

August 10, 2022

<p>To The Secretary, Listing Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Maharashtra, India <u>Scrip Code: 532767</u></p>	<p>To The Manager, Listing Department National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 Maharashtra, India <u>Scrip Code: GAYAPROJ</u></p>
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Dear Sir/Madam,

Subject: Outcome of the Board Meeting

This has reference to our letter dated August 03, 2022, the Board of Directors at the meeting held today, i.e. August 10, 2022, inter alia, transacted the following business:

- Approved the Un-Audited Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 2022 with Limited Review Report submitted by MOS & Associates LLP, the Statutory Auditors of the Company.

The Board meeting commenced at 03:30 p.m. (IST) and concluded at 05:30 p.m. (IST).

A copy of the said results together with the Limited Review Report for quarter ended June 30, 2022 are enclosed herewith. These are also being made available on the website of the Company at www.gayatri.co.in.

This is for your information and record.

Thanking you,

For GAYATRI PROJECTS LIMITED

Chetan Kumar Sharma

Chetan Kumar Sharma
Company Secretary &
Compliance Officer



Encl.: As above



Independent Auditor's Review Report on Unaudited Standalone Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To

**The Board of Directors
Gayatri Projects Limited**

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results of **M/s. Gayatri Projects Limited ('the Company')** for the quarter ended 30th June, 2022 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. The preparation of the statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) – "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies generally accepted in India, is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatements. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Emphasis of Matters

We draw attention to the following matters:

- i) As stated in Note No. 4 to the unaudited standalone financial results, the Investee Company in which the Company has invested by way of Compulsorily Convertible Cumulative Preference Shares ("CCCPS"), has incurred considerable losses, there has been significant erosion of Networth, business operations of the investee company are severely impacted due to COVID – 19 Pandemic and further, holders of Non-Convertible Debentures have issued notices for recovery of dues under SARFAESI Act and filed applications under section 6 and 7 of the Insolvency and Bankruptcy Act, 2016. No provision for diminution / impairment for carrying value of the investment is provided for the quarter ended 30th June, 2022 and the financial statements of the said investee company have been prepared on going concern basis for the detailed reasons stated in the said note.
- ii) As stated in Note No. 5 to the unaudited standalone financial results regarding the status and recoverability of the investments / unsecured loan/subordinate debt infused by the company in an associate company which has been incurring operating losses during the past few years, the financial statements of the said associate company have been prepared on going concern basis for the detailed reasons stated in the said note.
- iii) As stated in Note No. 6 to the unaudited standalone financial results, the Inter Corporate Loan grouped under 'Non-current Loans' and accumulated interest thereon is long pending for recovery.



- iv) As stated in Note No. 7 to the unaudited standalone financial results, the recovery of trade receivables is delayed for the detailed reasons stated in the said note, the road project was terminated by the NHAI and toll rights were handed over to the NHAI. As per the information and explanation given to us and as stated in the said note, the said SMTL has requested the lenders to accept full and final settlement for the revised termination payment calculated by the NHAI. Based on the terms and conditions of the full and final settlement, if any impact in respect of recoverability of trade receivables shall be recognised in the subsequent period as and when full and final settlement happens. Further, as stated 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.
- v) As stated in Note No. 8 to the unaudited standalone financial results, 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.
- vi) As stated in Note No. 9 to the unaudited standalone financial results, the work advances in respect of certain contract works given to a sub-contractor grouped under 'Other Current Assets' which are long pending for recovery.
- vii) As stated in the Note No. 10 to the unaudited standalone financial results, as per the agreement dated 14th September, 2020, the Company and Gayatri Highways Limited ("GHL") – an Associate Company jointly and severally agreed to repay the loan availed by GHL from IL&FS Financial Services Limited (IL&FS) and repaid an amount of Rs.4590.00 lakhs since September, 2020. The repayment of remaining loan instalments is pending since March, 2021 instalment. As the company / GHL failed to repay the debt due to the IL&FS, the said IL&FS has filed application under section 7 of the Insolvency & Bankruptcy Code, 2016 before the Hon'ble National Company Law Tribunal, Hyderabad Bench which is not admitted till the date of approving the unaudited financial results.
- viii) As stated in the Note No. 11 to the unaudited standalone financial results, the recovery of work & other advances and receivables got delayed from one sub-contractor for the reasons stated in the said note.
- ix) As stated in the Note No. 12 to the unaudited standalone financial results, wherein it is explained the COVID – 19 Pandemic effects and impact on the business operations and cash flows of the company. As stated in the said note, the actual effect of Covid-19 pandemic will be known based on the future developments.
- x) As stated in Note No. 13 to the unaudited standalone financial results, the Company has defaulted in repayment of dues to the lenders for the reasons stated in the note and the lenders have recalled the financial facilities extended to the company. The loans and other facilities sanctioned to the company have been classified as Non-Performing Assets by the lenders and also issued various notices for recovery of their dues and lenders have filed petitions before Debt Recovery Tribunal (DRT)/other forums for recovery of the dues as stated in the said note. Further, two lenders & two operational creditors of the company and IL&FS have filed applications under section 6 and 7 of the Insolvency & Bankruptcy Code, 2016 before the Hon'ble National Company Law Tribunal, Hyderabad Bench which are not admitted till the date of approving the unaudited financial results.
- xi) As stated in the note no. 15, the unaudited standalone financial results have been prepared on going concern basis though there has been complete erosion of the networth, current liabilities exceed current assets, the company has defaulted in repayment of outstanding loans and lenders recalled all their facilities and issued various notices for recovery of their dues etc., for the detailed reasons given in the said note.

