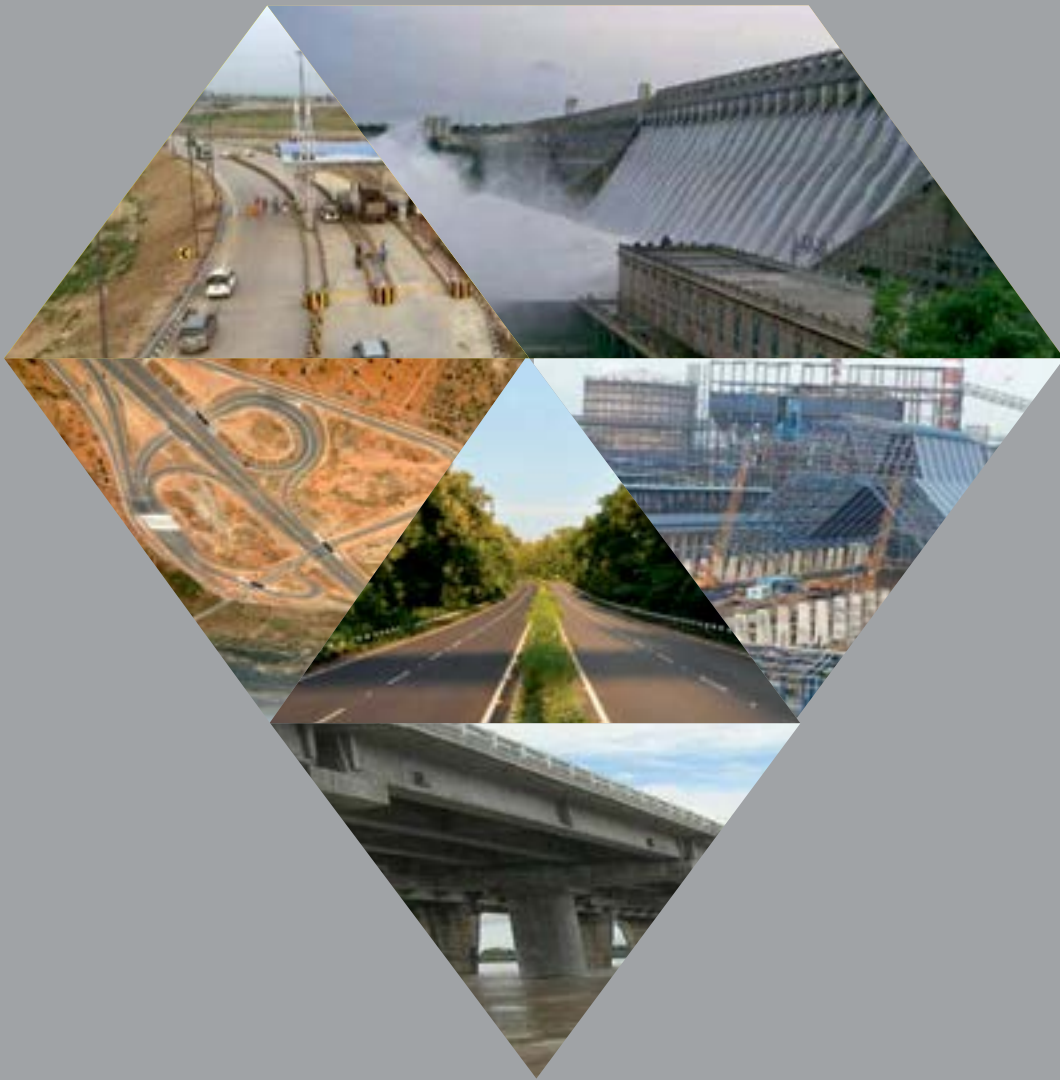




# Gayatri Projects Limited



## Annual Report

2018-2019



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# Corporate Information

## BOARD OF DIRECTORS

Smt. T. Indira Reddy	Chairperson	(DIN: 00009906)	
Sri T.V. Sandeep Kumar Reddy	Managing Director	(DIN: 00005573)	
Sri J. Brij Mohan Reddy	Executive Vice Chairman	(DIN: 00012927)	
Sri G. Siva Kumar Reddy	Independent Director	(DIN: 00439812)	resigned w.e.f 28-05-2019
Sri V. L. Moorthy	Independent Director	(DIN:00013083)	resigned w.e.f 09-05-2019
Sri Ch. Hari Vithal Rao	Independent Director	(DIN: 00012970)	
Sri J N Karamchetti	Independent Director	(DIN: 00940963)	
Sri Birendra Kumar	Nominee Director	(DIN: 08071170)	
Sri K. Jairaj	Independent Director	(DIN: 01875126)	
Ms. Gayathri Ramachandran	Independent Director	(DIN: 02872723)	

**Company Secretary & Compliance Officer**  
CS I.V. Lakshmi

**Chief Financial Officer**  
CA P. Sreedhar Babu

Statutory Auditors  
MOS & Associates LLP  
501, Lahari Benz Apartments,  
Somajiguda, Hyderabad – 500 082

### Bankers

Andhra Bank  
Bank of Baroda  
Bank of Maharashtra  
Canara Bank  
Corporation Bank  
The Federal Bank Ltd.  
IDBI Bank Ltd.  
Indian Overseas Bank  
Punjab National Bank  
State Bank of India  
Syndicate Bank  
Union Bank of India  
United Bank of India  
Dena Bank

### Registered & Corporate Office

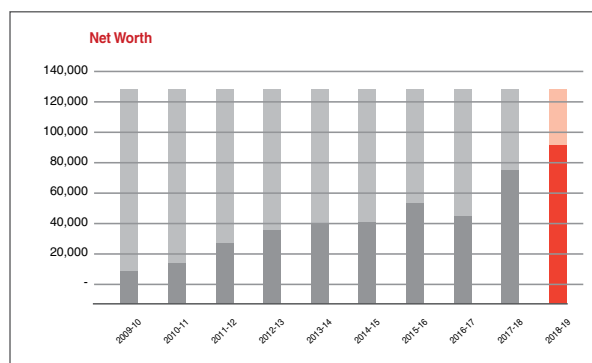
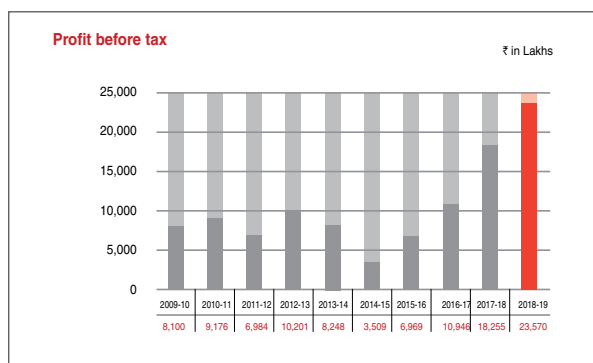
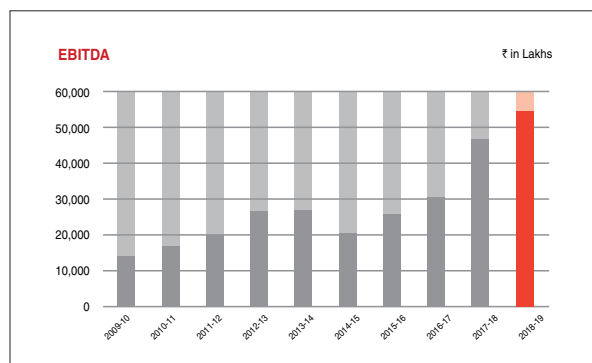
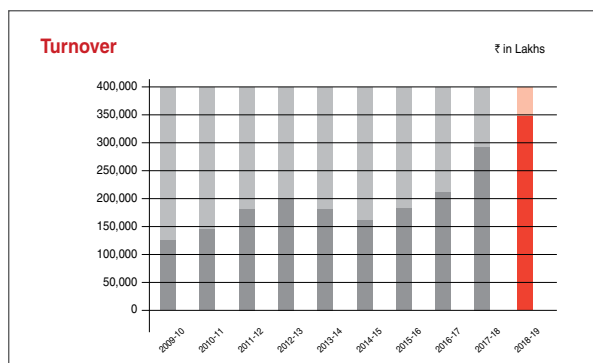
B-1, T.S.R. Towers, 6-3-1090  
Raj Bhavan Road, Somajiguda  
Hyderabad – 500 082  
CIN: L99999TG1989PLC057289  
Tel: 040 – 23314284  
Fax: 040 – 23398435  
Email: gplhyd@gayatri.co.in  
Website: www.gayatri.co.in

### Registrars & Transfer Agents

Karvy Fintech Private Limited  
Karvy Selenium Tower No.B., Plot No.31-32,  
Gachibowli, Financial District,  
Nanakramguda, Hyderabad – 500 032.  
Tel: 040 – 67162222 Fax: 040 – 23420814  
Email: einward.ris@karvy.com  
Website: www.karvycomputershare.com

# Financial Highlights

DESCRIPTION	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Turnover	346,315	291,231	211,535	181,221	160,114	181,253	202,220	180,190	144,055	125,249
Profit Before Tax	23,570	18,255	10,946	6,969	3,509	8,248	10,201	6,984	9,176	8,100
Profit After Tax	21,077	18,809	7,043	5,801	2,205	4,761	6,309	4,597	5,000	5,335
EBITDA	54,497	46,767	30,503	25,946	20,757	26,969	26,605	19,994	17,063	14,219
Equity Capital	3,744	3,744	3,545	3,545	3,023	3,023	3,023	2,397	1,199	1,110
Reserves & Surplus	129,219	108,560	70,555	81,057	65,231	63,574	59,520	49,225	32,597	26,931
Net Worth	132,963	112,304	74,100	84,602	68,254	66,596	62,543	51,622	33,796	28,041
Gross Block	76,517	65,799	57,937	47,219	46,203	45,432	45,069	44,618	37,012	30,030
Net Block	37,633	33,497	30,925	22,686	20,812	22,936	24,738	27,394	21,929	16,615
Book Value (₹) Per Share of ₹ 2/- each	71.03	59.99	41.81	47.32	45.16	42.06	41.38	43.08	56.38	50.50
EPS (₹) Basic	11.26	10.58	3.97	3.46	1.46	3.15	24.53	37.83	43.10	46.02



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## MD's STATEMENT

### GAYATRI PROJECTS

## Dear Share owners and Friends of Gayatri Projects,

We continue to deliver on our stated strategy and with each passing year we are growing stronger and profitable. FY19 was indeed a remarkable year in our company's history – Our capital allocation discipline and our commitment to an asset-light business model helped us navigate some very tough industry headwinds. Through-out the year, we saw very diverse trends in the Infrastructure sector. While, we saw a strong sector growth at back of government's infrastructure push, we also saw witnessed an immensely tightening liquidity situation. We, thankfully, were able to navigate these headwinds quite well.

Over the last few years, we have relentlessly focused on critical steps towards building a competitive and profitable company, which is trusted and admired, that will withstand the external challenges and capitalize on the opportunities that this growing economy presents. Our performance in FY19 is an outcome of these efforts – During the year, we further strengthened our EPC order book with order inflows of INR 61+ billion, which was ahead of our stated guidance at the beginning of the year. Our book to bill to bill ratio was one of the highest in the Industry at 4.7x. With FY19 revenues at INR 35 bn and PAT at INR 2.1 bn, we have well delivered on our stated financial guidance amidst an uncertain and turbulent industry environment. This year, we also achieved a significant milestone in generating free cash flow for the first time in last 10 years – Rs 1.5 Bn, post interest payment. Our EBITDA to Free Cash Flow generation was 95%, which was way ahead of the last 5-year average of 65%.

Our balance sheet continues to remain strong and gives us an unparalleled advantage in winning and executing new contracts. The Asset-Light strategy, which we started following many years back, has been strictly adhered to and will continue to be our future business model.

The strength of our organisation is in our superior execution capabilities and are our strong project management skills. We continue to improve our competitiveness and have undertaken multiple strategic initiative to further enhance our capabilities. One such initiative has been Digital Project Management. We have extended our digital project management capabilities beyond basic equipment management to the full project management and it now covers key aspects like material tracking, live site monitoring, live tracking of equipment productivity and resource allocation, thereby ensuring smooth project execution and timely project completion. This strategic initiative was rolled out at some of our key sites last year and significantly helped us in our overall project management.

Over the years, we have grown stronger without weakening or stretching our balance sheet. We are committed to further strengthening our balance sheet through monetisation of arbitration awards and claims and sale of investments in power assets. The company has over INR 24 billion outstanding in claims in different arbitral tribunals and is exploring opportunities to monetize the same. We are also pursuing monetisation of our investments in power assets. Together these initiatives would significantly reduce our long-term debt, which currently stands at around INR c.10 billion. Given that our EPC business has zero term debt, any reduction in the investment debt would significantly improve our return ratios and also provide us with additional liquidity to strengthen our EPC business.

Our INR 160+ billion pure EPC order book gives us high revenue visibility for the next 3 years and in FY20, we are confident of delivering 25%+ revenue growth and 30%+ PAT growth. We will persist in practicing balance sheet discipline and ensuring that we give our company the firm foundation which it needs for meeting its long-term growth plans. The types of projects we take advance our economy and subsequently improve the standard of living of our citizens. We are confident that focus on this greater purpose will create a long-term profitability and meaningful shareholder value.



# Board's Report

To the Members,

The Directors have pleasure in presenting before you the Board's Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2019.

## Financial Results (Standalone):

Particulars	₹ In Lakhs	
	2018-19	2017-18
Revenue from Operations	3,46,314.74	2,91,231.24
Profit Before Interest, Depreciation, Exceptional Items and Taxes	54,496.92	48,713.94
Less: Financial Cost	25,127.50	25,634.58
<b>Profit before Depreciation, Exceptional Items and Taxes</b>	<b>29,369.42</b>	<b>23,079.36</b>
Less: Depreciation and Amortisation Expenses	6,590.61	5,467.06
Add : Other Income	791.39	642.46
Profit before Exceptional Items and Taxes	23,570.20	18,254.76
Less: Exceptional Items (Net)	-	-
Profit Before Tax	23,570.20	18,254.76
Provision for Tax	2,493.32	(554.59)
<b>Profit After Tax</b>	<b>21,076.88</b>	<b>18,809.35</b>
Other Comprehensive income/(losses) for the Year	(417.52)	325.81
<b>Total comprehensive income for the year</b>	<b>20,659.36</b>	<b>19,135.16</b>
Paid up Capital	3,743.97	3,743.97

## Review of Operations:

The Operational Revenue during the year under review has increased to ₹3,46,314.74 Lakhs as against ₹ in from ₹2,91,231.24 Lakhs in the previous year registering year on year growth of 18.91%. The growth in revenue is driven by the strong order book of ₹16,316.20 crores as on 31st March 2019.

The Company PBT margins during the year have increased marginally to 6.81% as compared to 6.27% in the previous year on the back of EBIDTA margin of around 16% . The Company has shown a significant improvement in the balance sheet leverage (net) which is at 1.16 x and the ROE and ROCE stands at almost 17%. EBITDA margins dropped slightly due to significant on site mobilisation ahead of actual revenue booking. The company expects the margins to normalise around 16% levels from the next year.

The company's order book continues to grow at healthy rate and stood at 16316.2 crores as on 31<sup>st</sup> March 2019. The composition of works in order book are Roads: 70.97%, Irrigation: 21.90%, Industrial:

3.21% and Mining at 3.92%. The Company book to bill ratio is at 4.7x which shows a high growth visibility for the next 4-5 years .

There are no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year 2019 and the date of this report.

## Future Outlook:

The Indian economy continues to view Infrastructure as the key focal point. Several infrastructure reforms are expected to come in over the next 5 years. The last term of the NDA government was characterized by massive allocation of funds to the infrastructure sector, year after year, in the Union Budgets. FY20 is expected to continue on that trajectory, especially as the BJP's manifesto promised to invest 100 trillion in infrastructure across the next five years. The roads & highways segment of Infrastructure has been, historically, the biggest beneficiary of the investment thrust within the entire sector. The Ministry of Infrastructure & Transport, guided by Shri Nitin Gadkari, has made several in-roads into developing the rural landscape & border towns over the past 5 years. One of the key developments was the introduction of the Bharatmala Project, the second largest highways construction project in the country since NHDP, where almost 50,000 km of roads were targeted to be built across the country. The total investment for this ambitious project was estimated at INR 5.35 trillion.

The NHAI has built over 3,000 kms of roads, every year for the last 2 years providing major support to India's road network. In the second phase of the Bharatmala Project, the Government, Ministry of Infrastructure & Transport and the NHAI aim to focus on building expressways, which allow uninterrupted traffic flow. Under the second phase of Bharatmala, the government has proposed to build nearly 3,000 kms of expressways in India. Even still, only 24% of India's national highways are four-lane, leaving immense scope for further development.



Yours Company prefers to work largely with government entities & currently commands the largest share of the NHAI's EPC projects. The company has a strong execution track record, having completed more than 6,850 lane km of road construction over the last 25 years.

The present order book of the company is at ₹16,316.20 crores as at 31<sup>st</sup> March 2019 and the company is planning to improve the same to higher level during the year.

#### **Dividend:**

As per the conditions stipulated by the lenders in the Master Restructuring Agreement, which is in force, approval of the lender is required for declaration of dividend to the shareholders. The lenders of the Company have not accorded their approval for dividend for the financial year ended March 31, 2019.

#### **Share Capital:**

During the period there were no changes in the share capital of the Company. The Authorised share capital of the company is ₹80,00,00,000 divided into 40,00,00,000 equity shares of ₹2/- each and the paid-up share capital of the Company is ₹37,43,97,370 divided in to 18,71,98,685 Equity shares of ₹2/- each.

#### **Material Changes and Commitments affecting the Financial Position of the Company:**

There are no material changes and commitments affecting financial position of the company between the end of the Financial year to which these statements relate and the date of this Board's Report. There is no change in the nature of business of the Company during the year under review.

#### **Board Meetings:**

The Board of Directors met 5 times in the Financial Year 2018-19 on 30<sup>th</sup> May 2018, 14<sup>th</sup> August 2018, 14<sup>th</sup> November 2018, 14<sup>th</sup> February 2019 and 29<sup>th</sup> March, 2019.

#### **Directors and Key Managerial Personnel:**

During the period there is no change in the Directors and Key Managerial Personnel of the Company.

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

#### **Composition of Audit Committee:**

The Audit Committee of the Board of Directors is as follows:

- |                            |   |          |
|----------------------------|---|----------|
| 1. Mr. Ch. Hari Vithal Rao | – | Chairman |
| 2. Dr. V. L. Moorthy       | – | Member*  |
| 3. Mr. G. Siva Kumar Reddy | – | Member*  |
| 4. Mr. J. N. Karamchetti   | – | Member   |
| 5. Mrs. T. Indira Reddy    | – | Member*  |

\*Dr. V.L.Moorthy and Mr. G.Siva Kumar Reddy were ceased to be members of the committee w.e.f 09.05.2019 and 28.05.2019 respectively and Mrs. T. Indira Reddy was appointed as member of the Committee w.e.f 30.05.2019.

#### **Policy laid down by the Nomination and Remuneration Committee for Remuneration of Directors, KMP & Other Employees:**

The Remuneration policy of the Company is performance driven and is structured to motivate Employees. Recognize their merits and achievements and promote excellence in their performance. The Nomination Remuneration and Evaluation Policy of the company is enclosed at **Annexure-I** of this report.

#### **Manner in which formal Annual Evaluation has been made by the Board of its Own Performance and that of its Committees and Individual Directors:**

Pursuant to the provisions of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out evaluation of (i) its own performance, (ii) the directors individually and (iii) working of its Committees. The manner in which the evaluation was carried out as detailed below:

##### **(a) Nomination & Remuneration Committee:**

Pursuant to the provisions of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee has formulated the criteria for evaluation of directors and evaluated every director. A structured questionnaire was prepared after taking into consideration various parameters such as attendance and participation in meetings, monitoring corporate governance practices, independence of judgment, safeguarding the interests of the company etc., and accordingly the evaluation was made. The Members of the Committee evaluated the individual directors at its meeting held on 14.02.2019.

The Nomination and Remuneration Committee decided that since the performance of the directors has been excellent, it is decided to continue with the term of the directors, the Managing Director and the Executive Director.

- (b) Separate Meeting of Independent Directors:** The Independent directors of the Company at its meeting held on 14.02.2019 (a) reviewed the performance of the non-independent directors and Board, (b) reviewed the performance of the Chairperson of the Company and (c) assessed the quality, quantity and timeliness of flow of information between the company management and the Board. All the Independent Directors attended the meeting.

A structured questionnaire was prepared after taking into consideration various parameters such as attendance and participation in meetings, monitoring corporate governance practices, independence of judgment, safeguarding the interests of the company etc., and accordingly, the evaluation was made. The independent directors evaluated the non-Independent directors.

The Independent Directors decided that since the performance of the Non-Independent Directors (including Managing Director and Whole time Director) is excellent, the term of their appointment be continued.

The Independent Directors after review of the performance of the Chairman decided that the Chairman has good experience, knowledge and understanding of the Board's functioning and her performance is excellent. The Independent Directors decided that the information flow between the Company's Management and the Board is excellent.

- (c) Evaluation by Board:** The Board has carried out the annual performance evaluation of Independent Directors individually. A structured questionnaire was prepared after taking into consideration various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, effectiveness in developing Corporate governance structure to fulfil its responsibilities, execution and performance of specific duties etc. The Board decided that the performance of Independent directors is excellent.

**Director's Responsibility Statement:**

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

**Subsidiaries Associates and Joint Ventures:**

The Company has 3 (Three) subsidiary companies (including step down subsidiaries) as on 31<sup>st</sup> March, 2019 as per the Companies Act, 2013.

As per the provisions of Section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary Companies/ Associate Companies/Joint Ventures is prepared in Form AOC-1 are given in **Annexure- II**.

The Company will make available the Annual Accounts of the subsidiary companies and the related information to any member of the Company who may be interested in obtaining the same. The

annual accounts of the subsidiary companies will also be kept open for inspection by any member at the Registered Office of the Company and that of the respective subsidiary companies.

The company has adopted the policy for determining 'material' subsidiaries and the same has been placed on the website of the company at [http://www.gayatri.co.in/Investors/Corporate Governance/Policies](http://www.gayatri.co.in/Investors/Corporate%20Governance/Policies).

### Extract of Annual Return:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** as a part of this Annual Report is annexed as **Annexure-III**.

### Consolidated Financial Statements:

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in compliance with the provisions of Section 129(3) and other applicable provisions of the Companies Act, 2013 and Ind AS-110 and other applicable Accounting Standards, your Directors have pleasure in attaching the consolidated financial statements for the financial year ended March 31, 2019, which forms part of the Annual Report.

### Statutory Auditors and Their Report:

At the 29th AGM held on September 28, 2018 the Members approved appointment of M/s. M O S & Associates LLP, Chartered Accountants, (Firm Registration No. 001975S/S200020) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 34th AGM. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM.

The Auditor's Report to the members of the Company for the Financial Year ended March 31, 2019 does not contain any qualification(s).

### Secretarial Audit:

As per the provisions of the Section 204(1) of the Companies Act, 2013, the Company has appointed Mr. Y. Koteswara Rao, Practicing Company Secretary to conduct Secretarial Audit of the records and documents of the Company, The Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2019 in Form No. MR-3 is annexed to the Directors Report as **Annexure - IV** and forms part of this Report. The Secretarial Auditors' Report to the Members of the Company for the Financial Year ended March 31,

2019 does not contain any qualification(s) or adverse observations.

### Disclosures:

#### a) Deposits

Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013

#### b) Conservation of energy

The Company's main line of activity is civil construction which is not power intensive. However the Company is taking all efforts to conserve the usage of power.

- (i) Use of alternate sources of energy is not applicable to the Company.
- (ii) Capital investment on energy conservation equipment for its main line of activity is not applicable to the Company.

#### c) R & D Technology absorption

The Company main line of activity is civil construction and hence R & D and technology absorption is not applicable to the Company.

#### d) Foreign Exchange Earnings - NIL

#### e) Foreign Exchange Outgo

Sr. No.	Nature of Payment	Amount in ₹ Lakhs
1	Foreign Travel	14.90
2	Repayment of ECB Loan	5438.00
3	Repayment of ECB Interest	492.46
4	Consultancy & Technical Fees	2713.31
5	Purchase of Plant & Machinery	2876.61
6	Purchase of Spares & Materials	356.74

### Details of Adequacy of Internal Financial Controls:

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies and internal financial controls laid down by the Company.

### Particulars of Loans, Guarantees or Investments:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements. Also, pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 the particulars of Loans/Advances given to Subsidiaries have been disclosed in the notes to the Financial Statements.

**Management Discussion & Analysis:**

Management Discussion and Analysis Report is annexed which forms part of this Report as **Annexure-V**.

**Risk Management Policy:**

The Company has been addressing various risks impacting the Company and developed risk policy and procedures to inform Board members about the risk assessment and minimization procedures.

**Whistle Blower Policy/Vigil Mechanism:**

Pursuant to Section 177 of the Companies Act, 2013 and the Rules framed there under and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has established a mechanism through which all the stakeholders can report the suspected frauds and genuine grievances to the appropriate authority. The Whistle Blower Policy which has been approved by the Board of Directors of the Company has been hosted on the website of the Company at [http://www.gayatri.co.in/Investors/Corporate Governance/Policies](http://www.gayatri.co.in/Investors/Corporate%20Governance/Policies).

**Disclosure as per Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with Rules thereunder, the Company has not received any complaint of sexual harassment during the year under review.

**Complaints received, disposed and pending during the year:**

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

**Corporate Social Responsibility Policy:**

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure-VI** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the Company at [http://www.gayatri.co.in/Investors/Corporate Governance/Policies](http://www.gayatri.co.in/Investors/Corporate%20Governance/Policies).

**Significant & Material Orders Passed by the Regulators:**

There are no significant and material orders passed against the Company by the regulators impacting the Company's operations in the future.

**Contracts or Arrangements with Related Parties:**

All related party transactions that were entered during the financial year were in the ordinary course of the business of the Company and were on arm's length basis. There were no materially significant related party transactions entered by the Company during the year with Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company. Disclosure in from AOC-2 is annexed as **Annexure -VII**

The policy on dealing with Related Party Transactions is disseminated on the website of the company at [http://www.gayatri.co.in/Investors/ Corporate Governance/Policies](http://www.gayatri.co.in/Investors/Corporate%20Governance/Policies).

**Fixed Deposit:**

Your Company has not accepted or renewed any deposit from public during the year under review.

**Cost Audit:**

M/s. N.S.V. KRISHNA RAO & Co. Cost Auditors were appointed as cost auditor to audit the cost records of the Company for the F.Y 2018-19 and re-appointed for the F.Y 2019-20.

**Particulars of Employees:**

Details in respect of remuneration paid to employees as required under Section 197 (12) of the Companies Act, 2013, read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended forms part of this report. In terms of Section 136 of the Companies Act, 2013 the same is open for inspection at the Registered Office of the Company. Copies of this statement may be obtained by the members by writing to the Company Secretary at the Registered Office of the Company.

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are enclosed in **Annexure – VIII** and forms part of this Report.

### **Listing with Stock Exchanges:**

The Company confirms that it has paid the Annual Listing Fees for the year 2019-2020 to NSE and BSE where the Company's Shares are listed.

### **Corporate Governance and Shareholders Information:**

Your Company has taken adequate steps to adhere to all the stipulations laid down in Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance is included as a part of this Annual Report as **Annexure-IX**. Certificate from the practicing Company Secretary confirming the compliance with the conditions of Corporate Governance as stipulated under aforesaid regulations is attached to this report.

### **Business Responsibility Report:**

As per Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, a Business Responsibility Report covering the principle wise performance of the Company on the nine principles as per National Voluntary Guidelines (NVGs) forms a part of the Annual report of the Company annexed as **Annexure-X**.

### **Acknowledgement:**

Your Directors would like to acknowledge and place on record their sincere appreciation to all stakeholders – clients, financial institutions, Banks, Central and State Governments, the Companies' valued investors and all other business partners for their continued co-operation and excellent support received during the year.

Yours Directors recognize and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to its progress.

For and on behalf of the Board

Sd/-  
**T. Indira Reddy**  
Chairperson  
DIN:00009906

Sd/-  
**P. Sreedhar Babu**  
Chief Financial Officer

Sd/-  
**T. V. Sandeep Kumar Reddy**  
Managing Director  
DIN:00005573

Sd/-  
**CS I.V. Lakshmi**  
Company Secretary & Compliance Officer

Place: Hyderabad.

Date: 14<sup>th</sup> August, 2019



## **Annexure - I**

### **Nomination, Remuneration and Evaluation Policy**

#### **I. PREAMBLE**

Pursuant to Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company already constituted Remuneration Committee comprising of three non-executive Directors as required under Listing Agreement. In order to align with the provisions of the Companies Act, 2013 and the amended Listing Agreement from time to time, the Board on 29<sup>th</sup> May 2014 changed the nomenclature of the "Remuneration Committee" as "Nomination and Remuneration Committee" and reconstituted the Committee.

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **II. OBJECTIVE**

The Key Objectives of the Committee would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

#### **d) DEFINITIONS**

- "Board" means Board of Directors of the Company.
- "Company" means "Gayatri Projects Limited."
- "Employees' Stock Option" means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit

or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

- "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.
- "Key Managerial Personnel" (KMP) means
  - (i) Chief Executive Officer or the Managing Director or the Manager,
  - (ii) Company Secretary,
  - (iii) Whole-time Director,
  - (iv) Chief Financial Officer and
  - (v) Such other officer as may be prescribed.
- "Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.
- "Policy or This Policy" means, "Nomination, Remuneration and Evaluation Policy."
- "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- "Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

#### **e) INTERPRETATION**

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.



**f) GUIDING PRINCIPLES**

The Policy ensures that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

**g) ROLE OF THE COMMITTEE**

The role of the Committee inter alia will be the following:

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of every Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to

time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

- To perform such other functions as may be necessary or appropriate for the performance of its duties.

**h) MEMBERSHIP**

- The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- Minimum two (2) members shall constitute a quorum for the Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

**i) CHAIRMAN**

- Chairman of the Committee shall be an Independent Director.
- Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**j) FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

**k) COMMITTEE MEMBERS' INTERESTS**

- A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**l) VOTING**

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

**m) APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

- **Appointment criteria and qualifications:**
  1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
  2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
  3. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- **Term / Tenure:**
  1. Managing Director/Whole-time Director/Manager (Managerial Person):

The Company shall appoint or re-appoint any person as its Managerial Person for a term

not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

**2. Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1<sup>st</sup> October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director Serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

- **Evaluation:**  
The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).
- **Removal:**  
Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**  
The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**n) PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT**

- **General:**
  1. The remuneration / compensation / commission etc. To Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. Shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
  2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
  3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.
  4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- **Remuneration to Managerial Person, KMP and Senior Management:**

1. **Fixed pay:**  
Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
2. **Minimum Remuneration:**  
If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
3. **Provisions for excess remuneration:**  
If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

- **Remuneration to Non-Executive / Independent Director:**

1. **Remuneration / Commission:**  
The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
2. **Sitting Fees:**  
The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. **Limit of Remuneration /Commission:**  
Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
4. **Stock Options:**  
An Independent Director shall not be entitled to any stock option of the Company.

**4. Criteria Formulated by the Committee for Determining Qualifications, Positive Attributes, Independence of a Director:**

- (a) **Qualifications of Independent Director :**  
An Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the Company's business.
- (b) **Positive attributes of Independent Directors:**  
An Independent director shall be a person of integrity, who possesses relevant

expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively, exercise his responsibilities in a bonafide manner in the interest of the company, devote sufficient time and attention to his obligations as Director, for informed and balanced decision making and assist the company in implementing the best Corporate governance practices.

**(c) Independence of Independent Directors:**

In addition to (a) and (b) above, an Independent Director should meet the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 concerning the independence of directors.

**5. Minutes of Committee Meeting**

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

**6. Deviations from this Policy**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

## Annexure - II

### Form AOC-1

(Pursuant to first proviso to Sub Section (3) of section 129 Read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

#### Part A: Subsidiaries

S. No.	Name of the Subsidiary	Date of the Subsidiary acquired	Reporting period of the Subsidiary	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment (Other than Subsidiary)	Turnover (including other income)	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Shareholding
1.	Gayatri Energy Ventures Pvt Ltd	10.02.2009	31.03.2019	652.40	56681.69	107411.77	50077.68	8598.02	33.13	(3309.99)	-	(3309.99)	-	100%
2.	Bhandara Thermal Power Corporation Limited	25.03.2011	31.03.2019	498.33	(74.77)	9028.55	8604.98	-	76.59	2.83	0.54	2.29	-	100%
3.	Indira Energy Holdings Private Limited	03.05.2018	31.03.2019	1.00	(9.62)	2149.56	2158.18	-	-	(2.44)	-	(2.44)	-	100%

#### Part B

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No.	Name of the Associate/ Joint Venture	Date of which Associate or Joint Venture Acquired.	Latest Audited Balance Sheet date	Shares of the Associates / Joint Ventures held by the company on the year end (in lakhs)		Description of how there is significant influence	Reason why the Associate / Joint Venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit/ Loss for the year	
				No.	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation
<b>A Associate Companies</b>										
1	Gayatri Highways Private Limited (Formerly Known as Gayatri Domicile Private Limited)	31.03.2017	31.03.19	624.00	26	Associate Company	Considered for consolidation	1032.01	-	-
<b>B Joint Ventures</b>										
1.	Gayatri- RNS Joint Venture	07.04.2007	31.03.19	-	60	Joint Venture	Considered for consolidation	1559.39	-	-
2.	IJM Gayatri Joint Venture	21.12.1998	31.03.19	-	40	Joint Venture	Considered for consolidation	-	-	-
3.	Gayatri-GDC Joint Venture	17.09.2004	31.03.19	-	70	Joint Venture	Considered for consolidation	41.96	-	-
4.	Gayatri-BCBPPL Joint Venture	19.01.2008	31.03.19	-	60	Joint Venture	Considered for consolidation	-	-	-
5.	Jaiprakash Gayatri Joint Venture	19.10.2004	31.03.19	-	49	Joint Venture	Considered for consolidation	5.93	-	-

6.	Gayatri ECI Joint Venture	18.08.2005	31.03.19	-	-	50	Joint Venture	Considered for consolidation	5.54	-
7.	Maytas-Gayatri Joint Venture	17.06.2010	31.03.19	-	-	37	Joint Venture	Considered for consolidation	370.64	-
8.	Gayatri – Ratna Joint Venture	28.08.2008	31.03.19	-	-	80	Joint Venture	Considered for consolidation	-	-
9.	Meil- Gayatri –ZVS-ITT Consortium	28.01.2009	31.03.19	-	-	48.44	Joint Venture	Considered for consolidation	5.48	-
10.	Gayatri- JMC Joint venture	08.12.2008	31.03.19	-	-	75	Joint Venture	Considered for consolidation	-	-
11.	Viswanath-Gayatri Joint Venture	29.09.2010	31.03.19	-	-	50	Joint Venture	Considered for consolidation	-	-
12.	GPL-RKTCPL Joint Venture	27.06.2013	31.03.19	-	-	51	Joint Venture	Considered for consolidation	-	-
13.	Gayatri-SPL Joint Venture	10.04.2013	31.03.19	-	-	51	Joint Venture	Considered for consolidation	-	-
14.	Vishwa – Gayatri Joint Venture	29.07.2015	31.03.19	-	-	49	Joint Venture	Considered for consolidation	-	-
15.	Gayatri-RNS-SIPL Joint Venture	29.11.2016	31.03.19	-	-	70	Joint Venture	Considered for consolidation	-	-
16.	SOJITZ-LNT-GAYATRI Joint Venture	21.08.2015	31.03.19	-	-	8.97	Joint Venture	Considered for consolidation	-	-
17.	Gayatri PTPS Joint Venture	17.05.2016	31.03.19	-	-	70	Joint Venture	Considered for consolidation	-	-
18.	Gayatri KMC Joint Venture	21.08.2017	31.03.19	-	-	70	Joint Venture	Considered for consolidation	-	-
19.	Gayatri - Ojisc Sibmost Joint Venture	18.04.2018	31.03.19	-	-	74	Joint Venture	Considered for consolidation	-	-
20.	Gayatri Projects Limited-Crescent EPC Projects&Tech Services Limited (Jv)	02.01.2018	31.03.19	-	-	74	Joint Venture	Considered for consolidation	-	-

For and on behalf of the Board

Sd/-  
**T. INDIRA REDDY**  
Chairperson  
DIN: 00009906

Sd/-  
**T. V. Sandeep Kumar Reddy**  
Managing Director  
DIN:00005573

Sd/-  
**P. SREEDHAR BABU**  
Chief Financial Officer

Sd/-  
**CS I.V. Lakshmi**  
Company Secretary & Compliance Officer

Place: Hyderabad.  
Date:14<sup>th</sup> August, 2019



## Annexure - III

### Extract of Annual Return-MGT-9

As on the financial year ended on 31/03/2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]

#### I. Registration and Other Details:

(i) CIN	:	L99999TG1989PLC057289
(ii) Registration Date	:	15.09.1989
(iii) Name of the Company	:	GAYATRI PROJECTS LIMITED
(iv) Category / Sub-Category of the Company	:	Company Limited by Shares/Indian Non Government Company
(v) Address of the Registered office and contact details	:	B1, 1 <sup>st</sup> Floor, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad, Telangana-500082
(vi) Whether listed company	:	Yes
(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Karvy Fintech Private Limited (Formerly Known as Karvy Computershare Private Ltd) Karvy Selenium Tower No. B, Plot No.31-32,Gachibowli, Financial District, Nanakramguda, Hyderabad: 500 032 P: 040 67161591

#### II. Principal Business Activities of the Company:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Roads Projects	45203	70.44%

#### III. Particulars of Holding, Subsidiary and Associate Companies:

S. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
<b>SUBSIDIARY COMPANIES</b>					
1	Gayatri Energy Ventures Private Limited	U40108TG2008PTC057788	Subsidiary	100	2(87)
2	Bhandara Thermal Power Corporation Limited	U40102TG2008PLC057008	Subsidiary	100	2(87)
3	Indira Energy Holdings Private Limited	U93000TG2008PTC060142	Subsidiary	100	2(87)
<b>ASSOCIATE COMPANIES</b>					
4	Gayatri Highways Limited (Formerly Known as Gayatri Domicile Private Limited)	U45100TG2006PLC052146	Associate	26	2(6)

**IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	84154710	0	84154710	44.95	84154710	0	84154710	44.95	0
(b) Central Govt	0	0	0		0	0	0		0
(c) State Govt (s)	0	0	0						0
(d) Bodies Corp.	0	0	0						0
(e) Banks / FI	0	0	0						0
(f) Any Other....	0	0	0						0
Sub-Total (A) (1)	84154710	0	84154710	44.95	84154710	0	84154710	44.95	0
<b>(2) Foreign</b>									
(a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
(b) Other - Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-Total (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	84154710	0	84154710	44.95	84154710	0	84154710	44.95	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(B) Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	2542282	0	2542282	1.36	2020740	0	2020740	1.08	-0.28
(b) Banks/FI	824616	0	824616	0.44	4777	0	4777	0	-0.44
(c) Central Govt	0	0	0	0		0			0
(d) State Govt (s)	0	0	0	0		0			0
(e) Venture Capital funds	2816434	0	2816434	1.50	0	0	0	0	-1.50
(f) Insurance Companies	4880318	0	4880318	2.61	4645818	0	4645818	2.48	-0.13
(g) FIs	72930854	0	72930854	38.96	69054607	0	69054607	36.89	-2.07
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
(i) Others (Specify)	0	0	0	0	0	0	0	0	0.00
Sub-Total (B)(1)	83994504	0	83994504	44.87	75725942	0	75725942	40.45	-4.42
<b>(2) Non- Institutions</b>									
<b>(a) Bodies Corp</b>									
i. Indian	6194108	0	6194108	3.31	14756889	0	14756889	7.88	4.57
ii. Overseas	0	0	0	0	0	0	0	0	0

**(b) individuals**

i. Individual shareholders holding nominal share capital up to ₹1 lakh	5155949	250	5156199	2.75	4105117	250	4105367	2.19	-0.56
ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh	1419393	0	1419393	0.76	1072000	0	1072000	0.57	-0.19

