and based on our examination of records, the company has defaulted in payment of dues to debenture holders as below;

Name of the Lender	Particulars	Amount (Rs) of Default as at the balance sheet date	Period of Default as on Balance Sheet Date
IFCI	Interest on Debentures	3,46,98,630	45 Days



- (ix) According to the information and explanations given to us and based on our examination of records, the Company has not raised any money from public by the way of initial public offer or further public offer and the company has not raised any amount by the way of term loans. Hence paragraph 3(ix) of the Order is not applicable for the current year under report.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of audit.
- (xi) According to the information and explanations given to us and based on examination of records, the provisions of Section 197 of the Act are not applicable to the Company. Hence paragraph 3 (xi) of the Order is not applicable for the current year under report.
- (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 give to us and based on our examination of the records of the Company, the Company has made preferential allotment of 9% Optionally Fully Convertible Debentures during the year under review and based on expert opinion obtained by the Company and according to the information and explanations given to us and based on our examination of the records of the Company, the provisions of sec 42 of the Companies Act 2013 have been complied and the amount raised has been utilized for the purpose for which the funds were raised.
- (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 him. Hence paragraph 3(xv) of the Order is not applicable for the current year under report.
- (xvi) On the basis of assessment of the nature of business of the company, duly supported by an independent opinion from an expert, the management is of the view that provisions of section 45-IA of the Reserve Bank of India Act 1934, is not applicable to the company. Accordingly the Company has not got itself registered under the aforesaid provision as at 31st March 2016.



for **M O S & Associates LLP**

Chartered Accountants

Firm registration number: 001975S/S200020

Mani
Omman Mani
Partner

Membership Number: 234119

Hyderabad, May 28, 2016

Annexure B to the Auditors' 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 Energy Ventures Private 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.

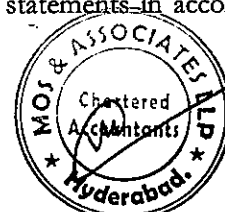
We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the 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 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.

Hyderabad, May 28, 2016



for **M O S & Associates LLP**

Chartered Accountants

Firm registration number: 001975S/S200020

A handwritten signature in black ink, appearing to read "Gommen Mani", written over a horizontal line.

Gommen Mani

Partner

Membership Number: 234119

GAYATRI ENERGY VENTURES PRIVATE LIMITED
STANDALONE BALANCE SHEET AS AT 31st MARCH 2016

Amount in Rs.

Particulars		Note No.	As at 31st March 2016		As at 31st March 2015	
A	EQUITY AND LIABILITIES					
1	Shareholders' Funds:					
	a. Share Capital	2	6,52,40,300		6,52,40,300	
	b. Reserves & Surplus	3	4,93,60,60,766	5,00,13,01,066	4,97,64,98,739	5,04,17,39,039
2	Non Current Liabilities					
	a. Long-term borrowings	4		84,92,50,000		1,50,00,00,000
3	Current Liabilities					
	a. Other current liabilities	5		1,49,00,24,864		78,91,35,270
	TOTAL			7,34,05,75,930		7,33,08,74,309
B	ASSETS					
1	Non - current assets					
	a. Non-current investments	6	5,22,35,61,780		5,22,34,02,040	
	b. Long-term loans and advances	7	86,67,08,453		85,52,54,680	
	c. Other non-current assets	8	1,14,90,83,334	7,23,93,53,567	1,14,71,39,524	7,22,57,96,244
2	Current Assets					
	a. Cash and cash equivalents	9	11,16,874		46,19,150	
	b. Other current assets	10	10,01,05,489	10,12,22,363	10,04,58,915	10,50,78,065
	TOTAL			7,34,05,75,930		7,33,08,74,309
	Significant accounting policies	1				
	Other notes forming part of the Financial Statements	15				

As per our report of even date attached

For M O S & Associates LLP

Chartered Accountants

Firm Reg.No: 001975S/S200020

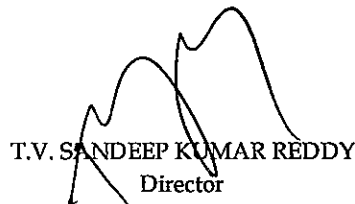


MO MMEN MANI
Partner


Membership. No.234119



For and on behalf of the Board



T.V. SANDEEP KUMAR REDDY
Director
DIN: 00005573



T.INDIRA REDDY
Director
DIN:00009906

Place: Hyderabad

Date : 28.05.2016

GAYATRI ENERGY VENTURES PRIVATE LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016

Amount in Rs.