Our conclusion is not modified in respect of above matters.



5. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M O S & ASSOCIATES LLP

Chartered Accountants

Firm's Registration No. 001975S/S200020

Mani

Oommen Mani

Partner

Membership No. 234119

UDIN: 22234119AOTPZT6021



Place: Hyderabad
Date: 10th August, 2022



GAYATRI PROJECTS LIMITED

CIN : L99999TG1989PLC057289

Regd. Office: B1, TSR TOWERS, 6-3-1090, RAJ BHAVAN ROAD, SOMAJIGUDA, HYDERABAD -500082
STATEMENT OF UN-AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2022

(₹ in Lakhs)

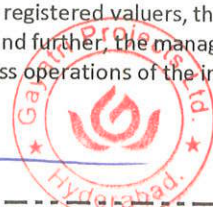
Sl. No.	Particulars	Quarter Ended			Year Ended
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		Unaudited	Audited	Unaudited	Audited
1	Income				
	Revenue from operations	28,256.19	53,735.63	89,708.74	3,10,233.68
	Other Income	614.02	194.99	20.18	338.52
	Total Income	28,870.21	53,930.62	89,728.92	3,10,572.20
2	Expenses				
	a. Cost of Materials Consumed & Work Expenditure	38,149.74	66,173.88	79,082.53	3,24,420.31
	b. Changes in Inventories of Work in Progress	13,234.67	3,332.20	(6,136.74)	613.82
	c. Employee Benefits Expense	2,431.06	3,372.19	3,683.49	13,565.05
	d. Finance Costs	10,932.08	9,774.42	6,763.01	33,767.44
	e. Depreciation and Amortization Expense	1,534.31	1,831.63	1,893.26	7,626.91
	f. Other Expenses	1,769.14	2,733.96	2,141.83	9,415.34
	Total Expenses	68,051.00	87,218.28	87,427.38	3,89,408.87
3	Profit / (Loss) before Exceptional items and Tax (1-2)	(39,180.79)	(33,287.66)	2,301.54	(78,836.67)
4	Exceptional Items	-	(14,051.05)	-	(14,051.05)
5	Profit / (Loss) before Tax (3+4)	(39,180.79)	(47,338.71)	2,301.54	(92,887.72)
6	Tax Expense (Net)	-	(51.05)	(39.17)	(258.56)
7	Net Profit / (Loss) after tax (5-6)	(39,180.79)	(47,287.66)	2,340.71	(92,629.16)
8	Other Comprehensive Income (OCI)				
	Items that will not be reclassified to profit or loss :				
	i) Changes in fair value of equity investment	(218.40)	(87.36)	180.96	274.56
	ii) Re-measurement gains/(losses) on actuarial valuation of Post Employment defined benefits	2.45	22.88	(4.38)	9.74
	iii) Income tax relating to Items that will not be reclassified to profit or loss	75.46	22.57	(61.51)	(99.31)
	Total Other Comprehensive Income / (Loss) (8)	(140.49)	(41.91)	115.07	184.99
9	Total Comprehensive Income / (Loss) (7+8)	(39,321.28)	(47,329.57)	2,455.78	(92,444.17)
10	Paid Up Equity Share Capital (Face Value ₹ 2/- per Share)	3,743.97	3,743.97	3,743.97	3,743.97
11	Other Equity (excluding Revaluation Reserves) as shown in the Audited Balance Sheet of the previous year				3,857.28
12	Earnings Per Share (EPS) of ₹ 2/- each (Not annualised)				
	- Basic & Diluted	(20.93)	(25.26)	1.25	(49.48)

Notes to un-audited Standalone Financial Results:

