

Date: 12th February, 2018

The Manager, Capital Market (Listing) National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor, Plot No : C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Stock Code: Equity - GAYAPROJ	The Corporate Relationship Dept. BSE Limited 1 st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Mumbai - 400 001 Stock Code: Equity - GAYAPROJ
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Dear Sir,

**Sub.: Circular on the determination of cost of acquisition of Gayatri Projects Limited
and Gayatri Highways Limited (formerly 'Gayatri Domicile Private Limited')**


Please find attached herewith the circular on the determination of cost of acquisition for general guidance of the shareholders of the Company in relation to the method of calculation and apportionment of the pre-demerger cost of acquisition of equity shares of Gayatri Projects Limited between the equity shares of Gayatri Projects Limited and the equity shares of Gayatri Highways Limited (formerly 'Gayatri Domicile Private Limited') received pursuant to the Scheme.

Kindly find the same in order and arrange to place on your Notice Board for information of the Members.

Thanking You.

Yours faithfully,

For GAYATRI PROJECTS LIMITED



(CS I.V.LAKSHMI)

**Company Secretary & Compliance officer
Membership No. ACS 17607**



Encl: As stated above

FOR THE ATTENTION OF THE SHAREHOLDERS OF GAYATRI PROJECTS LIMITED
(`THE COMPANY`)

The National Company Law Tribunal (‘NCLT’) Bench, at Hyderabad, vide its Order dated 3rd November, 2017, has approved the Composite Scheme of Arrangement (“Scheme”) between Gayatri Projects Limited (‘GPL’ or ‘the Company’) and Gayatri Infra Ventures Limited and Gayatri Highways Limited (formerly ‘Gayatri Domicile Private Limited’) and their respective shareholders and creditors, under Sections 230 to 232 of the Companies Act, 2013 (erstwhile sections 391 to 394 of the Companies Act, 1956).

The Scheme, inter-alia, provides for the transfer/vesting by way of demerger of the “Infrastructure Road BOT Assets Business” on a going concern basis to Gayatri Highways Limited with effect from 31st March, 2017 (‘Appointed Date’) and issue of equity shares by Gayatri Highways Limited in terms of the Scheme.

Gayatri Projects had fixed 31st January, 2018 as the Record Date to determine the eligibility of its equity shareholders who would be entitled to receive the equity shares of Gayatri Highways Limited, pursuant to the Scheme. In terms of the Scheme, Gayatri Highways Limited is required to issue and allot, to each equity shareholder of Gayatri Projects Limited whose names appears in the Register of Members of Gayatri Projects Limited and/or in the Depositories as Equity Shareholder of Gayatri Projects Limited on the Record Date, 1 (One) fully paid up equity share of INR 2/- each of Gayatri Highways Limited for every 1 (One) equity share of INR 2/- each fully paid up and held by such equity shareholder in Gayatri Projects Limited for the demerger

This communication is being issued for general guidance of the shareholders of Gayatri Projects Limited in relation to the method of calculation and apportionment of the pre-demerger cost of acquisition of equity shares of Gayatri Projects Limited between the equity shares of Gayatri Projects Limited and the equity shares of Gayatri Highways Limited received pursuant to the Scheme, as per the provisions of the Income-tax Act, 1961 (the Acquisition is to be determined as per the provisions of Section 49(2C) and 49(2D) of the Act)

Applicable Statutory Provisions: Section 49(2C) and 49(2D) of the Act:

Cost of Acquisition of Resulting Company’s Shares	Original Cost of Acquisition *	Net book Value of Assets transferred by the Demerged Company as on the Appointed Date
		Net-Worth of the Demerged Company immediately before demerger
Cost of Acquisition of Demerged Company’s Shares	Original Cost of Acquisition of Equity Shares of the Demerged Company less Cost of Acquisitions of Resulting Company’s Equity Shares (as computed above)	




As such, for the purpose of determining the post demerger cost of acquisition of the equity shares of Gayatri Projects Limited and the cost of equity shares of Gayatri Highways Limited under the Act, the eligible shareholders who hold equity shares of Gayatri Projects Limited as on the Record Date i.e. 31st January 2018, are advised to apportion their pre-demerger cost of acquisition of Gayatri Projects Limited in the following manner:

Name of the Company	% of Cost of Acquisition of Equity Shares of Gayatri Projects Limited
Gayatri Projects Limited	84.65%
Gayatri Highways Limited	15.35%
TOTAL	100.00 %

* The net book value of assets which relate to the Infrastructure Road BOT Assets Business as on the Appointed Date i.e. 31st March, 2017, was INR 59.80 crores, whereas the net-worth of Gayatri Projects Limited (paid-up share capital and general reserves) immediately before such demerger was INR 389.53 crores. Thus, the proportion of net book value of assets of Gayatri Projects Limited transferred vis-a-vis the net-worth of Gayatri Projects Limited immediately before such demergers will be 15.35% **Accordingly, the Cost of Acquisition of the equity shares in Gayatri Highways Limited will be 15.35% of the total Cost of Acquisition of the original equity shares in Gayatri Projects Limited prior to the demerger.**

For example: A shareholder holds 100 shares of INR 2 each in Gayatri Projects Limited before the Record Date i.e. 31st January 2018, the Cost of Acquisition of the same is INR 100 per share and such Shareholder will be allotted 100 fully paid up equity share of INR 2 each of Gayatri Highways Limited for transfer and vesting of Infrastructure Road BOT Assets Business to Gayatri Highways Limited. The proportionate Cost of Acquisition of 100 equity shares of Gayatri Highways Limited will be INR 1,535 (10,000 * 15.35%) and that of 100 equity shares of Gayatri Projects Limited would be INR 8,465 (10,000 * 84.65%) and the Cost of Acquisition of each share of Gayatri Projects Limited would be INR 84.65.

Further, according to the provisions of Section 47(vi)(d) of the Act, the issue of shares of the Resulting Company i.e. Gayatri Highways Limited, to the equity shareholders of the Demerged Company i.e. Gayatri Projects Limited, pursuant to the Scheme, is not a transfer and hence not taxable in the hands of the equity shareholders.

In respect of the equity shares issued by Gayatri Highways Limited, the date of acquisition of such equity shares, for the purpose of capital gains in the hands of a shareholder, will be the date of acquisition of the original shares of Gayatri Projects Limited for each shareholder, as per Clause (g) in explanation 1 to section 2(42A) of the Act.

This communication is merely for the general guidance of the shareholders, and should not be considered as a substitute for any independent opinion that the shareholders may obtain. The





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concerned regulatory, statutory or judicial authority, including any assessing officer/appellate authority, could take a different view. The Company takes no express or implied liability in relation to this guidance. Please note that if there is a change, including change having a retrospective effect in the statutory laws and regulations, the comments expressed in this communication would necessarily have to re-evaluated in light of the changes. Gayatri Projects Limited / Gayatri Highways Limited do not take the responsibility of updating this communication at any time in future.

Thanking You.

For GAYATRI PROJECTS LIMITED

(CS I.V.LAKSHMI)
Company Secretary & Compliance officer
Membership No. ACS 17607

