

**Date: 6<sup>th</sup> December, 2017**

**To,  
The General Manager,  
The Department of Corporate Relations,  
The Bombay Stock Exchange Limited.,  
25<sup>th</sup> Floor, Phiroz Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001**

**To,  
The Secretary,  
National Stock Exchange of India Ltd.  
5<sup>th</sup> Floor, Exchange Plaza  
Plot No.C/1, G Block  
Bandra Kurla Complex, Bandra (East)  
Mumbai -400 051.**

Dear Sir/Madam.

**Sub: Intimation of the Outcome of Board Meeting – Reg.,**  
.....

We wish to inform you that the Board of Directors of the Company at their meeting held today, i.e. December 06, 2017 which was commenced at 5.00 p.m and concluded at 9.10 p.m, has inter alia approved the following:

1. Board's Report for the Financial Year 2016-17.
2. Cancellation of the dividend which was recommended by the board of directors at their meeting held on 29.05.2017 due to Non approval from the lenders as per the Master Restructuring Agreement (MRA).
3. The Notice for convening the Twenty-Eight Annual General Meeting of the Company to be held on Saturday, the 30th of December, 2017 at 11.30 A.M at FTAPCCI Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FAPPCCI), Hyderabad.
4. Book Closure dates i.e from Saturday, the December 23, 2017 to Saturday, the December 30, 2017 (both days inclusive) for the purpose of 28th Annual General Meeting (AGM) of the Company to be held on December 30, 2017.
5. Revised financial statements for the F.Y.2016-17 giving effect of the Composite Scheme of Arrangement between Gayatri Projects Limited and Gayatri Infra Ventures Limited and Gayatri Domicile Private Limited and their respective Share holders and Creditors ('Scheme') sanctioned



by NCLT Hyderabad on 6th November 2017. The Order of NCLT sanctioning the Scheme was filed on 23rd November 2017 with ROC (Telangana) (The 'Effective Date'). These financials shall supercede the earlier financials which were approved by the Board on 29th May, 2017.

6. To Raise funds up to an amount of Rs.1000 Crores, by way of issue of securities but not limited to Equity Shares, and/or any other securities convertible into Equity Shares and/or Non-Convertible Debentures with or without warrant, through Further Public Offer/ Qualified Institutional Placement (QIP)/ Preferential Issue/Rights Issue or through any other permissible mode under applicable laws subject to approval of members of Company, if required and other appropriate approvals.

This is for your information and dissemination please.

Thanking you,

Yours truly,

**For GAYATRI PROJECTS LIMITED**

  
**(CS I.V. Lakshmi)**

**Company Secretary and Compliance Officer**  
**Membership No.17607.**





# GAYATRI PROJECTS LIMITED

CIN : L99999TG1989PLC057289

Regd. Office: B1, TSR TOWERS, 6-3-1090, RAJ BHAVAN ROAD, SOMAJIGUDA, HYDERABAD-500082

STATEMENT OF REVISED AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2017

(₹ in Lakhs)