- The above published un-audited standalone financial results for the quarter ended 30th June 2022 have been prepared in accordance with the principles and procedures as set out in Ind AS on financial statements and such other applicable standards as notified under section 133 of the Companies Act, 2013 and Companies (Indian Accounting Standard) Rules 2015, as amended.
- The above un-audited standalone financial results for the quarter ended 30th June, 2022 have been reviewed by the Audit Committee and approved by the Company's Board of Directors in their respective meetings held on 10th August 2022.
- The Company's Operations primarily consist of Construction activities and there are no other reportable segments.
- The Company has an investment in Gayatri Hi-tech Hotels Limited ("Investee Company") in the form of 4% Compulsorily Convertible Cumulative Preferential Shares ("CCCPS") amounting to ₹ 19,571.95 Lakhs as of 30th June 2022. The financial statements of Investee Company are prepared on a going concern basis though, it has incurred considerable losses and there has been significant erosion in the Net worth of the investee company as per the latest available financial statements of the investee company. The ongoing COVID - 19 pandemic and implementation of lockdown in the country has significantly affected the operations of the investee company and which has defaulted in the redemption of non-convertible debentures, pursuant to which the holders of the Non-Convertible Debentures have issued notices for recovery under SARFAESI Act and also filed applications under section 6 and section 7 of the Insolvency and Bankruptcy Code, 2016 before the Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench. The said application has not been admitted till date of approving the un-audited financial results of the company. As informed to us, the management of the investee company is in process of appropriately dealing with the notices received and the applications filed before the Hon'ble NCLT and further, the management is also in discussion with the Debenture Holders for a resolution/settlement of dues. Further, as per the latest available valuation reports of the investee company made by two independent registered valuers, the value of the investee company is much higher than the value at which the company had made its investment, and further, the management of the company is very confident that all the issues in the investee company will get resolved and business operations of the investee company will get normalized at the earliest and generate sufficient cash flows.



[Handwritten Signature]



In view of the above and also considering the fact that the CCCPS are convertible into equity shares of the investee company during the financial year 2027-28 which is a very long period for realization of the investment or to analyze the actual investment value, no provision for diminution/impairment for carrying value of the investments is required to be made in the un-audited standalone financial results for the quarter ended 30th June 2022.