**(c) Others (Specify)**

Non Resident Indians	5920760	0	5920760	3.16	6877022	0	6877022	3.67	0.51
NRI NON-REPATRIATION	120405	0	120405	0.06	392256	0	392256	0.21	0.15
Clearing Member	107847	0	107847	0.06	109609	0	109609	0.06	0.00
Directors and their Relatives	1175	0	1175	0	1175	0	1175	0.00	0.00
IEPF	1560	0	1560	0	3715	0	3715	0.00	0.00
NBFC	128024	0	128024	0.07	0	0	0	0.00	0.00

**(D)**

(d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(2)	19049221	250	19049471	10.18	27317783	250	27318033	14.59	4.42
Total Shareholding of Public = (B) (1) + (B) (2)	103043725	250	103043975	55.05	103043725	250	103043975	55.05	0.00
(C). Shares held by custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	187198435	250	187198685	100.00	187198435	250	187198685	100.00	0.00

**(ii) Shareholding of Promoters:**

S. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Indira Reddy Tikkavarapu	57129500	30.52	90.64	57129500	30.52	90.64	0
2	Sandeep Kumar Reddy Tikkavarapu	27019810	14.43	100	27019810	14.43	100	0
3	Sulochanamma Gunupati	2350	0	0	2350	0	0	0
4	Jenna Reddy Brij Mohan Reddy	2250	0	0	2250	0	0	0
5	Tikkavarapu Sarita Reddy	800	0	0	800	0	0	0
	<b>Total</b>	<b>84154710</b>	<b>44.95</b>	<b>93.64</b>	<b>84154710</b>	<b>44.95</b>	<b>93.64</b>	<b>0</b>

**(iii) Change in Promoters' Shareholding: No Change**

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	84154710	44.95	84154710	44.95
	At the End of the year	84154710	44.95	84154710	44.95

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year( at the end of the year)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1. GMO EMERGING MARKETS FUND, A SERIES OF GMO TRUST</b>					
	At the beginning of the year	16772852	8.96	16772852	8.96
Date wise Increase / Decrease in top 10 Share holders during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
Date	Increase/ Decrease	Reasons (sales/purchase/ Sub-division)			
NIL	NIL	NIL			
	At the End of the year (or on the date of separation, if separated during the Year)	16772852	8.96	16772852	8.96
<b>2. GMO EMERGING DOMESTIC OPPORTUNITIES FUND, A SERIES</b>					
	At the beginning of the year	11808095	6.31	11808095	6.31
Date wise increase / Decrease in Share holding during the Year, specifying the reason:					
Date	Increase/ Decrease	Reasons (sales/purchase / Sub-division)			
29/06/2018	(755638)	Sale	11052457	5.90	
	At the End of the year (or on the date of separation, if separated during the Year)	11052457	5.90	11052457	5.90
<b>3. GOVERNMENT OF SINGAPORE -E</b>					
	At the beginning of the year	10572264	5.65	10572264	5.65
Date wise increase / Decrease in Share holding during the Year, specifying the reason:					
Date	Increase/ Decrease	Reasons (sales/ purchase / Sub-division)			
01/02/2019	(9274)	Sale			
08/02/2019	(3927)	Sale			
	At the End of the year (or on the date of separation, if separated during the Year)	10559063	5.64	10559063	5.64
<b>4. STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY P</b>					
	At the beginning of the year	6608769	3.53	6608769	3.53
Date wise increase / Decrease in Share holding during the Year, specifying the reason:					
Date	Increase/ Decrease	Reasons (sales/ purchase/ Sub-division)			
	NIL	NIL			
	At the End of the year (or on the date of separation, if separated during the Year)	6608769	3.53	6608769	3.53
<b>5. SATPAL KHATTAR</b>					
	At the beginning of the year	5179335	2.77	5179335	2.77
Date wise increase / Decrease in Share holding during the Year, specifying the reason:					
Date	Increase/ Decrease	Reasons (sales/ purchase/ Sub-division)			
06/07/2018	1000000	Purchase			
	At the End of the year (or on the date of separation, if separated during the Year)	6179335	3.30	6179335	3.30

**6. BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.**

At the beginning of the year	4880318	2.61	4880318	2.61
Date wise increase / Decrease in Share holding during the Year, specifying the reason:				
Date	Increase/ Decrease	Reasons (sales/ purchase/ Sub-division)		
02/11/2018	4500	Purchase	4884818	2.61
30/11/2018	2000	Purchase	4886818	2.61
18/01/2019	(241000)	Sale	4645818	2.48
At the End of the year (or on the date of separation, if separated during the Year)				
	4645818	2.48	4645818	2.48

**7. MENTOR CAPITAL LIMITED**

At the beginning of the year	3418132	1.83	3418132	1.83
Date wise increase / Decrease in Share holding during the Year, specifying the reason:				
Date	Increase / Decrease	Reasons (sales/ purchase/ Sub-division)		
06/04/2018	1637691	Purchase	5055823	2.70
13/04/2018	105715	Purchase	5161538	2.76
20/04/2018	154057	Purchase	5315595	2.84
27/04/2018	16402	Purchase	5331997	2.85
04/05/2018	62738	Purchase	5394735	2.88
11/05/2018	265685	Purchase	5660420	3.02
18/05/2018	(195748)	Sale	5464672	2.92
25/05/2018	158899	Purchase	5623571	3.00
01/06/2018	39932	Purchase	5663503	3.03
08/06/2018	184077	Purchase	5847580	3.12
15/06/2018	7100	Purchase	5854680	3.13
22/06/2018	(20527)	Sale	5834153	3.12
29/06/2018	164821	Purchase	5998974	3.20
06/07/2018	(904700)	Sale	5094274	2.72
13/07/2018	(52868)	Sale	5041406	2.69
20/07/2018	3559140	Purchase	8600546	4.59
27/07/2018	(34773)	Sale	8565773	4.58
03/08/2018	9544829	Purchase	18110602	9.67
03/08/2018	(8565773)	Sale	9544829	5.10
10/08/2018	322845	Purchase	9867674	5.27
24/08/2018	23055	Purchase	9890729	5.28
31/08/2018	160316	Purchase	10051045	5.37
07/09/2018	170675	Purchase	10221720	5.46
14/09/2018	52144	Purchase	10273864	5.49
21/09/2018	491642	Purchase	10765506	5.75
28/09/2018	82921	Purchase	10848427	5.80
29/09/2018	14902	Purchase	10863329	5.80
05/10/2018	475755	Purchase	11339084	6.06
12/10/2018	265616	Purchase	11604700	6.20
19/10/2018	115122	Purchase	11719822	6.26
26/10/2018	70963	Purchase	11790785	6.30
02/11/2018	27388	Purchase	11818173	6.31
09/11/2018	17624	Purchase	11835797	6.32

16/11/2018	17833	Purchase	11853630	6.33
16/11/2018	(424280)	Sale	11429350	6.11
23/11/2018	27891	Purchase	11457241	6.12
30/11/2018	24542	Purchase	11481783	6.13
07/12/2018	115271	Purchase	11597054	6.20
14/12/2018	22126	Purchase	11619180	6.21
21/12/2018	207707	Purchase	11826887	6.32
28/12/2018	30753	Purchase	11857640	6.33
31/12/2018	6400	Purchase	11864040	6.34
04/01/2019	18234	Purchase	11882274	6.35
11/01/2019	13827	Purchase	11896101	6.35
18/01/2019	515184	Purchase	12411285	6.63
25/01/2019	59251	Purchase	12470536	6.66
25/01/2019	(54500)	Sale	12416036	6.63
01/02/2019	2871207	Purchase	15287243	8.17
01/02/2019	(2783808)	Sale	12503435	6.68
08/02/2019	79682	Purchase	12583117	6.72
15/02/2019	29557	Purchase	12612674	6.74
22/02/2019	126547	Purchase	12739221	6.81
01/03/2019	35014	Purchase	12774235	6.82
08/03/2019	18671	Purchase	12916868	6.90
15/03/2019	107838	Purchase	13024706	6.96
22/03/2019	554170	Purchase	13578876	7.25
29/03/2019	(554170)	Sale	13024706	6.96
At the End of the year (or on the date of separation, if separated during the Year)	13024706	6.96	13024706	6.96

**8. Monetary Authority of Singapore**

At the beginning of the year	3361902	1.80	3361902	1.80
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Date wise increase / Decrease in Share holding during the Year, specifying the reason:

Date	Increase / Decrease	Reasons (sales/ purchase/ Sub-division)		
01/02/2019	(3296)	Sale	3358606	1.79
08/02/2019	(1395)	Sale	3357211	1.79
At the End of the year (or on the date of separation, if separated during the Year)	3357211	1.79	3357211	1.79

**9. KAVI Global Opportunity Master Fund LP**

At the beginning of the year	0	0	0	0
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Date wise increase / Decrease in Share holding during the Year, specifying the reason:

Date	Increase / Decrease	Reasons (sales/ purchase/ Sub-division)		
28/12/2018	3050000	Purchase	3050000	1.63
At the End of the year (or on the date of separation, if separated during the Year)	3050000	1.63	3050000	1.63

**10. AFRIN DIA**

At the beginning of the year	3000000	1.60	3000000	1.60
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Date wise increase / Decrease in Share holding during the Year, specifying the reason:

Date	Increase / Decrease	Reasons (sales/ purchase/ Sub-division)		
13/07/2018	(3000000)	Sale	0	0



At the End of the year (or on the date of separation, if separated during the Year)	0	0	0	0
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**11. 'Next Orbit Ventures Fund**

At the beginning of the year	2816434	1.50	2816434	1.50
Date wise increase / Decrease in Share holding during the Year, specifying the reason:				
Date	Increase / Decrease	Reasons (sales/ purchase/ Sub-division)		
13/07/2018	(2500000)	Sale	316434	0.17
20/07/2018	(192803)	Sale	123631	0.07
27/07/2018	(123631)	Sale	0	0.00
At the End of the year (or on the date of separation, if separated during the Year)	0	0	0	0

**12. Sparrow Asia Diversified Opportunities Fund**

At the beginning of the year	2605980	1.39	2605980	1.39
Date wise increase / Decrease in Share holding during the Year, specifying the reason:				
Date	Increase / Decrease	Reasons (sales/ purchase/ Sub-division)		
09/11/2018	2605980	Purchase	5211960	2.78
09/11/2018	(2605980)	Sale	2605980	1.39
At the End of the year (or on the date of separation, if separated during the Year)	2605980	1.39	2605980	1.39

**(v) Shareholding of Directors and Key Managerial Personnel:**

S. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1. Mrs. Indira Reddy Tikkavarapu (Non- Executive Director)</b>					
	At the beginning of the year	57129500	30.52	57129500	30.52
	No Increase / Decrease in Share holding during the year				
	At the End of the year	57129500	30.52	57129500	30.52
<b>2. Mr. Sandeep Kumar Reddy Tikkavarapu (Managing Director)</b>					
	At the beginning of the year	27019810	14.43	27019810	14.43
	No Increase / Decrease in Share holding during the year				
	At the End of the year	27019810	14.43	27019810	14.43
<b>3. Mr. Jenna Reddy Brij Mohan Reddy (Executive Vice Chairman)</b>					
	At the beginning of the year	2250	0	2250	0
	No Increase / Decrease in Share holding during the year				
	At the End of the year	2250	0	2250	0
<b>4. Mr. Sivakumar Reddy Gunupati (Independent Director)</b>					
	At the beginning of the year	1125	0	1125	0
	No Increase / Decrease in Share holding during the year				
	At the End of the year	1125	0	1125	0

**5. Mr. Harivithalrao Venkateshwarrao Chintalapati (Independent Director)**

At the beginning of the year	50	0	50	0
No Increase / Decrease in Share holding during the year				
At the End of the year	50	0	50	0

**6. Mr. Linga Moorthy Vajjhala (Independent Director)**

At the beginning of the year	0	0	0	0
No Increase / Decrease in Share holding during the year				
At the End of the year	0	0	0	0

**7. Mr. Jawarharlal Nehru Karamchetti (Independent Director)**

At the beginning of the year	0	0	0	0
No Increase / Decrease in Share holding during the year				
At the End of the year	0	0	0	0

**8. Mr. Birendra Kumar (Nominee Director)**

At the beginning of the year	0	0	0	0
No Increase / Decrease in Share holding during the year				
At the End of the year	0	0	0	0

**9. Ms. Indani Venkata Lakshmi (Company Secretary & Compliance Officer)**

At the beginning of the year	75	0	75	0
NO Increase / Decrease in Share holding during the year				
At the End of the year	75	0	75	0

**10. Mr. Sreedhar Babu Ponnuru (Chief Financial Officer)**

At the beginning of the year	25	0	25	0
No Increase / Decrease in Share holding during the year				
At the End of the year	25	0	25	0

**V. Indebtedness:**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

₹ Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,93,938.19	488.70	-	1,94,426.89
ii) Interest due but not paid	1,924.30	-	-	1,924.30
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,95,862.49</b>	<b>488.70</b>	<b>-</b>	<b>1,96,351.19</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	-	-	-	-
Reduction	6,962.49	488.70	-	7,451.19
Net Change	(6,962.49)	(488.70)	-	(7,451.19)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,87,098.29	-	-	1,87,098.29
ii) Interest due but not paid	1801.71	-	-	1801.71
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,88,900.00</b>	<b>-</b>	<b>-</b>	<b>1,88,900.00</b>

**Vi. Remuneration of Directors and Key Managerial Personnel:**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

S.No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		T.V.Sandeep Kumar Reddy (MD)	J. Brij Mohan Reddy (WTD)	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	468.00	132.00	600.00
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	200.00	-	200.00
5	Others, please specify	-	-	-
Total (A)		668.00	132.00	800.00
Ceiling as per the Act		1,295.81	1,295.81	2,591.63

**B. Remuneration to other Directors:**

S. No	Particulars of Remuneration	Name of Directors				Total Amount
		V.L. Moorthy	G. Siva Kumar Reddy	CH. Hari Vithal Rao	J. N. Karamchetti	
	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	1.80	1.50	2.20	1.70	7.20
Total (1)		1.80	1.50	2.20	1.70	7.20
	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	0.85	0.00			0.85
Total (2)		0.85	0.00			0.85
Total (B) = (1)+(2)						8.05
Total Managerial Remuneration						8.05
Overall Ceiling as per the Act		NA	NA	NA		NA

**C. Remuneration to other Directors key managerial personnel other than MD/MANAGER/WTD:**

S.No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	32.19	52.51	84.70
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission - as % of profit - others, specify...	--	--	--	--
5	Others, please specify	--	--	--	--
<b>Total (A)</b>		<b>--</b>	<b>32.19</b>	<b>52.51</b>	<b>84.70</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL.**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**C. OTHER OFFICERS IN DEFAULT**

Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board

Sd/-  
**T. Indira Reddy**  
Chairperson  
DIN:00009906

Sd/-  
**T. V. Sandeep Kumar Reddy**  
Managing Director  
DIN:00005573

Sd/-  
**P. Sreedhar Babu**  
Chief Financial Officer

Sd/-  
**CS I.V. Lakshmi**  
Company Secretary & Compliance Officer

Place: Hyderabad.  
Date: 14<sup>th</sup> August, 2019

## Annexure - IV

### Form No. MR-3

### Secretarial Audit Report

For The Financial Year Ended 31st March, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
M/s. GAYATRI PROJECTS LIMITED  
Hyderabad, Telangana State.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. GAYATRI PROJECTS LIMITED (CIN: L99999TG1989PLC057289)** (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31<sup>st</sup> March, 2019 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. GAYATRI PROJECTS LIMITED** for the period ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 (Applicable w.e.f 15<sup>th</sup> May, 2015);
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India ( Share Based Employee Benefits ) Regulations, 2014 notified on 28<sup>th</sup> October, 2014 ( Not Applicable during the audit period);
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ( Not Applicable during the audit period) ;
- f. The Securities and Exchange Board of India ( Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
- g. The Securities and Exchange Board of India ( Delisting of Equity Shares) Regulations 2009 ( Not Applicable during the audit period) and;
- h. The Securities and Exchange Board of India ( Buyback of Securities ) Regulations 1998 (Not Applicable during the audit period);

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India as notified from time to time.
- ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the year under review. Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda was sent in advance except when board meetings were called by giving less than seven days notice in accordance with the provisions of section 173

Place : Hyderabad  
Date: 9<sup>th</sup> August, 2019

of the act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out and are recorded in the minutes of the meeting of the Board of Directors or Committee of the Board as the case may be and majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that as far as possible, there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Sd/-  
**Y. Koteswara Rao**  
ACS No. 3785  
C.P. No.: 7427

Note: This report is to be read with my letter of even date which is annexed as Annexure - A and forms an integral part of this report.

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**‘Annexure A’**

To,  
The Members  
M/s. GAYATRI PROJECTS LIMITED  
Hyderabad, Telanagana State.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices that, I have followed has provided a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Sd/-  
**Y. Koteswara Rao**  
ACS No. 3785  
C.P. No.: 7427

Place : Hyderabad  
Date: 9<sup>th</sup> August, 2019

## Annexure - V

### Management Discussion and Financial Analysis

#### Indian Economy

The fiscal year gone by has been an interesting year for the Indian economy with several developments & reforms being announced but also, weakening of domestic sentiments being witnessed due to several loan default crises. India continued to hold the top spot as the fastest-growing major economy in the world in FY19; however, GDP growth for the year in review came in at 6.8% compared with 7% projected in the second advance estimates released in February '19.

India faced several exogenous risks in FY19, led largely by a slowdown in the global economy as well as tensions in the International Trade market. The year gone by accordingly saw severe currency volatility with the Indian Rupee falling nearly 14% between April '18 to October '18, before eventually tracking towards normalcy. Higher crude oil prices in the same period also led to concerns of a widening current account deficit for India, weakening sentiments further.

The Indian economy, in the second & third quarters of FY19, had to also deal with the NBFC crisis, which led to a major squeezing of liquidity in the money market, further exacerbating the sentiments in the domestic market.

By December '18 however, many of the apparent structural issues began being ironed out, with the Government of India & the RBI stepping up by infusing liquidity into the system, supported by softening crude prices & a recovery in the Indian equity market. With the country's inflation continuing to undershoot the central bank's target, the RBI decided to tackle the growth slowdown in the economy by cutting repo rates across the system in three tranches of 25 basis points within the last 1 year.

On a more buoyant note, India's per-capita income increased 10% to 10,534 per month in FY19 from 9,580 per month in FY18. With the re-election of the stable NDA government at the centre, sentiments as well as reforms are expected to pick up once again, in FY20. During the period of the general elections, in the year gone by, flow of money & major business decisions were put on hold & these are now expected to kick-start & provide the much needed impetus to the Indian economy.

Finance Secretary Subhash Garg commented that the first quarter of the current fiscal would also witness relatively slow growth but would then pick up from the second quarter onward with capital spending, including private investment, expected to revive. Business processes in India are expected to pick up steam driven by lower oil prices, political stability and removal of infrastructure bottlenecks.

The World Bank has maintained its growth forecast of 7.5% per year, for the next three years for the Indian economy, ensuring that India retains its top spot as the fastest growing major economy in the world. The Monetary Policy Committee also expects growth in the range of 6.4-6.7% in the first half of FY20 and 7.2-7.5% in the second half on the current year.

#### Infrastructure Sector in India

Infrastructure continues to be the key focal point of the incoming NDA government, in its second term & thus, several infrastructure reforms are expected to come in over the next 5 years. The last term of the NDA government was characterized by massive allocation of funds to the infrastructure sector, year after year, in the Union Budgets. FY20 is expected to continue on that trajectory, especially as the BJP's manifesto promised to invest 100 trillion in infrastructure across the next five years.

Accordingly to the Ministry of Infrastructure & Transport, India is expected to become the third largest construction market globally by 2022, driven by an investment requirement of over US\$ 700 Billion, to have sustainable development in the country. The government is aiming to create several new smart cities in India, improve connectivity across the country especially to border roads & rural towns as well as invest in technology to create world-class infrastructure in the urban pockets of the country.

Guided by higher Foreign Direct Investment into the sector, Infrastructure in India is all set to change the face of the nation over the next several years. Going with the momentum created over the last five years, interim finance minister Piyush Goyal apportioned a mammoth budgetary support of approximately INR 4.56 lakh crore under the union budget for the infrastructure sector for financial year FY20. This includes roadways, railways, shipping and aviation.



The roads & highways segment of Infrastructure has been, historically, the biggest beneficiary of the investment thrust within the entire sector. The Ministry of Infrastructure & Transport, guided by Shri Nitin Gadkari, has made several inroads into developing the rural landscape & border towns over the past 5 years. One of the key developments was the introduction of the Bharatmala Project, the second largest highways construction project in the country since NHDP, where almost 50,000 km of roads were targeted to be built across the country. The total investment for this ambitious project was estimated at INR 5.35 trillion.

The NHAI has built over 3,000 kms of roads, every year for the last 2 years providing major support to India's road network. In the second phase of the Bharatmala Project, the Government, Ministry of Infrastructure & Transport and the NHAI aim to focus on building expressways, which allow uninterrupted traffic flow. Under the second phase of Bharatmala, the government has proposed to build nearly 3,000 kms of expressways in India. Even still, only 24% of India's national highways are four-lane, leaving immense scope for further development.

Given the recent slowdown in the agricultural economy in India, the irrigation segment of infrastructure is also expected to get a major boost & industry experts suggest a large possibility of massive order inflows within this space. Micro irrigation has been marked as one of the priority areas for development and an exclusive fund is being set up for the same at NABARD. FY20 is expected to witness a surge in allocation to irrigation schemes like PMKSY (Pradhan Mantri Krishi Sinchayee Yojana).

Despite the government thrust on infrastructure, there have been several bottlenecks within this industry & private sector companies in the infrastructure space have been plagued by huge debt burdens, thus reducing debt funding by banks & other financial institutions within this sector. The problem was exacerbated by the collapse of one of the largest infrastructure investment companies in India, IL&FS. The company defaulted in payment obligations of bank loans (including interest), term and short-term deposits and failed to meet the commercial paper redemption obligations. This crisis sparked off a panic in the debt & equity markets in India and has since, made financial institutions & the money market wary of fresh investment within the space.

The government has been looking at new forms of financing, in order to support the investment required

into infrastructure projects. The NHAI is looking to raise funds in FY20 using several different routes including issuing INR 10,000 crores of Bharatmala bonds. Similarly, the government is encouraging private sector companies to look at innovative ways of fund raising, by capitalizing on their arbitration claims & awards. In a first of its kind, HCC announced that it is monetising its arbitration awards and claims worth INR 2000 crores through an innovative financing structure: a SPV backed by Blackrock. This new source of funding may prove to be a gamechanger for infrastructure companies that have been battling a long list of claim receivables.

Apart from the traditional focal points like roads, irrigation & railways, the Ministry of Infrastructure & Transport is expected to release several new developments in other segments of the infrastructure industry as well like renewables, industrial infra etc. The Government of India is taking many measures to revive the private capex cycle and industry experts believe that this restoration in the investment cycle will commence shortly. Segments like renewables, power, mining, land development, etc. are also expected to come out as winners.

### Gayatri Projects

Gayatri Projects, founded in 1963, is one of the oldest & most experienced pure-play EPC companies within the Indian Infrastructure space. It has over five decades of experience in execution of major civil works and is diversified across geographies & infrastructure segments. The company has pan India operations spread across 19 states & operates within several infrastructure verticals like transportation, waterworks & industrial construction projects.

Gayatri Projects prefers to work largely with government entities & currently commands the largest share of the NHAI's EPC projects. The company has a strong execution track record, having completed more than 6,850 lane km of road construction over the last 25 years & ~44 projects aggregating to INR 106 Billion+ value in the last 5 years.

The Indian construction space has been witnessing a digital revolution & technology-led transformation, in order to improve efficiencies, prevent wastage of resources & shorten the project execution period. Gayatri Projects has been one of the first companies to embrace this phenomenon. The company has put into place a Digital Project Management System, which uses web or mobile applications for live project reporting and an IoT Plant Unit to track all the materials being used on a particular project.

## Operational & Financial Review

Despite the structural & sentimental upheavals in the Indian economy in FY19, Gayatri Projects has continued to deliver on its stated strategy. The company accumulated an order book on INR 163 Billion at the end of the fiscal year gone by, supported by strong order inflows of over INR 60 Billion in FY19 itself.

The company achieved a revenue growth of 19% on a year-on-year basis, driven by its superior execution. FY19 revenues stood at INR 35 Billion, in-line with the company's stated guidance. On the operational front, Gayatri Projects has seen an EBITDA growth of 17%, with FY19 EBITDA coming in at INR 5.5 Billion. EBITDA margin dropped 100 basis points compared to last year, due to significant on-site mobilisation ahead of actual revenue booking. The company believes that margins should improve to normalised levels of 16%+ from FY20 onwards.

Gayatri Projects continues to maintain its sustainable profitability levels. The company posted FY19 profits after tax at INR 2.1 Billion, witnessing a growth of 12%, compared to the last year. Strong order inflows of INR 61 Billion allowed the company to maintain a book-to-bill ratio in excess of 4.5x, much higher than its stated guidance of 3.5x.

Gayatri Projects achieved a significant milestone in generating free cash flows of INR 1.5 Billion, post interest payments, for the first time in the last 10 years. With the business focus staying firmly on the services side, strong FCF generation is expected to continue going forward.

The company continues to focus on strengthening its balance sheet by reducing its debt levels. FY19 saw a 9.2% reduction in Gayatri Projects' net debt leading to a reduction in the company's net debt-to-equity ratio to 1.2x in FY19 from 1.5x in FY18. The company continues to maintain its strong working capital status with net working capital days remaining consistent at 74 days in FY19, despite higher revenues & higher order inflows.

Gayatri Projects has always believed in avoiding over-dependence on any geographical region or business segment & thus, diversification is key. 70% of the company's projects come from the roads & highways sector while 21% comes from irrigation projects. Land development, mining, railways & water grids make up the balance. In terms of geographical diversification, Uttar Pradesh is the key contributor to the company's order book at 25%, followed by Odisha, Telangana & Maharashtra.

## Looking Ahead

The company has outlined two broad priorities for the current year: continued deleveraging as well as improved shareholder returns.

After reporting free cash flows in FY19, for the first time in ten years, Gayatri Projects aims to sustain this business practice for the foreseeable future. In order to achieve this goal, the company wants to maintain a tight control on working capital to drive EBITDA conversion into free cash flows. Gayatri Projects' focus on construction activities, pure EPC orders & a high book-to-bill ratio will drive free cash flow generation. Over the past 5 years, the company has achieved an average EBITDA to Free Cash Flow generation ratio of 65%. In the fiscal year gone by, Gayatri Projects saw this ratio improving to 97%, driven by improved efficiencies in the business & accordingly, the company aims to maintain this practice.

A large part of the long-term debt on the books of Gayatri Projects can be attributed to its investment in its power asset: SembCorp Energy India Limited (SEIL). SEIL filed a Draft Red Herring Prospectus (DRHP) in February '18 with SEBI for its IPO. Gayatri Projects has a potential economic exposure of 12.15% to the pre-IPO stake in SEIL, which it is actively looking to monetize. The company expects this stake monetization to result into liquidity generation & aid in the de-leveraging of its balance sheet.

In order to further strengthen its balance sheet & generate liquidity for working capital purposes, Gayatri Projects is evaluating and exploring avenues to monetize its large claims & arbitrations outstanding. The company along with its subsidiaries, has been awarded claims & arbitrations worth INR 6 Billion by different arbitrators/courts. Additionally, Gayatri Projects, with its subsidiaries has claims outstanding of more than INR 24 Billion in different arbitral tribunals/courts. The current year will see the company finalizing resolutions for these claims.

## Risks & Concerns

### Competition Risk

The Indian infrastructure space can be characterized by a large number of firms, with most of them operating locally in a specific area of the country. This could create a scenario where a large number of firms bid for the same tender or project, thus, enabling price wars that could potentially impact the company's margins.

### **Mitigation**

Gayatri Projects has formed its niche in bidding & winning only pure EPC projects rather than focusing on the whole pie of tenders including HAM & BOT. This pure EPC approach is unique to Gayatri Projects, within the large scale infrastructure firms, this ensuring strong profitability & high bid success ratio.

### **Capital Risk**

Due to the capital-intensive nature of the infrastructure industry, access to capital for project completion is key. With the recent NBFC crisis, liquidity in the system has dried up to a very large extent, thus proving detrimental to project completion.

### **Mitigation**

Gayatri projects has been focusing its efforts on monetisation of its power stake & its claims outstanding, in order to generate liquidity for its working capital purposes as well as strengthen the balance sheet.

### **Raw Material Risk**

Timely availability of key raw materials for construction purposes is very important for proper execution of projects. Volatility in the prices or supply of these raw materials can impact project financing and cash flows.

**Mitigation:** The company has maintained long-standing relationships with its suppliers to ensure reduced costs. It ties up with several local contractors in its area of operation to ensure smooth availability of material.

### **Labour Risk**

Labourers at every project location form the most valuable asset for any construction company. Any extraordinary attrition can lead to loss in operations.

**Mitigation:** Gayatri projects has developed a wholesome training and motivation programme for

all its employees & it avoids the practice of sub-contracting, in order to maintain quality standards.

### **Human Resources**

The company's processes and systems are designed to empower employees and enable innovation within the workplace. Given that Gayatri projects has no-subcontracting practices, every worker and labourer is a part of their growth story. Gayatri Projects is committed to providing an environment that encourages employees to perform to full potential and allows them to grow professionally as well as personally. The company continuously invests in the development of its human resources through measures aimed at talent acquisition, development, motivation and retention. As a supportive gesture, the company has also taken personal accident insurance for all its employees.

### **Internal Control and Risk Management Systems**

The company has a well-defined and elaborate Risk Management procedure, which is based on three pillars: Business Risk Assessment, Operational Controls Assessment and Policy Compliance processes. The Risk Management Committee monitors the key risks in the various business segments and evaluates strategies to mitigate these. It also reviews each tender carefully for any potential risks before the bidding process begins. The Company's internal control systems are commensurate with the nature of its business. They are tested periodically and certified by Statutory as well as Internal Auditors. The Audit Committee reviews the adequacy and effectiveness of our internal control environment and monitors the implementation of audit recommendations. The company has a qualified and independent audit committee, which contains all the independent directors of the Company.

## Annexure - VI

### Report on Corporate Social Responsibility (CSR) Policy and Activities as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes undertaken / proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

- Eradicating extreme hunger, poverty;
- Promotion of education including special education ;
- Promoting gender equality and empowering women;
- Ensuring environmental sustainability and ecological balance;
- Rural Development Projects;
- Social business projects;
- Disaster Relief;

The CSR Policy of the company has been placed on the website of the company at [http://www.gayatri.co.in/Investors/Corporate Governance/ Policies](http://www.gayatri.co.in/Investors/Corporate%20Governance/Policies).

2. Composition of CSR Committee:

Sl.	Name	Designation
1	Mrs.T. Indira Reddy	Chairperson
2	Mr. T.V. Sandeep Kumar Reddy	Member
3	Mr. CH. Hari Vithal Rao	Member

3. Average Net profit for the preceding three Financial Years for the purpose of computation of CSR : ₹10572.22 Laks

4. Prescribed CSR expenditure (2% of Average Net Profit): ₹211.44 Laks

5. Details of CSR spend for the financial year

- Total amount spent during the financial year 2018-19 : ₹212.99 Laks
- Amount unspent, if any: ₹ Nil

c) Manner in which the amount spent by during the financial year is detailed below:

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects of Programmes (1) Local area or other (2 Specify the state and district where projects or programme was undertaken	Amount in lakhs outlay (budget) project or programs wise	Amount in lakhs spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
1	Health care and Sanitation for the poor people	Promoting Health care including preventive health care	Visakhapatnam, Andhra Pradesh	60.00	58.27	58.27	Agency : Balaji Charitable Trust
2	Donations to poor students for education and studies	Promotion of education, including special education	Visakhapatnam, Andhra Pradesh	160.00	154.72	154.72	Agency : TSR Foundation
<b>TOTAL</b>				<b>220.00</b>	<b>212.99</b>	<b>212.99</b>	

Sd/-  
**T. Indira Reddy**  
Chairperson CSR Committee  
DIN: 00009906

Sd/-  
**T. V. Sandeep Kumar Reddy**  
Managing Director  
DIN:00005573

Place: Hyderabad  
Date: 14<sup>th</sup> August, 2019

## **Annexure - VII**

### **Related Party Disclosures– Chapter IX**

#### **Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:**

1. Details of contracts or arrangements or transactions not at arm's length basis:
  - (a) Name(s) of the related party and nature of relationship: -NIL-
  - (b) Nature of contracts/arrangements/transactions: -NIL-
  - (c) Duration of the contracts / arrangements/transactions: -NIL-
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: -NIL-
  - (e) Justification for entering into such contracts or arrangements or transactions: -NIL-
  - (f) Date(s) of approval by the Board: -NIL-
  - (g) Amount paid as advances, if any: -NIL-
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: -NIL-
  
2. Details of material contracts or arrangement or transactions at arm's length basis
  - (a) Name(s) of the related party and nature of relationship
  - (b) Nature of contracts/arrangements/transactions : -NIL-
  - (c) Duration of the contracts / arrangements/transactions: -NIL-
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: -NIL-
  - (e) Date(s) of approval by the Board, if any: -NIL-
  - (f) Amount paid as advances, if any: -NIL-

For and on behalf of the Board

Sd/-  
**T. Indira Reddy**  
 Chairperson  
 DIN:00009906

Sd/-  
**T. V. Sandeep Kumar Reddy**  
 Managing Director  
 DIN:00005573

Sd/-  
**P. Sreedhar Babu**  
 Chief Financial Officer

Sd/-  
**CS I. V. Lakshmi**  
 Company Secretary & Compliance Officer

Place: Hyderabad.  
 Date: 14<sup>th</sup> August, 2019

## Annexure - VIII

### Report on remuneration to Directors and Employees in terms of Rule 5(1) of the Companies (Appointment and Remuneration Rules) 2014.

**a) Managerial Remuneration:**

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Sl.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1.	Mr.T.V.Sandeep Kumar Reddy	133:1
2.	Mr. J. Brij Mohan Reddy	37:1

- (ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Sl.	Name of the KMP	Percentage increase in remuneration
1.	Mr.P.Sreedhar Babu, CFO	7.76%
2.	Mrs.I.V.Lakshmi, CS	13.18%

- (iii) The percentage increase in the median remuneration of employees in the financial year: 3.66%

- (iv) The number of permanent employees on the rolls of company: 2540 Employees

- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average percentile increase in the salaries of the employees other than the managerial personnel in the last financial year is 7.73%. There was an increase in Managing Director's remuneration in the F.Y.2017-18 to the extent of ₹60 Lakhs in the form of Salary and ₹200 Lakhs in the form of Commission on the net profits of the company with the approval of members by way of Special Resolution.

- (vi) Affirmation that the remuneration is as per the remuneration policy of the company.- Yes

**b) Details of the Employees drawing remuneration not less than ₹1.02 Crores per annum who were employed throughout the financial year.**

S.No.	Name of the employee	Designation of the employee	Remuneration received (₹ In Lakhs)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Age of employee	The percentage of equity shares held by the employee in the company	Relative to any director or manager of the company
1.	Sudhakar Lolla	Vice President	110.22	Whole time	Post Graduate in Mining from India School Of Mines, Dhanbad, responsible for overall Mining Division Business operations, working on most advanced and modernized techniques (longwall technologies)	23.09.2015	51 Years	--	No

**c) Details of the Top ten employees in terms of remuneration drawn:**

S.No.	Name of the employees	Designation of the employee	Remuneration received (₹ In Lakhs)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Age of employee	The percentage of equity shares held by the employee in the company	Relative to any director or manager of the company
1.	T.V. Sandeep Kumar Reddy	Managing Director	668.00	Whole time	Masters Degree in Construction Engineering and Management from University of Michigan at Ann Arbor, USA and also holds a Bachelor Degree in Civil Engineering from Purdue University and having 31 years of experience in the construction industry	04.11.2005	52 years	14.43	Son in Law of J. Brij Mohan Reddy, Executive Vice-Chairman



2.	J. Brij Mohan Reddy	Executive Vice-Chairman	132.00	Whole time	Bachelors Degree in engineering from Montana State University and Post-Graduate in Engineering from the University of California, Berkley, United States and having 51 years of experience	30.03.1994	77 years	--	Father in Law of T.V. Sandeep Kumar Reddy, Managing Director
3.	Sudhakar Lolla	Vice President	110.22	Whole time	Post Graduate in Mining from India School Of Mines, Dhanbad, responsible for overall Mining Division Business operations, working on most advanced and modernized techniques (longwall technologies)	23.09.2015	51 Years	--	No
4.	Tikkavarapu Rajiv Reddy	Vice President	100.10	Whole time	Graduated in Industrial Engineering from University of Illinois, USA	01.07.2014	29 Years	--	Son of T.V.Sandeep Kumar Reddy, Managing Director
5.	K Sesha Reddy	Sr. Vice President	84.58	Whole time	Post Graduate from Birla Institute of Technology & Science and comes with 32+ yrs of Industrial expertise, responsible for overall Project Management, Cost Control and compliance management of Transportation projects.	02.05.2016	59 Years	--	No
6	Ch. V. Rama Krishna Rao	Sr. Vice President	65.78	Whole time	Post Graduate from Birla Institute of Technology & Science and comes with 20+ yrs of Industrial expertise.	01.04.2018	55 years	--	No
7	Dhulipala Sitaram	President	56.72	Whole time	Postgraduate			--	No

8	P Sreedhar Babu	C F O	52.34	Whole time	Member of Institute of Chartered Accountants of India and comes with 30+ yrs of experience in Corporate Business Finance in Infrastructure Industry.	01.01.1995	59 Years	--	No
9	G Venkateswar Rao	Sr. Vice President	45.31	Whole time	BTech degree in Civil Engineering. He is responsible for overall Operations of Irrigation Division	06.03.2009	54 years	--	No
10	I V Lakshmi	Company Secretary	32.19	Whole time	Company Secretary and 15 plus years in the field of Secretarial and Legal.	07.11.2007	46 Years	--	No
11	Mummana Viswa Suresh	Vice President	36.00	Whole time	Btech degree in Civil Engineering and comes with 20 + yrs in Major Highway and construction design	07.03.2005	49 Years	--	No
12	KBRC Murthy	Vice President	27.10	Whole time	Post Graduation in HR & LLB comes with 20 + Yrs. Experience in Human Resources Transformation strategy, culture and capability building, Employee Engagement, Performance Management, Compensation and Benefits, setting up people best practices, Compliance Management Mergers & Acquisition, Industrial Relations etc.	07.09.2017	47 Years	--	No

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## ANNEXURE - IX

# Corporate Governance Report

(As required by Regulation 34 read with schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

### A. Mandatory Requirements

#### I. Company's Philosophy on Corporate Governance

Company's philosophy on corporate governance encompasses not only regulatory and legal requirements, such as the terms of listing agreements with stock exchanges, but also several voluntary practices aimed at a high level of business ethics, effective supervision and enhancement of value for all stakeholders. Gayatri Projects Limited is committed to doing business in an efficient, responsible, honest and ethical manner. Corporate governance practice goes beyond compliance and involves a company-wide commitment. This perspective has to become an integral part of business to ensure fairness, transparency and integrity of the management. Good corporate governance provides an appropriate framework for the Board, its committees and the executive management to carry out the purposes that are in the interest of the Company and the Stakeholders.

The company's core philosophy on the code of corporate governance is to ensure:

- Fair and transparent business practices.
- Accountability for performance.
- Compliance of applicable statute
- Transparent and timely disclosure of financial and management information.
- Effective management control and monitoring of executive performance by the Board.
- Adequate representation of professionally qualified non executive and independent Directors on Board.

Company has adopted Code of Conduct which articulates the values, ethics and business principles and serves as a guide to the Company, its directors and employees supplemented with an appropriate mechanism to report any concern pertaining to non-adherence to the said Code. The Company is in full compliance with the requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### II. Board of Directors

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Memberships held by them in other companies is given below. Other Directorships do not include alternate Directorships and of Companies incorporated outside India. Chairmanship/Membership of Board Committees includes Membership of Audit and Stake Holders Relationship Committee.