Sl. No.	Particulars	Standalone				
		Quarter Ended			Year Ended	
		31.03.2017 Audited*	31.12.2016 Unaudited	31.03.2016 Audited*	31.03.2017 Audited	31.03.2016 Audited
1	<b>Income</b>					
	Revenue from operations	81,248.51	52,046.67	66,821.22	2,11,535.05	1,81,221.25
	Other Income	2,084.80	121.51	9.76	3,058.34	659.89
	<b>Total Income</b>	<b>83,333.31</b>	<b>52,168.18</b>	<b>66,830.98</b>	<b>2,14,593.39</b>	<b>1,81,881.14</b>
2	<b>Expenses</b>					
	a. Cost of Materials Consumed & Work Expenditure	68,557.27	43,449.79	51,923.18	1,74,510.62	1,41,903.56
	b. Changes in Inventories of Work in Progress	(2,591.28)	(2,527.13)	2,846.05	(5,542.82)	5,643.82
	c. Employee Benefits Expense	1,665.73	1,540.64	1,440.44	5,866.53	4,206.24
	d. Finance Costs	6,615.82	4,888.24	4,998.90	20,138.18	15,792.93
	e. Depreciation and Amortization Expense	995.12	1,264.79	929.11	4,315.54	3,747.47
	f. Other Expenses	1,066.69	1,335.68	1,458.32	4,359.01	3,521.69
	<b>Total Expenses</b>	<b>76,309.35</b>	<b>49,952.01</b>	<b>63,596.00</b>	<b>2,03,647.06</b>	<b>1,74,815.71</b>
3	<b>Profit / (Loss) before Exceptional items and Tax (1-2)</b>	<b>7,023.96</b>	<b>2,216.17</b>	<b>3,234.98</b>	<b>10,946.33</b>	<b>7,065.43</b>
4	Exceptional Items (Refer Note No.9)	(1,538.65)	-	-	(1,538.65)	-
5	<b>Profit/(Loss) before Tax (3+4)</b>	<b>5,485.31</b>	<b>2,216.17</b>	<b>3,234.98</b>	<b>9,407.68</b>	<b>7,065.43</b>
6	Tax Expense (includes earlier year taxation & Deferred Tax)	2,655.31	800.26	384.87	2,365.16	1,200.59
7	<b>Net Profit/(Loss) after tax (5-6)</b>	<b>2,830.00</b>	<b>1,415.91</b>	<b>2,850.11</b>	<b>7,042.52</b>	<b>5,864.84</b>
8	Other Comprehensive Income (OCI)					
	<b>Items that will not be reclassified to profit or loss :</b>					
	i) Re-measurement gains/losses) on actuarial valuation of Post Employment defined benefits	(208.25)	(127.31)	138.79	26.17	(96.93)
	ii) Income tax relating to Items that will not be re-classified to profit or loss	(74.19)	44.06	(45.49)	(9.06)	33.55
	<b>Items that will be reclassified to profit or loss:</b>					
	i) Income tax relating to Items that will not be re-classified to profit or loss	-	-	-	-	(59.59)
	<b>Total Other Comprehensive Income (8)</b>	<b>(282.44)</b>	<b>(83.25)</b>	<b>93.30</b>	<b>17.11</b>	<b>(122.97)</b>
9	<b>Total Comprehensive Income for the Year (7+8)</b>	<b>2,547.56</b>	<b>1,332.66</b>	<b>2,943.41</b>	<b>7,059.63</b>	<b>5,741.87</b>
10	Paid Up Equity Share Capital (Face Value Rs.2/- per Share )	3,545.04	3,545.04	3,545.04	3,545.04	3,545.04
11	<b>Earnings Per Share of Rs.2/- each (not annualized)</b>					
	- Basic & Diluted (Refer Note No.12)	1.60	0.80	1.67	3.97	3.46

(₹ in Lakhs)

STATEMENT OF ASSETS AND LIABILITIES		STANDALONE	
		As at 31.03.2017	As at 31.03.2016
<b>ASSETS</b>			
1	<b>NON-CURRENT ASSETS</b>		
	(a) Property, Plant & Equipment	30,925.49	22,686.19
	(b) Capital Work in Progress	2,409.70	-
	(c) Financial Asset		
	(i) Investments	1,05,612.14	1,18,220.86
	(ii) Loans	51,023.52	51,026.05
	<b>Sub-total - Non-Current Assets</b>	<b>1,89,970.85</b>	<b>1,91,933.10</b>
2	<b>CURRENT ASSETS</b>		
	(a) Inventories	36,005.19	15,488.43
	(b) Financial Asset		
	(i) Trade receivables	85,036.43	62,399.34
	(ii) Cash and cash equivalents	19,700.64	18,004.94
	(iii) Loans	17,594.33	15,071.16
	(c) Current Tax Assets (Net)	4,074.55	7,571.18
	(d) Other Current Assets	95,429.59	78,254.13
	<b>Sub-total - Current Assets</b>	<b>2,57,840.73</b>	<b>1,96,789.18</b>
	<b>TOTAL - ASSETS</b>	<b>4,47,811.58</b>	<b>3,88,722.28</b>
<b>EQUITY AND LIABILITIES</b>			
1	<b>EQUITY</b>		
	(a) Equity Share capital	3,545.04	3,545.04
	(b) Other Equity	70,555.34	81,056.66
	<b>Sub-total - Shareholders' Funds</b>	<b>74,100.38</b>	<b>84,601.70</b>
2	<b>LIABILITIES</b>		
	<b>Non-Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	96,777.30	97,197.13
	(ii) Other Financial liabilities	92,391.80	62,711.66
	(b) Provisions	978.31	894.56
	(c) Deferred Tax Liabilities (net)	2,320.22	2,243.80
	<b>Sub-total - Non-Current Liabilities</b>	<b>1,92,467.63</b>	<b>1,63,047.15</b>
	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	95,960.82	89,021.38
	(ii) Trade payables	66,079.21	41,911.09
	(iii) Other Financial Liabilities	14,886.66	6,841.22
	(b) Other Current Liabilities	4,307.25	3,290.30
	(c) Provisions	9.63	9.44
	<b>Sub-total - Current Liabilities</b>	<b>1,81,243.57</b>	<b>1,41,073.43</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>4,47,811.58</b>	<b>3,88,722.28</b>