5. Gayatri Highways Limited, an associate company in which the company has an investment of ₹ 16,770.03 Lakhs in the form of Non-Convertible Preference Shares ('NCPS'), Equity Share Capital investment of ₹ 1,248.00 Lakhs, and also funded an amount of ₹ 25,825.80 Lakhs of unsecured loan / subordinate debt as at 30th June 2022. Further, as stated in the un-audited standalone financial results of the Associate Company, it has been incurring operating losses during the past few years. However, the un-audited financial results of the said associate company have been prepared on a going concern basis as the promoters of the associate company have guaranteed support to the company and its management believes that its investments in road projects will generate sufficient cash flows to support the company in foreseeable future. As of 30th June 2022, the said associate company is holding portfolio in several road projects. The management of the company is of the opinion that considering the future cash flows of the company from the said road projects on account of various claims filed, annuities, Toll collections receivable, and arbitration awards awarded will be sufficient to recover the amounts invested/advanced to the associate company and hence, in the opinion of the management no provision is required to be made for the NCPS investments made by the company and unsecured loan/subordinate debt receivable by the company from the associate in the un-audited standalone financial results for the quarter ended 30th June 2022.
6. In the ordinary course of business, the Company had given Contract Advances to a sub-contractor which on mutual consent have been converted into an interest-bearing inter-corporate loan. The said inter-corporate loan of ₹ 18,676.14 Lakhs and interest thereon of ₹ 22,477.81 Lakhs is pending for recovery as at 30th June 2022. The recovery of this loan along with interest thereon is delayed due to extraneous reasons like changes in government policies, delays in execution of projects, etc. However, the company has recovered considerable amounts during the previous financial years and the management is confident of recovering the balance amount in due course. Further, as per the information available with the company, the said sub-contractor is going to recover the money from the sale of immovable properties assigned to it and also assured the company that the sale proceeds will be utilised for repayment of dues to the company. In view of the above, the management of the company is of the view that no provision for the same is required to be made in the un-audited standalone financial results for the quarter ended 30th June 2022.
7. One of the subsidiary of the associate company (hereinafter called as "concessionaire company" or Sai Matarani Tollways Limited "SMTL"), which has been awarded a Build-Operate-Transfer (BOT) work for the construction of Four Laning of Panikoili-Rimuli section of NH-215 Road. The Company has to receive an amount of ₹ 23,715.65 Lakhs towards EPC cost from the said concessionaire company as at 30th June 2022. Further, the company has given an irrevocable and unconditional Corporate Guarantee of ₹ 1,39,735.00 Lakhs to the lenders of the concessionaire company. The Concessionaire Company has given termination notice to the National Highways Authority of India (NHAI) due to irreparable loss of toll revenue from the road project and requested for a termination payment of ₹ 2,29,667.00 Lakhs. Apart from the above-said termination payment, the Concessionaire Company had filed claims with the NHAI under Concessionaire's right to recover losses/ damages from the Authority on account of material default of the Authority. SMTL Road Project was terminated by the NHAI on 28th January 2020, and toll collection rights were handed over to the NHAI from 30th January 2020. In the above circumstances, NHAI initially calculated the terminal payment of ₹ 58,421.00 Lakhs, however SMTL has not accepted the terminal payment calculated by NHAI and has negotiated with NHAI for further improvement. Accordingly, the termination payment was revised to ₹ 79,650.00 Lakhs by NHAI in March 2022. SMTL has requested its lenders to accept the above-said payment of ₹ 79,650.00 Lakhs towards full and final settlement of all existing past and future dues etc. Upon acceptance of the above stated proposal, the said lenders shall waive all future claims against SMTL and its guarantors and drop legal proceedings. Once the full and final settlement is accepted by the lenders of SMTL and based on the conditions if any imposed by the lenders of SMTL, the impact of the same shall be recognised. As per the available information and based on the discussions held with the lenders, the management is of the view that the possibility of invocation of Corporate Guarantee is remote. Based on the above, and as per the available information, the management of the company is of the view that no provision is required to be made in respect of trade receivables and Corporate Guarantee in the un-audited standalone financial results for the quarter ended 30th June 2022.
8. An amount of ₹ 3620.49 Lakhs as on 30th June 2022 is receivable from M/s Western UP Tollways Limited ('Erstwhile Associate Company or WUTPL') 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 claims amounts received by the erstwhile associate company from NHAI. The Arbitration Tribunal has pronounced arbitration award of ₹ 12,443.00 Lakhs which includes interest thereon of ₹ 6,405.00 Lakhs and extension of concession period by 348 days. At the request of the M/s Western UP Tollways Limited, the above claims and the termination payment have been referred to the Conciliation Committee of Independent Experts ("CCIE") as per NHAI policy. The Management of WUTPL is very confident of getting the claim amounts from NHAI and assured the company by way of agreement, to pay the company its share upon receipt of claims, and accordingly, in the opinion of the management of the company, no provision is required to be made in respect of amounts receivable from the said erstwhile associate company in the un-audited standalone financial results for the quarter ended 30th June 2022.
9. The Advances to Suppliers, Sub-contractors, and others as at 30th June 2022, includes an amount of ₹ 15,022.65 Lakhs given to one sub-contractor in the normal course of business. The recovery of this advance is delayed due to certain extraneous factors not attributable to the subcontractor. During the previous financial years, the company has recovered a substantial amount of more than ₹ 18,000.00 Lakhs from the said sub-contractor. In view of this, the management is confident to recover the remaining advances from the sub-contractor in due course, and hence no provision is required to be made in the un-audited standalone financial results for the quarter ended 30th June 2022.