Particulars		Note No.	For the year ended 31st March 2016	For the year ended 31st March 2015
1	Revenue			
	a. Other Income	11	24,858	-
2	Total Revenue		24,858	-
	Expenses			
	a. Employee benefits expenses	12	7,41,412	5,40,000
	b. Finance costs	13	2,67,75,062	18,35,33,270
	c. Depreciation		-	-
	d. Other Expenses	14	1,29,46,357	26,38,065
3	Total Expenses		4,04,62,831	18,67,11,335
4	Profit/ (Loss) before tax (2-3)		(4,04,37,973)	(18,67,11,335)
5	Tax Expense		-	-
6	Profit/(Loss) after tax for the year (4-5)		(4,04,37,973)	(18,67,11,335)
7	Earnings Per Share (EPS)			
	Equity shares of Rs.10/- each fully paid.	15.10		
	- Basic & Diluted EPS		(6.20)	(28.62)
	Significant accounting policies	1		
	Other Notes forming part of the Financial Statements	15		

As per our report of even date attached

For M O S & Associates LLP

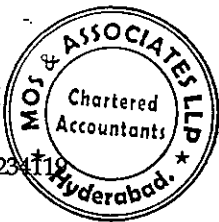
Chartered Accountants

Firm Reg.No:001975S/S200020

For and on behalf of the Board


GOMMEN MANI
Partner

Membership. No.234719




T.V. SANDEEP KUMAR REDDY

Director

DIN: 00005573



T. INDIRA REDDY

Director

DIN: 00009906

Place: Hyderabad

Date : 28.05.2016

GAYATRI ENERGY VENTURES PRIVATE LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

Amount in Rs.

PARTICULARS		For the year ended 31st March 2016	For the year ended 31st March 2015
A	Cash flow from operating activities		
	Profit/ (Loss) before tax from continuing operations	(4,04,37,973)	(18,67,11,335)
	Profit before tax	(4,04,37,973)	(18,67,11,335)
	Adjustment for		
	(i) Finance Costs	2,67,75,062	18,35,33,270
	Operating profit before working capital changes	(1,36,62,911)	(31,78,065)
	Movements in working capital :		
	(i) Increase/ (decrease) in other current liabilities	2,90,57,107	13,93,89,449
	(ii) Decrease / (increase) in other non current assets	(19,43,810)	(26,53,249)
	(iii) Decrease / (increase) in current assets	3,53,426	6,14,230
	Cash generated from/(used in) operations	1,38,03,812	13,41,72,365
	Net cash flow from/ (used in) operating activities (A)	1,38,03,812	13,41,72,365
B	Cash flows from investing activities		
	(a) Increase in long term loans and advances	(1,14,53,773)	(1,73,77,628)
	(b) Purchase of non-current investments	(1,59,740)	(5,00,00,000)
	Net Cash used in Investing Activities (B)	(1,16,13,513)	(6,73,77,628)
C	Cash flows from financing activities		
	(a) Interest Repayment of long-term borrowings	(56,92,575)	(6,30,24,553)
	Net cash flow from/ (used in) in financing activities (C)	(56,92,575)	(6,30,24,553)
D	Net increase/(decrease) in cash and cash equivalents (A + B + C)	(35,02,276)	37,70,184
	Cash and cash equivalents at the beginning of the year	46,19,151	8,48,967
E	Cash and cash equivalents at the end of the year	11,16,875	46,19,151

Note:

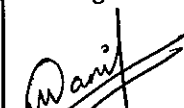
1. See accompanying notes forming part of the Standalone Financial Statements.
2. The Cash Flow statement is prepared in accordance with the indirect method stated in Accounting Standard 3 issued by ICAI on Cash Flow Statements and presents Cash Flow by Operating, Investing and Financing Activities.
3. Figures in brackets represent Cash Outflows.
4. Previous year Figures are regrouped where ever considered necessary to conform to the current year's presentation.