#### Composition

The Board represents an optimum mix of professionalism, knowledge and experience. As on 31<sup>st</sup> March, 2019, we had a total strength 8 Directors in the Board, comprising of: 2 Executive Directors and 6 Non-executive Directors (4 of them are Independent Directors and 1 is Nominee Director). The Company immensely benefits from the professional expertise of the independent Directors. The Board has an adequate combination of Executive, Non-Executive and Independent Directors.

**Table : 1 Key information pertaining to Directors as on 31st March, 2019**

	Mrs. T. Indira Reddy	Mr. T. V. Sandeep Kumar Reddy	Mr. J. Brij Mohan Reddy	Mr. G. Siva Kumar Reddy**	Dr. V. L. Moorthy**	Mr. CH. Hari Vithal Rao	Mr. J. N. Karamchetti	Mr. Brendra Kumar
Category	Chairperson Promoter Director	Managing Director	Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Non-Executive Director (Nominee Director)
Date of appointment	08.03.1996	15.09.1989	30.03.1994	30.03.1994	04.11.2005	04.11.2005	14.11.2015	07.02.2018
No of Other Directorships	16	14	5	3	0	8	4	0
Chairmanship in Committees of Board of other Companies*	-	1	-	-	-	3	3	-
Membership in Committees of Board of other Companies*	1	5	4	-	0	6	5	-
No. of Board Meetings held / attended	5/3	5/5	5/3	5/3	5/4	5/5	5/4	5/1
Attendance at the last AGM held on								
September 28, 2018	No	Yes	No	Yes	Yes	Yes	No	No
No. of Shares Held as on 31/03/2019	57129500	27019810	2250	1125	-	50	-	-
Inter-se relationship	Mother of T. V. Sandeep Kumar Reddy	Son of T. Indira Reddy	Father in law of T. V. Sandeep Kumar Reddy	-	-	-	-	-

\* includes only membership and chairmanship in Audit and Stakeholder Relationship Committee

\*\* DR. V.L. Moorthy and Mr. G. Siva Kumar Reddy were ceased to be directors w.e.f. 09.05.2019 and 28.05.2019 respectively.

**Directorships in other listed entities:**

Name of the Director	Name of the Companies	Category of Directorship
T. INDIRA REDDY	Gayatri Sugars Limited Gayatri Tissue and Papers Limited	Non Independent and Non Executive Director Non Independent and Non Executive Director
T.V. SANDEEP KUMAR REDDY	Gayatri Sugars Limited Gayatri Bio-Organics Limited	Non Independent and Non Executive Director Non Independent and Non Executive Director
J. BRIJ MOHAN REDDY	Nil	Nil
BIRENDRA KUMAR	Nil	Nil
G. SIVA KUMAR REDDY	Nil	Nil
Ch. HARI VITHAL RAO	Nil	Nil
V. L. MOORTHY	Nil	Nil
J. N. KARAMCHETTI	Gayatri Sugars Limited Gayatri Tissue and Papers Limited Gayatri Bio-Organics Limited	Non Executive Independent Director Non Executive Independent Director Non Executive Independent Director

- **Details of the familiarization programmes imparted to Independent Directors are disclosed in the company's website: [http://www.gayatri.co.in/pdf/Familirisation Programmes.pdf](http://www.gayatri.co.in/pdf/Familirisation_Programmes.pdf)**
- **The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:**

Global Business	Understanding of global business dynamics across various geographical markets, industry verticals and regulatory jurisdictions.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

- **Independent Directors of the Company are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.**
- **After the end of financial year Dr. V.L. Moorthy and Mr. G. Siva Kumar Reddy were resigned from the Board due to their ill health and pre-occupation respectively and they have confirmed that there is no other material reason for their resignation as directors of the company.**

**Board Meetings**

Our Secretarial Department in consultation with the Key Managerial Personnels, Executive Directors and with Board of Directors decided the dates on Board Meetings, the schedule of Board Meeting and Board Committee Meetings are communicated in advance to all the Directors to enable them to schedule their meetings.

Our Board met 5 times in the Financial Year 2018–19 on 30<sup>th</sup> May 2018, 14<sup>th</sup> August 2018, 14<sup>th</sup> November 2018, 14<sup>th</sup> February 2019 and 29<sup>th</sup> March, 2019.

Details of the Directors seeking appointment or re-appointment

**Table :2:Details in pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

<b>Name of the Director</b>	<b>T. Indira Reddy</b>	<b>T.V. Sandeep Kumar Reddy</b>	<b>Comal Ramachandran Gayathri</b>	<b>Kalaikuruchi Jairaj</b>	<b>CH. Harivithal Rao</b>
Director Identification No	00009906	00005573	02872723	01875126	00012970
Date of Birth	13.03.1951	23.11.1966	27.09.1948	25.05.1952	30.04.1939
Date of appointment	08.03.1996	15.09.1989	06.08.2019	06.08.2019	04.11.2005
Occupation	Industrialist	Industrialist	IAS (Retd.,)	IAS (Retd.,)	Banker (Retd.,)
Relationship between directors inter-se	Mother of T. V. Sandeep Kumar Reddy	Son of T. Indira Reddy	Nil	Nil	Nil
Nature of expertise in specific functional area	31 years of experience in the construction industry	30 years of experience in the construction industry	Power, Petroleum, Industries, Chemicals & Fertilizers and Civil Aviation	Infrastructure, Governance, Urban Development, Transport, Energy and Arbitration	50 years of experience as Banker
Directorship in other Listed Entities	Gayatri Tissue and Papers Limited and Gayatri Sugars Limited	Gayatri Sugars Limited and Gayatri Bio-Organics Limited	KLG Capital Services Limited, JPT Securities Limited, Skil Infrastructure Limited and Pitti Engineering Limited	CESC LTD and CESC Ventures Limited	Nil
Membership of Committees of other Listed Companies	Member in Audit Committee and Nomination Remuneration Committee of Gayatri Tissue and Papers Limited and Member in Nomination and Remuneration Committee of Gayatri Sugars Limited	Member in Stakeholder Relationship Committee of Gayatri Sugars Limited and Gayatri Bio Organics Limited and Member in Corporate Social Responsibility Committee and Management Committee of Gayatri Sugars Limited.	Member of the Audit Committee in Skill Infrastructure Limited, JPT Securities Limited and KLG Capital Services Limited and Member of the Stakeholders Relationship Committee in Pitti Engineering Limited	Member in Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of Adani Transmission Limited	Nil
Shareholding in the Company	5,71,29,500 Shares	2,70,19,810 Shares	Nil	Nil	50 Shares

The Company Secretary prepares the Agenda and Explanatory notes, in consultation with the Chairman and Managing Director for each meeting and circulates the same in advance to the Directors. A tentative annual calendar for the meetings of the Board and Audit Committee to be held in each quarter has been circulated to facilitate and assist the Directors to plan their schedules for the meetings for meaningful, informed and focused decisions. Every Director is free to suggest the inclusion of items on the agenda. The Board meets at least once in every quarter to review the quarterly results and other items on the agenda. The Board is given presentation covering industry environment, project implementation, project financing and operations of the Company. Additional meetings are held, when necessary. The draft minutes of the proceedings of the Board of Directors are circulated in advance and the comments, if any, received from the Directors are

incorporated in the minutes in consultation with the Chairman. Senior executives are invited to provide additional inputs at the Board Meeting for the items being discussed by the Board of Directors, as and when necessary.

The Company has an effective post meetings follow up, review and reporting process mechanism for the decisions taken by the Board/Committees. Action taken report on decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the members.

The Company Secretary while preparing the agenda notes, minutes etc., of the meeting is responsible for and is required to ensure adherence to all applicable laws, rules, regulations including the Companies Act, 2013 read with rules made there under.

**iii. Audit Committee**

The Audit Committee of the Company is constituted in line with the Regulations 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

**Powers of Audit Committee:**

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Role of Audit Committee:**

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by Management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
5. Compliance with listing and other legal requirements relating to financial statements.
6. Disclosure of any related party transactions.
7. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties.
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;



16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**Review of information by Audit Committee**

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

**The Composition of the Audit Committee:**

1.	Mr. Ch. Hari Vithal Rao	Chairman
2.	Dr. V. L. Moorthy	Member*
3.	Mr. G. Siva Kumar Reddy	Member*
4.	Mr. J. N. Karamchetti	Member
5.	Mrs. T. Indira Reddy	Member

\*Dr.V. L. Moorthy and Mr. G. Siva Kumar Reddy were ceased to be members of the committee w.e.f 09.05.2019 and 28.05.2019 respectively and Mrs. T. Indira Reddy was appointed as member of the Committee w.e.f 30.05.2019.

**a) Meetings and Attendance:**

Four Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows: 30<sup>th</sup> May, 2018, 14<sup>th</sup> August, 2018, 14<sup>th</sup> of November, 2018 and 14<sup>th</sup> February, 2019. The maximum gap between any two meetings was not more than 120 days.

**Table : 3**

Name of the Director	No. of Audit Committee Meetings	
	Held	Attended
Mr. Ch. Hari Vithal Rao - Chairman	4	4
Dr. V. L. Moorthy - Member	4	3
Mr. G. Siva Kumar Reddy - Member	4	3
Mr. J. N. Karamchetti - Member	4	3

The necessary quorum was present at all the meetings.

**IV. Nomination And Remuneration Committee**

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- a) To ensure that the level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets performance benchmarks, and involves a balance between fixed and incentive pay.
- b) The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees
- c) To identify persons who may be appointed in senior management in accordance with the criteria laid down.
- d) To carry out evaluation of every director's performance and recommend to the board his/ her appointment and removal based on the performance.

The details regarding Remuneration policy is disclosed in the board's report.

**The composition of the Nomination and Remuneration Committee is given below:**

1.	Mr. G. Siva Kumar Reddy	Chairman*
2.	Mrs. T. Indira Reddy	Member
3.	Dr. V. L. Moorthy	Member*
4.	Mr. Ch. Hari Vithal Rao	Member*
5.	Mr. J. N. Karamchetti	Chairman*

\*Dr.V. L. Moorthy and Mr. G. Siva Kumar Reddy were ceased to be members of the committee w.e.f 09.05.2019 and 28.05.2019 respectively and Mr. Ch. Hari Vittal Rao and Mr. J. N. Karamchetti were appointed as member of the Committee w.e.f 30.05.2019.

**Table: 4 Meetings and Attendance:**

Name of the Director	Held	Attended
Mr. G. Siva Kumar Reddy - Chairman	3	3
Mrs. T. Indira Reddy - Member	3	3
Dr. V. L. Moorthy - Member	3	2

\* The Committee met on 25th May 2018, 14th August 2018 and 14th February, 2019 .

**Table: 5 Remuneration and sitting fees paid to the Directors during 2018-2019**

(₹ in Lakhs)

	Mrs. T. Indira Reddy	Mr. T. V. Sandeep Kumar Reddy	Mr. J. Brij Mohan Reddy	Mr. G. Siva Kumar Reddy	Dr. V. L. Moorthy	Mr. CH. Hari Vithal Rao	Mr. J. N. Karamchetti	Mr. Birendra Kumar
Category	Chairperson Promoter Director	Managing Director	Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Non-Executive Director (Nominee Director)
Relationship with directors	Yes	Yes	Yes	None	None	None	None	None
Salary	-	468.00	132.00	-	-	-	-	-
Allowances	-	-	-	-	-	-	-	-
Commission/ Incentives	-	200.00	-	-	-	-	-	-
Other Annual Compensation	-	-	-	-	-	-	-	-
Deferred Benefits	-	-	-	-	-	-	-	-
Sitting fees	0.85	-	-	1.50	1.80	2.20	1.70	0.00

**Performance Evaluation Criteria for Independent Directors**

The Board has carried out the annual performance evaluation of Independent Directors individually.

A structured questionnaire was prepared after taking into consideration various aspects such as adequacy of the composition of the Independent Directors, effectiveness in developing corporate governance structure to fulfil its responsibilities, execution and performance of specific duties etc. The Board decided that the performance of independent directors is excellent.

**V. Stakeholder's Relationship Committee**

**a) A Stakeholders Relationship Committee of Directors reviews the following:**

- Transfer/transmission of shares / debentures
- Issue of duplicate share certificates
- Review of shares dematerialized and all other relevant matters
- Monitors expeditious redressal of investor's grievances
- Non receipt of Annual Reports and declared dividend
- All other matters related to shares/ debentures

**The Constitution of Stakeholders Relationship Committee is as follows:**

1.	Mr. Ch. Hari Vithal Rao	Chairman
2.	Mr. J. Brij Mohan Reddy	Member
3.	Mr. G. Siva Kumar Reddy	Member*
4.	Mrs. T. Indira Reddy	Member

\* Mr. G. Siva Kumar Reddy was ceased to be member of the committee w.e.f 28.05.2019 and Mrs. T. Indira Reddy was appointed as member of the Committee w.e.f 30.05.2019.

**Table: 6 Meetings and Attendance:**

Name of the Director	Held	Attended
Mr. Ch. Hari Vithal Rao – Chairman	2	2
Mr. J. Brij Mohan Reddy – Member	2	--
Mr. G. Siva Kumar Reddy – Member	2	2

Stakeholders Relationship Committee met on 29th September, 2018 and 30th March, 2019 during the financial year 2018-19.

**b) Name and Address of Compliance Officer  
CS I.V. LAKSHMI**

Company Secretary & Compliance Officer  
6-3-1090, TSR Towers, Rajbhavan Road,  
Somajiguda, Hyderabad – 500 082  
Tel: +91 40 2331 0330 Fax: +91 40 2339 8435  
E Mail: cs@gayatri.co.in.

**VII. General Body Meetings**

**a) Annual General Meeting**

- **Table: 8** Location, date and time of last three Annual General Meetings (AGMs) and Special Resolutions passed there at:

Year	Location	Date and Time	Special Resolution passed
2015-16	KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad – 500 004	28/09/2016 03.00 PM	1. Appointment of Mr. J.N. Karamchetti as Independent Director of the Company. 2. Authorisation to charge for delivery of documents through a particular mode, if any request received from the member.
2016-17	FTAPCCI Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad – 500004,	30/12/2017 11.30 AM	1. Revision in remuneration of Mr. T. Rajiv Reddy, Vice-President, Operations of the company. 2. Ratification for change in terms and conditions of the Non-Convertible Cumulative Redeemable Preference Shares held by the company in M/s. Gayatri Hi-Tech Hotels Limited.3. 3. Raising of Funds through Issue of Securities
2017-18	KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad – 500 004	28/09/2018 04.00 PM	1. Revision in remuneration of Sri T.V. Sandeep Kumar Reddy as Managing Director. 2. Re-appointment of Sri. J. Brij Mohan Reddy as Executive Vice Chairman.

**c) Table: 7 Details of complaints/requests received and redressed :**

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	03	03	NIL

**VI. Meeting of Independent Directors:**

The Independent Directors of the Company had met during the year on 14.02.2019 to review the performance of non- Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had accessed the quality, quantity and timeliness of flow of information between the company management and the Board.

The Company had also further during the year, conducted Familiarization programmes for Independent Directors of the Company and the details of such familiarization programmes are disseminated on the website of the Company ([http://www.gayatri.co.in/pdf/Familirisation\\_Programmes.pdf](http://www.gayatri.co.in/pdf/Familirisation_Programmes.pdf))

**b) Extra-Ordinary General Meeting: : Nil**

**c) Postal Ballot: Nil**

**d) Subsidiary Companies**

Company has one material unlisted subsidiary viz.. M/s. Gayatri Energy Ventures Private Limited and the company has appointed independent director on the Board of a material unlisted material subsidiary company as per the SEBI (LODR) Regulations, 2015. The Audit Committee of the company regularly reviews the financial statements, and the investments made by the unlisted material subsidiary company. The minutes of the Board meetings and a statement of all significant transaction and arrangements entered into by the unlisted material subsidiary company are placed at the Board meeting of the company.

**e) Disclosures**

- (i) Disclosure of material, financial and commercial transactions where management has personal interest that may have a potential conflict with the interest of the company at large.

During the year 2018-19, no transactions of material nature had been entered into by the Company with the Management or their relatives that may have a potential conflict with interest of the Company. None of the Non-Executive Directors have any pecuniary material relationship or material transactions with the Company for the year ended 31<sup>st</sup> March, 2019, and have given undertakings to that effect.

Details of transactions of a material nature with any of the related parties (including transactions where Directors may have a pecuniary interest) as specified in Accounting Standard 18 of the Companies (Accounting Standards) Rules, 2006, have been reported in the Notes to the Accounts and they are not in conflict with the interest of the Company at large.

Registers under Section 188 / 189 of the Companies Act, 2013 are maintained and particulars of transactions are entered in the Register, wherever applicable.

Such transactions are provided to the Board and the interested Directors neither participate in the discussion, nor do they vote on such matters.

- (ii) Details of non-compliance by the company, penalties, and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

- NIL

- (iii) Disclosure relating to Whistle Blower policy and affirmation that no personnel have been denied access to the audit committee. Company has established a Vigil Mechanism System/ Whistle blower policy for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. Further, as per the provisions of the Companies Act, 2013 the Audit Committee of the company shall oversee the Vigil Mechanism System/ Whistle blower policy in the company and no personnel has been denied access to the audit committee.

- (iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.

The Company has complied with all the mandatory requirements of corporate governance and are being reviewed from time to time and adoption of non mandatory items are separately disclosed in this report.

- (v) Web link where policy for determining material subsidiaries and policy on dealing with related party transactions.  
<http://www.gayatri.co.in/corporate-governance.html>

- (vi) Disclosure of commodity price risks and commodity hedging activities. Nil

**(vii) Risk Management:**

The Risk Management Committee has been formed to identify risks and then manage threats that could severely impact or bring down the organization and identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats.

**The company has constituted a Risk Management Committee with the following directors**

1.	T.V. Sandeep Kumar Reddy, Managing Director	Chairman
2.	T. Indira Reddy, Non Executive Director	Member
3.	Ch. Hari Vital Rao, Independent Director	Member
4.	P. Sreedhar Babu, Chief Financial Officer	Member

**Term of Reference:**

- To consider the Company's risk management strategies;
- To consider, review and approve risk management policies and guidelines;
- To decide on risk levels, risk appetite and related resource allocation;
- To approve major decisions affecting the Company's risk profile or exposure and give such directions as it considers appropriate.
- To approve major risk management activities such as hedging transactions.
- To review the Company's approach to risk management and approve changes or improvements to key elements of its processes and procedures;

- Provide any information/reports as and when required by the Board.
- And any other matters as per the risk policy of the Company.

**(viii) A certificate has been received from Y. Koteswara Rao, Practicing Company Secretary, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.**

**ix) Details regarding Sexual Harrasment of women at work place. Complaints received, disposed and pending during the year:**

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	NA
Number of complaints pending as on end of the financial year	Nil

**(x) The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:**

The company has complied the regulations of SEBI (LODR) as stated below:

Regulation	Particulars of Regulation Compliance Status	(Yes/ No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stake Holders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirement with respect of Subsidiary of Listed entity	Yes
25	Obligation with respect to Independent Director	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance Requirement	Yes
46 (2) (b) to (i)	Website	Yes

**(xi) The Company Complied with the requirements of the Schedule V Corporate Governance report sub- paras (2) to (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**f) Means of Communication**

*Quarterly Results, Press Releases, presentations and Publications:*

Our quarterly results are generally published in widely circulated national newspapers the Financial express and in one vernacular Language newspaper Andhra Prabha (Telugu Daily). And also the half yearly and Annual Audited Financial Results are published in the same manner.

The results, official news releases and presentation made to the analysts are also displayed on the Company's web site www.gayatri.co.in. Official news releases, presentations made to media are displayed are also displayed on the Company's website.

Management Discussion and Analysis a detailed report forms part of this Annual Report.

**g) General Shareholder Information**

**a) Annual General Meeting :**

Financial Year:	2018 – 2019
Date:	30.09.2019
Time:	03.00pm
Venue:	KLN Prasad Auditorium, The Federation of Telangana Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad – 500 004.

**b) Financial Calendar (tentative): Financial Year 1st April, 2019 to 31st March, 2020**

**Table: 9 Calendar for Reporting**

Quarter Ending	Release of Results
June 30, 2019	August 14, 2019
September 30, 2019	November 14, 2019
December 31, 2019	February 14, 2020
March 31, 2020	May 30, 2020*

\*instead of publishing quarterly results, the Company has to publish Audited Annual Accounts within 60 days from the end of the financial year as per SEBI (LODR) Regulations 2015.

**c) Dates of Book Closure :**

The Books shall be closed from 23.09.2019 to 30.09.2019 (both days inclusive).

**d) Listing on Stock Exchanges:**

The shares of the Company are listed on the BSE Limited and National Stock Exchange of India Ltd.

The Company confirms that it has paid annual listing fees to the stock exchanges for the financial year 2019-2020.

**e) Stock Code:**

**(i) Trading Symbol**

Exchange	Scrip Code	Scrip ID
BSE Limited	532767	GAYAPROJ
National Stock Exchange of India Limited		GAYAPROJ

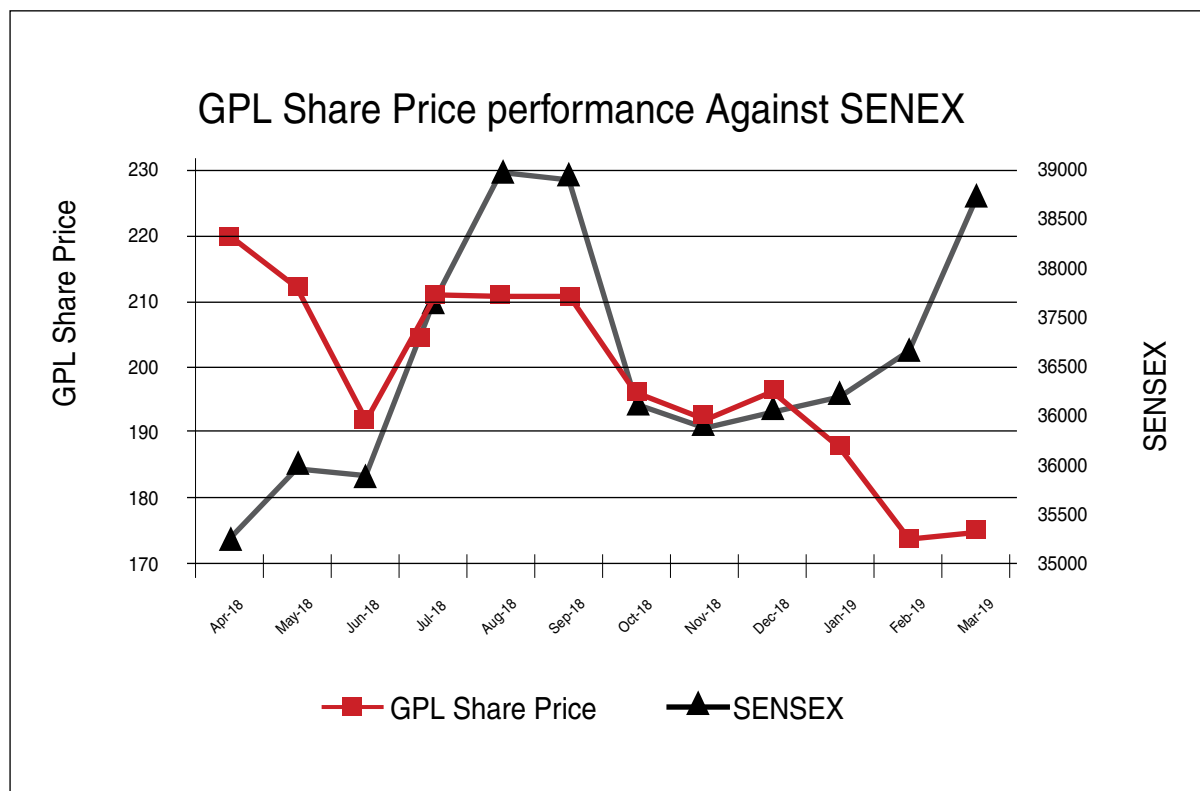
**(ii) Depository for Equity Shares : NSDL and CDSL**

**(iii) Demat ISIN Number : INE336H01023**

**f) Table: 10 Stock Market Price Data:**

Month	BSE SHARE PRICE		BSE SENSEX	
	High Price	Low Price	High Price	Low
Apr-18	220.00	193.20	35213.30	32972.56
May-18	212.30	186.10	35993.53	34302.89
Jun-18	191.80	153.60	35877.41	34784.68
Jul-18	210.95	157.00	37644.59	35106.57
Aug-18	211.00	195.55	38989.65	37128.99
Sep-18	210.60	151.50	38934.35	35985.63
Oct-18	195.95	155.00	36616.64	33291.58
Nov-18	192.50	169.00	36389.22	34303.38
Dec-18	196.35	159.00	36554.99	34426.29
Jan-19	187.90	160.00	36701.03	35375.51
Feb-19	173.85	145.60	37172.18	35287.16
Mar-19	175.00	146.65	38748.54	35926.94

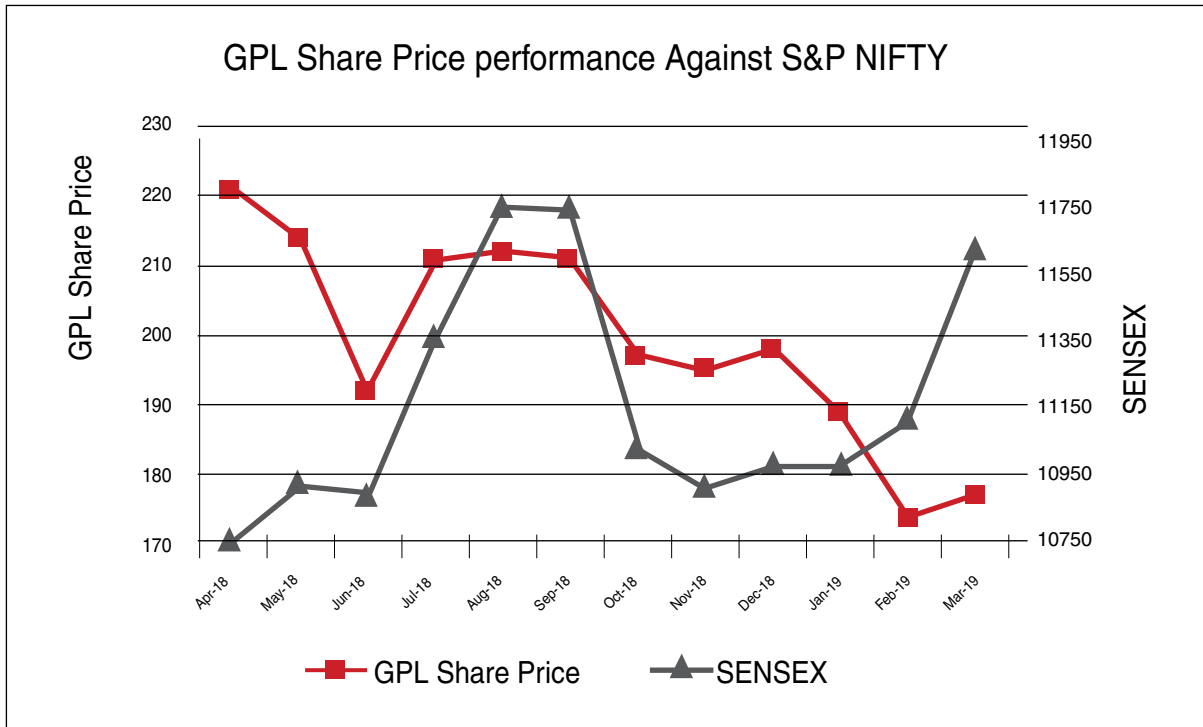
**g) Stock Price Performance in comparison with BSE SENSEX**



**h) Stock Price Performance in comparison with NSE NIFTY**

Month	NSE SHARE PRICE		NSE NIFTY	
	High Price	Low Price	High Price	Low Price
Apr-18	220.85	194.10	10759.00	10111.30
May-18	214.00	185.55	10929.20	10417.80
Jun-18	192.00	152.70	10893.25	10550.90
Jul-18	210.80	158.45	11366.00	10604.65
Aug-18	212.00	195.40	11760.20	11234.95
Sep-18	211.00	150.45	11751.80	10850.30
Oct-18	197.00	155.65	11035.65	10004.55
Nov-18	194.95	168.00	10922.45	10341.90
Dec-18	198.00	158.00	10985.15	10333.85
Jan-19	188.95	163.20	10987.45	10583.65
Feb-19	173.85	145.75	11118.10	10585.65
Mar-19	177.00	145.60	11630.35	10817.00





**i) Registrar and Transfer Agents : (RTA)**

**Karvy Fintech Private Limited (Formerly known as Karvy Computershare Private Limited)**

Unit: Gayatri Projects Limited

Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District,

Nanakramguda, Hyderabad – 500 032.

Tel: 040-67162222, Fax: 040-23001153

Email: einward.ris@karvy.com Website: www.karvyfintech.com

**j) Share Transfer System :**

Transfers of shares held on dematerialized form are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged with the Registrars at the above mentioned addresses. Transfers of shares in physical form are normally processed within applicable statutory limit from the date of receipt, if the documents are complete in all respects. The Directors, the Chief Financial Officer and the Company Secretary are severally empowered to approve transfers.

**a. (i) Table 11 : Distribution of shareholding as on 31st March, 2019:**

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
upto 1 - 5000	9599	96.25	2187993	4375986.00	1.17
5001 - 10000	140	1.40	533571	1067142.00	0.29
10001 - 20000	74	0.74	542100	1084200.00	0.29
20001 - 30000	26	0.26	330478	660956.00	0.18
30001 - 40000	20	0.20	362569	725138.00	0.19
40001 - 50000	13	0.13	311863	623726.00	0.17
50001 - 100000	38	0.38	1393805	2787610.00	0.74
100001 & ABOVE	63	0.63	181536306	363072612.00	96.98
<b>TOTAL</b>	<b>9973</b>	<b>100.00</b>	<b>187198685</b>	<b>374397370.00</b>	<b>100.00</b>

(ii) Table: 12 Categories of shareholders as on 31st March, 2019:

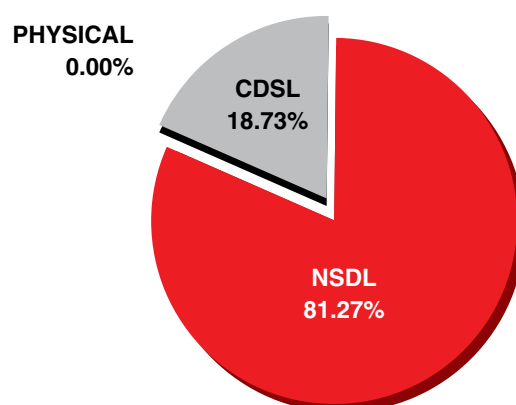
S.No	Category	No. of Cases	Total Shares	% To Equity
1	MUTUAL FUNDS	4	1737900	0.93
2	FOREIGN PORTFOLIO - CORP	63	52281755	27.93
3	FOREIGN INSTITUTIONAL INVESTORS	1	16772852	8.96
4	PROMOTERS & DIRECTORS	5	84154710	44.95
5	ALTERNATIVE INVESTMENT FUND	1	282840	0.15
6	RESIDENT INDIVIDUALS	9225	4878476	2.61
7	INSURANCE COMPANIES	1	4645818	2.48
8	NON RESIDENT INDIANS	148	6877022	3.67
9	CLEARING MEMBERS	47	109609	0.06
10	BANKS	2	4777	0.00
11	NON RESIDENT INDIAN NON REPATRIABLE	63	392256	0.21
12	BODIES CORPORATES	181	14756889	7.88
13	DIRECTORS AND THEIR RELATIVES	2	1175	0.00
14	I E P F	1	3715	0.00
15	H U F	250	298891	0.16
	Total	9994	187198685	100.00

**k) Dematerialization of Shares and Liquidity:**

As on 31<sup>st</sup> March, 2019, 100% of the paid up equity capital of the Company has been dematerialized and the trading of Equity shares in the Stock Exchanges is under compulsory dematerialization.

**Table 13:** As on 31st March, 2019 the Equity shares of the Company are dematerialized as follows:

Sl. No	Category	Total No. of Shares	% To Equity
1	Physical	250	0.00
2	Dematerialized	187,198,435	100.00
	Total	187,198,685	100%



**Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity.**

Company has no outstanding GDRs/ ADRs/ Warrants or any other Convertible instruments and as such there is no impact on the equity share capital of the company.

**l) Commodity price risk or foreign exchange risk and hedging activities:**

The company business is limited to India and hence not exposed to fluctuations in foreign exchange rates. The ECB loan availed by the company is fully hedged to cover any foreign exchange fluctuations. The commodity price risks are, by and large, managed contractually through price variation clauses.

**m) Address for Correspondence:**

CS I.V. LAKSHMI  
Company Secretary & Compliance Officer  
6-3-1090, T.S.R. Towers  
Raj Bhavan Road, Somajiguda, Hyderabad – 500 082  
Tel: +91 40 2331 0330 Fax: +91 40 2339 8435  
Email: cs@gayatri.co.in;

**n) Unpaid / Unclaimed dividend**

Pursuant to the provisions of Section 124 (5) of the Companies Act, 2013, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account, is required to be transferred by Company to the Investor Education and Protection Fund, established by the Central Government under the provisions of Section 125 of the Companies Act, 2013.

Shareholders of the Company who have either not received or have not encashed their dividend warrants, for the financial year 2011-12, 2012-13, 2013-14 , 2014-15 and 2015-16 are requested to claim the unpaid/ unclaimed dividend from the Company before transfer to the above mentioned fund.

**Table: 14**

Financial Year	Rate of Dividend	Date of Declaration	Unclaimed Amount (₹)	Due for transfer to IEPF on
2011-12	30%	September 20, 2012	80352.00	October 02, 2019
2012-13	30%	September 27, 2013	64482.00	October 16, 2020
2013-14	20%	September 23, 2014	70940.00	October 16, 2021
2014-15	10%	September 22, 2015	6386.00	October 15, 2022
2015-16	20%	September 22, 2016	26550.00	October 15, 2023

Separate letters have been sent to the Shareholders who are yet to encash the Dividend indicating that Dividend yet to be encashed by the concerned shareholders and that the amount remaining unpaid will be transferred as per the above dates. Members are requested to utilize this opportunity and get in touch with Company's Registrar and Share Transfer Agent, M/s. Karvy Fintech Private Ltd (Formerly Known as M/s Karvy Computershare Pvt. Limited), Hyderabad for encashing the unclaimed Dividend standing to the credit of their account.

After completion of seven years as per the above table, no claims shall lie against the said Fund or against the Company for the amounts of Dividend so transferred nor shall any payment be made in respect of such claims.

**o) Transfer of unpaid or unclaimed dividend/shares to Investor Education and Protection Fund (IEPF):**

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the

IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends pertaining to 2010-11 of ₹96,045. Further, 2155 corresponding shares were transferred on 29.10.2018, 30.10.2018 and 05.11.2018 as per the requirements of IEPF rules

**p) Dividend Distribution policy**

Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires that the top 500 listed companies Based on the market capitalisation to formulate Dividend Distribution Policy. In compliance of the said requirement, the company has formulated its Dividend Distribution Policy, the details of which are available on the Company's website at: <http://www.gayatri.co.in/corporate-governance.html>

**q) Code of Conduct :**

The company has laid down a code of conduct for all Board members and senior management personnel. The Code of Conduct is available on the website of the company [www.gayatri.co.in](http://www.gayatri.co.in).

**r) SEBI Complaints Redress System (SCORES):**

The investor complaints are processed in a centralised web based complaints redressal system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Your Company has been registered on SCORES and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint.

**B. COMPLIANCE REPORT ON DISCRETIONARY REQUIREMENTS**

**1. The Board – Chairperson's Office**

The Chairperson of the Company is a Non-Executive Promoter Director and is not maintaining any office and has not incurred any expenses during the year.

**2. Shareholders rights**

We display our quarterly and half yearly results on our web site, [www.gayatri.co.in](http://www.gayatri.co.in) and also publish our results in widely circulated newspapers. We did not send half yearly results to each household of the shareholders in the financial year 2018-19.

**3. Audit Qualifications**

There are no audit qualifications by the statutory auditors in our company and its subsidiaries as at 31<sup>st</sup> March 2019.

**4. Reporting of internal auditor:**

The Internal Auditor of the company directly reports to the Audit Committee..

## Annexure – X

# Business Responsibility Report

### Section A: General Information about the Company:

1.	Corporate Identity Number (CIN) of the Company.	L99999TG1989PLC057289
2.	Name of the Company	Gayatri Projects Limited
3.	Registered address	TSR Towers, B-1 6-3-1090, Rajbhavan Road, Somajiguda Hyderabad 500082
4.	Website	www.gayatri.co.in
5.	E-mail id	cs@gayari.co.in
6.	Financial Year reported	2018-2019
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Road Projects (42101) Industrial Projects (N.A) Power Projects (42201)
8.	List three key products/services that the Company manufactures /provides (as in balance sheet)	Road Projects Industrial Projects Power Projects
9.	Total number of locations where business activity is undertaken by the Company	58
	(a) Number of International Locations (Provide details of major 5)	Nil
	(b) Number of National Locations	58
10.	Markets served by the Company – Local /State/National/ International	State / National

### Section B: Financial Details Of The Company:

1.	Paid up Capital (INR)	₹ 37,43,97,370
2.	Total Turnover (INR)	₹ 3,46,314.74 Lakhs
3.	Total profit after taxes (INR)	₹ 21,076.88 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%).	₹ 212.99 Laks The Company has spent 2.01% of the average net profits of the last three financial years
5.	List of activities in which expenditure in 4 above has been incurred:-	Health care and Sanitation, Promoting Education, Promoting gender equality and empowering women and Providing shelter, clothing and education for poor girls

### Section C: Other Details

1.	Does the Company have any Subsidiary Company/ Companies?	Yes, as on 31 <sup>st</sup> March, 2019, the company has 3 subsidiaries.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	Yes, through their own Business Responsibility initiatives.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%].	No

**Section D: Br. Information**

1. Details of Director/Directors responsible for BR.

a) Details of the Director/Directors responsible for implementation of the BR policy/policies.

No.	Particulars	Details
1.	DIN Number	00005573
2.	Name	T.V. Sandeep Kumar Reddy
3.	Designation	Managing Director

b) Details of the BR head

No.	Particulars	Details
1.	DIN Number (if applicable)	00005573
2.	Name	T.V. Sandeep Kumar Reddy
3.	Designation	Managing Director
4.	Telephone number	040-23310330/123
5.	e-mail id	sandeepreddy@gayatri.co.in

2. Principle-wise (as per NVGs) BR Policy/policies

a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Policies formulated after internal consultation covering all functional areas								
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The Policies conform to statutory provisions								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes the policies were approved by the Board of Directors and the Managing Director and the Executive Director have been authorised to take necessary steps for complying with the BRR requirements								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes. Managing Director								
6.	Indicate the link for the policy to be viewed online?	Policies hosted on the Company's website:								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. Communicated to all internal stakeholders								
8.	Does the company have in-house structure to implement the policy/ policies.	Yes.								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes.								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes. Internal evaluation								

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not Applicable

3. Governance related to BR

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Annually
b. Does the Company publish a BR or a Sustainability Report?	Yes
c. What is the hyperlink for viewing this report?	<a href="http://www.gayatri.co.in/corporate-governance.html">http://www.gayatri.co.in/corporate-governance.html</a>
d. How frequently it is published?	Annually

**Section E: Principle-Wise Performance**

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

1. Coverage of policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?	The policy is basically applicable to the Company. The group Companies have adopted similar policies.
2. How many stakeholder complaints have been received in the past financial year?	NIL

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Road Projects Industrial Projects Power Projects
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.)	The Company is not engaged in the business of manufacturing goods and consumer products. The company however takes necessary steps to ensure efficient use of the raw materials and goods required for execution of the projects including in relation to energy, water, raw material etc.
3. Does the company have procedures in place for sustainable sourcing?	Yes
4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes. During the execution of the projects awarded to the Company, the Company to the extent possible / permitted under the contracts awarded procures raw materials including bricks, aggregates, sand etc from local & small producers / suppliers. The company also utilizes the services of locals to the extent possible / permitted under the contracts awarded to it.
5. Does the company have a mechanism to recycle products and waste?	Recycling of the products is not applicable as the company is not engaged in manufacturing activities. Hazardous wastes are disposed off as per the statutory provisions.