10. As per the Settlement and Supplementary Agreement dated 14th September 2020 made between Gayatri Projects Limited ("the Company/GPL"), 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 balance principal loan amount of ₹ 8,410.00 Lakhs and an additional interest of ₹ 865.00 Lakhs towards the loan availed by GHL along with interest in eleven monthly installments commencing from 15th September 2020 and the entire amount to be paid on or before 15th July 2021. The Company and GHL have jointly paid the principal amount of ₹4,590.00 Lakhs due till February 2021. The balance principal amount payable to IL&FS is ₹ 3,823.00 Lakhs and interest due and payable is ₹ 677.00 Lakhs. Due to non-payment of remaining installments/dues, the IL&FS has filed an application under section 7 of the Insolvency and Bankruptcy Code, 2016 before the Hon'ble National Company Law Tribunal, Hyderabad on 18th January 2022. The applications filed by the IL&FS is not admitted till the date of approving the results and the next hearing is posted on 17th August 2022.
11. The recovery of work and other advances and receivables got delayed from one sub-contractor amounting to ₹ 9,935.85 Lakhs as at 30th June 2022 which is on account of a mis-match in the cash flows of the sub-contractor and non-extending of financial facilities. As per the information and explanations given by the said sub-contractor, the dues to the company will be paid in due course without any fail, and hence, in the opinion of the management provision is not required to be made in the un-audited standalone financial results for the quarter ended 30th June 2022.
12. The company is mainly engaged in the execution of road works allotted by the National Highways Authority of India and Irrigation related works given by various state governments. Due to various Covid-19 related lockdown restrictions imposed across the country during the previous two financial years, the work at major sites had got disrupted and delayed. The works have resumed post relaxation of lockdown restrictions. The recovery of trade receivables got delayed due to COVID –19 Pandemic impact on the economy of the country and various states which ultimately caused financial and operational stress on the company and the progress of the works executed by the company. However, the Company will closely monitor the future developments and economic conditions across the country and assess its impact on the business operations and going concern of the company.
13. Due to changes in business conditions on account of the Covid-19 pandemic, there has been a delay in recovery of Trade Receivables as stated in the above note no. 12, increase in materials cost and increase in cost of services, non-availability of adequate working capital to execute the contract works on hand, non-awarding of fresh contract works due to lenders reluctant to provide bank guarantee or other facilities, etc., have severely affected the business operations and billing cycle (raising of RA bills on the contractors) of the company which have resulted that the Company defaulted in repayment of dues to its lenders and devolvement of significant Non-Fund based facilities and most of the lenders have recalled their financial facilities extended to the company. The loans and other facilities sanctioned to the company have been classified by the lenders as Non-Performing Assets (NPA) and the interest/finance cost on financial facilities has been recognized in the books of accounts / financial results on the basis of the loans sanction letters and other loan documents available with the company as the lenders have not provided the loan balance confirmations, loan account statements, other interest and financial charges debit advices etc., and hence, the interest and financial charges accounted and recognized in the financial results is subject to reconciliation and confirmation and differential interest and finance charges will be accounted upon restructuring or settlement of the dues or based on the availability of the loan account statements. The consortium of lender had via this letter dt.06/06/2022, had informed the company that in case the company is able to infuse up-front ₹ 400 to ₹500 crores along with a detailed resolution plan the same may be considered. The management has identified a potential investor for raising the necessary funds and is in the process of working out a detailed resolution plan for settling of dues to the lenders and the due diligence for the same in ongoing.

Further, promoters have guaranteed their continuous financial and other support to the company and are in the process of infusing the funds into the company and the company has appointed a leading consultant as Corporate Debt Advisors for Debt Restructuring proposal / amicable debt settlement proposal in the best interest of the company and the lenders. In these circumstances, the lenders have sent various notices to the company and the personal guarantors for recovery of their dues and have appointed a forensic auditor. The company has not received the final forensic audit report till date of approving the un-audited financial results for the quarter ending 30th June 2022. The Lenders have also filed petitions/legal suits/complaints before the Debt Recovery Tribunal (DRT)/other forums for recovery of the dues and issued notices under SARFAESI Act. Further, two lenders & two operational creditors of the company and IL&FS (as stated in the above note no. 10), have filed applications under section 6 and section 7 of the Insolvency and Bankruptcy Code, 2016 before the Hon'ble National Company Law Tribunal (NCLT), Hyderabad. The applications filed before the Hon'ble NCLT are not admitted till the date of approving the results. Besides this, the management of the company is in the process of appropriately dealing with the notices received from various lenders, petitions filed before the DRT, and applications filed before the Hon'ble NCLT. The management is very confident to resolve all these issues at the earliest in the best interest of the company's affairs, business operations, and lender's business interests.

14. During the current period ended 30th June 2022, the company has assigned some of its contract works amounts to ₹ 3,62,833.00 Lakhs on back-to-back basis to sub-contractors / other contractors as the company is unable to achieve the work progress targets due to working capital issue and non-availability of funds for the detailed reasons stated in note 13. The assignment of these contract works to sub-contractors / other contractors is done in the best interest of the company in order to avoid huge termination penalties and other hindered consequences. Due to assignment of contract works to sub-contractors / other contractors, the company could not raise bill for contract work executed till the date of assignment and accordingly, the company had no other option other than to reverse or nullify the value of the work in progress recognized in the books of accounts during the previous quarter or current quarter which has resulted in reversal of work in progress amounts to ₹13,742.92 Lakhs for the quarter ended 30th June, 2022.