As per our report of even date attached

For M O S & Associates LLP

Chartered Accountants

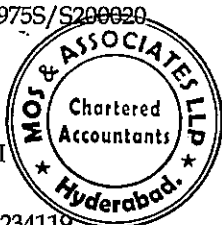
Firm Reg.No .001975S/S200020



GOMMEN MANI

Partner

Membership. No.234119

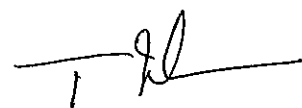


T.V. SANDEEP KUMAR REDDY

Director

DIN: 00005573

For and on behalf of the Board



T. INDIRA REDDY

Director

DIN: 00009906

Place: Hyderabad

Date : 28.05.2016

1. SIGNIFICANT ACCOUNTING POLICIES

i. Method of Accounting

"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. Further, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered. The Financial statements are prepared on accrual basis following the historical cost convention. 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.

ii. 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.

iii. Fixed Assets and Depreciation

Fixed assets are stated at cost of acquisition, less accumulated depreciation thereon. Depreciation is provided on the basis of straight line method in accordance with Part "C" of Schedule II to the Companies Act, 2013.

iv. Revenue Recognition

Other Income

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

v. Foreign Currency Transactions

(a) Foreign exchange transactions are accounted at the rates prevailing on the date of transactions.

(b) 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 Profit and Loss Account.

(c) 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.

vi. Investments

Investments are classified as Non - current and current Investments. Non - current Investments are carried at cost less provision for permanent diminution, if any, in the value of such investments. Current Investments are carried at lower of cost and fair value.

vii. Borrowing Costs

Borrowing Costs that are attributable to the acquisition and/or construction of qualifying assets are capitalized as part of cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use.

viii. Earning per Share

Basic and Diluted Earnings per Share (EPS) is reported in accordance with Accounting Standard (AS) – 20, “Earnings per Share”, issued by the Institute of Chartered Accountants of India and notified under Companies (Accounting Standards) Rules, 2006. EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity Shares outstanding during the year.

ix. Provisions and Contingent Liabilities

a. 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.

b. 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.

x. Taxes

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

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

c. Deferred Tax Assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, Deferred Tax on timing differences between taxable income and accounting shall be provided subject to consideration of prudence, as and when the Company commences operation.

xi. Unamortised Expenditure

Preliminary expenditure incurred in connection with incorporation of the Company is fully written off in the year of commencement of commercial operations.

xii. Adjusting Events

Events occurring after Balance Sheet Date but before the adoption of results by Board of Directors, which provide evidence as on Balance Sheet Date are treated as adjusting events.

xiii. Cash Flow Statement

a. 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:

1. transactions of a non-cash nature
2. any deferrals or accruals of past or future operating cash receipts or payments and
3. items of income or expense associated with investing or financing cash flows

b. 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.

xiv. 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.

2. Share Capital				
Particulars	As at 31st March 2016		As at 31st March 2015	
	Number of shares	Amount in Rs.	Number of shares	Amount in Rs.
(a) Authorised Share Capital				
Equity shares of Rs.10/- each	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
(b) Issued Share Capital				
Equity shares of Rs.10/- each	65,24,030	6,52,40,300	65,24,030	6,52,40,300
(c) Subscribed and fully paid up Share Capital				
Equity shares of Rs.10/- each	65,24,030	6,52,40,300	65,24,030	6,52,40,300
Total	65,24,030	6,52,40,300	65,24,030	6,52,40,300

2 (a) 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	Amount in Rs.	Number of shares	Amount in Rs.
Equity shares of Rs.10/- each with voting rights				
At the beginning of the period	65,24,030	6,52,40,300	65,24,030	6,52,40,300
Issued during the period - Fresh Issue	-	-	-	-
Outstanding at the end of the period	65,24,030	6,52,40,300	65,24,030	6,52,40,300

Details of Shares Issued during the year

During the year no fresh issue

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 Rs. 10/- per share. Each Holder of equity shares is entitled to one vote per share. The Company has not declared/ proposed dividend during the year. 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.