## Notes :

- 1 The Company adopted Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with relevant Rules issued thereunder. The date of transition of the Ind AS is 1st April 2015 and accordingly these financial results for the periods presented have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India, as applicable.
- 2 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.
- 3 The original audited financial statements / results of the Company for the quarter and 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 is considered in the books of accounts for the financial year ended 31st March, 2017 and accordingly the present financial statements / results revised as per the Scheme above, replace the original audited financial statements / results which were approved by the Board of Directors vide their meeting held on 29th May, 2017 as mentioned above.
- 4 The above financial results for the quarter and year ended 31st March 2017 have been reviewed by the Audit Committee and considered & approved by the Board of Directors of the Company at its meeting held on 6th December, 2017.
- 5 The Company's Operations primarily consist of Construction activities and there are no other reportable segment under Ind AS 108 "Operating Segments".
- 6 \*Figures for the quarter ended 31st March 2017 and 31st March 2016 are the balancing figures between the audited figures for the full financial year ended 31st March 2017 and 31st March 2016 ( Ind AS) and the published figures for the nine months period ended 31st Dec 2016 and 31st Dec 2015 respectively.
- 7 The reconciliation of net profit/(loss) as previously reported ( referred to in previous GAAP ) and Ind AS is as under

Particulars	(₹ in Lakhs)	
	Three Months / Quarter Ended 31st March, 2016	Year Ended 31st March, 2016
Net profit under previous GAAP for the quarter / year ended 31st March, 2016	2,850.11	5,864.84
Impact of account of Equity Instruments at fair value through Profit and Loss	39.80	39.80
Re-measurement gains / losses on actuarial valuation of Post employment defined ben	157.76	91.13
Effect of application of effective interest rate on financial liabilities / borrowings	(58.77)	(227.86)
Effect of Application of Effective rate of interest for borrowings	-	-
Deferred Tax effect on above adjustments	(45.49)	33.55
Net profit recast to Ind AS for the quarter / year ended 31st March 2016	<b>2,943.41</b>	<b>5,801.46</b>
Other Comprehensive Income as per Ind AS	-	(59.59)
<b>Total Comprehensive Income as per Ind AS</b>	<b>2,943.41</b>	<b>5,741.87</b>

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

Particulars	(₹ in Lakhs)	
	Year Ended 31st March, 2016	
Equity reported under previous GAAP as on 31st March 2016	83,867.29	
Impact of account of Equity Instruments at fair value through Profit and Loss	43.83	
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	
Equity reported under Ind AS on 31st March 2016	84,601.70	

- 9 In the month of March 2016, 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 in the last quarter under review. Therefore, the net result (loss) from sale of wind power business amounting to ₹1538.65 Lakhs is recognized under exceptional items in profit and loss statement for the period ended 31st March 2017.
- 10 The management of the company has initiated steps to recover the interest bearing loans grouped under 'Non-current Loans' given to subcontractors either in cash or in kind and the proposals of the company have reached advanced stage. The initiatives of the management to recover such loans have shown significant results and a substantial portion of these loans are expected to be recovered in cash or kind in near future and consequently no provision for expected credit loss is warranted.
- 11 In case of some of the work advances grouped under 'Other Current Assets' given to subcontractors pending recovery due to extraneous factors, the management has initiated several steps to recover the dues and is confident to recover the same in near future. In view of the improved business conditions to recover the dues from the current works given to subcontractors, the management of the company is not expecting any credit loss due to non recovery of such work advances.
- 12 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.
- 13 Previous period / year figures have been regrouped to facilitate comparison wherever necessary.