TJL



15. During the current period ended 30th June 2022, the company has incurred a loss of ₹ 39,180.79 Lakhs for the detailed reasons stated in note no. 13 & 14 and the net worth of the company is completely eroded on account of huge losses suffered by the company for the reasons stated in note no. 13 and 14 which are beyond the control of the company or the management. As at 30th June, 2022, the company has defaulted in repayment of outstanding loans including recalled loans and other credit facilities, devolvement of non-fund based facilities total amounting to ₹ 3,25,198.88 Lakhs. The lenders have classified all these loans and financial facilities including other credit facilities as NPA and have issued various notices for recovery of their dues as explained in note no. 13. As at 30th June, 2022, the current liabilities exceed the current assets by ₹ 1,44,297.57 Lakhs. However, the financial results / statements have been prepared on a Going-Concern basis as the promoters have guaranteed their continuous financial and other support to the company and are in the process of infusing the funds in to the company apart from identifying a potential investor for raising the funds in order to settle / restructuring the dues to the lenders. Further, the company has appointed a leading consultant as Corporate Debt Advisors for Debt Restructuring proposal/ amicable debt settlement proposal in the best interest of the company, lenders and stakeholders. The management of the company is very confident of reviving the company from current financial crises and resolving the debt default issues at the earliest. Hence, un-audited standalone financial results for the quarter ended 30th June, 2022 are prepared on Going Concern basis.
16. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
17. Previous period figures have been regrouped to facilitate comparison wherever necessary.



Place: Hyderabad.
Date: 10th August 2022

By Order of the Board
For **GAYATRI PROJECTS LIMITED**

T.INDIRA REDDY
Chairperson
DIN : 00009906





Independent Auditor's Review Report on Unaudited Consolidated Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors
Gayatri Projects Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Gayatri Projects Limited ('the Parent Company'), comprising its subsidiary (the Parent and its subsidiary together referred to as "the Group"), and its associates and joint ventures for the quarter ended 30th June, 2022 ("the Statement"), being submitted by the Parent company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. The preparation of the statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) – "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies generally accepted in India, is the responsibility of the Parent Company's Management and has been approved by the Board of Directors of the Parent Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatements. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (listing Obligations and Disclosure requirements) Regulations, 2015, as amended, to the extent applicable.

4. The statement includes the results of the following entities:

Subsidiary Company:

Gayatri Energy Ventures Private Limited

Associate Company:

Gayatri Highways Limited

Joint Ventures / Jointly Controlled Entities:

1. IJM Gayatri Joint Venture
2. Jaiprakash Gayatri Joint Venture
3. Gayatri ECI Joint Venture
4. Gayatri Ratna Joint Venture
5. Gayatri Ranjit Joint Venture
6. Gayatri GDC Joint Venture
7. Gayatri BCBPPL Joint Venture
8. Gayatri RNS Joint Venture
9. Gayatri JMC Joint Venture



10. MEIL Gayatri ZVS ITT Joint Venture
11. Viswanath Gayatri Joint Venture
12. Gayatri Crescent Joint Venture
13. Vishwa Gayatri Joint Venture
14. Maytas Gayatri Joint Venture
15. Gayatri RNS SIPL Joint Venture
16. Gayatri KMB Joint Venture
17. Gayatri PTPS Joint Venture
18. HES Gayatri NCC Joint Venture
19. Gayatri OJSC SIBMOST Joint Venture
20. GPL-RKTCPL Joint Venture
21. Gayatri-Ramky Joint Venture
22. GPL-SPML Joint Venture

5. Emphasis of Matters

We draw attention to the following matters:

- i) As stated in Note No. 4 to the unaudited consolidated financial results, the Investee Company in which the Company has invested by way of Compulsorily Convertible Cumulative Preference Shares ("CCCPS"), has incurred considerable losses, there has been significant erosion of Networth, business operations of the investee company are severely impacted due to COVID – 19 Pandemic and further, holders of Non-Convertible Debentures have issued notices for recovery of dues under SARFAESI Act and filed applications under section 6 and 7 of the Insolvency and Bankruptcy Act, 2016. No provision for diminution / impairment for carrying value of the investment is provided for the quarter ended 30th June, 2022 and the financial statements of the said investee company have been prepared on going concern basis for the detailed reasons stated in the said note.
- ii) As stated in Note No. 5 to the unaudited consolidated financial results regarding the status and recoverability of the investments / unsecured loan/subordinate debt infused by the company in an associate company which has been incurring operating losses during the past few years, the financial results / statements of the said associate company have been prepared on going concern basis for the detailed reasons stated in the said note.
- iii) As stated in Note No. 6 to the unaudited consolidated financial results, the Inter Corporate Loan grouped under 'Non-current Loans' and accumulated interest thereon long pending for recovery.
- iv) As stated in Note No. 7 to the unaudited consolidated financial results, the recovery of trade receivables is delayed for the detailed reasons stated in the said note, the road project was terminated by the NHAI and toll rights were handed over to the NHAI. As per the information and explanation given to us and as stated in the said note, the said SMTL has requested the lenders to accept full and final settlement for the revised termination payment calculated by the NHAI. Based on the terms and conditions of the full and final settlement, if any impact in respect of recoverability of trade receivables shall be recognised in the subsequent period as and when full and final settlement happens. Further, as stated 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.
- v) As stated in Note No. 8 to the unaudited consolidated financial results, 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.
- vi) As stated in Note No. 9 to the unaudited consolidated financial results, the work advances in respect of certain contract works given to a sub-contractor grouped under 'Other Current Assets' which are long pending for recovery.
- vii) As stated in the Note No. 10 to the unaudited consolidated financial results, as per the agreement dated 14th September, 2020, the Company and Gayatri Highways Limited ("GHL") – an Associate Company jointly and severally agreed to repay the loan availed by GHL from IL&FS Financial Services Limited (IL&FS) and repaid an amount of Rs.4590.00 lakhs since September, 2020. The repayment of remaining loan instalments is pending since March, 2021 instalment. As the company