2 (b) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	As at 31st March 2016		As at 31st March 2015	
	Number of shares	Amount in Rs.	Number of shares	Amount in Rs.
Equity shares of Rs.10/- each with voting rights Gayatri Projects Limited - Holding Company	*65,24,030	6,52,40,300	*65,24,030	6,52,40,300

2 (c) 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 Rs.10/- each with voting rights Gayatri Projects Limited - Holding Company	*65,24,030	100%	*65,24,030	100%

3. Reserves & Surplus		Amount in Rs.	
Particulars	As at 31st March 2016	As at 31st March 2015	
(a) Securities premium reserve			
Opening balance	6,33,30,88,200	6,33,30,88,200	
Closing balance (A)	6,33,30,88,200	6,33,30,88,200	
(b) Surplus / (Deficit) in Statement of Profit and Loss			
Opening balance	(1,35,65,89,461)	(1,16,98,78,126)	
Add : Profit / (Loss) for the year	(4,04,37,973)	(18,67,11,335)	
Closing balance (B)	(1,39,70,27,434)	(1,35,65,89,461)	
Total (A+B)	4,93,60,60,766	4,97,64,98,739	

4. Long-term borrowings		Amount in Rs.	
Particulars	As at 31st March 2016	As at 31st March 2015	
(a) Debentures - Secured			
7,50,00,000 (31st March 2015: 15,00,00,000) 10.50% Compulsorily Convertible Debentures (CCD) of Rs.10/- each (Refer Note No. 15.5 & Note No. 4(a) below)	75,00,00,000	1,50,00,00,000	
(b) Debentures-unsecured			
99,25,000 @ 9% Optionally Fully Convertible Debentures (OFCD) of Rs.10 each (Refer Note No. 4(b) below)	9,92,50,000	-	
Total	84,92,50,000	1,50,00,00,000	

4 (a) Details of compulsorily convertible debentures issued by the Company:		Amount in Rs.	
Particulars	As at 31st March 2016	As at 31st March 2015	
15,00,00,000 10.50% Compulsorily Convertible Debentures (CCD) of Rs.10 each (secured)	1,50,00,00,000	1,50,00,00,000	

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) Kindly refer note no. 15.5
- c) An Amount of Rs 75,00,00,000/- being the debentures amount maturing within the next financial year has been grouped under current liabilities as currenet maturities of long term debt.

Nature of Security

- i) 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 collateral security for the debentures issued by the Company.
- ii) 26% of Total equity shares of the Company held by Gayatri Projects Ltd i.e 16,96,248 as on 31-03-2016 are pledged in favour of IFCI Limited as collateral security for the debentures issued by the 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) Gayatri Projects Ltd the holding company of the Company has given buy back guarantee to IFCI Ltd.

Amount of interest due on debentures

- i) An amount of Rs 3,46,98,630/- is due on debentures for a period of 45 days as on 31/03/2016

4 (b) Details of Unsecured Optionally Fully Convertible Debentures

Particulars	As at 31st March 2016	As at 31st March 2015
9% Optionally Fully Convertible Debentures (OFCD) of Rs.10 each (unsecured)	9,92,50,000	-

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. 9,92,50,000/- received from M/s. Capital Fortunes Ventures Limited. The OFCD carry a Interest of 9% cumulative and will be 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 Rs. 760 each per share, with prior consent of the Board of Directors of the Company.