**Principle 3: Businesses should promote the wellbeing of all employees**

1.	Please indicate the Total number of employees.	2540
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	883
3.	Please indicate the Number of permanent women employees.	22
4.	Please indicate the Number of permanent employees with disabilities	2
5.	Do you have an employee association that is recognized by management.	No
6.	What percentage of your permanent employees is members of this recognized employee association?	Not Applicable
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Nil
	No. Category	No of complaints filed during the financial year
		No of complaints pending as on end of the financial year
1.	Child labour/forced labour/ involuntary labour	Nil
2.	Sexual harassment	Nil
3.	Discriminatory employment	Nil
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	Yes
	(a) Permanent Employees	
	(b) Permanent Women Employees	
	(c) Casual/Temporary/Contractual Employees	
	(d) Employees with Disabilities	

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1.	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.?	For the internal Stakeholders
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders.	As applicable

**Principle 5: Businesses should respect and promote human rights**

1.	Does the policy of the company on human rights cover only the company or extend to the Group / Joint / Ventures / Suppliers / Contractors/NGOs/Others?	The policy is basically applicable to the Company. Same is extended to the group Companies
2.	How many stakeholder complaints have been received in the past financial year?	NIL
3.	What percent was satisfactorily resolved by the management?	Not Applicable as the company has not received any complaints

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

1.	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.	The policy is basically applicable to the company. The groupCompanies have adopted similar policies
2.	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes. The company addresses issues such as climate change, global warming through conservation of natural resources. To protect the environment hazardous wastes are disposed off as per the statutory provisions
3.	Does the company identify and assess potential environmental risks? Y/N	The company addresses the issues through the Environment, Health and Safety (EHS) Policy and also holds the ISO certification in respect of Environment, Health and Management System
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Wherever the projects awarded to the Company permit adoption of Clean Development Mechanism, the Company strictly adheres to the same.
5.	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	As part of the project execution the Company has undertaken initiatives relating to clean technology, energy efficiency, renewable energy, etc.
6.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes. Complied to the extent applicable
7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	1.Construction Federation of India 2.Builders Association of India 3.Confederation of Indian Industry 4.National Highway Builders Federation
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? if yes specify the broad areas	Whenever Policy guidelines are issued, the company has been providing its suggestions to the Government and above Trade / Chamber Associations. Company officials have also attended Seminars / workshops organized by the apex organizations for facilitating views on the policies.

**Principle 8: Businesses should support inclusive growth and equitable development**

1.	Does the company carried on programmes / initiatives/projects in pursuit of support inclusive growth and equitable development?	Yes. The Company has adopted the CSR policy pursuant to Section 135/Schedule VII of the Companies Act, 2013. The details of the CSR projects under taken by the Company is provided in the annexure VI to the Directors' Report
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?	External agencies
3.	What is your company's direct contribution to community development projects?	No
4.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Yes

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Nil
2.	Does the company display product information on the product label, over and above what is mandated as per local laws?	Not Applicable
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.	No
4.	Did your company carry out any consumer survey/ consumer satisfaction trends?	Not Applicable

## CEO & CFO CERTIFICATION

To  
The Board of Directors  
GAYATRI PROJECTS LIMITED

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of GAYATRI PROJECTS LIMITED ("the Company"), to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the applicable accounting standards, applicable laws and regulations.
- b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.
- e) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.

Sd/-  
**T.V. Sandeep Kumar Reddy**  
Managing Director  
DIN: 00005573

Sd/-  
**P. Sreedhar Babu**  
Chief Financial Officer

Place: Hyderabad  
Date: 14<sup>th</sup> August, 2019

## **DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

To  
The Members of Gayatri Projects Limited

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management and the same has been placed on the Company's website. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct in respect of the financial year ended 31st March, 2019.

**For Gayatri Projects Limited**

Sd/-  
**T.V. Sandeep Kumar Reddy**  
Managing Director  
DIN: 00005573

Place: Hyderabad  
Date: 14<sup>th</sup> August, 2019

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## **CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members  
M/s. GAYATRI PROJECTS LIMITED  
Hyderabad, Telangana State.

I have examined the compliance of conditions of Corporate Governance by M/s. Gayatri Projects Limited (CIN: L99999TG1989PLC057289) ('the Company'), for the year ended 31<sup>st</sup> March 2019, as stipulated in Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the period April 1, 2018 to March 31, 2019.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examinations has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations, as applicable.

I state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-  
**Y. Koteswara Rao**  
ACS No. 3785  
C.P. No.: 7427

Place : Hyderabad  
Date: 9<sup>th</sup> August, 2019

# Independent Auditors' Report

## To the Members of Gayatri Projects Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the Standalone Financial Statements of Gayatri Projects Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2019, and the Profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that

the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements

#### Emphasis of Matters

(Note Nos. referred hereunder are with reference to respective Notes forming part of the Standalone Financial Statements)

#### We draw attention to the following matters:

- i) As stated in Note No. 31.19, the recovery of trade receivables is delayed for the detailed reasons stated in the said note. Further, as explained in the same note, the company has given an irrevocable and unconditional corporate guarantee to a subsidiary of the associate company, which has defaulted in repayment of dues to the lenders.
- ii) As stated in Note No. 31.20, the amount receivable from the erstwhile associate company is long pending for recovery as the same is based on the receipt of claims by the said erstwhile associate company.
- iii) As stated in Note No. 31.17, the Inter Corporate Loan grouped under 'Non-current Loans' and accumulated interest thereon long pending for recovery.
- iv) As stated in Note No. 31.18, the work advances in respect of certain contract works given to sub-contractors grouped under 'Other Current Assets' which are long pending for recovery.

Our opinion is not modified in respect of above matters.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements for the year ended 31<sup>st</sup> March, 2019. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report.

S.no.	Key Audit Matter	Audit Process
1.	<p><b>Revenue recognition and measurement of contract assets in respect of unbilled amounts</b></p> <p>The management of the company has applied significant judgement in determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.</p> <p>Revenue is recognized on fixed price construction contracts in accordance with the percentage of completion basis, which necessarily involve technical estimates of the percentage of completion, and costs to completion, of each contract / activity, on the basis of which profits and losses are accounted.</p> <p>When the outcome of the contract is ascertained reliably, contract revenue is recognized at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed up to the date, to the total estimated contract costs.</p> <p>The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract. Further at the reporting date, revenue is accrued for costs incurred against work performed and which are not billed and further measurement of work completed/cost incurred during the period for recognition of unbilled revenue.</p> <p>Accordingly the above have been determined as key audit matters.</p>	<p>We have obtained the procedure and process involved in estimating the percentage of completion of the projects.</p> <p>We have also obtained and verified the costs incurred on the project/works up to the reporting date for the revenues accounted in respect of works on sampling basis.</p> <p>We have also obtained the certified copies (i.e percentage of completed work approved by the relevant authorities) of works executed till the reporting date in respect of revenues accounted on sampling basis.</p> <p>We have also performed analytical procedures for reasonableness of revenues recognised.</p> <p>We have also verified the reasonableness of the estimation of remaining costs to be incurred to complete the project / work and profit / loss estimated in the project / work.</p> <p>Reviewed the delivery and collection history of customers against whose contracts un-billed revenue is recognised Tested relevant contracts for measurement of work completed during the period for unbilled revenue.</p>
2.	<p><b>Carrying Value of Investments in Gayatri Energy Ventures Private Limited (GEVPL)</b></p> <p>The management regularly reviews whether there are any indicators of impairment on unquoted investments made by the company. Accordingly, the management had identified impairment indicators in GEVPL, a wholly owned subsidiary of the company with an equity investment of ₹639.83 crores and an unsecured loan of ₹130.86 crores. (Refer Note No 31.23 of the Financial statements )</p> <p>As per Ind AS 36 - 'Impairment of Assets' the standard is applicable to financial assets classified as subsidiaries.</p> <p>In case of GEVPL, the existence of an impairment indicator is significantly influenced by whether there is an impairment to the underlying investment in power project made by the said company. This assessment involves significant judgment especially in relation to determination of expected future economic benefits.</p> <p>Accordingly the evaluation of impairment of investments in GEVPL was determined to be a key audit matter</p>	<ul style="list-style-type: none"> <li>• Obtained and read the financial statements of GEVPL to identify if any disclosure is made for impairment of assets in its standalone financial statements.</li> <li>• Obtained the impairment indicator assessment performed by the management.</li> <li>• We have obtained the management's understanding with regard to impairment of the investments made in loss making subsidiary company.</li> <li>• We have obtained the company's management opinion in estimating the realisable value of the investments made by the subsidiary company.</li> </ul>
3	<p><b>Settlement agreement entered between the company, GHIL and IL&amp;FS Financial Services Limited</b></p> <p>During the year the company has entered into a settlement agreement dated 29<sup>th</sup> March, 2019 made between the Company, Gayatri Highways Limited ("GHL"), an Associate Company and IL&amp;FS Financial Services Limited (IL&amp;FS) the Company and GHL jointly and severally agreed to repay the loan availed by GHL amounting to ₹125 crores along with interest in twelve monthly instalments commencing from May 2019.</p> <p>Accordingly, it has been determined as a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Obtained and read the settlement agreement entered between the company, GHL and IL&amp;FS Financial Services Limited</li> <li>• Assessed the impact of the same in the standalone financial statements.</li> <li>• Review of disclosure made by the company in the financial statements in this regard.</li> </ul>



**Responsibilities of Management and those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, the Statement of Changes in Equity and the statement of Cash Flow 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. As stated in Note no. 31.2, of the Standalone Financial Statements, the Company has disclosed the impact of pending litigations on its financial position in its Standalone 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.

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

Sd/-  
**S V C Reddy**  
Partner  
Membership Number: 224028

Place: Hyderabad  
Date: 30<sup>th</sup> May, 2019

**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 31<sup>st</sup> March, 2019, 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 ₹32,077.58 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.

- 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, goods and service 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, except as given below;

Name of the statute	Nature of Dues	Period to which the amount relates	Amount involved ₹ in Lakhs
Income Tax Act, 1961	TDS	2018-19	160.50
Jharkhand Value Added Tax Act, 2005	VAT	2017-18	21.21

- 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, Goods and Service Tax and Cess which have not been deposited as on 31st March, 2019 on account of any dispute, except the following:

Sl. No.	Name of the Statute	Name of the Tax Due	Forum where Dispute is pending	Amount ₹ in Lakhs	Financial Years
1	Mines and Minerals (Development and Regulation) Act, 1957	Department of Mines and Geology	Supreme Court	1,043.51	1998-99
2	Central Sales Tax Act, 1956 and Sales Tax Acts of Various States	Sales Tax/Vat	Appeals pending before High Courts of respective states and Appellate Tribunals and other appropriate authorities.	3,436.55	2001-02 and 2004-05 to 2009-10
3	Central Excise Act, 1944	Service Tax	Appeals pending before various Authorities	1,770.10	2007-08 to 2011-12

(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 3(v) 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, the company has been generally regular in depositing amounts deducted/ accrued in the books of accounts in respect of statutory dues including provident fund, value added tax, cess and other material statutory dues except income tax and goods and service tax for which there have been delays in few cases.

- (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 as on the Balance Sheet date. However, as stated in note no. 14.7 and 18.1, Interest on borrowings for the month March, 2019 amounting to ₹1,801.72 lakhs is due on balance sheet date.
- (ix) According to information and explanations given to us, the company has not raised moneys by way of public offer (including debt instruments). Based on our audit procedures and according to the information and explanations given to us, in our opinion, the Term loans availed by the Company were, prima facie, applied for the purpose for which they were obtained.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the management.
- (xi) 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, provisions of clause 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 Standalone 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 not made preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the order is not applicable to the company.
- (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, Clause 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

Sd/-  
**S V C Reddy**  
Partner  
Membership Number: 224028

Place: Hyderabad  
Date: 30<sup>th</sup> May, 2019

## 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 Projects Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the Standalone 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 Standalone 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 Standalone 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 Standalone 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, adequate internal financial controls system over financial reporting with reference to these Standalone Financial Statements and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2019, 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

Sd/-  
**S V C Reddy**  
Partner  
Membership Number: 224028

Place: Hyderabad  
Date: 30<sup>th</sup> May, 2019



# Standalone Balance Sheet

as at 31st March, 2019

₹ in Lakhs

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant & Equipment	3a	37,633.04	33,496.51
(b) Capital Work in Progress	3b	46.19	-
(c) Financial Asset			
(i) Investments	4	100,883.66	101,689.06
(ii) Loans	5	34,740.80	35,633.11
<b>Total Non-Current Assets</b>		<b>173,303.69</b>	<b>170,818.68</b>
<b>Current assets</b>			
(a) Inventories	6	35,741.42	29,295.67
(b) Financial Asset			
(i) Trade receivables	7	139,300.31	113,371.47
(ii) Cash and cash equivalents	8a	12,649.86	5,691.89
iii) Other bank balances	8b	20,015.34	18,570.45
(iv) Loans	9	18,872.36	17,027.32
(c) Current Tax Assets (net)	10	14,468.26	13,850.03
(d) Other Current Assets	11	172,055.23	129,984.52
<b>Total Current Assets</b>		<b>413,102.78</b>	<b>327,791.35</b>
<b>TOTAL ASSETS</b>		<b>586,406.47</b>	<b>498,610.03</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	12	3,743.97	3,743.97
(b) Other Equity	13	129,219.07	108,559.71
<b>Total Equity</b>		<b>132,963.04</b>	<b>112,303.68</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	71,211.87	80,321.46
(ii) Other Financial liabilities	15	149,622.97	103,324.97
(b) Provisions	16	482.41	520.21
(c) Deferred Tax Liabilities (Net)	17	210.52	713.78
<b>Total Non-Current Liabilities</b>		<b>221,527.77</b>	<b>184,880.42</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	94,986.78	95,908.60
(ii) Trade payables	19	105,075.60	80,427.24
(iii) Other Financial Liabilities	20	22,926.52	20,419.64
(b) Other Liabilities	21	8,584.58	4,457.81
(c) Provisions	22	342.18	212.64
<b>Total Current Liabilities</b>		<b>231,915.66</b>	<b>201,425.93</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>586,406.47</b>	<b>498,610.03</b>
<b>Significant Accounting Policies</b>	<b>2</b>		
<b>Other Notes forming part of the Financial Statements</b>	<b>31</b>		

As per our Report attached  
**For M O S & Associates LLP**  
 Chartered Accountants

For and on behalf of the Board

Sd/-  
**S.V.C. Reddy**  
 Partner

Sd/-  
**T. Indira Reddy**  
 Chairperson  
 DIN : 00009906

Sd/-  
**T.V. Sandeep Kumar Reddy**  
 Managing Director  
 DIN : 00005573

Place: Hyderabad  
 Date: 30<sup>th</sup> May, 2019

Sd/-  
**P. Sreedhar Babu**  
 Chief Financial Officer

Sd/-  
**I.V.Lakshmi**  
 Company Secretary & Compliance Officer

# Standalone Statement of Profit and Loss Account

for the year ending 31st March, 2019

		₹ in Lakhs	
Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>(I) Revenue from operations</b>	23	346,314.74	291,231.24
(II) Other Income	24	791.39	642.46
<b>(III) Total Income (I+II)</b>		<b>347,106.13</b>	<b>291,873.70</b>
<b>(IV) Expenses</b>			
(a) Cost of Materials Consumed and Cost of Purchases & Services	25	97,077.55	92,485.98
(b) Work Expenditure	26	180,405.49	129,613.15
(c) Changes in Work in Progress	27	(6,286.06)	3,342.49
(d) Employee benefits expenses	28	12,770.64	10,090.43
(e) Finance costs	29	25,127.50	25,634.58
(f) Depreciation and amortization expense	3	6,590.61	5,467.06
(g) Other Expenses	30	7,850.20	6,985.25
<b>Total Expenses (IV)</b>		<b>323,535.93</b>	<b>273,618.94</b>
<b>V Profit before Exceptional items and Tax (III-IV)</b>		<b>23,570.20</b>	<b>18,254.76</b>
VI Exceptional items		-	-
<b>VII Profit/(Loss) before Tax</b>		<b>23,570.20</b>	<b>18,254.76</b>
<b>VIII Tax Expenses (Refer Note No.31.8)</b>		<b>2,493.32</b>	<b>(554.59)</b>
<b>IX Profit for the year (VII-VIII)</b>		<b>21,076.88</b>	<b>18,809.35</b>
<b>X Other Comprehensive Income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss :</b>			
i) Changes in fair value of equity investment		(723.84)	-
ii) Re-measurement gains/losses on actuarial valuation of Post Employment defined benefits		82.05	498.23
iii) Income tax relating to Items that will not be reclassified to profit or loss		224.27	(172.42)
<b>Items that will be reclassified to profit or loss:</b>			
		-	-
<b>Total Other Comprehensive Income (X)</b>		<b>(417.52)</b>	<b>325.81</b>
<b>XI Total Comprehensive Income for the Year (IX+X)</b>		<b>20,659.36</b>	<b>19,135.16</b>
<b>XII Earning per Share (of ₹2/- each)</b>	<b>31.7</b>		
Basic and Diluted (₹)		11.26	10.58
<b>Other Notes forming part of the Financial Statements</b>	<b>31</b>		

As per our Report attached  
**For M O S & Associates LLP**  
Chartered Accountants

For and on behalf of the Board

Sd/-  
**S.V.C. Reddy**  
Partner

Sd/-  
**T. Indira Reddy**  
Chairperson  
DIN : 00009906

Sd/-  
**T.V. Sandeep Kumar Reddy**  
Managing Director  
DIN : 00005573

Place: Hyderabad  
Date: 30<sup>th</sup> May, 2019

Sd/-  
**P. Sreedhar Babu**  
Chief Financial Officer

Sd/-  
**I.V.Lakshmi**  
Company Secretary & Compliance Officer

# Standalone Statement of Changes in Equity

for the year ended 31st March, 2019

Particulars	Other Equity							Total Other Equity
	Reserves & Surplus							
	Capital Reserve	General Reserve	Premium Account	Securities Account	Retained earnings	Comprehensive Income	Other	
As at 31st March, 2017	143.40	12,300.00	18,814.46	39,339.96	(42.48)	70555.34	-	70555.34
Changes in Equity Share Capital	-	-	-	-	-	-	-	-
Equity Component on compounded financial instrument of subsidiary	-	-	-	-	-	-	-	9,123.06
Premium received on Shares issued during the year	-	-	19,801.07	-	-	-	-	19,801.07
QIP Issue Expenses	-	-	(931.86)	-	-	-	-	(931.86)
Surplus / (Deficit) for the year	-	-	-	18,809.35	-	-	-	18,809.35
As at 31st March, 2018	143.40	12,300.00	37,683.67	58,149.31	283.33	108,559.71	-	108,559.71
Other Comprehensive Income	-	-	-	(417.52)	-	-	-	(417.52)
Surplus / (Deficit) for the year	-	-	-	21,076.88	-	-	-	21,076.88
As at 31st March, 2019	143.40	12,300.00	37,683.67	79,226.19	(134.19)	129,219.07	-	129,219.07

As per our Report attached  
**For M O S & Associates LLP**  
 Chartered Accountants

For and on behalf of the Board

Sd/-  
**S.V.C. Reddy**  
 Partner

Sd/-  
**T. Indira Reddy**  
 Chairperson  
 DIN : 00009906

Sd/-  
**T.V. Sandeep Kumar Reddy**  
 Managing Director  
 DIN : 00005573

Place: Hyderabad  
 Date: 30<sup>th</sup> May, 2019

Sd/-  
**P. Sreedhar Babu**  
 Chief Financial Officer

Sd/-  
**I.V.Lakshmi**  
 Company Secretary & Compliance Officer



# Standalone Statement of Cash Flows

for the year ending 31st March, 2019

₹ in Lakhs

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>A Cash Flow from Operating Activities:</b>		
Profit before Tax excluding extraordinary and exceptional items	23,570.20	18,254.76
Adjustments for:		
Depreciation and amortization	6,590.61	5,467.06
Interest and other Income	(128.25)	(133.55)
Profit on sale of Property, Plant and Equipment	(1.30)	(30.00)
Finance Costs	24,892.51	25,634.58
Foreign Currency Translation and Transactions – ECB	234.99	-
Changes in Fair Value of Equity Investment	81.55	-
<b>Operating Profit before working Capital Changes</b>	<b>55,240.31</b>	<b>49,192.85</b>
Adjustments for:		
(Increase) / Decrease in Trade Receivables	(25,928.84)	(37,906.59)
(Increase) / Decrease in non-current financial asset	892.31	15,390.41
(Increase) / Decrease in current financial asset	(1,845.04)	3,134.50
(Increase) / Decrease in Other current assets	(42,883.59)	(34,670.94)
(Increase) / Decrease in Inventory & Work in Progress	(6,445.75)	6,709.52
Increase / (Decrease) in current financial liabilities	4,053.43	187.57
Increase / (Decrease) in non-current financial liabilities	46,471.79	11,176.31
Increase / (Decrease) in Trade Payables	24,648.36	14,348.03
<b>Cash (used in) / generated from Operating activities</b>	<b>54,202.98</b>	<b>27,561.66</b>
Direct Taxes paid (Net)	(2,577.66)	(3,879.68)
<b>Net Cash (used in)/ generated from Operating Activities (A)</b>	<b>51,625.32</b>	<b>23,681.98</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment including capital work-in-progress (net of proceedings from sale of Plant and Equipment)	(10,773.33)	(5,598.38)
Sale of Non-Current Investments	1.30	3,923.08
Net investments in bank deposits (having original maturity of more than three months)	(1,444.89)	(2,644.82)
Interest and other income received	128.25	133.55
<b>Net Cash (used in)/ generated from Investing Activities (B)</b>	<b>(12,088.67)</b>	<b>(4,186.57)</b>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from issue of Share Capital including share premium	-	20,000.00
Foreign Currency Translation and Transactions – ECB	(234.99)	-
Net Proceeds from / (Repayment of) Long term borrowings	(6,406.78)	(11,342.50)
Net Proceeds from / (Repayment of) Short term borrowings	(921.82)	(52.22)
QIP Issue Expenses paid	-	(931.86)
Finance Costs	(25,015.09)	(25,251.95)
<b>Net Cash (used in)/ generated from Financing Activities (C)</b>	<b>(32,578.68)</b>	<b>(17,578.53)</b>
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	6,957.97	1,916.88
Cash and Cash Equivalents at the beginning of the year	5,691.89	3,775.01
<b>Cash and Cash Equivalents at the end of the year</b>	<b>12,649.86</b>	<b>5,691.89</b>

**Note:**

- a Figures in brackets represent cash outflows.  
b The Accompanying Notes and other explanatory information form an integral part of the Financial Statements.

As per our Report attached  
**For M O S & Associates LLP**  
Chartered Accountants

For and on behalf of the Board

Sd/-  
**S.V.C. Reddy**  
Partner

Sd/-  
**T. Indira Reddy**  
Chairperson  
DIN : 00009906

Sd/-  
**T.V. Sandeep Kumar Reddy**  
Managing Director  
DIN : 00005573

Place: Hyderabad  
Date: 30<sup>th</sup> May, 2019

Sd/-  
**P. Sreedhar Babu**  
Chief Financial Officer

Sd/-  
**I.V.Lakshmi**  
Company Secretary & Compliance Officer

## 1. Corporate Information

Gayatri Projects Limited (“GPL”, “the Company”) is one of the largest infrastructure company executing works in several high growth sectors within the infrastructure space such as Roads, Irrigation, Rail, Airports Development, Power, Mining and Industrial works.

The Company is a public limited Company, which is listed in two recognized stock exchanges in India. The registered office of the Company is located at B1, 6-3-1090, TSR Towers, Rajbhawan Road, Somajiguda, Hyderabad 500 082.

## 2. Significant Accounting Policies

### 2.1 Compliance with Indian Accounting Standards (Ind AS)

The Company’s Financial statements have been prepared to comply with generally accepted accounting principles in accordance with the Indian Accounting Standards (herein after referred to as “Ind AS”) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act 2013 (“the Act”) read with rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendments rules 2016.

### 2.2 Basis of Preparation and Presentation of Financial Statements

The Financial statements are prepared on accrual basis following the historical cost convention except in case of certain financial instruments which are measured at fair values. The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed under Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Indian Accounting Standard (Ind AS) - 7 on “Statement of Cash Flows”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with other notes required to be disclosed under the notified Ind AS and the Listing Agreement. Further, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations viz. SEBI guidelines

override the same requiring a different treatment. Accounting Policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy used previously.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or Liability.

### 2.3 Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management of the Company to make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as on the date of the financial statements. Actual results may differ from these estimates. The Company evaluates these estimations and assumptions on a continuous basis based on the historical experience and other factors including expectation of future events believed to be reasonable. Examples of such estimates include the useful lives of tangible and intangible fixed assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, estimation of costs as a proportion to the total costs, etc.,. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known/ materialized. Changes

in estimates are reflected in the financial statements in the period in which changes are made and if material, are disclosed in the Notes to Account.

## 2.4 Revenue Recognition

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified Ind AS 115 – “Revenue from Contracts with Customers” for recognition of Revenue, which is effective for accounting periods beginning on or after 1st April, 2018. The Company has adopted Ind AS 115 “Revenue from Contracts with Customers” effective 1st April, 2018. Ind AS 115 supersedes Ind AS 11 “Construction Contracts” and Ind AS 18 “Revenue”. The Company has applied Ind AS 115 using the modified retrospective method and the cumulative impact of transition to Ind AS 115 is negligible amount.

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when the it becomes unconditional.

The management of the company has applied significant judgement in determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress

towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation and determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

The specific revenue recognition policy adopted is as follows:

### A. Revenue from Operations

- a. Revenue from Construction activity:
  - i) Income is recognized on fixed price construction contracts in accordance with the percentage of completion basis, which necessarily involve technical estimates of the percentage of completion, and costs to completion, of each contract / activity, on the basis of which profits and losses are accounted. When the outcome of the contract is ascertained reliably, contract revenue is recognized at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed up to the date, to the total estimated contract costs
  - ii) The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract
  - iii) Price escalation and other variations in the contract work are included in contract revenue only when:
    - a) Negotiations have reached at an advanced stage such that it is probable that customer will accept the claim and
    - b) The amount that is probable will be accepted by the customer and can be measured reliably.
  - iv) Incentive payments, as per customer-specified performance standards, are included in contract revenue only when:
    - a) The contract has sufficiently advanced such that it is probable that the specified performance standards will be met; and

- b) The amount of the incentive payment can be measured reliably.
- v) Contract Claims raised by the company which can be reliably measured and have reached an advanced stage of arbitration and claims pending in High courts have been recognized as income including eligible interest thereon.
- b. Contract Revenue from supply of materials: Revenue from supply of materials is recognized when substantial risk and rewards of ownership are transferred to the buyer and invoice for the same are raised.
- c. Revenue receipts from Joint Venture Contracts
  - i) In work sharing Joint Venture arrangements, revenues, expenses, assets and liabilities are accounted for in the Company's books to the extent work is executed by the Company.
  - ii) In Jointly Controlled Entities, the share of profits or losses is accounted as and when dividend/ share of profit or loss are declared by the entities.
- d. Other Operational Revenue:
  - i) All other revenues are recognized only when collectability of the resulting receivable is reasonably assured and related goods / services are transferred to the customer.
  - ii) Revenue is reported net of discounts, if any.

**B. Other Income**

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

**2.5 (a) Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation thereon. Expenditure which are capital in nature are capitalized at cost, which comprise of

purchase price (net of rebates and discounts), import duties, levies, financing costs and all other expenditure directly attributable to bringing the asset to its working condition for its intended use.

Any gain/loss on the disposal of the Property, Plant and Equipment is recognized in the Statement of Profit & Loss account and is determined as the difference between the sales proceeds and the carrying amount of the asset.

**(b) Capital work in progress**

Property, Plant and Equipment which are purchased but not yet installed and not ready for their intended use on the date of balance sheet are disclosed as "Capital Work-in-Progress". Cost of materials used in the process of erection/ installation of an asset but not yet completed as on the reporting date is also disclosed as "Capital Work-in-Progress".

**2.6 Depreciation and amortization**

In respect of Property, Plant & Equipment (other than Land and Capital Work in Progress) depreciation / amortization is charged on a straight line basis over the useful lives as specified in Schedule II to the Companies Act 2013..

Assets individually costing ₹20,000/- or less and temporary structures are fully depreciated in the year of acquisition.

The residual values and useful lives are reviewed at the end of the reporting period.

**2.7 Impairment of Non-Financial Assets**

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

**Recoverable amount is determined:**

- In case of an individual asset, at the higher of the Assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified,

independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

- In assessing Value in Use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified with the asset. In determining fair value less cost to sell, recent market transactions are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through the Statement of Profit and Loss.

## 2.8 Financial Instruments

Financial Assets and Financial Liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial Assets and Financial Liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets and Financial Liabilities (other than Financial Assets and Financial Liabilities at fair value through profit or loss) are added to or deducted from the fair value of the Financial Assets or Financial Liabilities, as appropriate, on initial recognition.

## 2.9 Financial Assets

Financial Asset is any Asset that is -

- (a) Cash
- (b) Equity Instrument of another Entity,
- (c) Contractual right to -
  - i) receive Cash / another Financial Asset from another Entity, or
  - ii) exchange Financial Assets or Financial Liabilities with another Entity under

conditions that are potentially favourable to the Entity.

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

Investment in preference shares are classified as debt instruments and carried at Amortized cost if they are not convertible into equity instruments and are not held to collect contractual cash flows. Other Investment in preference shares which are classified as Debt instruments are mandatorily carried at Fair value through Profit & loss Account (FVTPL).

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

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

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

### Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.



If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss.

**Financial Liabilities**

Financial liabilities are recognized at fair value net of transaction costs and are subsequently held at amortized cost using the effective interest rate method. Financial liabilities carried at fair value through profit and loss are measured at fair value with changes in fair value recognized in the profit and loss account. Interest bearing bank loans are initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

**De-recognition of Financial Instruments**

A Financial Asset is derecognized when the right to receive cash flows from the asset have expired or the company has transferred substantially all the risks and rewards or the right to receive the cash flows under a contractual arrangement or has transferred the asset.

A Financial Liability is derecognized when the obligation under the liability is discharged or cancelled or expires. In the case where the existing liability is replaced by another liability either from the same lender or otherwise such an exchange is treated as de-recognition of the original liability and recognition of a new liability. Any change in the carrying amount of a liability is recognized in the Statement of Profit and Loss.

The Company has entered into certain forward contracts in respect of foreign currency risks. The gain or loss relating to the ineffective portion of the hedge is recognized immediately in the Statement of Profit and Loss.

**2.10 Inventories and Work in Progress**

Raw Materials, Construction Materials and Stores & Spares are valued at lower of weighted average cost or net realizable value. Cost includes direct material, Work Expenditure, Labour Cost and appropriate overheads excluding refundable duties and taxes.

Work in Progress is valued at contracted rates less profit margin / estimates.

**2.11 Cash & Cash Equivalents**

Cash and Cash Equivalents are short term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of change in value and have maturities of three months or less.

**2.12 Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation in respect of which reliable estimate can be made as on the balance sheet date.

Contingent Liabilities are present obligations arising from a past event, when it is not probable / probability is remote that an outflow of resources will be required to settle the obligation and they are not recognized but are disclosed in the notes.

Contingent Assets are neither recognized nor disclosed in the financial statements except where it has become virtually certain that an inflow of economic benefit will arise, the asset and the related income are recognized in financial statements of the period in which the change occurs. Provisions for Contingent Liabilities and Contingent Assets are reviewed at the end of Balance Sheet date.

**2.13 Foreign Currency Transactions and Translation**

The reporting currency of the company is Indian Rupee. Foreign Currency Transactions are

translated at the functional currency spot rates prevailing on the date of transactions.

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

Non-monetary foreign currency items are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

#### **2.14 Employee Benefits**

Payments to Defined Contribution schemes are charged as an expense as they fall due. Company's contribution to provident fund in respect of certain employees is made to a government administrated fund and charged as an expense to the Statement of Profit and Loss.

Liability for employee benefits, both short and long term, for present and past service which are due as per the terms of employment are recorded in accordance with Indian Accounting Standard 19 "Employee Benefits" issued by the Companies (Accounting Standard) Rules, 2015. Re-measurement gains /losses on post-employment defined benefits comprising gains/ losses is reflected immediately in the balance sheet with a charge or credit to other comprehensive income in the period in which it arises.

##### **i) Gratuity**

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

##### **ii) Provident Fund**

In accordance with applicable local laws, eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan to which both the employee and employer contributes monthly at a determined rate (currently up to 12% of an employee's salary). These contributions are either

made to the respective Regional Provident Fund Commissioner, or the Central Provident Fund under the State Pension Scheme, and are recognized as expenses incurred.

##### **iii) Compensated Absences**

The employees are entitled to accumulate leave subject to certain limits, for future encashment and availment, as per the policy of the Company.

The liability towards such unutilized leave as at the end of each balance sheet date is determined based on independent actuarial valuation and recognized in the Statement of Profit and Loss.

#### **2.15 Deferred Revenue Expenditure**

Projects and other related expenditure incurred up to 31<sup>st</sup> March, 2019, the benefit of which is spread over more than one year is accounted as Project Promotion Expenses grouped under Other Advances and is amortized over the period in which benefits would be derived.

#### **2.16 Leases**

##### **a) Finance Leases**

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

##### **b) Operating Leases**

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

#### **2.17 Earnings per Share (EPS)**

In arriving at the EPS, the Company's Net Profit AfterTax, is divided by the weighted average number of equity shares outstanding. The EPS thus arrived at is known as 'Basic EPS'. To arrive at the diluted EPS, the net profit after tax, referred above, is divided by the weighted average number of equity shares, as computed above and the weighted average number of

equity share that could have been issued on conversion of shares having potential dilutive effect subject to the terms of issue of those potential shares. The date(s) of issue of such potential shares determine the amount of the weighted average number of potential equity shares.

## **2.18 Taxation**

### **i) Current Tax**

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

### **ii) Deferred Taxes**

Deferred Tax is the tax expected to be payable or recoverable on differences between the carrying amount of the assets and liabilities for financial reporting purpose and the corresponding tax bases used in computation of taxable profit. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

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

## **2.19 Commitments**

Commitments are future liabilities for contractual expenditure.

Commitments are classified and disclosed as follows:

- a. Estimated amount of contracts remaining to be executed on capital account and not provided for;
- b. Uncalled liability on shares and other investments partly paid;
- c. Funding related commitment to subsidiary, associate and joint venture companies and
- d. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/ procurements made in the normal course of business are not disclosed to avoid excessive details.

## **2.20 Operating cycle for current and non-current classification**

Operating cycle for the business activities of the Company covers the duration of the specific project/contract including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

## **2.21 Statement of Cash Flows**

Statement of Cash Flows is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

- i. transactions of a non-cash nature;
- ii. any deferrals or accruals of past or future operating cash receipts or payments;
- iii. items of income or expense associated from investing or financing cash flows; and

Cash and cash equivalents (including bank balances) are reflected as such in the Statement of Cash Flows.

## **2.22 Exceptional Items**

Items of income and expenditure within profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items are disclosed separately as Exceptional Items.

## **2.23 Borrowing Cost**

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



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

### 2.24 Standards issued but not effective

On 30<sup>th</sup> March, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116, Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1<sup>st</sup> April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all

leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The amendment will come into force from 1<sup>st</sup> April, 2019. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 116 is expected to be insignificant.

### 3a. Property, Plant & Equipment

₹ in Lakhs

Particulars	Gross Carrying amount as at April 1, 2018	Additions/ Adjustment during the year	Deletions / Retirement during the year	Gross Carrying amount as at Mar. 31, 2019	Accumulated Depreciation as at April 1, 2018	Depreciation for the year	Deductions/ Adjustment during the year	Accumulated Depreciation as at Mar. 31, 2019	Net Carrying amount as at Mar. 31, 2019	Net Carrying amount as at March 31, 2018
Land	25.37			25.37	-			-	25.37	25.37
Plant and Equipment	61,251.35	10,455.77		71,707.12	29,729.45	6,163.65		35,893.10	35,814.02	31,521.90
Furniture and Fixtures	645.95	34.78		680.73	286.29	56.89		343.18	337.55	359.66
Vehicles	3,876.47	236.59	9.29	4,103.77	2,286.89	370.07	9.29	2,647.67	1,456.10	1,589.58
<b>Total</b>	<b>65,799.14</b>	<b>10,727.14</b>	<b>9.29</b>	<b>76,516.99</b>	<b>32,302.63</b>	<b>6,590.61</b>	<b>9.29</b>	<b>38,883.95</b>	<b>37,633.04</b>	<b>33,496.51</b>

### 3b. Capital work in Progress

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening Balance	-	2,409.70
Additions during the year	422.47	-
Less : Capitalisation / Adjustments during the year	(376.28)	(2,409.70)
Capital work in Progress	46.19	-

**4. Investments**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Unquoted</b>		
<b>A. Investment in Subsidiary Companies</b>		
(i) 65,24,030 (As at 31st March 2018 : 65,24,030) Equity Shares of ₹10/- each, fully paid in Gayatri Energy Ventures Pvt. Ltd., (Refer Note No.4.1 and Note No.31.23)	63,983.28	63,983.28
(ii) 25,500 (As at 31st March 2018 : 25,500) Equity Shares of ₹10/- each, fully paid in Bhandara Thermal Power Corporation Ltd. - Step down Subsidiary (Refer Note No.4.2)	2.55	2.55
<b>B. Investment in Associate Companies</b>		
6,24,00,000 (As at 31st March 2018 : 6,24,00,000) Equity Shares of ₹2/- each, fully paid in Gayatri Highways Ltd (formerly Gayatri Domicile Pvt.Ltd)	-	1,248.00
<b>C. Other Investments</b>		
<b>a) Investment in Other Companies</b>		
i) 7,82,87,796 (As at 31st March 2018 : 7,82,87,796) 4% Compulsorily Convertible Cumulative Preferential Shares (CCCPS) of ₹10/- each, fully paid in Gayatri Hitech Hotels Ltd. (Refer Note No.4.3)	19,571.95	19,571.95
<b>b) Investment in Associate Companies</b>		
ii) 16,77,00,300 (As at 31st March 2018 : 16,77,00,300) 9% Non-Convertible Redeemable Preference Shares of ₹10/- each, fully paid in Gayatri Highways Ltd (Formerly Gayatri Domicile Pvt. Ltd) (Refer Note No.4.4)	16,770.03	16,770.03
<b>Quoted</b>		
<b>a) Investment in Associate Companies</b>		
i) 6,24,00,000 (As at 31st March 2018 : 6,24,00,000) Equity Shares of ₹2/- each, fully paid in Gayatri Highways Ltd (formerly Gayatri Domicile Pvt.Ltd) (Refer Note No.4.5)	1,248.00	-
<b>b) Investment in Other Companies</b>		
(ii) 11,63,607 (As at 31st March 2018 : 11,63,607) Equity Shares of ₹10/- each in Gayatri Sugars Ltd. (Refer Note No.4.6)	293.10	293.10
(iii) 1,728 (As at 31st March 2018 : 1,728) Equity Shares of ₹10/- each in Syndicate Bank Ltd.,	0.86	0.86
Changes in Fair Valuation of Investments	(986.11)	(180.71)
<b>Total</b>	<b>100,883.66</b>	<b>101,689.06</b>

**Details of Quoted and Unquoted Investments:**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Aggregate Amount of Quoted Investment	555.85	113.25
Aggregate Market value of Quoted Investment	555.85	113.25
Aggregate Amount of Unquoted Investment	100,327.81	101,575.81

- 4.1** 16,96,248 Equity shares of Gayatri Energy Ventures Pvt. Ltd. (GEVPL) have been pledged to Catalyst Trusteeship Limited for the NCDs issued by GEVPL and 48,27,482 Equity shares have been pledged to IDBI Trusteeship Services Limited for the credit facilities availed by the company from consortium lenders.
- 4.2** 25,500 Equity shares of Bhandara Thermal Power Corporation Limited have been pledged to IL & FS is yet to be released by the IL & FS as the loan is repaid by the step-down subsidiary company.
- 4.3** 7,82,87,796 4% Compulsorily Convertible Cumulative Preferential Shares held by the Company in Gayatri Hi-Tech Hotels Ltd have been pledged to IDBI Trusteeship Services Limited for the credit facilities availed by the company from consortium lenders.
- 4.4** 16,77,00,300 9% Non Convertible Cumulative Redeemable Preference Shares held by the Company in M/s. Gayatri Highways Limited (formerly Gayatri Domicile Pvt.Ltd) have been pledged to IDBI Trusteeship Services Limited for the credit facilities availed by the company from consortium lenders.
- 4.5** 6,23,00,000 Equity shares of Gayatri Highways limited (GHL) (formerly Gayatri Domicile Pvt.Ltd) have been pledged to IL&FS Securities Services Limited (Security Trustee) for the credit facilities availed by GHL from IL&FS Financial Services Limited.
- 4.6** 11,63,607 Equity Shares held by the company in Gayatri Sugars Limited have been pledged to IDBI Trusteeship Services Limited for the credit facilities availed by the company from consortium lenders.