/ GHIL failed to repay the debt due to the IL&FS, the said IL&FS has filed application under section 7 of the Insolvency & Bankruptcy Code, 2016 before the Hon'ble National Company Law Tribunal, Hyderabad Bench which is not admitted till the date of approving the unaudited consolidated financial results.

- viii) As stated in the Note No. 11 to the unaudited consolidated financial results, the recovery of work & other advances and receivables got delayed from one sub-contractor for the reasons stated in the said note.
- ix) As stated in the Note No. 12 to the unaudited consolidated financial results, wherein it is explained the COVID – 19 Pandemic effects and impact on the business operations and cash flows of the company. As stated in the said note, the actual effect of Covid-19 pandemic will be known based on the future developments.
- x) As stated in the Note No. 13 to the unaudited consolidated financial results, the Company has defaulted in repayment of dues to the lenders for the reasons stated in the note and the lenders have recalled the financial facilities extended to the company. The loans and other facilities sanctioned to the company have been classified as Non-Performing Assets by the lenders and also issued various notices for recovery of their dues and lenders have filed petitions before Debt Recovery Tribunal (DRT)/other forums for recovery of the dues as stated in the said note. Further, two lenders, two operational creditors and IL&FS have filed applications under section 6 and 7 of the Insolvency & Bankruptcy Code, 2016 before the Hon'ble National Company Law Tribunal, Hyderabad Bench which are not admitted till the date of approving the unaudited consolidated financial results.
- xi) As stated in Note No. 15, the unaudited consolidated financial results have been prepared on going concern basis though there has been complete erosion of the networth, current liabilities exceed current assets, the company has defaulted in repayment of outstanding loans and lenders recalled all their facilities and issued various notices for recovery of their dues etc., for the detailed reasons given in the said note.
- xii) As stated in the Note No. 16 to the unaudited consolidated financial results, regarding exit agreement entered by the subsidiary company in respect of investments/ advances/ share application money made in certain power projects and long pending recovery of the same. Further, the bank guarantee given by the company in favour of Western Coalfields Limited ("WCL") on behalf of Jinbhuvish Power Generation Private Limited ("JPGPL") has been encashed and the impact if any in respect of encashment of the bank guarantee shall be recognised appropriately based on the results of the writ petition filed before the Hon'ble High Court.
- xiii) As stated in the Note No. 17 to the unaudited consolidated financial results, regarding contract advances given by the step-down subsidiary company which are long pending for recovery.

Our conclusion is not modified in respect of above matters.

- 6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors and management certified financial statements / financial information referred in paragraph 7, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. Other Matters

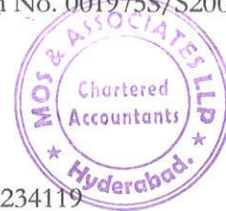
- a. We did not review the financial results / statements and other information in respect of one associate company which reflects Group's share of net loss of Rs. Nil for the quarter ended 30th June, 2022. The financial results / statement have been reviewed by other auditor whose review report has been furnished to us by the management and our conclusion on the financial results, in so far as it relates to the amounts and disclosures in respect of this associate, is based solely on the reports of the other auditor. Our conclusion is not modified in respect of this matter.



- b. Further, we have relied on the management certified financial results / financial information of seventeen joint ventures (which have not been reviewed by their auditors) in which the share of Group's Nil included in the unaudited consolidated financial results for the quarter ended 30th June, 2022. In respect of management certified financial results, our conclusion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, is based solely on such management certified financial results / financial information.
- c. The financial results / financial information of five joint ventures are not available for consolidation and in the opinion of the management the share of Profit / Loss from these Joint Ventures is very negligible and will have no significant impact in the consolidated financial results.