5. Other current liabilities		Amount in Rs.	
Particulars	As at 31st March 2016	As at 31st March 2015	
(a) Current maturities of long-term borrowings (Refer Note 5 (a) below and Note No 15.5)	75,00,00,000	-	
(b) Interest accrued but not due on Debentures	10,68,92,574	12,05,08,717	
(c) Interest accrued and due on Debentures	3,46,98,630	-	
(d) Advance Received	59,69,69,208	66,73,56,953	
(e) Duties and Tax Payable	26,900	21,200	
(f) Salaries Payable	3,04,600	63,800	
(g) Audit Fees Payable	2,78,138	8,11,464	
(h) Service Tax payable	1,59,500	-	
(i) TDS Payable	6,95,314	3,73,136	
Total	1,49,00,24,864	78,91,35,270	
5 (a) Current maturities of long-term debt:		Amount in Rs.	
Particulars	As at 31st March 2016	As at 31st March 2015	
(a) Debentures (secured) 7,50,00,000 10.50% Compulsorily Convertible Debentures (CCD) of Rs.10/- each (Refer Note No 15.5)	75,00,00,000	-	
Total	75,00,00,000	-	
a) The Company has to pay 4 Installments of Rs. 18.75 Crores for the CCDs issued to IFCI Limited, the first Installment will fall due on 15th May 2016.			
b) Kindly refer note 4(a) above.			
6. Non-current investments		Amount in Rs.	
Particulars	As at 31st March 2016	As at 31st March 2015	
Trade investments (valued at cost unless stated otherwise)			
Unquoted Equity Shares			
A. Investment in Subsidiaries			
a. Bhandara Thermal Power Corporation Limited (BTPCL) 49,57,834 (Previous Year: 49,57,834) Equity Shares of Rs.10/- each fully paid up	4,95,78,340	4,95,78,340	
B. Investment in Associates			
a. NCC Infrastructure Holdings Limited (NCCIHL) 22,47,27,126 (Previous year :22,47,27,126) Equity Shares of Rs.10/- each fully paid up (Refer Note No 15.7)	2,45,75,23,700	2,45,75,23,700	
b. Sembcorp Gayatri O & M Company Pvt Ltd (SGOM) 30,000 (Previous Year:30,000) Equity Shares of Rs. 10/- each fully paid up	3,00,000	3,00,000	
C. Investment in Others			
a. Thermal Powertech Corporation India Limited (TPCIL) 24,16,15,974 (Previous Year: 24,16,00,000) Equity Shares of Rs.10/- each fully paid-up	2,41,61,59,740	2,41,60,00,000	
b. Jinbhuvish Power Generation Private Limited (JP GPL) 2,74,49,989 (Previous Year: 2,74,49,989) Equity Shares of Rs. 10/- each fully paid up (Refer Note No 15.6)	30,00,00,000	30,00,00,000	
Total	5,22,35,61,780	5,22,34,02,040	
Pledge of shares			
i) 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			
ii) 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 collateral security for the debentures issued by the Company.			
iii) 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.			
iv) 100% pledge of share of BTPCL in favour of IL&FS as a collateral security for loan availed by BTPCL.			

7. Long-term loans and advances		
- To Related Parties - Unsecured, Considered Good		
Amount in Rs.		
Particulars	As at 31st March 2016	As at 31st March 2015
(a) Loan to Subsidiary company	85,58,66,618	84,53,26,618
(b) Mobilization Advance	1,08,41,835	98,82,650
(c) Other advances	-	45,412
Total	86,67,08,453	85,52,54,680
8. Other non- current assets		
Amount in Rs.		
Particulars	As at 31st March 2016	As at 31st March 2015
(a) Share Application Money Pending for Allotment Paid to : - Jinbhuvish Power Generation Private Limited (Refer Note No. 15.6)	14,90,83,334	14,71,39,523
(b) Advance for purchase of equity shares to NCC Limited (Refer Note No.15.7)	1,00,00,00,000	1,00,00,00,000
Total	1,14,90,83,334	1,14,71,39,523
9. Cash and cash equivalents		
Amount in Rs.		
Particulars	As at 31st March 2016	As at 31st March 2015
(a) Cash on hand	259	5,195
(b) Balances with banks in current accounts	11,16,615	46,13,955
Total	11,16,874	46,19,150
10. Other current assets		
Amount in Rs.		
Particulars	As at 31st March 2016	As at 31st March 2015
(a) TDS Receivable	1,05,489	2,62,915
(b) Others	-	1,96,000
(c) Advance for Purchase of Equity Shares (Refer Note No 15.6)	10,00,00,000	10,00,00,000
Total	10,01,05,489	10,04,58,915