**5. Loans**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Security Deposit with Govt. Depts and Others	29.36	45.37
Loans to Related Parties - Unsecured, Considered Good		
Loans to Associate Company (Refer Note No.31.22)	17,967.01	-
Loans to Subsidiaries of Associate (Refer Note No.31.22)	-	17,946.01
Less : Provision for Expected Credit Loss	(1,931.71)	(1,034.41)
<b>To Others - Unsecured, Considered Good</b>		
- Inter Corporate Loan (Refer Note No.31.17)	18,676.14	18,676.14
<b>Total</b>	<b>34,740.80</b>	<b>35,633.11</b>

**6. Inventories**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Construction materials, Stores and Spares	18,691.32	18,531.63
(b) Work in Progress	17,050.10	10,764.04
<b>Total</b>	<b>35,741.42</b>	<b>29,295.67</b>

**7. Trade Receivables**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Secured, considered good	-	-
(b) Unsecured, considered good		
- Related Parties:	637.38	656.88
- Others (Refer Note No.31.19)	138,914.50	112,714.59
<b>Sub Total</b>	<b>139,551.88</b>	<b>113,371.47</b>
Less : Provision for Expected Credit Loss	(251.57)	-
<b>Total</b>	<b>139,300.31</b>	<b>113,371.47</b>

**8 a) Cash and cash equivalents**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Balances with banks		
In current accounts	10,417.18	3,860.74
In deposit accounts	2,163.73	1,796.55
(ii) Cash in hand	68.95	34.60
<b>Total</b>	<b>12,649.86</b>	<b>5,691.89</b>

**8 b) Other Bank Balances (having maturity more than three months)**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Margin money for Bank Guarantees / LCs	20,015.34	18,570.45
<b>Total</b>	<b>20,015.34</b>	<b>18,570.45</b>

**9. Loans**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>To Related Parties - Unsecured, Considered Good</b>		
Loans to Subsidiaries (Refer Note No.31.23)	13,085.54	7,937.08
Loans to Associates	1,025.04	3,501.91
<b>To Others - Unsecured, Considered Good</b>		
Loans (Refer Note No.31.20)	6,627.34	6,407.66
Less : Provision for Expected Credit Loss	(1,865.56)	(819.33)
<b>Total</b>	<b>18,872.36</b>	<b>17,027.32</b>

Note : Loans to Subsidiaries and associates are unsecured and have no fixed repayment schedule.

**10. Current Tax Assets (Net)**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Income Tax Refund receivable	4,859.69	6,501.53
MAT Credit Entitlement	2,501.44	-
VAT refund Receivable	1,765.85	1,761.75
GST Input Credit	5,341.28	5,586.75
<b>Total</b>	<b>14,468.26</b>	<b>13,850.03</b>

**11. Other current assets**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deposits with Contractees	32,493.96	17,792.87
Deposits with Govt. Dept & Others	1,187.35	776.24
Other receivable (Refer Note No.31.16)	3,992.95	8,441.28
Claims receivable (Refer Note No.2.4.A(a)(v))	41,483.67	20,596.92
Project mobilisation expenses	10,002.26	6,389.31
Interest accrued but not Due (Refer Note No.31.17)	16,799.43	15,138.00
Prepaid Expenses	2,574.45	1,682.68
<b>Advances - Unsecured, considered Good</b>		
- Advances to Suppliers	7,750.47	2,749.93
- Advances to Sub-Contractors (Refer Note No.31.18)	55,492.82	56,242.93
- Staff Advances	277.87	174.36
<b>Total</b>	<b>172,055.23</b>	<b>129,984.52</b>

## 12. Equity Share Capital

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
<b>(i) Authorised Share Capital</b>				
Equity shares of ₹2/- each (As at 31st March 2018 : ₹2/- each)	400,000,000	8,000.00	400,000,000	8,000.00
<b>(ii) Issued Share Capital</b>				
Equity shares of ₹2/- each (As at 31st March 2018 : ₹2/- each)	187,198,685	3,743.97	187,198,685	3,743.97
<b>(iii) Subscribed and fully paid up Share Capital</b>				
Equity shares of ₹2/- each (As at 31st March 2018 : ₹2/- each)	187,198,685	3,743.97	187,198,685	3,743.97
<b>Total</b>	<b>187,198,685</b>	<b>3,743.97</b>	<b>187,198,685</b>	<b>3,743.97</b>

### 12(a) Terms / Rights, Preferences and restrictions attached to Equity Shares:

The company has only one class of shares referred to as equity shares having a par value of ₹2/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 12 (b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
Equity shares of ₹2/- each with voting rights				
At the beginning of the period	187,198,685	3,743.97	177,251,900	3,545.04
Add: Shares issued during the year to QIP)			9,946,785	198.93
Outstanding at the end of the period	187,198,685	3,743.97	187,198,685	3,743.97

### 12 (c) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: Nil

### 12 (d) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares of ₹2/- each with voting rights:				
Indira Subbarami Reddy Tikkavarapu	57,129,500	30.52	57,129,500	30.52
Sandeep Kumar Reddy Tikkavarapu	27,019,810	14.43	27,019,810	14.43
GMO Emerging Markets Fund	16,772,852	8.96	16,772,852	8.96
Mentor Capital Limited	13,024,706	6.96	-	-
GMO Emerging Domestic Opportunities Fund	11,052,457	5.90	11,808,095	6.31
Government of Singapore	10,539,063	5.64	10,572,264	5.65

**13. Other Equity**

₹ in Lakhs

Particulars	As at	
	31st March, 2019	31st March, 2018
<b>(a) Capital Reserve</b>		
Opening balance	143.40	143.40
Add : Additions to Reserve during the year	-	-
<b>Closing balance</b>	<b>143.40</b>	<b>143.40</b>
<b>(b) General Reserve</b>		
Opening balance	12,300.00	12,300.00
Add: Amount transferred from Statement of Profit and Loss	-	-
<b>Closing balance</b>	<b>12,300.00</b>	<b>12,300.00</b>
<b>(c) Securities Premium Account</b>		
Opening balance	37,683.67	18,814.46
Add: Premium received on Shares issued during the year	-	19,801.07
Less : QIP Issue Expenses	-	(931.86)
<b>Closing balance</b>	<b>37,683.67</b>	<b>37,683.67</b>
<b>(d) Retained earnings</b>		
Opening balance	58,149.31	39,339.96
Add : Surplus / (Deficit) for the year	21,076.88	18,809.35
<b>Closing balance</b>	<b>79,226.19</b>	<b>58,149.31</b>
<b>(e) Other Comprehensive Income (OCI)</b>		
Opening balance	283.33	(42.48)
Add: Movement in OCI (Net) during the year	(417.52)	325.81
<b>Closing balance</b>	<b>(134.19)</b>	<b>283.33</b>
<b>Total (a+b+c+d+e)</b>	<b>129,219.07</b>	<b>108,559.71</b>

**14 Borrowings**

₹ in Lakhs

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Non- Current	Current	Non- Current	Current
<b>Secured</b>				
<b>i) Term Loans from Banks</b>				
i. Equipment Loans (Refer Note No.14.1 & 14.5)	6,649.12	7,162.30	5,298.68	6,616.91
ii. Other Term Loans (Refer Note No.14.2 & 14.5)	57,510.63	8,162.96	60,011.12	8,465.34
iii. External Commercial Borrowings(Refer Note No.14.3)	-	2,632.77	7,527.49	1,112.00
<b>ii) Term Loans from others</b>				
i. Equipment Loans (Refer Note No.14.1 & 14.5)	6,927.95	2,835.59	6,796.06	1,920.83
ii. Vehicle Loans (Refer Note No.14.4 & 14.5)	124.17	106.02	199.41	81.75
<b>Un-secured</b>				
From Directors (Interest Free Loans)	-	-	488.70	-
<b>Total</b>	<b>71,211.87</b>	<b>20,899.64</b>	<b>80,321.46</b>	<b>18,196.83</b>

**14.1 Equipment Loans from Banks and Others**

The Equipment loans are secured by hypothecation of specific equipments acquired out of the said loans and all these loans are guaranteed by promoter directors. The rate of interest on these loans varies between 11% to 15%.

**14.2 Term loans**

The secured term loans are secured by hypothecation of construction equipments not specifically charged to other banks, immovable properties of group companies and personal guarantees of the promoter Directors. The rate of interest various between 11% to 13% with an average yield of 12.04% p.a.

### 14.3 External Commercial Borrowing:

#### Details of External Commercial Borrowings

The Company availed Foreign Currency Loan of USD \$ 24.42 million from an Indian Scheduled Bank to meet a part of funds requirement towards redemption of outstanding FCCBs. The ECB loan is repayable in 24 quarterly installments commencing from October 2013 with rate of interest at 3 months USD LIBOR+500bps.

Nature of Security

- (i) Equitable mortgage of immovable property of 600 acres in the name of step down subsidiary company.
- (ii) Pledge of unencumbered equity shares of promoters in Gayatri Projects Ltd.
- (iii) Personal guarantee of two promoter directors.

### 14.4 Vehicle Loans:

The Vehicle loans availed are secured by hypothecation of specific vehicles purchased out of the said loans. The vehicle loans carry interest rate between 11% to 15% p.a.

### 14.5 Maturity Profile of long term borrowings is set out below:

₹ in Lakhs

Particulars	2020-21	2021-22	2022-23	2023-24 onwards
Equipment loans from Banks	3,885.47	1,362.71	1,400.94	-
Term Loans from Banks	13,003.01	18,855.55	18,855.55	6,796.52
Equipment loans from Others	2,967.26	2,946.51	1,138.35	-
<b>Total</b>	<b>19,855.74</b>	<b>23,164.77</b>	<b>21,394.84</b>	<b>6,796.52</b>

**14.6** Current Maturities of long term borrowings to be repaid within next twelve months have been disclosed under the head "Other Current Liabilities" (Refer Note No.20).

**14.7** Interest amount of ₹858.30 Lakhs for the month of March, 2019 debited on 31.03.2019 is due as on Balance Sheet date.

### 15. Other Financial Liabilities

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advances from Contractees	144,522.97	97,024.96
Margin Money Deposits received	5,100.00	6,300.01
<b>Total</b>	<b>149,622.97</b>	<b>103,324.97</b>

### 16. Provisions

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Employee Benefits (Refer Note No.31.5)	482.41	520.21
<b>Total</b>	<b>482.41</b>	<b>520.21</b>

### 17. Deferred Tax Liabilities (Net)

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>(a) Deferred Tax (Asset) on timing differences:</b>		
i) on account of Gratuity and Leave Encashment	(61.08)	(38.11)
ii) on account of IND AS Adjustments	(65.09)	(65.09)
<b>(b) Deferred Tax Liability on timing differences:</b>		
i) other Comprehensive Income	(42.79)	181.48
ii) Depreciation	379.48	635.50
<b>Total</b>	<b>210.52</b>	<b>713.78</b>

### 18. Borrowings

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Loans repayable on demand</b>		
Secured Working Capital Facilities from Banks	94,986.78	94,979.49
Inter Corporate Deposit from Others	-	929.11
<b>Total</b>	<b>94,986.78</b>	<b>95,908.60</b>



**Nature of Security and Terms of Repayment**

**18.1 Working Capital Facilities (Secured)**

The working capital facilities from the consortium of Banks are secured by:

- Hypothecation against first charge on stocks, book debts and other current assets of the Company both present and future ranking paripassu with consortium banks.
- Hypothecation against first charge on all unencumbered fixed assets of the Company both present and future ranking paripassu with consortium banks.
- Equitable mortgage of properties belonging to promoters, directors, group companies.
- Personal guarantee of promoter directors and relatives. Corporate guarantees of entities in which KMPs are interested.

**Period and amount of interest due as on balance sheet date:**

- Interest amount of ₹943.41 Lakhs for the month of March, 2019 debited on 31.03.2019 is due as on Balance Sheet date.

**19. Trade Payables:**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Micro, Small and Medium Enterprises	-	-
Others	105,075.60	80,427.24
<b>Total</b>	<b>105,075.60</b>	<b>80,427.24</b>

**20. Other Financial liabilities**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current maturities of Long Term Borrowings		
- Term, Equipment, Vehicle Loans and ECB Loans	20,899.64	18,196.83
Interest accrued and due on Borrowings	1,801.71	1,924.30
Amortization of Finance Cost	222.68	295.06
Unpaid Dividends	2.49	3.45
<b>Total</b>	<b>22,926.52</b>	<b>20,419.64</b>

**21. Other Liabilities**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision / Payables for Expenses and Services	2,851.39	2,925.33
Statutory Payables	5,733.19	1,532.48
<b>Total</b>	<b>8,584.58</b>	<b>4,457.81</b>

**22. Provisions**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Employee Benefits (Refer Note No.31.5)	342.18	212.64
<b>Total</b>	<b>342.18</b>	<b>212.64</b>

**23. Revenue from Operations**

₹ in Lakhs

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Construction / Contract Revenue	346,314.74	291,043.62
Revenue from Electricity Generation	-	111.80
Share of profit from Joint Ventures	-	75.82
<b>Total</b>	<b>346,314.74</b>	<b>291,231.24</b>

**24. Other income**

₹ in Lakhs

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Interest income from Deposits & Others	128.25	133.55
Other Miscellaneous Income	663.14	508.91
<b>Total</b>	<b>791.39</b>	<b>642.46</b>

**25. Cost of Materials Consumed and Cost of Purchases & Services**

₹ in Lakhs

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Steel	15,532.46	23,277.58
Cement	14,384.68	13,948.93
Bitumen	3,314.67	5,264.18
Metal	37,654.63	25,272.82
Sand & Gravel	1,526.43	5,151.20
Electrical Materials	1,619.84	3,370.93
Consumable Stores	1,979.57	2,171.11
RCC & GI Pipes	953.19	521.06
HSD Oils & Lubricants	16,402.36	12,715.48
Other Materials	3,709.72	792.69
<b>Total</b>	<b>97,077.55</b>	<b>92,485.98</b>

**26. Work Expenditure**

₹ in Lakhs

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Departmental Recoveries	6,372.94	6,179.10
Work executed by sub contractors	73,358.93	47,629.60
Earth Work	28,039.46	21,566.45
Concrete Work	32,483.12	10,971.48
Transport Charges	8,863.44	11,424.52
Hire Charges	4,993.56	2,978.32
Road work	9,983.29	13,601.20
Repairs and Maintenance	2,705.26	2,961.30
Mining work expenditure	5,479.45	2,797.69
Taxes and Duties	503.01	3,197.03
Insurance	926.17	624.56
Project Promotion Expenses writtenoff	1,403.76	1,242.19
Utility Shifting Work	1,405.79	836.28
Security Charges	773.50	584.05
Other Work Expenditure	3,113.81	3,019.38
<b>Total</b>	<b>180,405.49</b>	<b>129,613.15</b>

**27. Change in Inventories of Work-in-Progress**

₹ in Lakhs

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Opening Work in Progress	10,764.04	14,106.53
Less : Closing Work in Progress	(17,050.10)	(10,764.04)
Changes in Inventory of Work in Progress	(6,286.06)	3,342.49

**28. Employee benefits expense**

₹ in Lakhs

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Salaries & Wages	10,782.71	8,383.39
Director's Remuneration	800.00	540.00
Staff Welfare Expenses	938.19	1,012.13
Contribution to Statutory Funds	249.74	154.91
<b>Total</b>	<b>12,770.64</b>	<b>10,090.43</b>

**29. Finance costs**

₹ in Lakhs

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Interest on Term Loans	9,693.44	11,303.03
Interest on Working Capital Facilities	11,292.30	11,255.30
Interest on Equipment Loans & Others	2,353.79	2,622.84
Interest on ECB Loan *	753.86	1,083.53
Exchange loss on ECB Loan & Imports	234.99	-
Effect of application of effective interest rate on borrowings	(72.38)	37.68
Bank Guarantee & Other Financial Charges	3,966.27	3,254.91
	28,222.27	29,557.29
Less : Interest on BG/LC Margin Money Deposits	(1,188.97)	(1,236.19)
Interest on Loans & Advances	(1,905.80)	(2,686.52)
<b>Total</b>	<b>25,127.50</b>	<b>25,634.58</b>

\* includes premium paid on foreign currency forward contract.

**30. Other expenses**

₹ in Lakhs

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Advertisement expenses	81.76	100.68
Audit fee	60.00	60.00
Donations	83.11	342.66
CSR Expenditure	212.99	101.19
Insurance charges	107.21	72.39
Consultancy & professional charges	1,554.02	1,565.11
General Expenses	200.64	88.33
Power & fuel	233.29	135.11
Miscellaneous expenses	591.30	398.44
Printing & stationery	173.16	150.77
Rent	886.92	784.96
Taxes & licenses	306.39	354.77
Tender Expenses	31.65	105.60
Telephone	97.64	113.03
Traveling, Conveyance & Stay expenses	954.78	788.47
Loss /(Gain) on Fair Market Value of Investment	81.55	-
Expected Credit Loss	2,195.09	1,853.74
Loss /(Gain) on sale of assets / Impairment of assets	(1.30)	(30.00)
<b>Total</b>	<b>7,850.20</b>	<b>6,985.25</b>

### 31. Other Notes Forming Part of the Financial Statements

#### 31.1 Leases

Disclosure under Indian Accounting Standard – 17 “Leases”, issued by the Institute of Chartered Accountants of India.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under operating leases are recognized in the statement of profit and loss on a straight-line basis. The Company has taken various godown/office premises (including Furniture and Fittings if any) under lease and license agreements for periods which generally range between 11 months to 3 years. These arrangements are renewable by mutual consent on mutually agreed terms. Under some of these arrangements the Company has given refundable security deposits. The lease payments are recognized in the Statement of Profit and Loss under Rent, Rates and Taxes.

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such

a lease is capitalized at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

The Company has taken vehicles on financial lease from banks / Financial Institutions. The details of contractual payments under the agreement are as follows:

#### Lease Obligations Payable

₹ in Lakhs	
Due	Minimum Lease Payments
Less than one year	1,449.62
Between one and five years	3,341.71
More than five years	Nil

#### Lease Obligations Recognized

₹ in Lakhs		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Lease Rentals recognized during the year	507.98	56.48

#### 31.2 Contingent Liabilities and Commitments

The details of the Contingent Liabilities and Commitments to the extent not provided are as follows:

##### a. Contingent Liabilities

₹ in Lakhs		
Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Guarantees given by the Banks towards performance & Contractual Commitments	1,51,770.33	1,28,456.73
b) Corporate Guarantees given to Banks and other financial institutions for loans availed by the :		
- Subsidiary Companies	22,000.00	37,000.00
- Associate Companies	12,500.00	26,000.00
- Subsidiary to Associate Companies	2,47,148.00	2,51,548.00
- Companies in which KMP or their relatives are interested	26,593.90	27,336.40
- Other Companies	16.10	23.60
c) Disputed Liability of Income Tax, Sales Tax, Service Tax and Seigniorage charges	3,953.72	7,899.86

**b. Commitments**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Commitments towards investments in Subsidiaries, Joint Ventures and Associates	Nil	Nil

**31.3 Related Party Transactions pursuant to Indian Accounting Standard(Ind AS)-24**

**Details of related parties:**

<b>Subsidiary Companies</b>	<b>Step-down Subsidiary Companies</b>
Gayatri Energy Ventures Pvt.Ltd	Bhandara Thermal Power Corporation Ltd
	Indira Energy Holdings Private Limited
<b>Associate Companies and companies in which the Company has substantial Interest.</b>	<b>Key Management Personnel and their Relatives</b>
Gayatri Highways Limited (formerly Gayatri Domicile Private Limited)	Mr. T.V.Sandeep Kumar Reddy (MD)
Gayatri Lalitpur Roadways Ltd *	Mr. J. Brij Mohan Reddy (Vice Chairman)
Gayatri-Jhansi Roadways Ltd *	Mrs. Indira T Subbarami Reddy (Chair Person)
Sai Matarani Tollways Limited *	Mr. T. Rajiv Reddy (Vice President)
Hyderabad Expressways Limited *	Mr. P. Sreedhar Babu (CFO)
HKR Roadways Limited *	Mrs. I.V.Lakshmi (CS & CO)
Balaji Highways Holding Limited *	Mr. T.Anirudh Reddy
Indore Dewas Tollways Limited *	
*Subsidiary/Associate of Associate Company	
<b>Entities in which KMP or their relatives are interested</b>	<b>Joint Ventures</b>
Deep Corporation Pvt. Ltd	Gayatri- RNS Joint Venture
Indira Constructions Pvt. Ltd	IJM Gayatri Joint Venture
Gayatri Tissue & Papers Ltd	Gayatri Ranjit Joint Venture
Gayatri Sugars Ltd	Gayatri - GDC Joint Venture
Gayatri Hi-Tech Hotels Ltd	Gayatri – BCBPPL Joint Venture
Gayatri Property Ventures Pvt. Ltd.	Jaiprakash Gayatri Joint Venture
Gayatri Hotels & Theaters Pvt. Ltd	Gayatri ECI Joint Venture
GSR Ventures Pvt. Ltd.	Maytas-Gayatri Joint Venture
T.V.Sandeep Kumar Reddy & Others	Gayatri – Ratna Joint Venture
Gayatri Bio-Organics Limited	MEIL-GAYATRI-ZVS-ITT Consortium
T. Subbarami Reddy Foundation	Gayatri-SPL Joint Venture
Dr.T.Subbarami Reddy (HUF)	Gayatri-JMC Joint Venture
Balaji Charitable Trust	Viswanath - Gayatri Joint Venture
TSR LalitakalaParishad	GPL-RKTCPL Joint Venture
Invento Labs Private Limited	Vishwa-Gayatri Joint Venture
Yamne Power Private Limited	Gayatri-RNS-SIPL Joint Venture
Gayatri Hotel Ventures Pvt.Ltd.	SOJITZ-LNT-GAYATRI Joint Venture
Flynt Mining LLP	Gayatri PTPS Joint Venture
	Gayatri KMB Joint Venture
	HES GAYATRI NCC Joint Venture
	Gayatri - Ojsc Sibmost Joint Venture

**Transactions with the related parties:**

							₹ in Lakhs
Sl. No.	Description	Year	Subsidiary & Step-down Subsidiaries	Associate Companies	Entities in which KMP are interested	Joint ventures	KMP & their Relatives
1	Equity contribution	2018-19	-	-	-	-	-
		2017-18	-	-	-	-	-
2	Contract Receipts	2018-19	-	1,843.51	-	72,361.02	-
		2017-18	-	11,639.48	-	35,982.84	-
3	Contract payments	2018-19	-	-	711.95	-	300.00
		2017-18	-	-	476.93	-	150.00
4	Office Rent & Maintenance	2018-19	-	-	244.57	-	-
		2017-18	-	-	104.77	-	-
5	Remuneration to CFO and CS	2018-19	-	-	-	-	184.80
		2017-18	-	-	-	-	157.16
6	Interest Received	2018-19	-	244.09	-	0.34	-
		2017-18	-	244.09	-	0.89	-
7	Donations	2018-19	-	-	236.60	-	-
		2017-18	-	-	147.34	-	-
8	Remuneration and Commission Paid	2018-19	-	-	-	-	800.00
		2017-18	-	-	-	-	540.00
9	Contract other Advances received / (given)	2018-19	-	-	(62.00)	6561.00	-
		2017-18	-	-	-	26,376.84	-
10	Net unsecured loans given/ (Received)	2018-19	5,148.45	21.00	-	-	-
		2017-18	(3,861.98)	(1,327.13)	-	-	-
11	Corporate Guarantees	2018-19	-	-	-	-	-
		2017-18	22,000.00	-	8,000.00	-	-
12	Closing balances – Debit	2018-19	13085.54	47,526.64	1194.67	49487.28	17.30
		2017-18	7,937.08	50,734.70	793.80	38,621.05	-
13	Closing balances – Credit	2018-19	-	1,625.81	9.95	37671.24	220.75
		2017-18	-	618.64	715.23	46,194.41	43.41

**Disclosure of transactions which are more than 10% of the total transactions of the same type with related parties during the year.**

				₹ in Lakhs
Name of the Entity	Nature of Transaction	2018-19	2017-18	
Sai Maatarani Tollways Ltd.	Contract Receipts	421.09	7921.31	
Indore Dewas Tollways Limited	Contract Receipts	455.95	1160.78	
Gayatri - ECI Joint Venture	Contract Receipts	2,259.43	4335.26	
Jaiprakash-Gayatri Joint Venture	Contract Receipts	2,011.59	3059.19	
MEIL-Gayatri-ZVS-LIT Consortium	Contract Receipts	5,998.51	864.34	
Gayatri-RKTCPL Joint Venture	Contract Receipts	1,693.23	1440.39	
Gayatri-RNS-SIPL Joint Venture	Contract Receipts	21,633.22	13554.10	
Gayatri – PTPS Joint Venture	Contract Receipts	20,086.23	11131.99	
Gayatri-KMB Joint Venture	Contract Receipts	14,680.17	-	
Gayatri Energy Venture Pvt. Ltd	Corporate Guarantee	-	22000.00	
Gayatri Hotels and Theatres Pvt. Ltd.	Corporate Guarantee	-	8000.00	
Gayatri-RNS-SIPL Joint Venture	Contract Adv./ Other Adv.	-	8279.00	
SOJITZ-LNT-GAYATRI Joint Venture	Contract Adv./ Other Adv.	-	4,252.33	
Gayatri – PTPS Joint Venture	Contract Adv./ Other Adv.	-	12298.00	
Gayatri-KMB Joint Venture	Contract Adv./ Other Adv.	6,561.00	5561.00	

**31.4 Impairment of Non-Financial Assets**

In the opinion of the management, there are no impaired assets requiring provision for impairment loss as per the Ind AS 36 on "Impairment of Non-Financial Assets". The recoverable amount of building, plant and machinery, furniture and fixtures and vehicles has been determined on the basis of 'Value in use' method.

**31.5 Disclosure pursuant to Indian Accounting Standard (Ind AS) – 19 "Employee's Benefits":**

i) The summarized position of Post-employment benefits and long term employee benefits recognized in the statement of Profit & Loss and Balance Sheet as required in accordance with Indian Accounting Standard – 19 are as under:-

**ii) (a) Changes in the Benefit Obligations:**

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	2018-19	2017-18	2018-19	2017-18
Present Value of Obligation as at the beginning of the year	470.19	784.91	261.67	203.04
Interest Cost	36.35	62.79	20.23	16.24
Current Service Cost	83.90	128.91	74.72	58.63
Benefits Paid	(20.19)	(8.19)	(12.92)	(3.65)
Actuarial loss / (gain) on Obligations	(82.05)	(498.23)	(7.31)	(12.59)
Present Value of Obligation at year end	488.20	470.19	336.39	261.67

**(b) Amount Recognized in Balance Sheet:**

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	2018-19	2017-18	2018-19	2017-18
Estimated Present Value of obligations as at the end of the year	488.20	470.19	336.39	261.67
Fair value of Plan Assets as at the end of the year				
Net Liability recognized in Balance Sheet	488.20	470.19	336.39	261.67

**(c) Expenses recognized in Statement of Profit & Loss / Other Comprehensive Income (OCI) :**

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	2018-19	2017-18	2018-19	2017-18
Current Service Cost	83.90	128.91	74.72	58.63
Interest Cost	36.35	62.79	20.23	16.24
Net Actuarial (Gain)/Loss recognized in Statement of Profit & Loss.	-	-	(7.31)	(12.59)
Net Actuarial (Gain)/Loss recognized in Statement of Other Comprehensive Income.	(82.05)	(498.23)	-	-
Total expenses recognized in Statement of Profit & Loss	(38.20)	(306.53)	87.64	62.28

**(d) Principal Actuarial Assumption:**

Particulars	Gratuity		Leave Encashment	
	2018-19	2017-18	2018-19	2017-18
Discount Rate	4.00%	4.00%	4.00%	4.00%
Salary Escalation Rate	7.73%	7.73%	7.73%	7.73%
Retirement Age	60	60	60	60
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Attrition Rate	1%	1%	1%	1%

(e) The entire present value of funded obligation at the year-end is unfunded and hence, fair value of assets is not furnished.



### 31.6 Segment Reporting

The Company's operations predominantly consist of construction / project activities. Hence there are no reportable segments under IndAS – 108. During the year under report, the Company's business has been carried out only in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

### 31.7 Earnings Per Share (EPS)

Particulars	₹ in Lakhs	
	2018-19	2017-18
Profit After Tax for calculation of Basic EPS (₹ in Lakhs)	21,076.88	18,809.35
Profit After Tax for calculation of Diluted EPS (₹ in Lakhs)	21,076.88	18,809.35
Weighted average No. of equity shares as denominator for calculating Basic EPS. (No. in Lakhs)	1,871.99	1,777.42
Weighted average No. of equity shares as denominator for calculating Diluted EPS. (No. in Lakhs)	1,871.99	1,777.42
Basic EPS (₹)	11.26	10.58
Diluted EPS (₹)	11.26	10.58

### 31.8 Tax Expenses:

Particulars	₹ in Lakhs	
	2018-19	2017-18
Current Tax	5,079.10	3,879.68
MAT Credit Entitlement*	(2,501.44)	-
Short / (Excess) provision of Tax for earlier years	194.65	(2,655.41)
Deferred Tax Liability / (Asset)	(278.99)	(1,778.86)
Total Tax Expenses	2,493.32	(554.59)

\* During the Year Ended 31.03.2019 the company has recognized MAT credit entitlement of previous years.

### 31.9 Dues to Micro and Small Enterprises:

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

**31.10** There are no amounts due and outstanding to be credited to Investors Education & Protection Fund as on 31-03-2019 and amounts which are required to be transferred to such funds have been transferred.

### 31.11 Disclosure pursuant to Indian Accounting Standard – 115 "Revenue from Contracts with Customers"

Sl.	Particulars	₹ in Lakhs	
		2018-19	2017-18
1	Contract revenue recognized for the year ended	3,46,314.75	2,91,119.44
2	Contract cost incurred and recognized profits, less losses	3,26,060.48	2,59,625.62
3	Amount of advances received till date, net of recoveries	1,44,522.97	97,024.96
4	Gross amount due from customers for contract works	1,39,300.31	1,13,371.47

Income is recognized on fixed price construction contracts in accordance with the percentage completion basis, which necessarily involve technical estimates of the percentage of completion, and costs to completion, of each contract / activity, on the basis of which profits and losses are accounted. Such estimates, made by the Company and certified to the Auditors have been relied upon by them, as these are of technical nature.

**31.12 Additional Information pursuant to Schedule III of the Companies Act, 2013.**

**i) CIF value of Imports**

₹ in Lakhs

Sl. No.	Particulars	2018-19	2017-18
1	Purchase of Capital Goods	2876.61	2,189.87
2	Materials & Spares	356.74	772.32

**ii) Expenditure / (Income) in Foreign Currency:**

₹ in Lakhs

Sl. No.	Particulars	2018-19	2017-18
1	Travelling Expenses	14.90	9.91
2	Interest on ECB Loan	492.46	700.96
3	Consultancy & Technical Fees	2713.31	1863.26

**iii) Details of major raw materials consumption**

₹ in Lakhs

Particulars	2018-19		2017-18	
	Value	%	Value	%
Steel	15,532.46	17.18%	23,277.58	26.15%
Cement	14,384.68	15.91%	13,948.93	15.67%
Bitumen	3,314.67	3.67%	5,264.18	5.91%
Metal	37,654.63	41.64%	25,272.82	28.40%
Sand & Gravel	1,526.43	1.69%	5,151.20	5.79%
Electrical Materials	1,619.84	1.79%	3,370.93	3.79%
HSD Oils & Lubricants	16,402.36	18.14%	12,715.48	14.29%
Total :	90,435.07	100%	89,001.12	100%

**31.13 Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximize returns for the shareholders and benefits for other stake holders. The aim is to maintain an optimal capital structure and minimize the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with other entities in the industry, the Company monitors its capital using the gearing ratio which is net debt divided by total equity.

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Debt:</b>		
i) Non-Current Borrowings	71,211.87	80,321.46
ii) Current Maturities of Non-Current Borrowings	20,899.64	18,196.83
iii) Current / Short term Borrowings	94,986.78	95,908.60
iv) Accrued Interest	1,801.71	1,924.30
v) Less : Cash and Cash Equivalents	(12,649.86)	(5,691.89)
<b>Net Debt:</b>	<b>1,76,250.14</b>	<b>1,90,658.76</b>
<b>Equity:</b>		
i) Equity Share capital	3,743.97	3,743.97
ii) Other Equity	1,29,353.26	1,08,276.38
Total Equity:	1,33,097.23	1,12,020.35
Total net debt to equity ratio (Gearing ratio)	1.32	1.70

**31.14 Financial Instruments:**

**A. Financial Instruments by category.**

Financial Assets and Financial Liabilities are the categories of Financial Instruments.

**B. Fair value hierarchy**

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

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

Level 3 inputs are unobservable inputs for the asset or Liability.

**C. Financial Assets:**

₹ in Lakhs			
Particulars	Fair Value Hierarchy	As at 31st March, 2019	As at 31st March, 2018
<b>EQUITY INVESTMENTS:</b>			
<b>Measured at fair value through profit or loss (FVTPL):</b>			
Equity Investments in Other Entities	Level-1	31.69	113.25
<b>Measured at fair value through OCI (FVTOCI):</b>			
Equity in Associates (Quoted)	Level-1	524.16	--
<b>Measured at Cost:</b>			
Investments in Equity Instruments of Subsidiaries, Associates	NA	63,985.83	65,233.83
<b>INVESTMENTS IN PREFERENCE SHARES:</b>			
<b>Measured at Fair value through profit or loss (FVTPL):</b>			
Compulsorily Convertible Cumulative Preferential Shares in Other Entity	Level-2	19,571.95	19,571.95
<b>Measured at Cost:</b>			
Non- Convertible redeemable cumulative preferential Shares in Associates	Level-2	16,770.03	16,770.03

**Financial Liabilities:**

₹ in Lakhs			
Particulars		As at 31st March, 2019	As at 31st March, 2018
<b>Measured at amortized cost:</b>			
Financial Liabilities i.e Borrowings		1,84,465.52	1,85,787.40

**Certain Financial Assets and Financial Liabilities that are not measured at Fair Value but Fair value disclosures are required:**

₹ in lakhs			
Particulars		As at 31st March, 2019 (Carrying Value & Fair Value)	As at 31st March, 2018 (Carrying Value & Fair Value)
Fair Value Hierarchy		(Level - 2)	(Level - 2)
<b>Financial Assets:</b>			
Non- Current Loans		34740.80	35633.11
Other Financial Assets		Nil	Nil
Current Investments		Nil	Nil
Trade Receivables		1,39,300.31	1,13,371.47
Deposits with Contractees		32,493.96	17,792.87
Other Bank Balances		20,015.34	18,570.45
Current Loans		18,872.36	17,027.32
<b>Financial Liabilities:</b>			
Borrowings		1,66,198.65	1,76,230.06
Trade Payables		1,05,075.60	80,427.24
Other Financial Liabilities		1,72,549.49	1,23,744.61

**31.15 Financial risk management objectives and policies**

The Company's activities expose it to a variety of financial risks like market risk, credit risk and liquidity risks. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

**(i) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk, includes loans and borrowings.

**a. Interest rate risk**

Majority of the Non-current (Long Term) borrowings of the Company bear fixed interest rate, thus interest rate risk is limited for the Company.

**b. Foreign Currency Risk:**

The Company's foreign Currency exposure i.e External Commercial Borrowings in US\$ is completely hedged and the details are as follows:

₹ in Lakhs

Particulars	Hedged/ Un-hedged	As At 31st March, 2019		As at 31st March, 2018	
		Foreign Currency USD	Rupee Equivalent	Foreign Currency USD	Rupee Equivalent
<b>Amount payable in Foreign Currency:</b>					
External Commercial Borrowings (ECB)	Un-hedged	Nil	Nil	Nil	Nil
	Hedged	44.18	2,632.77	127.58	8,639.49
Foreign LC	Un-hedged	Nil	Nil	41.91	2,725.34

**(ii) Credit risk management**

Credit risk is the risk that a customer or a counterparty to a financial instrument fails to perform or pay amounts causing financial loss to the company. The maximum exposure of the financial assets is contributed by trade receivables, work-in-progress/ unbilled revenue, cash and cash equivalents and receivables/loans from group companies.

Credit risk on trade receivables, work in progress/unbilled revenue is limited as the customers of the company mainly consist of the Government promoted entities, having strong credit worthiness. The company takes into account ageing of accounts receivables and the company's historical experience of the customers and financial conditions of the customers. During the current year the company had identified credit risk on certain financial instruments as below and has made the necessary provision for the same

₹ in Lakhs

Sl.No.	Particulars	Balance As at 31st March 2019	Expected credit loss Amount
1	Trade receivables	25,156.41	251.56
2	Loans /advances	35,677.08	1,943.53

**(iii)Liquidity Risk:**

Liquidity Risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at areasonable price. The Company's management and finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by the senior management.

**The following are the details regarding contractual maturities of Significant Financial Liabilities:**

a) As at 31st March, 2019						₹ in Lakhs
Particulars	On Demand	Less than 1 year	2-5 Years	More than 5 Years	Total	
Borrowings	94,986.78	20,899.64	71,211.87	-	1,87,098.29	
Trade Payables	1,05,075.60	-	-	-	1,05,075.60	
Interest Accrued	1,801.71	-	-	-	1,801.71	
Other Financial Liabilities	17,954.76	28,428.36	58,352.96	44,886.89	1,49,622.97	
<b>Total</b>	<b>2,19,818.85</b>	<b>49,328.00</b>	<b>1,29,564.83</b>	<b>44,886.89</b>	<b>4,43,598.57</b>	

b) As at 31st March, 2018						₹ in Lakhs
Particulars	On Demand	Less than 1 year	1-5 Years	More than 5 Years	Total	
Borrowings	95,908.60	18,196.83	73,068.32	7,281.14	1,94,426.90	
Trade Payables	80,427.24	-	-	-	80,427.24	
Interest Accrued	1,924.30	-	-	-	1,924.30	
Other Financial Liabilities	8,379.66	12,409.33	44,894.70	37,641.28	1,03,324.97	
<b>Total</b>	<b>1,86,639.80</b>	<b>30,606.16</b>	<b>1,17,963.02</b>	<b>44,894.43</b>	<b>3,80,103.41</b>	

**31.16** Pursuant to the introduction of the Goods and Service Tax (GST) applicable indirect taxes have got subsumed into GST. The company has executed various Construction Contracts/ projects of NHAI /other state and central government Departments and in majority of the cases, the work orders for these contracts were issued under the erstwhile previous tax laws and the additional impact on account of GST was recognized in the previous year as an other receivables under "Other Current Assets" note. During the year the company has recovered substantial amount of GST due and is confident of recovery of the balance amount in the due course.

**31.17** In the ordinary course of business, the Company has given Contract Advances to one of the sub-contractor which on mutual consent have been converted into interest bearing inter corporate loan. The recovery of this loan along with interest thereon is delayed due to extraneous reasons like change in government policies, delay in execution of projects etc. However, the company has recovered considerable amounts during the immediate preceding financial year and the management is confident of recovering the balance amount in due course. In view of this, no provision for the same is required to be made in the financial statements of the company for the current financial year.