Place: Hyderabad.  
Date: 6th December, 2017



By Order of the Board  
For Gayatri Projects Limited

**T.V.SANDEEP KUMAR REDDY**  
Managing Director



# GAYATRI PROJECTS LIMITED

CIN : L99999TG1989PLC057289

Regd. Office: B1, TSR TOWERS, 6-3-1090, RAJ BHAVAN ROAD, SOMAJIGUDA, HYDERABAD-500082

STATEMENT OF REVISED AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2017

(₹ in Lakhs)

Sl. No.	Particulars	YEAR ENDED	
		31.03.2017	31.03.2016
		Audited	Audited
1	<b>Income</b>		
	Revenue from operations	2,11,535.05	1,72,624.14
	Other Income	3,058.35	1,937.98
	<b>Total Income</b>	<b>2,14,593.40</b>	<b>1,74,562.12</b>
2	<b>Expenses</b>		
	a. Cost of Materials Consumed & Work Expenditure	1,74,510.62	1,40,433.80
	b. Changes in Work in Progress	(5,542.82)	5,643.82
	c. Employee Benefits Expense	5,866.98	2,966.36
	d. Finance Costs	25,693.71	18,555.39
	e. Depreciation and Amortization Expense	4,315.54	4,373.67
	f. Other Expenses	4,398.56	2,903.68
	<b>Total Expenses</b>	<b>2,09,242.59</b>	<b>1,74,876.72</b>
3	<b>Profit / (Loss) before Exceptional items and Tax (1-2)</b>	<b>5,350.81</b>	<b>(314.60)</b>
4	a) Exceptional Items (Refer Note No.7)	(1,538.65)	59.40
	b) Share of Profit /(Loss) of Joint Ventures & Associates	(1,476.95)	(3,221.68)
5	<b>Profit/(Loss) before Tax (3+4)</b>	<b>2,335.21</b>	<b>(3,476.88)</b>
6	Tax Expense (includes earlier year taxation & Deferred Tax)	2,365.16	1,167.04
7	<b>Net Profit/(Loss) after tax (5-6)</b>	<b>(29.95)</b>	<b>(4,643.92)</b>
8	Non-controlling Interest	-	1,922.34
9	Profit / (Loss) after tax and Non-control of Interest (7+8)	<b>(29.95)</b>	<b>(2,721.58)</b>
10	Other Comprehensive Income (OCI)		
	<b>Items that will not be reclassified to profit or loss :</b>		-
	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 re-classified to profit or loss	(9.06)	31.54
	<b>Items that will be reclassified to profit or loss:</b>		
	i) Income tax relating to Items that will not be re-classified to profit or loss		
	<b>Total Other Comprehensive Income (10)</b>	17.11	(65.56)
11	<b>Total Comprehensive Income for the Year (9+10)</b>	<b>(12.84)</b>	<b>(2,787.14)</b>
12	Paid Up Equity Share Capital (Face Value ₹ 2/- per Share )	3,545.04	3,545.04
13	<b>Earnings Per Share of ₹ 2/- each (not annualized)</b>		
	- Basic & Diluted (Refer Note No.10)	<b>(0.02)</b>	<b>(1.62)</b>





(₹ in Lakhs)