11. Other Income		Amount in Rs.	
Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015	
(a) Interest on TDS Received	24,858	-	
Total	24,858	-	
12. Employee benefits expenses		Amount in Rs.	
Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015	
(a) Salaries	7,41,412	5,40,000	
Total	7,41,412	5,40,000	
13. Finance costs		Amount in Rs.	
Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015	
(a) Interest on Debentures (Refer Note No 15.5)	2,67,75,062	14,59,22,230	
(b) Interest on Delayed payment	-	3,76,11,040	
Total	2,67,75,062	18,35,33,270	
14. Other expenses		Amount in Rs.	
Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015	
(a) Office Expenses	3,779	190	
(b) Payments to Auditors	3,01,370	2,24,720	
(c) Telephone & Internet Expenses	37,109	6,119	
(d) Rates & Taxes	17,10,000	2,04,237	
(e) Filing Fee	39,376	8,643	
(f) Legal & Professional Expenses	99,49,697	9,15,554	
(g) Printing & Stationery	1,155	2,205	
(h) Consultancy Charges	23,278	6,51,070	
(i) Travelling Expenses	6,21,483	2,80,061	
(j) TDS-Interest Payment	15,900	9,632	
(k) Sitting Fees	2,10,000	2,40,000	
(l) Bank charges	19,530	19,961	
(m) Demat & Pledge Charges	13,680	75,673	
Total	1,29,46,357	26,38,065	

15. Other Notes forming part of the Standalone Financial Statements**15.1 Segment Reporting**

Considering the nature of Company's business and operations, there are no separate reportable segments (Business & / or Geographical) in accordance with the requirements of Accounting Standard-17 on "Segment Reporting".

15.2 Contingent Liabilities

Claims against the Company / disputed liabilities not acknowledged as debts – Rs. Nil (Previous Year Rs. Nil)

15.3 Employee Benefits

The Company has no liability for employee benefits, in accordance with the provisions of Accounting Standard – 15 "Employee Benefits". Hence no provision has been made in the books of accounts.

15.4 Contracts remaining to be executed on capital account as on 31st March, 2016 are Nil. (Previous Year Rs. Nil)

15.5 Revised Terms of Compulsory Convertible Debentures(CCD's)

"The revised Key Terms of CCDs sanctioned by IFCI Ltd. are as follows:

- 1) Cutoff date 15-11-2014
- 2) CCDs to be repaid in 8 Quarterly Installments commencing from 15-05-2016
- 3) Rate of Return revised to 16.5% from 16%
- 4) Coupon to be continued at 10.50%
- 5) Existing Security to Continue
- 6) Interest Moratorium of 1 Year commencing from 15-11-2014 to 15-11-2015"

15.6 Investment made and advance given to Jinbhovish Power Generation Private Limited (JPGPL)

During the previous financial years the Company had made various investments in JPGPL by way of acquisition of shares, share application money, advance for purchase of equity shares cumulative amounting to Rs.54.91 crores. During the previous financial years 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 2015, the Company shall exit from JPGPL by 31st October 2016, the Company has not been able to exit from the project due to difficult external business environment, however inspite of the several Amendments to the Exit Agreement the Management of the Company is still confident that it will recover the Amounts invested in JPGPL.

15.7 Advance for Purchase of Equity Shares from NCC Limited

During the previous financial years the Company had given an Amount of Rs.100 crores to NCCL 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 GEVPL in 3 tranches on or before 31st March, 2017.

15.8 As per the information available with the Company, there are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2015. (Previous Year – Rs. Nil)

15.9 Balances under Non- Current Investments, Other Non-current Assets and Other Current Assets are subject to confirmation and reconciliation.

15.10 Earning Per Share

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

Basic & Diluted EPS:

Amount in Rs.