**31.18** The Advances to Suppliers, Sub-contractors and others as at 31st March, 2019, includes

an amount of ₹295.21 crores given to a sub-contractor in the normal course of business. The recovery of this advance and interest thereon is delayed due to certain extraneous factors not attributable to the subcontractor. During the year, the company has recovered an amount of ₹37.91 crores from the above sub-contractor and further the company has accelerated the recovery process of the remaining amounts. In addition to above recovered amount, the company has also recovered an amount of ₹94.50 crores from the sub-contractor in April, 2019. In view of this, the management is confident to recover the entire advances from the sub-contractor in due course and hence no provision is required to be made in the financial statements of the company for the current financial year.

**31.19** One of the subsidiary of the associate company, which has been awarded a Build-Operate-Transfer (BOT) work for construction of Four Laning of Panikoili-Rimuli section of NH-215 Road has given termination notice to National Highways Authority of India (NHAI) in respect of above road project due to a force majeure event. Further the subsidiary of the associate company also made claims of ₹974.50 crores on NHAI for the cost overrun due to various delays and other reasons attributable to NHAI. The company has to receive an amount of ₹245.19 crores towards EPC cost as on 31st March, 2019. In the opinion of the management, no provision is required to be made in respect of

above said receivables as the management of the company is confident to recover the above receivable amount out of the amounts receivable by the said subsidiary of the associate company from NHAI due to termination assistance, contract claims etc.

The Company has given an irrevocable and unconditional Corporate Guarantee of ₹1,827.35 crores to the lenders of the above subsidiary of the associate company, the said subsidiary of associate company is facing difficulties in repaying its dues to the lenders on account of poor toll collections and further, it has terminated its agreement with NHAI as a force majeure event. Further, as per the information and explanations given by the subsidiary of the associate company and based on the legal opinion obtained by it, the subsidiary of the associate company will receive significant amount of compensation so as to settle dues to the lenders. In view of the above, the management of the company is confident that chances of invocation of Corporate Guarantee is remote and the subsidiary of the associate company will repay the lenders dues from the compensation amount. Hence, the management is of the opinion that no provision is required to be made in respect of Corporate Guarantee given by the company to subsidiary of the associate company.

- 31.20** An amount of ₹36.20 crores as on 31st March, 2019 is receivable from the erstwhile associate company operating Meerut and Muzaffarnagar Section of NH-58 road on BOT basis against the EPC works executed by the company during the previous years and the amounts shall be recovered out of the claims amounts received by the erstwhile associate company from NHAI. The erstwhile associate has so far raised a total claim for ₹469.56 crores on NHAI on different counts which are in the advanced stage of arbitration. The Management of the erstwhile associate company is confident of getting the claims amount from NHAI and assured the company by way of agreement to pay the dues to the company upon receipt of claims and hence, in the opinion of the management, no provision is required to be provided in the books of accounts in respect of amounts receivable from the said erstwhile associate company.

- 31.21** As per the settlement agreement dated 29th March, 2019 made between the Company, Gayatri Highways Limited (“GHL”) - an Associate Company and IL&FS Financial Services Limited (IL&FS); the Company and GHL jointly and severally agreed to repay the loan availed by GHL amounting to ₹125 crores along with interest in twelve monthly installments commencing from May 2019.

- 31.22** Gayatri Projects Limited (“the Company”), as a sponsor company, had funded during the previous financial years to its erstwhile subsidiary and associate road project companies in the form of subordinate debt & advances amounting to ₹179.67 crores as on 31st March, 2019. During the year the Company has entered into a Memorandum of Understanding (“MOU”) with Gayatri Highways Limited (GHL) (Holding Company of all these road project companies) for transfer of the subordinate debt/advances given to the road project companies to GHL in order to recover the subordinate debt / advances at the earliest. Therefore, at present, GHL will discharge the repayment obligation of sub-ordinate debt & advances to GPL out of the proceeds of the toll/annuity, claims, sale of projects etc., at the earliest and hence in the opinion of management of the company no provision is required to be made for the same.

- 31.23** Gayatri Energy Ventures Private Limited, a wholly owned subsidiary company incorporated for the purpose of investment in power projects, in which the Company has invested Equity Share Capital and also given unsecured loan. As per the Balance Sheet of said subsidiary company as on 31.03.2019, the said subsidiary company has incurred considerable losses and there has been significant erosion of Net worth of investment made by the company. However, as per the information available with the company and said subsidiary company, the management of the company is of the view that the fair market value of the investments made by the said subsidiary company in power projects is far in excess of carrying value of the investment made by the company and hence, no provision is required to be made for the diminution in the carrying value of the equity investments made by the company.

**31.24** Disclosure pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of loans and advances in the nature of loans

₹ in lakhs

Name of the Company	Relationship	Balances as at		Maximum outstanding	
		31.03.2019	31.03.2018	2018-19	2017-18
Sai Maatarini Tollways Ltd	Subsidiary to Associate	-	10,015.99	10,015.99	10,015.99
Indore Dewas Tollways Ltd	Subsidiary to Associate	-	3,395.00	3,395.00	3,395.00
HKR Roadways Ltd	Subsidiary to Associate	-	4,535.01	4,535.01	4,535.01
Gayatri Energy Ventures P. Ltd	Subsidiary	13,085.53	7,937.08	13,085.53	13,816.83
Gayatri Highways Ltd	Associate	18,992.05	3,490.41	18,992.05	3,508.99

31.25 Previous year figures are regrouped/reclassified to match with the current year presentation.

31.26 All amounts are rounded off to nearest Thousands.

As per our Report attached  
For M O S & Associates LLP  
Chartered Accountants

For and on behalf of the Board

Sd/-  
**S.V.C. Reddy**  
Partner

Sd/-  
**T. Indira Reddy**  
Chairperson  
DIN : 00009906

Sd/-  
**T.V. Sandeep Kumar Reddy**  
Managing Director  
DIN : 00005573

Place: Hyderabad  
Date: 30<sup>th</sup> May, 2019

Sd/-  
**P. Sreedhar Babu**  
Chief Financial Officer

Sd/-  
**I.V.Lakshmi**  
Company Secretary & Compliance Officer



# Independent Auditors' Report

To the Members of Gayatri Projects Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Gayatri Projects Limited (hereinafter referred to as the 'Parent Company') and its subsidiary (Parent Company and its subsidiary together referred to as "the Group"), its associate and Joint Ventures which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March, 2019, and the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors on separate financial statements and the other financial information of subsidiary company, associate company and joint ventures, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and Joint Ventures as at 31<sup>st</sup> March, 2019, of consolidated Profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate, Joint Ventures

in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Emphasis of Matter

(Note Nos. referred hereunder are with reference to respective notes forming part of consolidated financial statements)

### We draw attention to the following matters:

- i) As stated in Note No. 31.17 to the consolidated financial Statements, the recovery of trade receivables is delayed for the detailed reasons stated in the said note. Further, as explained in the same note, the parent company has given an irrevocable and unconditional corporate guarantee to a subsidiary of the associate company, which has defaulted in repayment of dues to the lenders.
- ii) As stated in Note No. 31.18 to the consolidated financial Statements, the amount receivable from the erstwhile associate company is long pending for recovery as the same is based on the receipt of claims by the said erstwhile associate company.
- iii) As stated in Note No 31.15 to the consolidated financial Statements, the Inter Corporate Loan grouped under 'Non-current Loans' and accumulated interest thereon long pending for recovery.
- iv) As stated in Note No.31.16 to the consolidated financial Statements, the work advances in respect of certain contract works given to sub-contractors grouped under 'Other Current Assets' which are long pending for recovery.

- v) As stated in Note No. 31.23 to the consolidated financial Statements with regard to exit agreement entered by the subsidiary company in respect of Investments / advances / share application money made in certain power projects, as reported in the auditors' report on consolidated financial statements of the subsidiary company under Emphasis of Matter paragraph, the said Investments / advances / share application money are long pending for recovery.
- vi) As stated in Note No. 31.25 to the consolidated financial Statements, with regard to recovery of contract advances given by the step down subsidiary company, as reported in the auditors' report on consolidated financial statements of the subsidiary company under Emphasis of

Matter paragraph, the contract advances are long pending for recovery.

Our opinion is not modified in respect of the above matters.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report.

S.no.	Key Audit Matter	Audit Process
1	<p><b>Revenue recognition and measurement of contract assets in respect of unbilled amounts</b></p> <p>The management of the Parent company has applied significant judgement in determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.</p> <p>Revenue is recognized on fixed price construction contracts in accordance with the percentage of completion basis, which necessarily involve technical estimates of the percentage of completion, and costs to completion, of each contract / activity, on the basis of which profits and losses are accounted.</p> <p>When the outcome of the contract is ascertained reliably, contract revenue is recognized at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed up to the date, to the total estimated contract costs.</p> <p>The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract. Further at the reporting date, revenue is accrued for costs incurred against work performed and which are not billed and further measurement of work completed/cost incurred during the period for recognition of unbilled revenue.</p> <p>Accordingly the above have been determined as key audit matters.</p>	<ul style="list-style-type: none"> <li>• We have obtained the procedure and process involved in estimating the percentage of completion of the projects.</li> <li>• We have also obtained and verified the costs incurred on the project/ works up to the reporting date for the revenues accounted in respect of works on sampling basis.</li> <li>• We have also obtained the certified copies (i.e percentage of completed work approved by the relevant authorities) of works executed till the reporting date in respect of revenues accounted on sampling basis.</li> <li>• We have also performed analytical procedures for reasonableness of revenues recognised.</li> <li>• We have also verified the reasonableness of the estimation of remaining costs to be incurred to complete the project / work and profit / loss estimated in the project / work.</li> <li>• Reviewed the delivery and collection history of customers against whose contracts un-billed revenue is recognised</li> <li>• Tested relevant contracts for measurement of work completed during the period for unbilled revenue.</li> </ul>

S.no.	Key Audit Matter	Audit Process
2	<p><b>Carrying Value of Investments in Gayatri Energy Ventures Private Limited (GEVPL)</b></p> <p>The management regularly reviews whether there are any indicators of impairment on unquoted investments made by the company. Accordingly, the management had identified impairment indicators in GEVPL, a wholly owned subsidiary of the company with an equity investment of ₹639.83 crores and an unsecured loan of ₹130.86 crores.</p> <p>As per Ind AS 36 - 'Impairment of Assets' the standard is applicable to financial assets classified as subsidiaries.</p> <p>In case of GEVPL, the existence of an impairment indicator is significantly influenced by whether there is an impairment to the underlying investment in power project made by the said company. This assessment involves significant judgment especially in relation to determination of expected future economic benefits.</p> <p>Accordingly the evaluation of impairment of investments in GEVPL was determined to be a key audit matter</p>	<ul style="list-style-type: none"> <li>• Obtained and read the financial statements of GEVPL to identify if any disclosure is made for impairment of assets in its standalone financial statements.</li> <li>• Obtained the impairment indicator assessment performed by the management.</li> <li>• We have obtained the management's understanding with regard to impairment of the investments made in loss making subsidiary company.</li> <li>• We have obtained the company's management opinion in estimating the realisable value of the investments made by the subsidiary company.</li> </ul>
3	<p><b>Settlement agreement entered between the company, GHL and IL&amp;FS Financial Services Limited</b></p> <p>During the year the Parent Company has entered into a settlement agreement dated 29<sup>th</sup> March, 2019 made between the Parent Company, Gayatri Highways Limited ("GHL"), an Associate Company and IL&amp;FS Financial Services Limited (IL&amp;FS), the Parent Company and GHL jointly and severally agreed to repay the loan availed by GHL amounting to ₹125 crores along with interest in twelve monthly instalments commencing from May 2019.</p> <p>Accordingly, it has been determined as a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Obtained and read the settlement agreement entered between the company, GHL and IL&amp;FS Financial Services Limited</li> <li>• Assessed the impact of the same in the consolidated financial statements.</li> <li>• Review of disclosure made by the company in the consolidated financial statements in this regard.</li> </ul>

**Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements**

The Parent 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate, Joint Ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the 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 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 the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group, its associate and Joint Ventures is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group, its associate and Joint Ventures are also responsible for overseeing the financial reporting process of the Group, its associate and Joint Ventures.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company and its subsidiary companies, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

We did not audit the financial statements of one associate in which the share of Group's loss of ₹ Nil included in consolidated financial statements. These financial statements/financial information have been audited by other auditor whose audit report have been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of the associate and our report in terms of subsection (3) and (11) of section 143 of the Act, in so far as it relates to the associate, is solely based on such reports of the other auditors.

We have relied on the unaudited (management certified) financial statements / financial information of twenty-one joint ventures in which the share of Group's Nil included in the consolidated financial Statements. In respect of unaudited (management certified) financial statements, our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, is based solely on such unaudited financial statements/financial information.

Our Opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not qualified in respect of the above matters with respect to our reliance on the work done and the reports of other auditor and financial statements/ financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a). We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b). In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c). The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d). In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e). On the basis of the written representations received from the directors of the Parent Company as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors of the Parent Company, and the reports of the statutory auditors of its subsidiaries and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2019 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 Group and its associate entities incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- (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, as amended in our opinion and to the best of our information and according to the explanations given to us:

- (i) As stated in note no. 31.2 of the consolidated financial statements, the Group and its associate disclosed the impact of pending litigations on the consolidated financial position of the Group and its associate entities in its consolidated financial statements.
- (ii) As per the information and explanations given by the Company, the Group and

its associate entities 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 to us, there has been no delay in transferring the amounts which are required to be transferred to Investor Education & Protection Fund by the Group and its associate entities wherever applicable.

Place: Hyderabad  
Date: 30<sup>th</sup> May, 2019

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

Sd/-  
**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 Parent Company") and its subsidiary (collectively referred to as "the Group"), its Associate and Joint Ventures as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the consolidated financial statements of the parent company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Parent Company, its subsidiary company, its associate company and Joint Ventures are 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 Parent Company, its subsidiary company and its associate companies' 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 Parent 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 Parent Company, its subsidiary company, its associate company and Joint Ventures 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, 2019, 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.

#### **Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one associate companies, which is company incorporated in India, is based on the corresponding report of the auditor of that associate company. Our opinion is not qualified in respect of this matter.

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

Sd/-  
**S V C Reddy**  
Partner  
Membership Number: 224028

Place: Hyderabad  
Date: 30<sup>th</sup> May, 2019



# Consolidated Balance Sheet

as at 31st March, 2019

₹ in Lakhs

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	2a	43,854.19	39,717.66
(b) Capital Work in Progress	2b	702.55	645.28
(c) Intangible Assets	2c	2,226.35	2,220.15
(d) Financial Asset			
(i) Investments	3	117,189.00	119,751.05
(ii) Loans	4	35,482.14	36,374.45
(iii) Other Financial Assets	5	2,232.78	4,444.82
<b>Total Non-Current Assets</b>		<b>201,687.01</b>	<b>203,153.41</b>
<b>Current Assets</b>			
(a) Inventories	6	35,741.42	29,295.67
(b) Financial Asset			
(i) Trade receivables	7	139,300.31	113,371.47
(ii) Cash and cash equivalents	8a	12,820.27	5,699.80
(iii) Other bank balances	8b	20,511.30	19,036.60
(iv) Loans	9	5,786.82	9,090.24
(c) Current Tax Assets	10	14,474.32	13,852.79
(d) Other Current Assets	11	176,734.44	132,577.00
<b>Total Current Assets</b>		<b>405,368.88</b>	<b>322,923.57</b>
<b>TOTAL ASSETS</b>		<b>607,055.89</b>	<b>526,076.98</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	12	3,743.97	3,743.97
(b) Other Equity	13	112,868.26	97,275.69
<b>Total Equity</b>		<b>116,612.23</b>	<b>101,019.66</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	103,137.28	114,380.86
(ii) Other Financial liabilities	15	149,622.97	103,324.97
(b) Provisions	16	482.41	520.21
(c) Deferred Tax Liabilities	17	210.52	713.78
<b>Total Non-Current Liabilities</b>		<b>253,453.18</b>	<b>218,939.82</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	94,986.78	95,908.60
(ii) Trade payables	19	105,075.60	80,427.42
(iii) Other Financial Liabilities	20	27,767.31	24,807.53
(b) Other Liabilities	21	8,818.61	4,761.31
(c) Provisions	22	342.18	212.64
<b>Total Current Liabilities</b>		<b>236,990.48</b>	<b>206,117.50</b>
<b>Total Equity and Liabilities</b>		<b>607,055.89</b>	<b>526,076.98</b>
<b>Significant Accounting Policies</b>	<b>1</b>		
<b>Other Notes forming part of the Financial Statements</b>	<b>31</b>		

As per our Report attached  
**For M O S & Associates LLP**  
Chartered Accountants

For and on behalf of the Board

Sd/-  
**S.V.C. Reddy**  
Partner

Sd/-  
**T. Indira Reddy**  
Chairperson  
DIN : 00009906

Sd/-  
**T.V. Sandeep Kumar Reddy**  
Managing Director  
DIN : 00005573

Place: Hyderabad  
Date: 30<sup>th</sup> May, 2019

Sd/-  
**P. Sreedhar Babu**  
Chief Financial Officer

Sd/-  
**I.V.Lakshmi**  
Company Secretary & Compliance Officer

# Consolidated Statement of Profit and Loss Account

for the year ending 31st March, 2019

₹ in Lakhs

Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>I Revenue from operations</b>	<b>23</b>	346,314.74	291,231.24
<b>II Other Income</b>	<b>24</b>	901.11	656.29
<b>III Total Income (I+II)</b>		<b>347,215.85</b>	<b>291,887.53</b>
<b>IV Expenses</b>			
(a) Cost of Materials Consumed and Cost of Purchases & Services	25	97,077.55	92,485.98
(b) Work Expenditure	26	180,405.49	129,613.15
(c) Changes in Work in Progress	27	(6,286.06)	3,342.49
(d) Employee benefits expenses	28	12,770.64	10,090.43
(e) Finance costs	29	28,436.95	27,544.56
(f) Depreciation and amortization expense	2	6,590.61	5,467.06
(g) Other Expenses	30	7,960.08	21,334.01
<b>Total Expenses (IV)</b>		<b>326,955.26</b>	<b>289,877.68</b>
<b>V Profit / (Loss) before Exceptional items and Tax (III-IV)</b>		20,260.59	2,009.85
<b>VI a) Exceptional items (Net)</b>		-	-
b) Share of Profit / (Loss) of Joint Ventures & Associates		(1,756.65)	(4,515.28)
<b>VII Profit / (Loss) Before Tax</b>		<b>18,503.94</b>	<b>(2,505.43)</b>
<b>VIII Tax Expenses (Refer Note No.31.8)</b>		<b>2,493.85</b>	<b>(554.59)</b>
<b>IX Profit / (Loss) for the year from continuing operations (VII-VIII)</b>		<b>16,010.09</b>	<b>(1,950.84)</b>
<b>X Non-controlling Interest</b>		-	-
<b>XI Profit / (Loss) for the year (IX+X)</b>		<b>16,010.09</b>	<b>(1,950.84)</b>
<b>XII Other Comprehensive Income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
i) Changes in fair value of equity investments	31.17	(723.84)	20,614.14
iii) Re-measurement gains/losses on actuarial valuation of Post Employment defined benefits		82.05	498.23
iii) Income tax relating to Items that will not be reclassified to profit or loss		224.27	(172.42)
<b>Total Other Comprehensive Income (XII)</b>		<b>(417.52)</b>	<b>20,939.95</b>
<b>XIII Total Comprehensive Income for the Year (XI+XII)</b>		<b>15,592.57</b>	<b>18,989.11</b>
<b>XIV Earning per Share (of ₹ 2/- each)</b>	<b>31.7</b>		
Basic and Diluted (₹)		<b>8.55</b>	<b>(1.10)</b>
<b>Significant Accounting Policies</b>	<b>1</b>		
<b>Other Notes forming part of the Financial Statements</b>	<b>31</b>		

As per our Report attached  
**For M O S & Associates LLP**  
Chartered Accountants

For and on behalf of the Board

Sd/-  
**S.V.C. Reddy**  
Partner

Sd/-  
**T. Indira Reddy**  
Chairperson  
DIN : 00009906

Sd/-  
**T.V. Sandeep Kumar Reddy**  
Managing Director  
DIN : 00005573

Place: Hyderabad  
Date: 30<sup>th</sup> May, 2019

Sd/-  
**P. Sreedhar Babu**  
Chief Financial Officer

Sd/-  
**I.V.Lakshmi**  
Company Secretary & Compliance Officer

# Consolidated Statement of Changes in Equity

for the year ended 31st March, 2019

₹ in Lakhs

Particulars	Equity Share Capital (Note No.12)		Other Equity					Total Other Equity
	Capital Reserve	General Reserve	Premium Account	Securities Reserves & Surplus	Equity Component of Compound Financial Instruments		Other Comprehensive Income	
					Retained earnings	Comprehensive Income		
As at 31st March, 2017	143.40	12,300.00	18,814.46	-	16,384.72	(42.48)	47,600.10	
Changes in Equity Share Capital	-	-	-	-	-	-	-	
Equity Component on compounded financial instrument of subsidiary	-	-	-	9,123.06	-	-	9,123.06	
Premium received on Shares issued during the year	-	-	19,801.07	-	-	-	19,801.07	
QIP Issue Expenses	-	-	(931.86)	-	-	-	(931.86)	
Effect of Coupon return on CCD'S provided in the previous years in subsidiary company	-	-	-	-	2,694.21	-	2,694.21	
Other Comprehensive Income	-	-	-	-	-	20,939.95	20,939.95	
Surplus / (Deficit) for the year	-	-	-	-	(1,950.84)	-	(1,950.84)	
As at 31st March, 2018	143.40	12,300.00	37,683.67	9,123.06	17,128.09	20,897.47	97,275.69	
Other Comprehensive Income	-	-	-	-	-	(417.52)	(417.52)	
Surplus / (Deficit) for the year	-	-	-	-	16,010.09	-	16,010.09	
As at 31st March, 2019	143.40	12,300.00	37,683.67	9,123.06	33,138.18	20,479.95	112,868.26	

As per our Report attached  
**For M O S & Associates LLP**  
Chartered Accountants

For and on behalf of the Board

Sd/-  
**S.V.C. Reddy**  
Partner

Sd/-  
**T. Indira Reddy**  
Chairperson  
DIN : 00009906

Sd/-  
**T.V. Sandeep Kumar Reddy**  
Managing Director  
DIN : 00005573

Place: Hyderabad  
Date: 30<sup>th</sup> May, 2019

Sd/-  
**P. Sreedhar Babu**  
Chief Financial Officer

Sd/-  
**I.V.Lakshmi**  
Company Secretary & Compliance Officer

# Consolidated Statement of Cash Flows

for the year ending 31st March, 2019

₹ in Lakhs

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>A Cash Flow from Operating Activities:</b>		
Profit before Tax excluding extraordinary and exceptional items	20,260.06	2,009.85
Adjustments for:		
Share of Profit/(Loss) from Joint Ventures & Associates	-	(3,267.28)
Depreciation and amortization	6,590.61	5,467.06
Interest and other Income	(237.97)	716.35
Loss / (Profit) on sale of Property, Plant and Equipment	(1.30)	(30.00)
Finance Costs	28,201.96	27,544.56
Loss on Sale on Investment	-	14,242.76
Provision for doubtful advance/ Goodwill	55.96	-
Foreign Currency Translation and Transactions – ECB	234.99	-
Changes in Fair Value of Equity Investment	81.55	-
<b>Operating Profit before working Capital Changes</b>	<b>55,185.86</b>	<b>46,683.30</b>
Adjustments for:		
(Increase) / Decrease in Trade Receivables	(25,928.84)	(37,906.59)
(Increase) / Decrease in non-current financial asset	891.34	15,391.61
(Increase) / Decrease in current financial asset	(1,782.97)	3,143.75
(Increase) / Decrease in Other current assets	(42,884.85)	(34,690.73)
(Increase) / Decrease in Inventory	(6,445.75)	6,709.52
Increase / (Decrease) in current financial liabilities	3,983.96	361.98
Increase / (Decrease) in non-current financial liabilities	46,471.79	11,176.31
Increase / (Decrease) in Trade Payables	24,648.18	14,348.21
<b>Cash (used in) / generated from Operating activities</b>	<b>54,138.72</b>	<b>25,217.36</b>
Direct Taxes paid (Net)	(2,577.66)	(3,879.68)
<b>Net Cash (used in)/ generated from Operating Activities (A)</b>	<b>51,561.06</b>	<b>21,337.68</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment including capital work-in-progress	(10,784.41)	(5,636.34)
Purchase of Non-Current Investments	-	7,190.36
Net proceeds from in bank deposits (having original maturity of more than three months)	(1,444.89)	(3,110.97)
Recovery / (Payment) of Advances	-	(741.34)
Proceeds from sale of Property, Plant & Equipment	1.30	30.00
Interest and other income received	208.16	(716.35)
<b>Net Cash (used in)/ generated from Investing Activities (B)</b>	<b>(12,019.84)</b>	<b>(2,984.64)</b>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from issue of Share Capital including share premium	-	20,000.00
Foreign Currency Translation and Transactions – ECB	(234.99)	-
Net Proceeds from/(Repayment of) Long term borrowings	(8,540.77)	(3,980.50)
Net Proceeds from / (Repayment of) Short term borrowings	4,226.63	(3,914.20)
QIP Issue Expenses paid	-	(931.86)
Finance Costs	(27,871.62)	(27,605.14)
<b>Net Cash (used in)/ generated from Financing Activities (C)</b>	<b>(32,420.75)</b>	<b>(16,431.70)</b>
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	7,120.47	1,921.34
Cash and Cash Equivalents at the beginning of the year	5,699.80	3,778.46
<b>Cash and Cash Equivalents at the end of the year</b>	<b>12,820.27</b>	<b>5,699.80</b>

**Note:**

a Figures in brackets represent cash outflows.

b The Accompanying Notes and other explanatory information form an integral part of the Financial Statements.

As per our Report attached

**For M O S & Associates LLP**  
Chartered Accountants

For and on behalf of the Board

Sd/-  
**S.V.C. Reddy**  
Partner

Sd/-  
**T. Indira Reddy**  
Chairperson  
DIN : 00009906

Sd/-  
**T.V. Sandeep Kumar Reddy**  
Managing Director  
DIN : 00005573

Place: Hyderabad  
Date: 30<sup>th</sup> May, 2019

Sd/-  
**P. Sreedhar Babu**  
Chief Financial Officer

Sd/-  
**I.V.Lakshmi**  
Company Secretary & Compliance Officer

## **1. SIGNIFICANT ACCOUNTING POLICIES**

### **1.1 (a) Compliance with Indian Accounting Standards (Ind AS)**

The Group's Consolidated Financial statements have been prepared to comply with generally accepted accounting principles in accordance with the Indian Accounting Standards (herein after referred to as "Ind AS") as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act 2013 ("the Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendments rules 2016.

### **1.2 a) Basis of Preparation and Presentation of Financial Statements**

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

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

are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### **b) Principles of Consolidation**

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

#### **i. Investments in Subsidiaries:**

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

#### **ii. Investments in Associates:**

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

#### **iii. Investments in Joint Ventures:**

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

about the relevant activities require unanimous consent of the parties sharing control.

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

- iv. The financial statements are presented to the extent possible, in the same manner as the parent company's independent financial statements.
- v. On acquisition of Investment in a joint venture or associate, any excess of cost over investment over the fair value of the assets & liabilities of the joint venture is recognized as goodwill and is included in the carrying value of the investment in the joint venture and associate. The excess of fair value of assets and liabilities over the investment is recognized directly in equity as capital reserve.

Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned directly or indirectly by the parent company.

- a) Non-controlling interest in the net assets of consolidated subsidiaries consists of:
  - i) The amount of equity not attributable to owners of parent company at the date on which investment in a subsidiary is made; and
  - ii) The Non-controlling share of changes in the equity since the date the parent subsidiary relationship came into existence.
- b) Non-controlling interest in the net profit/(loss) for the year of consolidated subsidiaries is computed and adjusted against the net profit/(loss) after tax of the group.

Non-controlling interest in the net assets of the consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet under the head Total Equity group.

### 1.3 Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management of the Group to make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as on the date of the financial statements. Actual results may differ from these estimates. The Group evaluates these estimations and assumptions on a continuous basis based on the historical experience and other factors including expectation of future events believed to be reasonable. Examples of such estimates include the useful lives of tangible and intangible fixed assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, estimation of costs as a proportion to the total costs, etc.,. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known/ materialized. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, are disclosed in the Notes to Accounts.

### 1.4 Revenue Recognition

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified Ind AS 115 – "Revenue from Contracts with Customers" for recognition of Revenue, which is effective for accounting periods beginning on or after 1st April, 2018. The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective 1st April, 2018. Ind AS 115 supersedes Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue". The Company has applied Ind AS 115 using the modified retrospective method and the cumulative impact of transition to Ind AS 115 is negligible amount.

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue

recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when the it becomes unconditional.

The management of the company has applied significant judgement in determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation and determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

The specific revenue recognition policy adopted is as follows:

**A. Revenue from Operations**

**a. Revenue from Construction activity:**

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

- ii) The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract
- iii) Price escalation and other variations in the contract work are included in contract revenue only when:
  - a) Negotiations have reached at an advanced stage such that it is probable that customer will accept the claim and
  - b) The amount that is probable will be accepted by the customer and can be measured reliably.
- iv) Incentive payments, as per customer-specified performance standards, are included in contract revenue only when:
  - a) The contract has sufficiently advanced such that it is probable that the specified performance standards will be met; and
  - b) The amount of the incentive payment can be measured reliably.
- v) Contract Claims raised by the company which can be reliably measured and have reached an advanced stage of arbitration and claims pending in High courts have been recognized as income including eligible interest thereon.

- b. Contract Revenue from supply of materials:** Revenue from supply of materials is recognized when substantial risk and rewards of ownership are transferred to the buyer and invoice for the same are raised.

**c. Revenue receipts from Joint Venture Contracts**

- i) In work sharing Joint Venture arrangements, revenues, expenses, assets and liabilities are accounted for in the Company's books to the extent work is executed by the Company.
- ii) In Jointly Controlled Entities, the share of profits or losses is accounted as and when dividend/ share of profit or loss are declared by the entities.

**d. Other Operational Revenue:**

- i) All other revenues are recognized only when collectability of the resulting



receivable is reasonably assured and related goods / services are transferred to the customer.

- ii) Revenue is reported net of discounts, if any.

**B. Other Income**

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

**1.5 (a) Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation thereon. Expenditure which are capital in nature are capitalized at cost, which comprise of purchase price (net of rebates and discounts), import duties, levies, financing costs and all other expenditure directly attributable to bringing the asset to its working condition for its intended use.

Any gain/loss on the disposal of the Property, Plant and Equipment is recognized in the Statement of Profit & Loss account and is determined as the difference between the sales proceeds and the carrying amount of the asset.

**(b) Capital Work in Progress**

Property, Plant and Equipment which are purchased but not yet installed and not ready for their intended use on the date of balance sheet are disclosed as “Capital Work-in-Progress”. Cost of materials used in the process of erection/ installation of an asset but not yet completed as on the reporting date are also disclosed as “Capital Work-in-Progress”.

**1.6 Depreciation and amortization**

In respect of Property, Plant & Equipment (other than Land and Capital Work in Progress) depreciation / amortization is charged on a straight line basis over the useful lives as specified in Schedule II to the Companies Act 2013..

Assets individually costing ₹20,000/- or less and temporary structures are fully depreciated in the year of acquisition.

The residual values and useful lives are reviewed at the end of the reporting period.

**1.7 Impairment of Non-Financial Assets**

As at each Balance Sheet date, the Group assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Group determines the recoverable amount and impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

**Recoverable amount is determined:**

- In case of an individual asset, at the higher of the Assets’ fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit’s fair value less cost to sell and value in use.
- In assessing Value in Use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified with the asset. In determining fair value less cost to sell, recent market transactions are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through the Statement of Profit and Loss.

**1.8 Financial Instruments**

Financial Assets and Financial Liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial Assets and Financial Liabilities are

initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets and Financial Liabilities (other than Financial Assets and Financial Liabilities at fair value through profit or loss) are added to or deducted from the fair value of the Financial Assets or Financial Liabilities, as appropriate, on initial recognition.

### 1.9 Financial Assets

Financial Asset is any Asset that is -

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

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

Investment in preference shares are classified as debt instruments and carried at Amortized cost if they are not convertible into equity instruments and are not held to collect contractual cash flows. Other Investment in preference shares which are classified as Debt instruments are mandatorily carried at Fair value through Profit & loss Account (FVTPL).

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

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

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

#### Impairment of Financial Assets

In accordance with Ind AS 109, the Group

applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss.

#### Financial Liabilities

Financial liabilities are recognized at fair value net of transaction costs and are subsequently held at amortized cost using the effective interest rate method. Financial liabilities carried at fair value through profit and loss are measured at fair value with changes in fair value recognized in the profit and loss account. Interest bearing bank loans are initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

**De-recognition of Financial Instruments**

A Financial Asset is derecognized when the right to receive cash flows from the asset have expired or the Group has transferred substantially all the risks and rewards or the right to receive the cash flows under a contractual arrangement or has transferred the asset.

A Financial Liability is derecognized when the obligation under the liability is discharged or cancelled or expired. In the case where the existing liability is replaced by another liability either from the same lender or otherwise such an exchange is treated as de-recognition of the original liability and recognition of a new liability. Any change in the carrying amount of a liability is recognized in the Statement of Profit and Loss.

The Group has entered into certain forward contracts in respect of foreign currency risks. The gain or loss relating to the ineffective portion of the hedge is recognized immediately in the Statement of Profit and Loss.

**1.10 Inventories and Work in Progress**

Raw Materials, Construction Materials and Stores & Spares are valued at lower of weighted average cost or net realizable value. Cost includes direct material, work expenditure, labour cost and appropriate overheads excluding refundable duties and taxes.

Work in Progress is valued at contracted rates less profit margin / estimates.

**1.11 Cash & Cash Equivalents**

Cash and Cash Equivalents are short term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of change in value and have maturities of three months or less.

**1.12 Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation in respect of which reliable estimate can be made as on the balance sheet date.

Contingent Liabilities are present obligations arising from a past event, when it is not probable / probability is remote that an outflow of

resources will be required to settle the obligation and they are not recognized but are disclosed in the notes.

Contingent Assets are neither recognized nor disclosed in the financial statements except where it has become virtually certain that an inflow of economic benefit will arise, the asset and the related income are recognized in financial statements of the period in which the change occurs. Provisions for Contingent Liabilities and Contingent Assets are reviewed at the end of Balance Sheet date.

**1.13 Foreign Currency Transactions and Translation**

The reporting currency of the Group is Indian Rupee. Foreign Currency Transactions are translated at the functional currency spot rates prevailing on the date of transactions.

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

Non-monetary foreign currency items are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

**1.14 Employee Benefits**

Payments to Defined Contribution schemes are charged as an expense as they fall due. Company's provident fund in respect of certain employees is made to a government administered fund and charged as an expense to the Statement of Profit and Loss.

Liability for employee benefits, both short and long term, for present and past service which are due as per the terms of employment are recorded in accordance with Indian Accounting Standard 19 "Employee Benefits" issued by the Companies (Accounting Standard) Rules, 2015. Re-measurement gains / losses on post-employment defined benefits comprising gains/ losses is reflected immediately in the balance sheet with a charge or credit to other comprehensive income in the period in which it arises.

**i) Gratuity**

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

**ii) Provident Fund**

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

**iii) Compensated Absences**

The employees are entitled to accumulate leave subject to certain limits, for future encashment and availment, as per the policy of the Group.

The liability towards such unutilized leave as at the end of each balance sheet date is determined based on independent actuarial valuation and recognized in the Statement of Profit and Loss.

**1.15 Deferred Revenue Expenditure**

Projects and other related expenditure incurred up to 31<sup>st</sup> March, 2019, the benefit of which is spread over more than one year is accounted as Project Promotion Expenses grouped under Other Advances and is amortized over the period in which benefits would be derived.

**1.16 Leases**

**a) Finance Lease**

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

**b) Operating Leases**

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

**1.17 Earnings per Share (EPS)**

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

**1.18 Taxation**

**i) Current Tax**

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

**ii) Deferred Taxes**

Deferred Tax is the tax expected to be payable or recoverable on differences between the carrying amount of the assets and liabilities for financial reporting purpose and the corresponding tax bases used in computation of taxable profit. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

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

### 1.19 Commitments

Commitments are future liabilities for contractual expenditure.

Commitments are classified and disclosed as follows:

- a. Estimated amount of contracts remaining to be executed on capital account and not provided for;
- b. Uncalled liability on shares and other investments partly paid;
- c. Funding related commitment to subsidiary, associate and joint venture companies and
- d. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/ procurements made in the normal course of business are not disclosed to avoid excessive details.

### 1.20 Operating cycle for current and non-current classification

Operating cycle for the business activities of the Group covers the duration of the specific project/contract including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

### 1.21 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

- i. transactions of a non-cash nature;
- ii. any deferrals or accruals of past or future operating cash receipts or payments; and
- iii. items of income or expense associated from investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in the Statement of Cash Flows

### 1.22 Exceptional Items:

Items of income and expenditure within profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the period, the nature and amount of such items are disclosed separately as Exceptional Items.

### 1.23 Borrowing Cost

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

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

### 1.24 Standards issued but not effective : Ind AS 116:

On 30th March, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116, Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The amendment will come into force from 1<sup>st</sup> April, 2019. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 116 is expected to be insignificant.