STATEMENT OF ASSETS AND LIABILITIES	CONSOLIDATED	
	As at 31.03.2017	As at 31.03.2016
<b>ASSETS</b>		
<b>1 NON-CURRENT ASSETS</b>		
(a) Property, Plant & Equipment	37,146.64	28,919.62
(b) Intangible assets	2,220.15	83,815.89
(c) Intangible assets under development	-	1,30,391.20
(d) Capital Work in Progress	3,047.02	636.85
(e) Investment in Property	-	3.09
(f) Financial Asset		
(i) Investments	97,794.49	76,435.09
(ii) Loans	51,023.52	43,728.09
(iii) Other Financial Assets	2,180.55	15,336.89
	<b>1,93,412.37</b>	<b>3,79,266.72</b>
<b>2 CURRENT ASSETS</b>		
(a) Inventories	36,005.19	15,488.43
(b) Financial Asset		
(i) Current Investments	-	9,451.60
(ii) Trade receivables	85,036.43	56,243.04
(iii) Cash and cash equivalents	19,704.09	22,441.46
(iv) Loans	5,795.27	12,042.58
(v) Other Financial Asset	-	75.18
(c) Current Tax Assets (Net)	4,074.55	8,157.76
(d) Other Current Assets	1,00,279.76	84,851.88
	<b>2,50,895.29</b>	<b>2,08,751.93</b>
<b>Sub-total - Current Assets</b>	<b>2,50,895.29</b>	<b>2,08,751.93</b>
<b>TOTAL - ASSETS</b>	<b>4,44,307.66</b>	<b>5,88,018.65</b>
<b>EQUITY AND LIABILITIES</b>		
<b>1 EQUITY</b>		
(a) Equity Share capital	3,545.04	3,545.04
(b) Other Equity	47,600.10	51,444.38
	<b>51,145.14</b>	<b>54,989.42</b>
Non Controlling Interest	-	(1,823.32)
	<b>51,145.14</b>	<b>53,166.10</b>
<b>Sub-total - Shareholders' Funds</b>	<b>51,145.14</b>	<b>53,166.10</b>
<b>2 LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	97,769.80	2,72,805.26
(ii) Other Financial liabilities	92,391.80	91,965.11
(b) Provisions	978.31	910.06
(c) Deferred Tax Liabilities (net)	2,320.22	2,243.80
	<b>1,93,460.13</b>	<b>3,67,924.23</b>
<b>Sub-total - Non-Current Liabilities</b>	<b>1,93,460.13</b>	<b>3,67,924.23</b>
<b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	95,960.82	94,551.08
(ii) Trade payables	66,079.21	43,211.85
(iii) Other Financial Liabilities	33,216.40	22,551.68
(b) Other Current Liabilities	4,436.33	6,604.27
(c) Provisions	9.63	9.44
	<b>1,99,702.39</b>	<b>1,66,928.32</b>
<b>Sub-total - Current Liabilities</b>	<b>1,99,702.39</b>	<b>1,66,928.32</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>4,44,307.66</b>	<b>5,88,018.65</b>



**Notes :**

- 1 The Company adopted Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with relevant Rules issued thereunder. The date of transition of the Ind AS is 1st April 2015 and accordingly these financial results for the periods presented have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India, as applicable.
- 2 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.
- 3 The original audited consolidated 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 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
- 4 The above financial results for the quarter and year ended 31st March 2017 have been reviewed by the Audit Committee and considered & approved by the Board of Directors of the Company at its meeting held on 6th December, 2017.
- 5 The Company's Operations primarily consist of Construction activities and there are no other reportable segment under Ind AS 108 "Operating Segments".
- 7 In the month of March 2016, 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 in the last quarter under review. Therefore, the net result (loss) from sale of wind power business amounting to ₹1538.65 Lakhs is recognized under exceptional items in profit and loss statement for the period ended 31st March 2017.
- 8 The management of the company has initiated steps to recover the interest bearing loans grouped under 'Non-current Loans' given to subcontractors either in cash or in kind and the proposals of the company have reached advanced stage. The initiatives of the management to recover such loans have shown significant results and a substantial portion of these loans are expected to be recovered in cash or kind in near future and consequently no provision for expected credit loss is warranted.
- 9 In case of some of the work advances grouped under 'Other Current Assets' given to subcontractors pending recovery due to extraneous factors, the management has initiated several steps to recover the dues and is confident to recover the same in near future. In view of the improved business conditions to recover the dues from the current works given to subcontractors, the management of the company is not expecting any credit loss due to non recovery of such work advances.
- 10 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.
- 11 Previous period / year figures have been regrouped to facilitate comparison wherever necessary.



**Place: Hyderabad.**  
**Date: 6th December, 2017**

**By Order of the Board**  
**For Gayatri Projects Limited**

**T.V.SANDEEP KUMAR REDDY**  
**Managing Director**





## **INDEPENDENT AUDITORS' REPORT**

**To the Members of Gayatri Projects Limited**

### **Report on the Consolidated Ind AS 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 31<sup>st</sup> 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 31<sup>st</sup> 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 29<sup>th</sup> May, 2017 and approved by the Board of Directors of the Company held on 29<sup>th</sup> May, 2017.

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

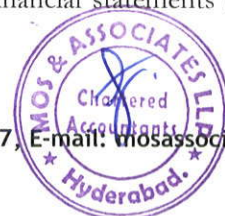
The Holding Company's Board of Directors is responsible for the preparation of the consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including 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 31<sup>st</sup> 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 matter:

- 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 31<sup>st</sup> 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.