Particulars	2015-16	2014-15
Net Profit after tax attributable to Equity Share Holders (A)	(4,04,37,972.68)	(18,67,11,335.00)
Weighted Average number of Equity Shares outstanding (B)	65,24,030	65,24,030
Basic Earnings per Share (A/B)	(6.20)	(28.62)

- 15.11 a. In the absence of profits, the Company has not created any Debenture Redemption Reserve.
- b. Consequently, the Company has also not invested as per extant guidelines, 15% of the debentures maturing in F.Y: 2015-16 amounting to Rs.11.25 crores.

15.12 Related Party Disclosures

a. List of Related parties and Relationships as disclosed by the Company.

A) Holding Company	1) Gayatri Projects Limited
B) Subsidiary Company	1) Bhandara Thermal Power Corporation Limited
C) Associate Companies	1) NCC Infrastructure Holdings Limited
	2) Semcorp Gayatri O&M Company Private
D) Key Management Personnel (KMP)	1) T.V.Sandeep Kumar Reddy - Director
	2) T. Indira Reddy - Director
	3) T. Saritha Reddy - Director
E) Entities in which KMP or Relatives of KMP can exercise significant influence / having substantial interest.	1) Indira Energy Holdings Private Limited
	2) Yamne Power Private Limited
	3) Gayatri Tissue & Papers Ltd
	4) Gayatri Sugars Ltd
	5) Gayatri Hi-Tech Hotels Ltd
	6) Gayatri Hotels & Theatres Pvt. Ltd
	7) Gayatri Infraventures Private Limited
	8) Sai Maatarni Tollways Limited
	9) Deep Corporation Pvt. Ltd
	10) Indira Constructions Pvt. Ltd.
	11) Gayatri Property Ventures Pvt. Ltd
	12) Gayatri Bio-Organics Ltd
	13) T.V.Sandeep Kumar Reddy & Others
	14) Chamundeswari Builders Pvt. Ltd.
	15) T.S.R Lalitha Kala Parishad
	16) T.S.R Foundation
F) Relatives of KMP	1) T.Rajiv Reddy
	2) T.Anirudh Reddy

b. Transactions with Related Parties

Transaction	Holding Company	Subsidiary Company	Company in which KMP or Relatives of KMP can exercise significant influence/ substantial interest
Mobilization Advance Given	-	-	9,59,185
	-	-	98,82,651
Unsecured Loans given	-	1,05,40,000	-
	-	1,33,02,067	-
Reimbursement of Expenses	-	-	13,33,800
	-	-	30,64,547
Amount due from	-	-	Nil
	-	-	1,96,000
Advance Received	2,88,62,255	-	-
	13,22,97,658	-	-
Closing Balance DR/(CR)	(69,62,19,208)	85,58,66,618	1,08,41,835
	(66,73,56,953)	84,53,26,618	98,82,650

15.13 No Deferred Tax Asset has been recognized by the Company due to absence of virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

15.14 Auditors' Remuneration

(Amount in Rs.)

Particulars	2015-16	2014-15
Statutory Audit Fee	2,50,000	2,00,000
Certification Fee	15,000	7,500
Total	2,65,000	2,07,500

* Fees is exclusive of Service Tax

15.15 In the opinion of the management and to the best of our knowledge and belief, the value under the head of Other Non-Current Assets, Non - Current Investments, Other Current Assets are approximately of the value stated if realized in the ordinary course of business.

15.16 Earnings in Foreign Currency: Rs. Nil. (Previous Year: Rs. Nil)

Expenditure in Foreign Currency: Rs.12,64,282. (Previous Year: Rs. Nil)

15.17 Figures have been rounded off to the nearest Rupee.

15.18 Previous year's figures have been regrouped/ reclassified wherever considered necessary to correspond with the current year's classification/disclosure.

As per our report of even date attached

For M O S & Associates LLP
Chartered Accountants
Firm Reg.No: 001975S/S200020

For and on behalf of the Board



OOMMEN MANI
Partner
M. No.234119



T.V. SANDEEP KUMAR REDDY
Director
DIN: 00005573




T INDIRA REDDY
Director
DIN: 00009906

Place: Hyderabad
Date : 28.05.2016