**2a Property, Plant and Equipment**

Particulars	Gross Carrying amount as at April 1, 2018	Additions/ Adjustment during the year	Deletions / Retirement during the year	Gross Carrying amount as at March 31, 2019	Accumulated Depreciation as at April 1, 2018	Depreciation for the Year	Deductions/ Adjustment during the year	Accumulated Depreciation as at March 31, 2019	Net Carrying amount as at March 31, 2019	Net Carrying amount as at March 31, 2018
Land	6,246.52	-	-	6,246.52	-	-	-	-	6,246.52	6,246.52
Plant and Equipment	61,251.35	10,455.77	-	71,707.12	29,729.45	6,163.65	-	35,893.10	35,814.02	31,521.90
Furniture and Fixtures	645.95	34.78	-	680.73	286.29	56.89	-	343.18	337.55	359.66
Vehicles	3,876.47	236.59	9.29	4,103.77	2,286.89	370.07	9.29	2,647.67	1,456.10	1,589.58
Total	72,020.29	10,727.14	9.29	82,738.14	32,302.63	6,590.61	9.29	38,883.95	43,854.19	39,717.66

**2b. Capital work in Progress**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening Balance	645.28	3,047.02
Additions during the year	433.55	7.96
Less : Capitalisation / Adjustments during the year	(376.28)	(2,409.70)
Closing Balance	702.55	645.28

**2c. Intangible Asset**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening Goodwill on consolidation / Amalgamation	2,220.15	2,220.15
Additions during the year	7.18	-
Less : Amortisation of Goodwill	(0.98)	-
Total	2,226.35	2,220.15



**3. Investments**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Unquoted</b>		
<b>A. Investment in Associate Companies</b>		
i) 26,36,13,095 (as at 31 <sup>st</sup> March, 2018 : 26,36,13,095) Equity share of ₹10/- each fully paid - NCC Infrastructure Holdings Ltd (Refer Note No.31.22)	18,374.98	20,131.54
ii) 30,000 (as at 31st March, 2018 : 30,000) equity share of ₹10/- each fully paid up - Sembcorp Gayatri O&M Co. Pvt Ltd	1.79	1.88
<b>B. Other Investments</b>		
<b>a) Investment in Other Companies</b>		
i) 7,82,87,796 (As at 31 <sup>st</sup> March 2018 : 7,82,87,796) - 4% Compulsorily Convertible Cumulative Preferential Shares (CCCPS) of ₹10/- each, fully paid in Gayatri Hitech Hotels Ltd. (Refer Note No. 3.1 below)	19,571.95	19,571.95
ii) 32,34,52,917 (As at 31 <sup>st</sup> March 2018 : 32,34,52,917) Shares of ₹10/- of Sembcorp Energy India Limited (Formerly Thermal Powertech Corporation India Limited) (Refer Note No.3.3 below)	60,162.40	60,162.40
iii) 2,74,49,989 (as at 31 <sup>st</sup> March, 2018 :2,74,49,989) Equity shares of ₹10/- each fully paid up - Jinbhush Power Generation Pvt Ltd (Refer Note No.3.4 below & Note No.31.23)	3,000.00	3,000.00
<b>b) Investment in Associate Companies</b>		
i) 16,77,00,300 (As at 31 <sup>st</sup> March 2018 : 16,77,00,300) 9% Non-Convertible Cumulative Redeemable Preference Shares of ₹10/- each, fully paid in Gayatri Highways Ltd (formerly Gayatri Domicile Pvt. Ltd.) (Refer Note No.3.2 below)	16,770.03	16,770.03
<b>Quoted</b>		
<b>a) Investment in Associate Companies</b>		
i) 6,24,00,000 (as at 31 <sup>st</sup> March, 2018 : 6,24,00,000) Equity Shares of ₹2/- each, fully paid in Gayatri Highways Ltd (formerly Gayatri Domicile Pvt.Ltd.) (Refer Note No.3.5 below)	-	-
ii) 11,63,607 (As at 31 <sup>st</sup> March 2018 : 11,63,607) Equity Shares of ₹10/- each in Gayatri Sugars Ltd. (Refer Note No. 3.6 below)	293.10	293.10
iii) 1,728 (As at 31 <sup>st</sup> March 2018: 1,728 Equity Shares of ₹10/- each in Syndicate Bank Ltd., Gain/(Loss) on Fair Valuation of Investments	0.86 (986.11)	0.86 (180.71)
<b>Total</b>	<b>117,189.00</b>	<b>119,751.05</b>

**Details of Quoted and Unquoted Investments:**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Aggregate Amount of Quoted Investment	(692.15)	113.25
Aggregate Market value of Quoted Investment	113.25	113.25
Aggregate Amount of Unquoted Investment	100,327.81	101,575.81

- 3.1) 7,82,87,796 4% Compulsorily Convertible Cumulative Preferential Shares held by the Company in Gayatri Hi-Tech Hotels Ltd have been pledged to IDBI Trusteeship Services Limited for the credit facilities availed by the company from consortium lenders.
- 3.2) 16,77,00,300 9% Non Convertible Cumulative Redeemable Preference Shares held by the Company in M/s. Gayatri Highways Limited (formerly Gayatri Domicile Pvt.Ltd) have been pledged to IDBI Trusteeship Services Limited for the credit facilities availed by the company from consortium lenders.
- 3.3) All the Equity shares of Sembcorp Energy India Limited (Formerly Thermal Powertech Corporation India Limited) held by Gayatri Energy Ventures Private Limited (a subsidiary company) were pledged in favour of Edelweiss Credit Opportunities Fund and ECL Finance Limited as a collateral security for NCD's issued by the subsidiary company.
- 3.4) 2,74,49,989 Equity Shares of Jinbhush Power Generation Pvt Ltd (JPGPL) held by Gayatri Energy Ventures Pvt. Ltd are pledged with the Escrow agent (ICICI Bank) in favour of JPGPL in terms of exit agreement.
- 3.5) 6,23,00,000 Equity shares of Gayatri Highways limited (GHL) (formerly Gayatri Domicile Pvt.Ltd) have been pledged to IL&FS Securities Services Limited (Security Trustee) for the credit facilities availed by GHL from IL&FS Financial Services Limited.
- 3.6) 11,63,607 Equity Shares held by the company in Gayatri Sugars Limited have been pledged to IDBI Trusteeship Services Limited for the credit facilities availed by the company from consortium lenders.



**4. Loans**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Security Deposit with Govt. Depts and Others	29.36	45.37
Loans to Related Parties - Unsecured, Considered Good		
Loan to Subsidiaries of Associates (Refer Note No.31.20)	-	17,946.01
Loan to Associates (Refer Note No.31.20)	17,967.01	-
Loans to Entities in which KMPs have substantial interest	741.34	741.34
Less : Provision for Expected Credit Loss	(1,931.71)	(1,034.41)
To Others - Unsecured, Considered Good		
Inter Corporate Loan ( Refer Note No. 31.15)	18,676.14	18,676.14
<b>Total</b>	<b>35,482.14</b>	<b>36,374.45</b>

**5. Other Financial Assets**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured, Considered Good</b>		
Call option fee paid (Refer Note No.31.24)	2,125.56	2,125.56
Advance to a Company where KMP having substantial interest	107.22	2,264.27
Other Advances	54.99	54.99
Less : Provision for doubtful Advances	(54.99)	-
<b>Total</b>	<b>2,232.78</b>	<b>4,444.82</b>

**6. Inventories**

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Construction materials, Stores and Spares	18,691.32	18,531.63
(b) Work in Progress	17,050.10	10,764.04
<b>Total</b>	<b>35,741.42</b>	<b>29,295.67</b>

**7. Trade Receivables**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good		
- Related Parties:	637.38	656.88
- Others (Refer Note No.31.17)	138,914.50	112,714.59
<b>Sub Total</b>	<b>139,551.88</b>	<b>113,371.47</b>
Less : Provision for Expected Credit Loss	(251.57)	-
<b>Total</b>	<b>139,300.31</b>	<b>113,371.47</b>

**8. Cash and cash equivalents and other bank balances**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>a) Cash and Cash Equivalents</b>		
(a) Balances with banks		
In current accounts	10,587.59	3,868.65
In deposit accounts	2,163.73	1,796.55
(b) Cash in hand	68.95	34.60
	12,820.27	5,699.80
<b>b) Other Bank Balances (having maturity more than three months)</b>		
i. Margin money for Bank Guarantees / LCs	20,511.30	19,036.60
	20,511.30	19,036.60
<b>Total</b>	<b>33,331.57</b>	<b>24,736.40</b>

**9. Loans**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>To Related Parties - Unsecured, Considered Good</b>		
- Loans to Associates	1,025.04	3,501.91
<b>To Others - Unsecured, Considered Good</b>		
- Loans (Refer Note No.31.18)	6,627.34	6,407.66
Less : Provision for Expected Credit Loss	(1,865.56)	(819.33)
<b>Total</b>	<b>5,786.82</b>	<b>9,090.24</b>

**10. Current Tax Assets (Net)**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Income Tax receivable	4,865.75	6,504.29
MAT Credit Entitlement	2,501.44	
VAT refund Receivable	1,765.85	1,761.75
GST Input Credit	5,341.28	5,586.75
<b>Total</b>	<b>14,474.32</b>	<b>13,852.79</b>

**11. Other Current Assets**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deposits with Contractees	32,493.96	17,792.87
Deposits with Govt. Dept & Others	1,187.35	776.24
Other receivable (Refer Note No.31.14)	3,992.95	8,441.28
Claims receivable (Refer Note No.1.4.A(a)(v))	41,483.67	20,596.92
Project mobilisation expenses	10,002.26	6,389.31
Interest accrued but not Due (Refer Note No.31.15)	16,799.43	15,138.00
Prepaid Expenses	2,574.45	1,682.68
Share Application Money Given Pending for Allotment (Refer Note No.31.23)	1,544.46	1,523.80
<b>Advances - Unsecured, considered Good</b>		
- Advances to Suppliers	7,750.47	2,749.93
- Advances to Sub-Contractors (Refer Note No.31.16)	55,492.82	56,242.93
- Staff Advances	277.87	174.36
- Advance for Purchase of Equity Shares (Refer Note No.31.23)	1,000.00	1,000.00
- Others Receivables	2,134.75	68.68
<b>Total</b>	<b>176,734.44</b>	<b>132,577.00</b>

**12. Equity Share capital**

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
(i) Authorised Share Capital Equity shares of ₹ 2/- each	400,000,000	8,000.00	400,000,000	8,000.00
(ii) Issued Share Capital Equity shares of ₹ 2/- each	187,198,685	3,743.97	187,198,685	3,545.04
(iii) Subscribed and fully paid up Share Capital Equity shares of ₹ 2/- each	187,198,685	3,743.97	187,198,685	3,743.97
<b>Total</b>	<b>187,198,685</b>	<b>3,743.97</b>	<b>187,198,685</b>	<b>3,743.97</b>

**12(a) Terms / Rights, Preferences and restrictions attached to Equity Shares:**

The company has only one class of shares referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**12 (b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
Equity shares of ₹ 2/- each :				
At the beginning of the period	187,198,685	3,743.97	177,251,900	3,545.04
Add: Shares issued during the year to QIP			9,946,785	198.93
Outstanding at the end of the period	187,198,685	3,743.97	187,198,685	3,743.97

**12(c) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: Nil****12(d) Details of shares held by each shareholder holding more than 5% shares:**

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares of ₹2/- each				
Indira Reddy Tikkavarapu	57,129,500	30.52	57,129,500	30.52
Sandeep Kumar Reddy Tikkavarapu	27,019,810	14.43	27,019,810	14.43
GMO Emerging Markets Fund	16,772,852	8.96	16,772,852	8.96
Mentor Capital Limited	13,024,706	6.96	-	-
GMO Emerging Domestic Opportunities Fund	11,052,457	5.90	11,808,095	6.31
Government of Singapore	10,559,063	5.64	1,055,063	5.65

**13. Other Equity**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>(a) Capital Reserve</b>		
Opening balance	143.40	143.40
Add : Additions to Reserve during the year	-	-
<b>Closing balance</b>	<b>143.40</b>	<b>143.40</b>
<b>(b) General Reserve</b>		
Opening balance	12,300.00	12,300.00
Add: Amount transferred from Statement of Profit and Loss	-	-
<b>Closing balance</b>	<b>12,300.00</b>	<b>12,300.00</b>
<b>(c) Securities Premium Account</b>		
Opening balance	37,683.67	18,814.46
Add: Premium received on Shares issued during the year	-	19,801.07
Less : QIP Issue Expenses	-	(931.86)
<b>Closing balance</b>	<b>37,683.67</b>	<b>37,683.67</b>
<b>(d) Equity Component of Compound Financial Instruments</b>		
Opening balance	9,123.06	-
Equity Component on compounded financial instrument of subsidiary company	-	9,123.06
<b>Closing balance</b>	<b>9,123.06</b>	<b>9,123.06</b>
<b>(e) Retained earnings</b>		
Opening balance	17,128.09	16,384.72
Add : Surplus / (Deficit) for the year	16,010.09	(1,950.84)
Effect of Coupon return on CCD'S provided in the previous years in subsidiary company	-	2,694.21
<b>Closing balance</b>	<b>33,138.18</b>	<b>17,128.09</b>
<b>(f) Other Comprehensive Income</b>		
Opening balance	20,897.47	(42.48)
Add: Movement in OCI (Net) during the year	(417.52)	20,939.95
<b>Closing balance</b>	<b>20,479.95</b>	<b>20,897.47</b>
<b>Total (a+b+c+d+e+f)</b>	<b>112,868.26</b>	<b>97,275.69</b>

**14 Borrowings**

₹ in Lakhs

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Non- Current	Current	Non-Current	Current
<b>Secured</b>				
<b>(i) Non-Convertible Debentures at amortised cost</b> (Refer Note No.14.1 & 14.4)				
a. 15.6% Non Convertible Debentures (NCD) of Face Value ₹10,00,000/- each Series I	2,422.00	1,750.00	4,172.00	1,750.00
b. 15.6% Non Convertible Debentures (NCD) of Face Value ₹10,00,000/- each Series II	14,602.94	-	14,986.93	-
<b>ii) Term Loans from Banks</b>				
a. Equipment Loans (Refer Note No.14.6 & 14.10)	6,649.12	7,162.30	5,298.68	6,616.91
b. Other Term Loans (Refer Note No. 14.7 & 14.10)	57,510.63	8,162.96	60,011.12	8,465.34
c. External Commercial Borrowings(Refer Note No.14.8)	-	2,632.77	7,527.49	1,112.00
<b>iii) Term Loans from others</b>				
a. Equipment Loans (Refer Note No. 14.6 & 14.10)	6,927.95	2,835.59	6,796.06	1,920.83
b. Vehicle Loans (Refer Note No. 14.9 & 14.10)	124.17	106.02	199.41	81.75
<b>Un-secured</b>				
a. From Directors	-	-	488.70	-
b. 9% Optionally Fully Convertible Debentures (OFCD) of ₹10 each (Refer Note 14.2 & 14.5)	-	992.50	-	992.50
c. 0.01% Compulsorily Convertible Debentures (CCD'S) of Face Valueof ₹1483/- each (Unlisted) Refer Note No.14.3& 14.4 )	14,900.47	-	14,900.47	-
<b>Total</b>	<b>103,137.28</b>	<b>23,642.14</b>	<b>114,380.86</b>	<b>20,939.33</b>

**14.1 15.6% Non Convertible Debentures (NCD) of Face Value Rs 10,00,000/- each Series I & Series II- Secured (of the subsidiary company):**

**a. Terms of repayment:**

- (i) The tenure of series I debentures shall be 48 months from the date of allotment of debentures and shall be redeemed in 16 equal quarterly installments commencing from 31<sup>st</sup> December, 2017. The debentures shall be redeemed on pari-passu basis
- (ii) The tenure of series II debentures shall be 48 months from the date of allotment of debentures and shall be redeemed at the end of the 36th & 48th Months in two equal installments. The debentures shall be redeemed on pari-passu basis
- (iii) The Series I & II debentures shall carry a running coupon rate of 12 % per annum compounded monthly payable quarterly on 30<sup>th</sup> September, 31<sup>st</sup> December, 31<sup>st</sup> March and 30<sup>th</sup> June each year. The First Coupon payment shall be 31st December, 2017 for Series I NCDs & 30<sup>th</sup> September, 2018 for Series II NCDs respectively.

**b. Nature of Security**

- (i) 32,34,52,917 equity shares of Sembcorp Energy India Limited (Formerly Thermal Powertech Corporation India Limited) held by Gayatri Energy Ventures Private Limited (a subsidiary company) were pledged in favour of ECL Finance Limited and Edelweiss Credit Opportunities Fund as a collateral security for NCD's issued by the Subsidiary Company.
- (ii) Pledge of 26% of paid up Equity Share Capital of the subsidiary company held by the Company.
- (iii) Pledge of 2,25,24,190 and 74,75,810 (Total Three Crores) Equity Shares of the Company held by the promoter directors Mrs. T. Indira Reddy and Mr. T. V Sandeep Kumar Reddy infavour of Edelweiss Credit Opportunities Fund and ECL Finance Limited as a collateral security for NCD's.

**14.2 Terms of OFCD and repayment (of Subsidiary Company):**

During the year, the Subsidiary company has defaulted in repayment of dues to the holders of OFCDs. However, the subsidiary company has entered into a revised agreement with the holders of OFCDs. As per terms of the revised agreement, the holders of OFCDs have a right to swap their OFCDs before 30/10/2019 against equity shares of the subsidiary company.

**14.3 Terms of Compulsorily Convertible Debentures (CCD's) and repayment (of Subsidiary Company):**

- a) 16,19,928 CCD's were issued by the Subsidiary company during previous year to NCC Infrastructure Holdings Ltd (NCCIHL) pursuant to purchase of Sembcorp Gayatri Power Limited (then) Shares from them.

b) Issuer shall pay interest on CCD'S at 0.01%. Such interest shall accrue and be paid annually in arrears at purchasers discretion with previous communication to selling shareholder.

c) CCD'S shall be compulsorily converted into 16,19,928 shares within a period of 5 years from the date of their issuance (Conversion ratio is 1:1).

**14.4 Maturity Profile of NCD's and CCD's is set out below:**

₹ in Lakhs

Particulars	2020-21	2021-22	2022-23	2023-24 onwards
Non-Convertible Debentures (NCD)				
Series I	1,750.00	875.00	-	-
Series II	7,500.00	7,500.00	-	-
Compulsorily Convertible debentures (CCD)	-	-	24,023.53	-
<b>Total</b>	<b>9,250.00</b>	<b>8,375.00</b>	<b>24,023.53</b>	<b>-</b>

**14.5 The Subsidiary Company has defaulted in payment of interest and redemption of OFCDs as stated below:**

Debentures	Interest		Debentures due for	
	Period of Defaults (in days)	Amount in ₹ Lakhs	Period of Defaults (in days)	Amount in ₹ in Lakhs
Optionally Fully Convertible Debentures	283	241.40	283	992.50

**14.6 Equipment Loans from banks and others**

The Equipment loans are secured by hypothecation of specific equipments acquired out of the said loans and all these loans are guaranteed by directors. The rate of interest on these loans varies between 11% to 15%.

Bank to meet a part of funds requirement towards redemption of outstanding FCCBs. The ECB loan is repayable in 24 quarterly installments commencing from October 2013 with rate of interest at 3 months USD LIBOR+500bps.

**Nature of Security**

- (i) Equitable mortgage of immovable property of 600 acres in the name of step down subsidiary company.
- (ii) Pledge of unencumbered equity shares of promoters in Gayatri Projects Ltd.
- (iii) Personal guarantee of the two promoter directors.

**14.7 Term loans**

The secured term loans are secured by hypothecation of construction equipments not specifically charged to other banks, immovable properties of group companies and personal guarantees of the Promoter Directors. The rate of interest varies between 11% to 13% with an average yield of 12.04% p.a.

**14.8 External Commercial Borrowing:**

Details of External Commercial Borrowings

The Company availed Foreign Currency Loan of USD \$ 24.42 million from an Indian Scheduled

**14.9 Vehicle Loans:**

The Vehicle loans availed are secured by hypothecation of specific vehicles purchased out of the said loans. The vehicle loans carry interest rate between 11% to 15% p.a.

**14.10 Maturity Profile of long term borrowings is set out below:**

₹ in Lakhs

Particulars	2020-21	2021-22	2022-23	2023-24 onwards
Equipment loans from Banks	3,885.47	1,362.71	1,400.94	-
Term Loans from Banks	13,003.01	18,855.55	18,855.55	6,796.52
Equipment loans from Others	2,967.26	2,946.51	1,138.35	-
<b>Total</b>	<b>19,855.74</b>	<b>23,164.77</b>	<b>21,394.84</b>	<b>6,796.52</b>

**14.11** Current Maturities of long term borrowings to be repaid within next twelve months have been disclosed under the head "Other Current Liabilities" (Refer Note No.20).

**14.12** Interest amount of ₹ 858.30 Lakhs for the month of March, 2019 debited on 31.03.2019 is due as on Balance Sheet date.

**15. Other Financial Liabilities**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advances from Contractees	144,522.97	97,024.96
Margin Money Deposits received	5,100.00	6,300.01
<b>Total</b>	<b>149,622.97</b>	<b>103,324.97</b>

**16. Provisions**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Employee Benefits	482.41	520.21
<b>Total</b>	<b>482.41</b>	<b>520.21</b>

**17. Deferred Tax Liabilities**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>(a) Deferred Tax (Asset) on timing Differences:</b>		
i) on account of Gratuity and Leave Encashment	(61.08)	(38.11)
ii) on account of IND AS Adjustments	(65.09)	(65.09)
<b>(b) Deferred Tax Liability on timing differences:</b>		
i) Other Comprehensive Income	(42.79)	181.48
ii) Depreciation	379.48	635.50
<b>Total</b>	<b>210.52</b>	<b>713.78</b>

**18. Borrowings**

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Loans repayable on demand</b>		
Secured Working Capital Facilities from Banks (Refer Note No.18.1)	94,986.78	94,979.49
Intercompany Loans	-	929.11
<b>Total</b>	<b>94,986.78</b>	<b>95,908.60</b>

**Nature of Security and Terms of Repayment**

**18.1 Working Capital Facilities (Secured)**

**The working capital facilities from the consortium of Banks are secured by:**

- Hypothecation against first charge on stocks, book debts and other current assets of the Company both present and future ranking paripassu with consortium banks.
- Hypothecation against first charge on all unencumbered fixed assets of the Company both present and future ranking paripassu with consortium banks.

- Equitable mortgage of properties belonging to promoters, directors, group companies.
- Personal guarantee of promoter directors and relatives. Corporate guarantees of entities in which KMPs are interested.

**Period and amount of interest due as on balance sheet date:**

- Interest amount of ₹943.42 Lakhs for the month of March, 2019 debited on 31.03.2019 is due as on Balance Sheet date.

## 19. Trade Payables:

Particulars	₹ in Lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Micro, Small and Medium Enterprises (refer Note No.31.9)	-	-
Others	105,075.60	80,427.42
<b>Total</b>	<b>105,075.60</b>	<b>80,427.42</b>

## 20. Other Financial liabilities

Particulars	₹ in Lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Current maturities of Long Term Borrowings		
- Non Convertible Debentures	1,750.00	1,750.00
- Debentures due for redemption	992.50	992.50
- Term, Equipment, Vehicle Loans and ECB Loans	20,899.64	18,196.83
Interest accrued but not due on Borrowings - NCD's	1,449.29	1,237.78
Interest accrued and due on Borrowings	2,043.11	1,924.30
Financial liability of compounded financial instrument	371.91	371.91
Amortisation of Finance Cost	222.68	295.06
Unpaid Dividends	2.49	3.45
Unsecured loan	35.69	35.70
<b>Total</b>	<b>27,767.31</b>	<b>24,807.53</b>

## 21. Other Liabilities

Particulars	₹ in Lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Provision / Payables for Expenses and Services	2,851.39	2,925.33
Statutory Payables	5,948.32	1,821.34
Other Payables	18.90	14.64
	<b>8,818.61</b>	<b>4,761.31</b>

## 22. Provisions

Particulars	₹ in Lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Employee Benefits 342.18	212.64	
<b>Total</b>	<b>342.18</b>	<b>212.64</b>

## 23. Revenue from Operations

Particulars	₹ in Lakhs	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Construction / Contract Revenue	346,314.74	291,043.62
Revenue from Electricity Generation	-	111.80
Share of profit from Joint Ventures	-	75.82
<b>Total</b>	<b>346,314.74</b>	<b>291,231.24</b>

## 24. Other income

Particulars	₹ in Lakhs	
	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest income	237.97	147.38
Other Miscellaneous Income	663.14	508.91
<b>Total</b>	<b>901.11</b>	<b>656.29</b>



**25. Cost of Materials Consumed and Cost of Purchases & Services**

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Steel	15,532.46	23,277.58
Cement	14,384.68	13,948.93
Bitumen	3,314.67	5,264.18
Metal	37,654.63	25,272.82
Sand & Gravel	1,526.43	5,151.20
Electrical Materials	1,619.84	3,370.93
Consumable Stores	1,979.57	2,171.11
RCC & GI Pipes	953.19	521.06
HSD Oils & Lubricants	16,402.36	12,715.48
Other Materials	3,709.72	792.69
<b>Total</b>	<b>97,077.55</b>	<b>92,485.98</b>

**26. Work Expenditure**

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Departmental Recoveries	6,372.94	6,179.10
Work executed by sub contractors	73,358.93	47,629.60
Earth Work	28,039.46	21,566.45
Concrete Work	32,483.12	10,971.48
Transport Charges	8,863.44	11,424.52
Hire Charges	4,993.56	2,978.32
Road work	9,983.29	13,601.20
Repairs and Maintenance	2,705.26	2,961.30
Mining work expenditure	5,479.45	2,797.69
Taxes and Duties	503.01	3,197.03
Insurance	926.17	624.56
Project Promotion Expenses writtenoff	1,403.76	1,242.19
Utility Shifting Work	1,405.79	836.28
Security Charges	773.50	584.05
Other Work Expenditure	3,113.81	3,019.38
<b>Total</b>	<b>180,405.49</b>	<b>129,613.15</b>

**27. Change in Inventories of Work-in-Progress**

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Opening Work in Progress	10,764.04	14,106.53
Less : Closing Work in Progress	(17,050.10)	(10,764.04)
Changes in Inventory	(6,286.06)	3,342.49

**28. Employee benefits expense**

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Salaries & Wages	10,782.71	8,383.39
Director's Remuneration	800.00	540.00
Staff Welfare Expenses	938.19	1,012.13
Contribution to Statutory Funds	249.74	154.91
<b>Total</b>	<b>12,770.64</b>	<b>10,090.43</b>

## 29. Finance costs

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest on Term Loans	9,693.44	11,303.03
Interest on Non Convertible Debentures	3,309.45	1,909.98
Interest on Working Capital Facilities	11,292.30	11,255.30
Interest on Equipment Loans	2,353.79	2,622.84
Interest on ECB Loan *	753.86	1,083.53
Exchange loss on ECB Loan	234.99	-
Effect of application of effective interest rate on borrowings	(72.38)	37.68
Bank Guarantee & Other Financial Charges	3,966.27	3,254.91
<b>Sub Total</b>	<b>31,531.72</b>	<b>31,467.27</b>
Less : Interest on BG/LC Margin Money Deposits	(1,188.97)	(1,236.19)
Interest on Loans & Advances	(1,905.80)	(2,686.52)
<b>Total</b>	<b>28,436.95</b>	<b>27,544.56</b>

\* includes premium paid on foreign currency forward contract.

## 30. Other expenses

₹ in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Advertisement expenses	81.76	100.68
Audit fee	65.55	64.72
Donations	83.11	342.66
CSR Expenditure	212.99	101.19
Insurance charges	107.21	72.39
Consultancy, Legal & professional charges	1,554.91	1,631.37
General Expenses	200.64	88.33
Power & fuel	233.29	135.11
Miscellaneous expenses	632.81	433.46
Printing & stationery	173.16	150.77
Rent	886.92	784.96
Taxes & licenses	312.34	354.77
Tender Expenses	31.65	105.60
Telephone	97.66	113.03
Traveling, Conveyance & Stay expenses	954.78	788.47
Loss /(Gain) on Fair Market Value of Investment	81.55	-
Expected Credit Loss	2,251.05	1,853.74
Loss /(Gain) on sale of assets / Impairment of assets	(1.30)	(30.00)
Loss on sale of Investment	-	14,242.76
<b>Total</b>	<b>7,960.08</b>	<b>21,334.01</b>

**31. Other Notes forming part of the financial statements**

**31.1 Leases**

Disclosure under Indian Accounting Standard – 17 “Leases”, issued by the Institute of Chartered Accountants of India.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under operating leases are recognized in the statement of profit and loss on a straight-line basis. The Group has taken various godown/office premises (including Furniture and Fittings if any) under lease and license agreements for periods which generally range between 11 months to 3 years. These arrangements are renewable by mutual consent on mutually agreed terms. Under some of these arrangements the Group has given refundable security deposits. The lease payments are recognized in the Statement of Profit and Loss under Rent, Rates and Taxes.

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalized at the inception of the lease

at lower of the fair value or the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

The Group has taken vehicles on financial lease from banks / Financial Institutions. The details of contractual payments under the agreement are as follows:

**Lease Obligations Payable**

₹ in Lakhs	
Due	Minimum Lease Payments
Less than one year	1,449.62
Between one and five years	3,341.71
More than five years	Nil

**Lease Obligations Recognized**

₹ in Lakhs		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Lease Rentals recognized during the year	507.98	56.48

**31.2 Contingent Liabilities and Commitments**

The details of the Contingent Liabilities and Commitments to the extent not provided are as follows:

**a. Contingent Liabilities**

₹ in Lakhs		
Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Guarantees given by the Banks towards performance & Contractual Commitments	1,51,770.33	1,28,456.73
b) Corporate Guarantees given to Banks and other financial institutions for loans availed by the :		
- Subsidiary Companies	22,000.00	37,000.00
- Associate Companies	12,500.00	26,000.00
- Subsidiary to Associate Companies	2,47,148.00	2,51,548.00
- Companies in which KMP or their relatives are interested	26,593.90	27,336.40
- Corporate Guarantee given by the Subsidiary Company	16,969.00	14,114.00
- Other Companies	16.10	23.60
c) Disputed Liability of Income Tax, Sales Tax, Service Tax and Seigniorage charges	3,953.72	7,899.86

**b. Commitments**

₹ in Lakhs		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Commitments towards investment in subsidiaries, Joint Ventures and Associates	85,000.00	85,000.00

### 31.3 Disclosure of particulars regarding Subsidiaries, Joint ventures and Associates.

Subsidiaries, Joint Ventures and Associates considered for the Consolidated Financial statements are as follows:

S.No	Name of the Entity	Nature of the Entity	% of Holding	Country of Incorporation
1	Gayatri Energy Ventures Private Limited	Wholly own-ed Subsidiary	100	India
2	Gayatri Highways Limited (Formerly Gayatri Domicile Pvt.Ltd.	Associate Company	26	India
3	IJM Gayatri Joint Venture	Joint Venture	40	India
4	Jaiprakash Gayatri Joint Venture	Joint Venture	49	India
5	Gayatri ECI Joint Venture	Joint Venture	50	India
6	Gayatri Ratna Joint Venture	Joint Venture	80	India
7	Gayatri – Ranjit Joint Venture	Joint Venture	60	India
8	Gayatri – GDC Joint Venture	Joint Venture	70	India
9	Gayatri – BCBPPL Joint Venture	Joint Venture	60	India
10	Gayatri – RNS Joint Venture	Joint Venture	60	India
11	Gayatri - JMC Joint Venture	Joint Venture	75	India
12	MEIL-Gayatri-ZVS-ITT Consortium	Joint Venture	48.44	India
13	Viswanath-Gayatri Joint Venture	Joint Venture	50	India
14	Maytas-Gayatri Joint Venture	Joint Venture	37	India
15	GPL-RKTCPL Joint Venture	Joint Venture	51	India
16	GPL-SPL Joint Venture	Joint Venture	51	India
17	Vishwa-Gayatri Joint Venture	Joint Venture	49	India
18	Gayatri-RNS-SIPL Joint Venture	Joint Venture	70	India
19	SOJITZ-LNT-GAYATRI Joint Venture	Joint Venture	8.96	India
20	Gayatri PTPS Joint Venture	Joint Venture	70	India
21	Gayatri KMB Joint Venture	Joint Venture	70	India
22	HES GAYATRI NCC Joint Venture	Joint Venture	29	India
23	Gayatri - Ojsc Sibmost Joint Venture	Joint Venture	74	India

### 31.4 Related Party Transactions pursuant to Indian Accounting Standard (Ind AS) - 24

Associate Companies and companies in which the Company has substantial Interest.	Key Management Personnel and their Relatives
Gayatri Highways Limited (formerly Gayatri Domicile Private Limited)	Mr. T.V.Sandeep Kumar Reddy (MD)
Gayatri Lalitpur Roadways Ltd *	Mr. J. Brij Mohan Reddy (Vice Chairman)
Gayatri-Jhansi Roadways Ltd *	Mrs. Indira Reddy (Chair Person)
Sai Matarani Tollways Limited *	Mr. T. Rajiv Reddy (Vice President)
Hyderabad Expressways Limited *	Mr. P. Sreedhar Babu (CFO)
HKR Roadways Limited *	Mrs. I.V.Lakshmi (CS & CO)
Balaji Highways Holding Limited *	Mr. T.Anirudh Reddy
Indore Dewas Tollways Limited *	
* Subsidiary / Associate of Associate Company	

#### Entities in which KMP or their relatives are interested

Deep Corporation Pvt. Ltd	Gayatri Bio-Organics Limited
Indira Constructions Pvt. Ltd	T. Subbarami Reddy Foundation
Gayatri Tissue & Papers Ltd	Dr.T.Subbarami Reddy (HUF)
Gayatri Sugars Ltd	Balaji Charitable Trust
Gayatri Hi-Tech Hotels Ltd	TSR LalitakalaParishad
Gayatri Property Ventures Pvt. Ltd.	Invento Labs Private Limited
Gayatri Hotels & Theaters Pvt. Ltd	Indira Energy Holdings Private Limited
GSR Ventures Pvt. Ltd.	Yamne Power Private Limited
T.V.Sandeep Kumar Reddy & Others	Gayatri Hotel Ventures Pvt.Ltd.
Gayatri Fin Holdings Pvt.Ltd.	Flynt Mining LLP

**Transactions with the related parties:**

₹ in Lakhs					
Sl. No.	Description	Year	Associate Companies	Entities in which KMP are interested	KMP & their Relatives
1	Equity contribution	2018-19	-	-	-
		2017-18	-	-	-
2	Contract Receipts	2018-19	1,843.51	-	-
		2017-18	11,639.48	-	-
3	Contract payments	2018-19	-	711.95	300.00
		2017-18	-	476.93	150.00
4	Office Rent & Maintenance	2018-19	-	244.57	-
		2017-18	-	104.77	-
5	Other Payments	2018-19	-	-	184.80
		2017-18	-	-	157.16
6	Interest Received	2018-19	244.09	-	-
		2017-18	244.09	-	-
7	Donations	2018-19	-	236.60	-
		2017-18	-	147.34	-
8	Remuneration and Commission Paid	2018-19	-	-	800.00
		2017-18	-	-	540.00
9	Contract Advances received/(given)	2018-19	-	(62.00)	-
		2017-18	-	-	-
10	Receivable on Sale of Investment	2018-19	-	2,134.45	-
		2017-18	-	-	-
11	Net Unsecured Loans given/ (Received)	2018-19	21.00	-	-
		2017-18	(1,327.13)	-	-
12	Corporate Guarantees	2018-19	-	-	-
		2017-18	-	8,000.00	-
13	Closing balances – Debit	2018-19	47,526.64	3,329.12	17.30
		2017-18	50,734.70	793.80	-
14	Closing balances – Credit	2018-19	1,625.81	9.95	220.75
		2017-18	618.64	715.23	43.41

**31.5 Impairment of Non-Financial Assets**

In the opinion of the management of the Group, there are no impaired assets requiring provision for impairment loss as per the Ind AS 36 on "Impairment of Non-Financial Assets". The recoverable amount of building, plant and machinery and furniture and fixtures has been determined on the basis of 'Value in use' method.

**31.6 Segment Reporting**

The Company's operations predominantly consist of construction / project activities. Hence there are no reportable segments under IndAS – 108. During the year under report, the Company's business has been carried out only in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

**31.7 Earnings Per Share (EPS)**

₹ in Lakhs		
Particulars	2018-19	2017-18
Profit After Tax for calculation of Basic EPS (₹ in Lakhs)	16,010.09	(1,950.84)
Profit After Tax for calculation of Diluted EPS (₹ in Lakhs)	16,010.09	(1,950.84)
Weighted average No. of equity shares as denominator for calculating Basic EPS. (No. in Lakhs)	1,871.99	1,777.42
Weighted average No. of equity shares as denominator for calculating Diluted EPS. (No. in Lakhs)	1,871.99	1,777.42
Basic EPS (₹)	8.55	(1.10)
Diluted EPS (₹)	8.55	(1.10)

### 31.8 Tax Expenses:

₹ in Lakhs

Particulars	2018-19	2017-18
Current Tax	5,079.10	3,879.68
MAT Credit Entitlement*	(2,501.44)	-
Short / (Excess) provision of Tax for earlier years	194.65	(2,655.41)
Deferred Tax Liability / (Asset)	(278.99)	(1,778.86)
<b>Total Tax Expenses</b>	<b>2,493.32</b>	<b>(554.59)</b>

\* During the Year Ended 31.03.2019 the company has recognized MAT credit entitlement of previous years.

### 31.9 Dues to Micro and Small Enterprises:

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

### 31.10 Additional Information pursuant to Schedule III of the Companies Act, 2013.

#### i) CIF value of Imports

₹ in Lakhs

Sl. No.	Particulars	2018-19	2017-18
1	Purchase of Capital Goods	2876.61	2,189.87
2	Purchase of Materials / Spares	356.74	772.32

#### ii) Expenditure / (Income) in Foreign Currency:

₹ in Lakhs

Sl. No.	Particulars	2018-19	2017-18
1	Travelling Expenses	14.90	9.91
2	Interest on ECB Loan	492.46	700.96
3	Consultancy & Technical Fees	2713.31	1863.26

### 31.11 Capital management

For the purpose of the Group’s capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The Group strives to safeguard its ability to continue as a going concern so that they can maximize returns for the shareholders and benefits for other stake holders. The aim is to maintain an optimal capital structure and minimize the cost of capital.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with other entities in the industry, the Group monitors its capital using the gearing ratio which is total net debt divided by total capital.

₹ in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Debt:</b>		
i) Non-Current Borrowings	1,03,137.28	1,14,380.86
ii) Current Maturities of Non-Current Borrowings	23,642.14	20,939.33
iii) Current / Short term Borrowings	94,986.78	95,908.60
iv) Accrued Interest	3,492.40	3,162.08
v) Less : Cash and Cash Equivalents	(12,820.27)	(5,699.80)
<b>Total Net Debt:</b>	<b>2,12,438.33</b>	<b>2,28,691.07</b>
<b>Equity:</b>		
i) Equity Share capital	3,743.97	3,743.97
ii) Other Equity	92,388.31	76,378.22
<b>Total Equity:</b>	<b>96,132.28</b>	<b>80,122.19</b>
<b>Total Net Debt to equity ratio (Gearing ratio)</b>	<b>2.21</b>	<b>2.85</b>

**31.12 Financial Instruments:**

A. Some of the Group's financial assets and financial liabilities are measured at fair value at the end of the reporting period.

**Financial Instruments by category.**

The Financial Assets and Financial Liabilities are the categories of Financial Instruments.

**Financial Assets:**

₹ in Lakhs

Particulars	Fair Value Hierarchy	As at 31st March, 2019	As at 31st March, 2018
<b>EQUITY INVESTMENTS:</b>			
<b>Measured at fair value through profit or loss (FVTPL):</b>			
Equity Investments in Other Entities (Quoted)	Level-1	31.69	113.25
Equity Investments in Other Entities (Un-quoted)	Level-2	3,000.00	3,000.00
<b>Measured at fair value through OCI (FVTOCI):</b>			
Equity Investments in Other Entities (Un-Quoted)	Level-2	60,162.40	60,162.40
<b>Measured at Cost:</b>			
Investments in Equity Instruments of Subsidiaries, Associates	NA	18,376.77	20,133.42
<b>INVESTMENTS IN PREFERENCE SHARES:</b>			
<b>Measured at Fair value through profit or loss (FVTPL):</b>			
Compulsorily Convertible Cumulative Preferential Shares in Other Entity	Level-2	19,571.95	19,571.95
<b>Measured at Cost:</b>			
Non- Convertible redeemable cumulative preferential Shares in Associates	Level-2	16,770.03	16,770.03
<b>Financial Liabilities:</b>			
₹ in Lakhs			
Particulars		As at 31st March, 2019	As at 31st March, 2018
<b>Measured at amortized cost:</b>			
Financial Liabilities i.e Borrowings		2,19,133.43	2,22,589.30

**B. Fair value hierarchy**

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

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

Level 3 inputs are unobservable inputs for the asset or Liability.

Certain Financial Assets and Financial Liabilities that are not measured at Fair Value but Fair value disclosures are required:

₹ in Lakhs

Particulars	As at 31st March, 2019 (Carrying Value & Fair Value)	As at 31st March, 2018 (Carrying Value & Fair Value)
<b>Fair Value Hierarchy</b>	<b>(Level - 2)</b>	<b>(Level - 2)</b>
<b>Financial Assets:</b>		
Non- Current Loans	35,482.14	36,374.45
Other Financial Assets	2,232.78	4,444.82
Trade Receivables	1,39,300.31	1,13,371.47
Deposits with Contractees	32,493.96	17,792.87
Cash & Cash Equivalents and Other Bank balances	33,331.57	24,736.39
Current Loans	5,786.82	9,090.24
<b>Financial Liabilities:</b>		
Borrowings	1,98,124.06	2,10,661.37
Trade Payables	1,05,075.60	80,427.24
Other Financial Liabilities	27,767.31	24,807.53



### 31.13 Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks like market risk, credit risk and liquidity risks. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

- (i) **Market risk**  
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price

risk. Major financial instruments which are affected by market risk include loans and borrowings.

- a. Interest rate risk**  
Majority of the Non-current (Long Term) borrowings of the Group bear fixed interest rate, thus interest rate risk is limited for the Group.
- b. Foreign Currency Risk:**  
The Group's foreign Currency exposure i.e External Commercial Borrowings in US\$ is completely hedged and the details are as follows:

₹ in Lakhs

Particulars	Hedged/ Un-hedged	As At 31st March, 2019		As at 31st March, 2018	
		Foreign Currency USD	Rupee Equivalent	Foreign Currency USD	Rupee Equivalent
<b>Amount payable in Foreign Currency:</b>					
External Commercial Borrowings (ECB)	Un-hedged	Nil	Nil	Nil	Nil
	Hedged	44.18	2,632.77	127.58	7527.49
Foreign LC	Un-hedged	-	-	41.91	2,725.34

#### (ii) Credit risk management

Credit risk is the risk that a customer or a counterparty to a financial instrument fails to perform or pay amounts causing financial loss to the company. The maximum exposure of the financial assets is contributed by trade receivables, work-in-progress/ unbilled revenue, cash and cash equivalents and receivables/loans from group companies.