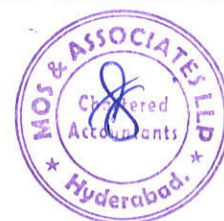


## Other Matters

- (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 3<sup>rd</sup> November, 2017, the revised consolidated Ind AS financial statements for the year ended 31<sup>st</sup> March, 2017 were prepared and presented by the Company's management by giving effect to the Scheme, having an appointed date for merger as 1<sup>st</sup> April, 2016 and demerger as 31<sup>st</sup> 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 29<sup>th</sup> May, 2017. Consequently, our original audit report dated 29<sup>th</sup> May, 2017 on the consolidated Ind AS financial statements of the Company for the year ended 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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:
- 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.
  - 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 8<sup>th</sup> November, 2016 and 30<sup>th</sup> December, 2016 as well as dealing in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> 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 Registration No. 001975S/S200020



Place: Hyderabad  
Date: 6<sup>th</sup> December, 2017

*S.V.C. Reddy*  
**S V C Reddy**  
Partner  
Membership Number: 224028

## **Annexure - A 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 Projects Limited ("the Holding Company") and its subsidiary (collectively referred to as "the Group"), and its jointly controlled entities as on 31<sup>st</sup> 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 31<sup>st</sup> 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.

Place: Hyderabad  
Date: 6<sup>th</sup> December, 2017



for **M O S & Associates LLP**  
Chartered Accountants  
Firm Registration No. 001975S/S200020

*S.V.C. Reddy*  
**S V C Reddy**  
Partner  
Membership Number: 224028



## 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 31<sup>st</sup> 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 31<sup>st</sup> 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 29<sup>th</sup> May, 2017 and Approved by the Board of Directors of the Company held on 29<sup>th</sup> 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 31<sup>st</sup> 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 3<sup>rd</sup> November, 2017, the revised standalone Ind AS financial statements for the year ended 31<sup>st</sup> March, 2017 were prepared and presented by the Company's management by giving effect to the Scheme, having an appointed date for merger as 1<sup>st</sup> April, 2016 and demerger as 31<sup>st</sup> 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 29<sup>th</sup> May, 2017. Consequently, our original audit report dated 29<sup>th</sup> May, 2017 on the standalone Ind AS financial statements of the Company for the year ended 31<sup>st</sup> 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.*



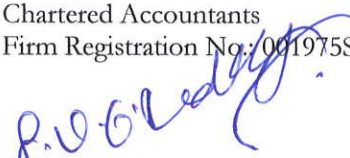
## Report on Other Legal and Regulatory Requirements

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 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 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 8<sup>th</sup> November, 2016 and 30<sup>th</sup> December, 2016 as well as dealing in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> 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.



Place: Hyderabad  
Date: 6<sup>th</sup> December, 2017

for **M O S & Associates LLP**  
Chartered Accountants  
Firm Registration No.: 001975S/S200020

  
**S V C Reddy**  
Partner  
Membership Number: 224028



## 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 31<sup>st</sup> 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 31<sup>st</sup> March, 2017 on account of any dispute, except the following:

<i>Sl. No.</i>	<i>Name of the Statute</i>	<i>Name of the Tax Due</i>	<i>Forum where Dispute is pending</i>	<i>Amount ₹ in Lakhs</i>
1	<i>Mines and Minerals (Development and Regulation) Act, 1957</i>	<i>Department of Mines and Geology</i>	<i>Supreme Court</i>	1,043.51
2	<i>Central Sales Tax Act, 1956 and Sales Tax Acts of Various States</i>	<i>Sales Tax/Vat</i>	<i>Appeals pending before High Courts of respective states and Appellate Tribunals and other appropriate authorities.</i>	3,436.55
3	<i>Central Excise Act, 1944</i>	<i>Service Tax</i>	<i>Appeals pending before various Authorities</i>	1894.28
4	<i>Income Tax Act, 1961</i>	<i>Income Tax</i>	<i>Appeal pending before CIT(Appeals)</i>	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 Registration No.: 001975S/S200020



Place: Hyderabad,  
Date: 6<sup>th</sup> December, 2017

  
**S V C Reddy**  
Partner  
Membership Number: 224028

## **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 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 Registration No. 001975S/S200020

**S V C Reddy**  
Partner  
Membership Number: 224028

Place: Hyderabad,  
Date: 6<sup>th</sup> December, 2017