Credit risk on trade receivables, work in progress/unbilled revenue is limited as the customers of the company mainly consist of the Government promoted entities, having strong credit worthiness. The company takes into account ageing of accounts receivables and the company's historical experience of the customers and financial conditions of the customers. During the current year the company had identified credit risk on certain financial instruments as below and has made the necessary provision for the same.

₹ in Lakhs

Sl. No	Particulars	Balance As at 31st March 2019	Expected credit loss Amount
1	Trade receivables	25,156.41	251.56
2	Loans /advances	35,677.08	1,943.53

#### (iii) Liquidity Risk:

Liquidity Risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's management and finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by the senior management.

The following are the details regarding contractual maturities of Significant Financial Liabilities:

**a) As at 31st March, 2019**

₹ in Lakhs

Particulars	On Demand	Less than 1 year	1-5 Years	More than 5 Years	Total
Borrowings	1,08,108.01	23,642.14	1,12,860.40	-	2,44,610.56
Trade Payables	1,05,075.60	-	-	-	1,05,075.60
Interest Accrued	2,043.11	1,449.29	-	-	3,492.40
Other Financial Liabilities	17,954.76	28,428.36	58,352.96	44,886.89	1,49,622.97
<b>Total</b>	<b>2,33,181.48</b>	<b>53,519.79</b>	<b>1,71,213.36</b>	<b>44,886.89</b>	<b>5,02,801.53</b>

**b) As at 31st March, 2018**

₹ in Lakhs

Particulars	On Demand	Less than 1 year	1-5 Years	More than 5 Years	Total
Borrowings	1,03,881.38	20,939.33	1,16,466.85	7,253.15	2,48,540.71
Trade Payables	80,427.42	-	-	-	80,427.42
Interest Accrued	1,924.30	1,237.78	-	-	3,162.08
Other Financial Liabilities	8,379.66	12,409.33	44,894.70	37,641.28	1,03,324.97
<b>Total</b>	<b>1,94,612.76</b>	<b>34,586.44</b>	<b>1,61,361.55</b>	<b>44,894.43</b>	<b>4,35,455.18</b>

**31.14** Pursuant to the introduction of the Goods and Service Tax (GST) applicable indirect taxes have got subsumed into GST. The company has executed various Construction Contracts/ projects of NHAI /other state and central government Departments and in majority of the cases, the work orders for these contracts were issued under the erstwhile previous tax laws and the additional impact on account of GST was recognized in the previous year as an other receivables under "Other Current Assets" note. During the year, the company has recovered substantial amount of GST due and is confident of recovery of the balance amount in the due course.

**31.15** In the ordinary course of business, the Company has given Contract Advances to one of the sub-contractor which on mutual consent have been converted into interest bearing inter corporate loan. The recovery of this loan along with interest thereon is delayed due to extraneous reasons like change in government policies, delay in execution of projects etc. However, the company has recovered considerable amounts during the immediate preceding financial year and the management is confident of recovering the balance amount in due course. In view of this, no provision for the same is required to be made in the financial statements of the company for the current financial year

**31.16** The Advances to Suppliers, Sub-contractors and others as at 31<sup>st</sup> March, 2019, includes an amount of ₹295.21 crores given to a sub-contractor in the normal course of business. The recovery of this advance and interest thereon is delayed due to certain extraneous factors not

attributable to the subcontractor. During the year, company has recovered an amount of ₹37.91 crores from the above sub-contractor and further the company has accelerated the recovery process of the remaining amounts. In addition to above recovered amount, the company has also recovered an amount of ₹94.50 crores from the sub-contractor in April, 2019. In view of this, the management is confident to recover the entire advances from the sub-contractor in due course and hence no provision is required to be made in the financial statements of the company for the current financial year.

**31.17** One of the subsidiary of the associate company, which has been awarded a Build-Operate-Transfer (BOT) work for construction of Four Laning of Panikoili-Rimuli section of NH-215 Road has given termination notice to National Highways Authority of India (NHAI) in respect of above road project due to a force majeure event. Further the subsidiary of the associate company also made claims of ₹974.50 crores on NHAI for the cost overrun due to various delays and other reasons attributable to NHAI. The company has to receive an amount of ₹245.19 crores towards EPC cost as on 31<sup>st</sup> March, 2019. In the opinion of the management, no provision is required to be made in respect of above said receivables as the management of the company is confident to recover the above receivable amount out of the amounts receivable by the said subsidiary of the associate company from NHAI due to termination assistance, contract claims etc.

The Company has given an irrevocable and unconditional Corporate Guarantee of ₹1,827.35 crores to the lenders of the above subsidiary

of the associate company, the said subsidiary of associate company is facing difficulties in repaying its dues to the lenders on account of poor toll collections and further, it has terminated its agreement with NHAI as a force majeure event. Further, as per the information and explanations given by the subsidiary of the associate company and based on the legal opinion obtained by it, the subsidiary of the associate company will receive significant amount of compensation so as to settle dues to the lenders. In view of the above, the management of the company is confident that chances of invocation of Corporate Guarantee is remote and the subsidiary of the associate company will repay the lenders dues from the compensation amount. Hence, the management is of the opinion that no provision is required to be made in respect of Corporate Guarantee given by the company to subsidiary of the associate company

- 31.18** An amount of ₹36.20 crores as on 31<sup>st</sup> March, 2019 is receivable from the erstwhile associate company operating Meerut and Muzaffarnagar Section of NH-58 road on BOT basis against the EPC works executed by the company during the previous years and the amounts shall be recovered out of the claims amounts received by the erstwhile associate company from NHAI. The erstwhile associate has so far raised a total claim for ₹469.56 crores on NHAI on different counts which are in the advanced stage of arbitration. The Management of the erstwhile associate company is confident of getting the claims amounts from NHAI and assured the company by way of agreement to pay the dues to the company upon receipt of claims and hence, in the opinion of the management, no provision is required to be provided in the books of accounts in respect of amounts receivable from the said erstwhile associate company.
- 31.19** As per the settlement agreement dated 29<sup>th</sup> March, 2019 made between the Company, Gayatri Highways Limited (“GHL”) - an Associate Company and IL&FS Financial Services Limited (IL&FS); the Company and GHL jointly and severally agreed to repay the loan availed by GHL amounting to ₹125 crores along with interest in twelve monthly installments commencing from May 2019.
- 31.20** Gayatri Projects Limited (“the Company”), as a sponsor company, had funded during the previous financial years to its erstwhile subsidiary and associate road project companies in the form of subordinate debt & advances amounting to ₹179.67 crores as on 31<sup>st</sup> March, 2019. During the year the Company has entered into a Memorandum of Understanding (“MOU”)

with Gayatri Highways Limited (GHL) (Holding Company of all these road project companies) for transfer of the subordinate debt/advances given to the road project companies to GHL in order to recover the subordinate debt / advances at the earliest. Therefore, at present, GHL will discharge the repayment obligation of sub-ordinate debt & advances to GPL out of the proceeds of the toll/annuity, claims, sale of projects etc., at the earliest and hence in the opinion of management of the company no provision is required to be made for the same.

- 31.21** During the past few years the subsidiary company (GEVPL) has been incurring losses and as at 31<sup>st</sup> March, 2019, the accumulated losses have significantly impacted the net-worth of the subsidiary company. The subsidiary company had invested into various power projects, which are in various stages of implementations and operations. The company has been giving continuous financial support to the subsidiary company. Further, as per the information available with the company and the said subsidiary company, the fair market value of the investments made by the said subsidiary company in power projects is far in excess of carrying value of the investment made by the company into the subsidiary company.
- 31.22** During the previous year, pursuant to various agreements entered between the Gayatri Energy Ventures Private Limited (a subsidiary company), Sembcorp Gayatri Power Ltd (SGPL), Sembcorp utilities Pte. Ltd (SUL), Sembcorp Energy India Ltd (SEIL) and NCC Infra Holding Ltd (NCCIHL) for the reorganization of SembCorp group’s power portfolio in India to consolidate its beneficial holdings in SGPL, the subsidiary company had sold its partial investment in NCCIHL. Further, pursuant to the agreement the subsidiary company had agreed to sell its remaining shares held in NCCIHL to NCC Limited on a mutually agreed price on receipt of “subsequent tranche letter” from NCC Limited. As per the information available, the subsidiary company is yet to receive the letter to sale the investment as at 31<sup>st</sup> March 2019 and hence, the effect of transfer of shares will be recognized on transfer of shares.
- 31.23** During the preceding financial years, the subsidiary company had made an investment/ advance/ share application money into Jimbhuvish Power Generation Private Limited and Jimbhuvish Power Project Limited to set up a coal based power plant at Maharashtra and as on 31<sup>st</sup> March, 2019 the total investment/ advance/ share application amount is ₹5,544.45 Lakhs. The Subsidiary Company had decided to exit from the said power project and entered

into an exit agreement on 25<sup>th</sup> May, 2013 in this regard, which was subsequently amended by various letter agreements and as per the latest agreement the subsidiary company shall exit from the said power project by 31<sup>st</sup> October, 2019. The management of the subsidiary company is of the opinion that despite there has been a considerable delay in exiting from the power project, there is no need for any provision/impairment to be made and the company shall exit from the investments made and recover the entire amount in the due course.

**31.24** During the previous financial years the subsidiary Company had entered into Master Shareholders agreement with Sembcorp Utilities PTE Ltd, Sembcorp Energy India Limited (formerly Thermal Power Corporation India Limited) (SEIL) and Sembcorp Gayatri Power Limited. Pursuant to this agreement, the company has an option to exercise the call option of purchasing 5.88% of shareholding of Sembcorp Energy India Limited, which can be exercised earlier of 30 days prior to the filing of the red hearing prospectus by SEIL with the SEBI or 25<sup>th</sup> May, 2021. As at 31<sup>st</sup> March, 2019, SEIL has filed the Draft Red Herring Prospectus with the SEBI as part of its listing process with the stock exchanges and has got approval from the SEBI.

**31.25** During the preceding financial years, one of the step down subsidiary company had given Contract Advance of ₹2,157.05 Lakhs to a fellow step down subsidiary company towards execution of road works at proposed Thermal Power Project site. As the said contract work was not executed due to various factors such

as pending coal allotment and non-acquisition of complete proposed project land, etc., the Mobilization Advance has not been adjusted / recovered. The management of the step down subsidiary company is very much confident of commencement of Thermal Power Project and further opined that the mobilization advance will be recovered out of running bills to be submitted and hence no provision is required to be made regarding contract advance.

**31.26** The company has invested / infused in Gayatri Highways Limited (the associate company) by way of Equity Share Capital, Preference Share Capital, Unsecured Loans and total amount as at 31<sup>st</sup> March, 2019 is ₹34,857.04 lakhs. As stated in consolidated financial statements of the associate company with regard to preparation of financial statements on going concern basis, the same is as follows: "The Company has been incurring operating losses during the past few years and the current liabilities of the Company exceeds its current assets. Notwithstanding the above, the accompanying financial statements have been prepared on going concern basis as the promoters have guaranteed support to the Company and management believes that the subsidiaries and jointly controlled entities will also generate sufficient cash flows to support the Company in foreseeable future."

**31.27** Previous year figures are regrouped / reclassified to match with the current year presentation.

**31.28** All amounts are rounded off to the nearest Thousands.

As per our Report attached  
For M O S & Associates LLP  
Chartered Accountants

For and on behalf of the Board

Sd/-  
**S.V.C.Reddy**  
Partner

Sd/-  
**T. Indira Reddy**  
Chairperson  
DIN : 00009906

Sd/-  
**T.V. Sandeep Kumar Reddy**  
Managing Director  
DIN : 00005573

Place: Hyderabad  
Date: 30<sup>th</sup> May, 2019

Sd/-  
**P. Sreedhar Babu**  
Chief Financial Officer

Sd/-  
**I.V.Lakshmi**  
Company Secretary & Compliance Officer

# NOTICE

NOTICE is hereby given that the 30<sup>th</sup> ANNUAL GENERAL MEETING of M/s. Gayatri Projects Limited will be held at KLN Prasad Auditorium, The Federation of Telangana Chambers of Commerce Industry, Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad – 500004, on Monday the 30<sup>th</sup> September 2019 at 3.00 p.m to transact the following business:

## ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Balance Sheet as at March 31, 2019 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
- To appoint a Director in place of Smt. T. Indra Reddy, who retires by rotation, and being eligible, offers herself for re-appointment.

## SPECIAL BUSINESS:

- Ordinary Resolution for ratification of remuneration payable to M/s. N.S.V. KRISHNA RAO & CO., appointed as Cost Auditors of the Company for the F.Y 2019-20.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Cost Record and Audit) Rules, 2014, **M/s. N.S.V. KRISHNA RAO & CO**, Cost Accountants appointed as Cost Auditors by the Board of Directors of the Company to audit the cost records of the Company for the financial year 2019-20 for a remuneration of ₹1,15,000 (Rupees One Lakh Fifteen Thousand) per annum plus applicable service tax and out of pocket expenses that may be incurred be and is here by ratified.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

- Re-appointment of Sri T. V. Sandeep Kumar Reddy as Managing Director of the Company w.e.f. 1<sup>st</sup> October 2019 till 30<sup>th</sup> September, 2024.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:

“**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions if any, read with Schedule V of the Companies Act, 2013 (‘Act’) and pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard, the approval of the Members of the Company be and is hereby accorded for the re-appointment and payment of remuneration to Sri T.V.Sandeep Kumar Reddy, (DIN00005573), as Managing Director of the Company for a period of 5 (five) years with effect from 1<sup>st</sup> October 2019 up to period ended 30<sup>th</sup> September, 2024 on the terms and conditions as mentioned below:

The remuneration payable by way of salary and commission is as follows:

Name & Designation	Salary (₹ per month)	Commission
Sri T. V. Sandeep Kumar Reddy Managing Director	Salary: ₹44,00,000/- p.m (With an increment as may be decided by the Board)	In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company, subject to the overall ceiling stipulated in Sections 197, 198 read with Schedule V of the Companies Act, 2013 (including any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard) shall also be payable.

**Perquisites and allowances :**

In addition to the salary, Sri T.V. Sandeep Kumar Reddy shall also be entitled to the perquisites and allowances like house rent allowance, rent free furnished accommodation, house maintenance allowance, gas, electricity, water and furnishing at residence, conveyance allowance, transport allowance, medical reimbursement, leave travel allowance, special allowance, use of company car for official purposes, telephone at residence, contribution to provident fund, superannuation fund, payment of gratuity, leave encashment at the end of tenure and such other perquisites and allowances in accordance with the rules of the Company not exceeding ₹15,00,000/- per annum (Rupees Fifteen Lakhs Only). The nature and break up of the perquisites and allowances will be determined in accordance with schemes/policies/ rules of the Company or may be decided by the Chairman of the Company or by the Board of Directors from time to time.

**Other Terms and Conditions:**

- a. Sri T.V.Sandeep Kumar Reddy, shall be vested with substantial powers of the management subject to the supervision, control and direction of the Board.
- b. As long as Sri T.V. Sandeep Kumar Reddy functions as Managing Director of the Company, no sitting fees will be paid to him for attending the meetings of the Board of Directors or Committee thereof.
- c. Sri T.V.Sandeep Kumar Reddy shall not be liable to retire by rotation whilst he continues to hold office of Managing Director
- d. Sri T.V.Sandeep Kumar Reddy, shall be entitled to the reimbursement of expenses actually and properly incurred by him, in the course of legitimate business of the Company and traveling, hotel and other expenses incurred by him in India and abroad, exclusively on the business of the Company.

**However the company's contribution to Provident fund, Superannuation or Annuity fund, to the extent these singly or together are not taxable under the Income Tax Act, 1961, and gratuity payable and encashment of leave at the end of the tenure, as per the rules**

**of the Company, shall not be included in the computation of limits for the remuneration which includes salary.**

The terms and conditions and payment of remuneration are within the limits specified herein may be altered and varied from time to time by the Board of Directors of the company/ Committee as it may, at its discretion deem fit. The Board is also entitled to revise the salary payable to the said Managing Director shall not exceed the limits specified under **Section 197 read with Schedule V of the Companies Act, 2013** (including any statutory modifications or re-enactment thereof for the time being in force) or any amendment made thereto.

**MINIMUM REMUNERATION:**

**“RESOLVED FURTHER** that in the event of absence or inadequacy of profits in any financial year, the remuneration by way of salary to Sri T. V. Sandeep Kumar Reddy, shall not exceed the limits prescribed under the Companies Act, 2013 and rules made there under or any statutory modification or re-enactment thereof.”

**5. Appointment of Ms.Gayathri Ramachandran as a Director and as an Independent Director.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** Ms.Gayathri Ramachandran (holding DIN: 02872723) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 6th August, 2019 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (The Act) and Article 116 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the company has received a notice in writing from a member under section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company.

**“RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force)



and Regulation 17 of SEBI (LODR) Regulations, 2015 as amended from time to time, the appointment of Ms. Gayathri Ramachandran who meets the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment, as an independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from 6<sup>th</sup> August, 2019 upto 5<sup>th</sup> August 2024 be and is hereby approved.”

“**RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised ‘Committee’ thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

**6. Appointment of Sri K. Jairaj as a Director and as an Independent Director.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** Sri K. Jairaj, (holding DIN:01875126) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 6<sup>th</sup> August, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (The Act) and Article 116 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the company has received a notice in writing from a member under section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (LODR) Regulations, 2015 as amended from time to time, the appointment of Sri K. Jairaj, who meets the criteria

for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment, as an independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from 6<sup>th</sup> August, 2019 upto 5<sup>th</sup> August 2024 be and is hereby approved.”

“**RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised ‘Committee’ thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

**7. Re-appointment of Sri CH. Hari Vithal Rao (holding DIN 00012970) as an Independent Director.**

To consider and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions:

“**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 14<sup>th</sup> August, 2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Sri CH. Hari Vithal Rao, (DIN 00012970) whose current period of office is upto 28<sup>th</sup> September, 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made there under and Listing Regulations and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as



an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company for a term w.e.f. 29<sup>th</sup> September, 2019 up to 28<sup>th</sup> September, 2024.”

“**RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised ‘Committee’ thereof) be

and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

By order of the Board  
For Gayatri Projects Limited

Sd/-  
CS I.V. Lakshmi  
Company Secretary &  
Compliance Officer

Place: Hyderabad  
Date: 14<sup>th</sup> August, 2019

**NOTES:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Proxies, in order to be effective must be received at the company’s registered office not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. Must be supported by appropriate resolution / authority as applicable, issued on behalf of the nominating organization.
  2. The Register of Members and the Share Transfer Books of the Company will be closed from **23rd September, 2019 to 30th September, 2019** (both days inclusive).
  3. Shareholders are requested to bring their copies of Annual Report to the Annual General Meeting.
  4. A member desirous of seeking any information on the accounts or operations of the Company is requested to forward his / her query to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
  5. Members, holding shares in physical form, are requested to notify immediately any changes in their address to the Registrar and Transfer Agents (RTA), M/s. Karvy Fintech Private Limited
- (Formerly Known as Karvy Computershare Pvt. Ltd) Karvy Selenium Tower No.B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad : 500 032. Phones: P: +91 040 67161591 Fax: 23420814. Members, holding shares in electronic form, are requested to notify any such changes to the concerned Depository Participant.
6. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide member’s the facility to vote at the 30th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Karvy Fintech Private Limited (“Karvy”).
  7. It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link <http://evoting.karvy.com> during the e-voting period commences from **27th September, 2019 (9 a.m. IST) to 29th September, 2019 (5 p.m. IST)**.
  8. Details regarding Appointment/ Re-appointment of Directors (in accordance with Regulation 36 of the Securities and Exchange Board of India [Listing Obligation and Disclosure Requirements] Regulations, 2015 and applicable Secretarial Standards):

Name of the Director	T. Indira Reddy	T.V. Sandeep Kumar Reddy	Gayathri Ramachandran	K.Jairaj	CH. Harivithal Rao
Director Identification No	00009906	00005573	02872723	01875126	00012970
Date of Birth	13.03.1951	23.11.1966	27.09.1948	25.05.1952	30.04.1939
Date of appointment	08.03.1996	15.09.1989	06.08.2019	06.08.2019	04.11.2005
Occupation	Industrialist	Industrialist	IAS (Retd.,)	IAS (Retd.,)	Banker (Retd.,)
Relationship between directors inter-se	Mother of T. V. Sandeep Kumar Reddy	Son of T. Indira Reddy	Nil	Nil	Nil
Nature of expertise in specific functional area	31 years of experience in the construction industry	30 years of experience in the construction industry	Power, Petroleum, Industries, Chemicals & Fertilizers and Civil Aviation	Infrastructure, Governance, Urban Development, Transport, Energy and Arbitration	50 years of experience as Banker
Last drawn remuneration	Nil	refer corporate governance report	Nil	Nil	Nil
Directorship in other Listed Entities	Gayatri Tissue and Papers Limited and Gayatri Sugars Limited	Gayatri Sugars Limited and Gayatri Bio-Organics Limited	KLG Capital Services Limited, JPT Securities Limited, Skil Infrastructure Limited and Pitti Engineering Limited	CESC LTD and CESC Ventures Limited	Nil
Shareholding in the Company	5,71,29,500 Shares	2,70,19,810 Shares	Nil	Nil	50 Shares

**DIRECTORSHIP IN OTHER ENTITIES**

<b>T. Indira Reddy</b>	Gayatri Tissue and Papers Limited, Gayatri Sugars Limited, Gayatri Energy ventures Private Limited, Gayatri Hi-Tech Hotels Limited, Sai Maatarini Tollways Limited, Gayatri Hotels and Theatres Pvt Ltd, Maheswari Hotels And Theatres Pvt Ltd, TSR Holdings Private Limited, Gayatri Fin-Holdings Private Limited, Indira Constructions Private Limited, Gayatri Leasefin Private Limited, T. Rajeev Reddy Real Estate Developers Private Limited, Gayatri Property Ventures Private Limited, Parameswari land holdings Pvt Ltd, Rajiv Realtors Private Limited, Indira Energy Holdings Private Limited, DLF Gayatri Home Developers Private Limited and Balaji Highways Holding Private Limited.
<b>T.V. Sandeep Kumar Reddy</b>	Gayatri Sugars Limited, Gayatri Bio-Organics Limited, Sembcorp Energy India Ltd, Gayatri Energy Ventures Private Limited, Indore Dewas Tollways Limited, Sai Maatarini Tollways Limited, Gayatri Hi-Tech Hotels Limited, HKR Roadways Limited, TSR Holdings Private Limited, Parameswari land Holdings Pvt Ltd, DLF Gayatri Home Developers Private Limited, Sembcorp Gayatri O&M Company Private Limited, Yamne Power Private Limited and Maheswari Township Private Ltd.
<b>Gayathri Ramachandran</b>	Pitti Engineering Limited, Skil Infrastructure Limited, JPT Securities Limited, KLG Capital Services Limited, Gujarat-Dwarka Port West Limited, Verona Capital Limited, Navi Mumbai Smart City Infrastructure Limited, Skil-Himachal Infrastructure And Tourism Limited, Karanja Logistics Private Limited and Tooquick Technologies Private Limited.
<b>K.Jairaj</b>	CESC Ltd, Sembcorp Energy India Limited, Adani Electricity Mumbai Limited Maharashtra, Maharashtra Eastern Grid Power Transmission Company Limited, Adani Transmission (India) Limited, Adani Transmission Limited, CESC Ventures Limited and NEO Foods Private Limited.
<b>CH. Harivithal Rao</b>	APR Constructions Limited, Gayatri Energy Ventures Pvt Ltd, Sai Maatarini Tollways Limited, Hyderabad Expressways Limited, Indore Dewas Tollways Limited, Cyberabad Expressways Limited, Gayatri Hi Tech Hotels Limited and Sreenivasa Associates (Project Works) Limited.

**MEMBERSHIP IN COMMITTEES OF OTHER COMPANIES**

<b>T. Indira Reddy</b>	<ul style="list-style-type: none"> <li>Member of the Audit Committee and Nomination and Remuneration Committee in Gayatri Tissue and Papers Limited and</li> <li>Member of the Nomination and Remuneration Committee in Gayatri Sugars Limited.</li> </ul>
<b>T.V. Sandeep Kumar Reddy Gayathri Ramachandran</b>	<ul style="list-style-type: none"> <li>Member of the Audit Committee in Saimaatarini tollways limited, HKR Roadways Limited and Gayatri Energy Ventures Private Limited.</li> <li>Member of the Stakeholders Relationship Committee in Gayatri Sugars Limited and Gayatri Bio organics Limited.</li> <li>Member of the Corporate Social Responsibility Committee and Management Committee in Gayatri Sugars Limited.</li> </ul>
<b>Gayathri Ramachandran</b>	<ul style="list-style-type: none"> <li>Member of the Audit Committee in Skill Infrastructure Limited, JPT Securities Limited and KLG Capital Services Limited.</li> <li>Member of the Stakeholders Relationship Committee in Pitti Engineering Limited.</li> </ul>

<b>K. Jairaj</b>	<ul style="list-style-type: none"> <li>Member of the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee in Adani Transmission Limited and Sembcorp Energy India Limited.</li> </ul>
<b>CH. Harivithal Rao</b>	<ul style="list-style-type: none"> <li>Member of the Audit Committee in Gayatri Energy Ventures Private Limited, Saimaatarini Tollways Limited, Indore Dewas Tollways Limited, Hyderabad Expressways Limited, Cyberabad Expressways Limited and Gayatri Hi-Tech Hotels Limited.</li> </ul>
<b>CHAIRMANSHIP OF COMMITTEES OF OTHER COMPANIES</b>	
<b>T. Indira Reddy</b>	Nil
<b>T.V. Sandeep Kumar</b>	Chairman of Stakeholders Relationship Committee Gayatri Bio Organics Limited
<b>Gayathri Ramachandran</b>	Nil
<b>K. Jairaj</b>	<ul style="list-style-type: none"> <li>Chairman of the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee in Adani Transmission Limited.</li> <li>Chairman of the Stakeholders Relationship Committee in Sembcorp Energy India Limited.</li> </ul>
<b>CH. Harivithal Rao</b>	Chairman of the Audit Committee in Gayatri Energy Ventures Private Limited, Saimaatarini Tollways Limited and Indore Dewas Tollways Limited.

9. The Company has appointed, Sri Y. Koteswara Rao, Practicing Company Secretary, as a Scrutinizer(s) to scrutinize the e-voting and ballot process for Annual General Meeting in a fair and transparent manner.

**PROCEDURE AND INSTRUCTIONS FOR e-VOTING**

- I. Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

The Company has appointed Sri Y. Koteswara Rao, Practicing Company Secretary as the Scrutinizer for conducting the e-voting and ballot process in a fair and transparent manner. E-voting is optional. The e-voting rights of the shareholders / beneficial owners shall be reckoned on the equity shares held by them as on **24<sup>th</sup> September, 2019** being the Cut-off date for the purpose. The Shareholders of the Company holding shares either in dematerialized or in physical form, as on the Cut-off date, may cast their vote electronically. A person who is not a shareholder on the Cut-off date should treat this Notice for information purposes only.

- (A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:**

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company'

- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email [scrutinizer@gayatri.co.in](mailto:scrutinizer@gayatri.co.in) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format
- xiii. "Corporate Name Event No."

**(B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company / Depository Participants (s)]:**

- i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.

- ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

- II. **Voting at AGM:** the Members, who have not cast their vote through Remote e-voting, can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

**OTHER INSTRUCTIONS**

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Mr. Anandan K (Unit: M/s. Gayatri Projects Ltd ) of M/s. Karvy Fintech Private Limited (Formerly Known as Karvy Computershare Pvt. Ltd), Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at [evoting@karvy.com](mailto:evoting@karvy.com) or phone no. 040 – 6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on 27<sup>th</sup> September, 2019 (9 a.m. IST) to 29<sup>th</sup> September, 2019 (5 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 24<sup>th</sup> September, 2019 may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

- d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. 24<sup>th</sup> September, 2019.
- e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., 24<sup>th</sup> September, 2019 he / she may obtain the User ID and Password in the manner as mentioned below :
- i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399  
Example for NSDL:  
MYEPWD <SPACE> IN12345612345678  
  
Example for CDSL:  
MYEPWD <SPACE> 1402345612345678  
  
Example for Physical:  
MYEPWD <SPACE> XXXX1234567890
- ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- iii. Member may call Karvy's toll free number 1800-3454-001.
- iv. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com). However, Karvy shall Endeavour to send User ID and Password to those new Members whose mail ids are available.
- f. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently. Kindly note that once you have cast your vote you cannot modify or vote on poll at the Annual General Meeting. However, you can attend the meeting and participate in the discussions, if any.
- g. The Portal will remain open for voting from: 27<sup>th</sup> September, 2019 (9 a.m. IST) and ends on 29<sup>th</sup> September, 2019 (5 p.m. IST) (both days inclusive). The e-voting portal shall be disabled by Karvy thereafter.
- h. The Scrutinizer shall within a period not later than 3 (Three) days from the conclusion of the voting at the annual general meeting, first count the votes cast at the annual general meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (Two) witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 3 (Three) days after the conclusion of the annual general meeting to the Chairman of the Company. The Chairman, or any other person authorised by the Chairman, shall declare the result of the voting forthwith.
- i. The resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the resolutions.
- j. The results declared along with the Scrutinizer's Report(s) will be placed on the website of the Company [www.gayatri.co.in](http://www.gayatri.co.in) and on Karvy's website (<https://evoting.karvy.com>) immediately after it is declared by the Chairman, or any other person authorised by the Chairman, and the same shall be communicated to National Stock Exchange of India Limited and BSE Limited.

## **ANNEXURE TO NOTICE**

### **Explanatory Statement**

**Pursuant to Section 102 of the Companies Act, 2013**

**Item No.3:**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. N.S.V. KRISHNA RAO & CO, Cost Accountants, Hyderabad (Membership No. 17143) as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2020. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to the Cost Auditors has to be subsequently ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in this item of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2019-20.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in this resolution. The Board of Directors recommends the resolution for Member's approval.

**Item No.4**

Sri T. V. Sandeep Kumar Reddy, aged about 51 years is associated with the company since its incorporation in the year 1989. Sri T.V. Sandeep Kumar Reddy has done Masters in Construction Engineering and Management from University of Michigan at Ann Arbor, USA and also holds a Bachelor Degree in Civil Engineering from Purdue University. He is looking after the day to day affairs of our company and is designated as Managing Director of our Company.

The remuneration committee and The Board of Directors at their meeting held on 14.08.2019, has approved re-appointment of Sri T. V. Sandeep Kumar Reddy as Managing Director of the Company for the period commencing from 1<sup>st</sup> October, 2019 to 30th September, 2024 subject to consent of the Members at the ensuing Annual General Meeting of the Members of the Company, on the terms and conditions and remuneration detailed in the resolution no.4 as proposed.

The Board recommends the above resolution for approval of the members by way of special resolution.

Except Sri T. V. Sandeep Kumar Reddy, Mrs. T. Indira Reddy and Sri J. Brij Mohan Reddy (as relatives) none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

**Item no.5:**

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Ms. Gayathri Ramachandran(holding DIN: 02872723) as Additional Director of the Company and also as Independent Director, not liable to retire by rotation, for a term of 5 years i.e. from August 6, 2019 to August 5, 2024, subject to approval of the Members.

Pursuant to the provisions of Section 161(1) of the Act and Article 116 of the Articles of Association of the Company, she shall hold office up to the date of this Annual General Meeting ("AGM") and eligible to be appointed as Director. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing her candidature for the office of Director.

The Company has received declaration from Ms. Gayathri Ramachandran, to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed there under and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, she has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge the duties. In the opinion of the Board, Ms. Gayathri Ramachandran fulfill the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as Independent Director and she is independent of the management of the Company. The terms



and conditions of her appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

**The brief profile of the Ms. Gayathri Ramachandran is given below:**

**Ms. Gayathri Ramachandran**, IAS (Retd.) holds a Bachelor's Degree in Economics (Hons.) from Delhi University, a Master's Degree in Economics from Delhi University, a Master's Degree in Development Economics from Williams College, Massachusetts, USA and a Master's Degree in Defence Studies from National Defence College. Belonging to 1972 batch of the Indian Administrative Service (IAS).

Ms. Ramachandran has held important positions in the Government of India in the Ministries of Power, Petroleum, Industries, Chemicals & Fertilizers and Civil Aviation. In a career spanning over 36 years, she had held top national and international positions and with the Government of India and the State Government of Andhra Pradesh.

Ms. Ramachandran was Special Chief Secretary to the Government of Andhra Pradesh and the Director General of The Environment Protection Training and Research Institute EPTRI A leading organization with an accredited Laboratory and known for its National and International programmes and World Bank and USEPA projects as well as Energia an organization dedicated to outreach of poor households across the globe.

Ms. Ramachandran works closely with The National Biodiversity Authority and She is Chairman of a subcommittee of the National Biodiversity Authority to draft the guidelines for the Implementation of the Act. She contributes regularly for the RITES Journal on environment, infrastructure, Global warming etc.

Ms. Ramachandran is also a resource person for the International Water Management Institute and associated with other World Bank Organizations EPAs etc.

Ms. Ramachandran is also associated with Arts and Crafts and works with craftsmen and weavers for their development, marketing etc.

She is currently Chairman of the Hyderabad wing of The Center for Cultural Relations and Training, CCRT an agency of the Government of India.

Ms. Ramachandran is on an advisory capacity with a number of Social and Cultural Organizations in Hyderabad.

The Board recommends the Resolutions at Item No. 5 of this Notice for approval of the Members. Except Ms. Gayathri Ramachandran in the Resolutions relating to her own appointment, none of the other Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolutions set out in item no.5 of the Notice.

**Item no. 6:**

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Sri K.Jairaj (holding DIN: 01875126) as Additional Director of the Company and also as Independent Director, not liable to retire by rotation, for a term of 5 years i.e. from August 6, 2019 to August 5, 2024, subject to approval of the Members.

Pursuant to the provisions of Section 161(1) of the Act and Article 116 of the Articles of Association of the Company, he shall hold office up to the date of this Annual General Meeting ("AGM") and eligible to be appointed as Director. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing his candidature for the office of Director.

The Company has received declaration from Sri K.Jairaj, to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed there under and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he has not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge the duties. In the opinion of the Board Sri K.Jairaj fulfills the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as



Independent Director and he is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

**The brief profile of the Sri K. Jairaj is given below:**

A member of the 1976 batch of Indian Administrative Service (IAS), Sri K. Jairaj retired as Additional Chief Secretary, Government of Karnataka.

Sri K. Jairaj has held key appointments in the Infrastructure, Energy, Transport and Urban Development sectors including Principal Secretary, Energy Department and Chairman, BESCOM; Managing Director, Bangalore International Airport Ltd; Managing Director, Karnataka Power Corporation Ltd.; Managing Director Karnataka State Road Transport Corporation; Commissioner, Bangalore City Corporation (BBMP) for two terms; Commissioner for commercial Taxes and Principal Secretary to the Chief Minister.

With Sri N.R. Naryanamuthy as Chairman, Sri K. Jairaj helped to establish the Bangalore International Airport Limited (BIAL), India's first Greenfield Airport, on Public Private Partnership (PPP) basis. Sri Jairaj has served with World Bank, Washington DC., USA as Senior Public Sector Management Specialist.

Sri K. Jairaj's Academic background is in Economics, public Policy Management and Law. He has a B.A Hons Economics, Bangalore University; M.A. Economics, Delhi School of Economics; M.P.A Woodrow Wilson School of Public and International Affairs, Princeton University & MPA Kennedy School of Government, Harvard University. He has a LLB Degree from Bangalore University.

Sri K. Jairaj is active in the national management movement and served as president, All India Management Association (AIMA), the only IAS officer to have done so; past president Bangalore management association; currently on the Board of Governors, Indian Institute of Management, Kashipur. He was on the Board of Governors, IIM

Bangalore – (2000-04).

The Board recommends the Resolutions at Item No. 6 of this Notice for approval of the Members.

Except Sri K.Jairaj, in the Resolutions relating to his own appointment, none of the other Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolutions set out in item no. 6 of the Notice.

**Item no.7:**

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes there-appointment of Sri CH. Harivithal Rao (holding DIN 00012970) as Independent Director, for a second term of five years from 29th September, 2019 to 28<sup>th</sup> September, 2024, not liable to retire by rotation. Sri CH. Harivithal Rao was appointed as Independent Director at the 25<sup>th</sup> Annual General Meeting ("AGM") of the Company and holds office up to 28.09.2019. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given his background, experience and contribution, the continued association of Sri CH. Harivithal Rao would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

In the opinion of the Board, he fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management

of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

**A brief profile of the Sri CH. Harivithal Rao to be re-appointed is given below:**

Sri CH. Harivithal Rao(holding DIN 00012970) aged about 80 years, is a CAIB from Indian Institute of Bankers, and holds a Bachelors Degree in Arts from Andhra University. Ch. Hari Vithal Rao has over 50 years of experience as a banker and was employed with Bank of Baroda and Naandi Foundation in the past.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation

17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Sri CH. Harivithal Rao as Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends the Special Resolution at Item No. 7 of this Notice for approval of the Members.

Except Sri CH. Harivithal Rao none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 7 of the Notice.

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

Sd/-  
**CS I.V. Lakshmi**  
Company Secretary & Compliance Officer

Place: Hyderabad  
Date: 14<sup>th</sup> August, 2019







**GAYATRI**

**GAYATRI PROJECTS LIMITED**

CIN: L99999TG1989PLC057289

Regd. & Corp. Office: B-1, 1st Floor, T.S.R. Towers, 6-3-1090, Rajbhavan Road,  
Somajiguda, Hyderabad – 500 082

**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CIN:** L99999TG1989PLC057289

**Name of the company:** Gayatri Projects Limited

**Registered office:** B-1, 6-3-1090, TSR Towers,Rajbhavan Road, Somajiguda,Hyderabad – 500 082.

Name of the member (s):

Email Id:

Registered address:

Folio No./ Client Id No.:

DP Id No.:

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

1. Name:

1. Name:

1. Name:

Address:

Address:

Address:

E-Mail Id:

E-Mail Id:

E-Mail Id:

Signature:

Signature:

Signature:

or failing him

or failing him

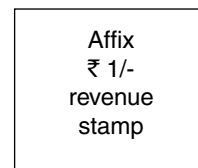
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual general meeting of the company, to be held on the Monday the 30<sup>th</sup> day of September, 2019 at 3.00 p.m. at KLN Prasad Auditorium, The Federation of Telangana Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad – 500 004 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	Against	Against
1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2019 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.		
2. To appoint a Director in place of Smt. T. Indira Reddy, who retires by rotation, and being eligible, offers herself for re-appointment.		
3. Ordinary Resolution for ratification of remuneration payable to M/s. N.S.V. KRISHNA RAO & CO., appointed as Cost Auditors of the Company for the F.Y 2019-20.		
4. Re-appointment of Sri T. V. Sandeep Kumar Reddy as Managing Director.		
5. Appointment of Ms. Gayathri Ramachandran as a director and an Independent Director		
6. Appointment of Sri K.Jairaj as a director and as an Independent Director.		
7. Re-appointment of Sri CH. Harivithal Rao (holding DIN 00012970) as an Independent Director.		

Signed this..... day of..... 20....

Signature of shareholder:

Signature of Proxy holder(s):



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.





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Somajiguda, Hyderabad – 500 082

**Attendance Slip**

I hereby record my presence at the 30th ANNUAL GENERAL MEETING at KLN Prasad Auditorium, The Federation of Telangana Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B.14, Hyderabad - 500 004 on 30<sup>th</sup> day of September, 2019 at 3.00 p.m.

.....  
Full Name of the Shareholder (in block letters)

.....  
Signature

Folio Number/DP ID No. :

Client ID:

No.of Shares Held:

.....  
Full Name of the Proxy (in block letters)  
(To be filled if the Proxy attends instead of member(s))

.....  
Signature

Note: Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting Hall. Please carry a copy of the Annual Report.



**ROUTE MAP TO THE AGM VENUE**

TSR Towers to FTAPCCI, Hyderabad, Telangana Drive 3.1 km, 12 min





A large red geometric shape, resembling a triangle or a parallelogram, is positioned on the left side of the page, extending from the top to the bottom.

# Gayatri Projects Limited

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