For M O S & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No. 001975S/S200020


Oommen Mani
Partner
Membership No. 234119
UDIN: 22234119AOTRKU7208



Place: Hyderabad
Date: 10th August, 2022



GAYATRI PROJECTS LIMITED

CIN : L99999TG1989PLC057289

Regd. Office: B1, TSR TOWERS, 6-3-1090, RAJ BHAVAN ROAD, SOMAJIGUDA, HYDERABAD 500 082

STATEMENT OF UN-AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2022

(₹ in Lakhs)

Sl. No.	Particulars	Quarter Ended			Year Ended
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		Unaudited	Audited	Unaudited	Audited
1	Income				
	Revenue from operations	28,256.19	53,735.63	89,708.74	3,10,233.68
	Other Income	614.02	196.60	20.18	340.13
	Total Income	28,870.21	53,932.23	89,728.92	3,10,573.81
2	Expenses				
	a. Cost of Materials Consumed & Work Expenditure	38,149.74	66,173.88	79,082.53	3,24,420.31
	b. Changes in Inventories of Work in Progress	13,234.67	3,332.20	(6,136.74)	613.82
	c. Employee Benefits Expense	2,431.06	3,372.19	3,683.49	13,565.05
	d. Finance Costs	10,932.08	9,776.83	6,792.05	33,807.72
	e. Depreciation and Amortization Expense	1,534.31	1,831.63	1,893.26	7,626.91
	f. Other Expenses	1,771.95	4,006.45	2,142.40	10,690.58
	Total Expenses	68,053.81	88,493.18	87,456.99	3,90,724.39
3	Profit / (Loss) before Exceptional items and Tax (1-2)	(39,183.60)	(34,560.95)	2,271.93	(80,150.58)
4	a) Exceptional Items	-	(14,051.05)	-	(14,051.05)
	b) Share of Profit/(Loss) of Joint Ventures & Associates	(6.00)	(1,797.83)	(20.07)	(1,878.40)
5	Profit/(Loss) before Tax (3+4)	(39,189.60)	(50,409.83)	2,251.86	(96,080.03)
6	Tax Expense (includes Deferred Tax) (Net)	-	(51.05)	(39.17)	(258.56)
7	Net Profit/(Loss) after tax (5-6)	(39,189.60)	(50,358.78)	2,291.03	(95,821.47)
8	Other Comprehensive Income (OCI)				
	Items that will not be reclassified to profit or loss :				
	i) Changes in fair value of equity investment	-	-	-	-
	ii) Re-measurement gains/(losses) on actuarial valuation of Post Employment defined benefits	2.45	22.88	(4.38)	9.74
	iii) Income tax relating to Items that will not be reclassified to profit or loss	(0.86)	(7.96)	1.72	(3.37)
	Total Other Comprehensive Income (8)	1.59	14.92	(2.66)	6.37
9	Total Comprehensive Income (7+8)	(39,188.01)	(50,343.86)	2,288.37	(95,815.10)
10	Paid Up Equity Share Capital (Face Value ₹ 2/- per Share)	3,743.97	3,743.97	3,743.97	3,743.97
11	Other Equity (excluding Revaluation Reserves) as shown in the Audited Balance Sheet of the previous year				(4,231.64)
12	Earnings Per Share of ₹ 2/- each (not annualized)				
	- Basic & Diluted	(20.93)	(26.90)	1.22	(51.19)

Notes to Un-audited Consolidated Financial Results:

- The above published un-audited consolidated financial results for the quarter ended 30th June 2022 have been prepared in accordance with the principles and procedures as set out in Ind AS on financial statements and such other applicable standards as notified under section 133 of the Companies Act, 2013 and Companies (Indian Accounting Standard) Rules 2015, as amended.
- The above un-audited consolidated financial results for the quarter ended 30th June, 2022 have been reviewed by the Audit Committee and approved by the Company's Board of Directors in their respective meetings held on 10th August 2022.
- The Company's Operations primarily consist of Construction activities and there are no other reportable segments.
- The Company has an investment in Gayatri Hi-tech Hotels Limited ("Investee Company") in the form of 4% Compulsorily Convertible Cumulative Preferential Shares ("CCCPs") amounting to ₹ 19,571.95 Lakhs as of 30th June 2022. The financial statements of Investee Company are prepared on a going concern basis though, it has incurred considerable losses and there has been significant erosion in the Net worth of the investee company as per the latest available financial statements of the investee company. The ongoing COVID - 19 pandemic and implementation of lockdown in the country has significantly affected the operations of the investee company and which has defaulted in the redemption of non-convertible debentures, pursuant to which the holders of the Non-Convertible Debentures have issued notices for recovery under SARFAESI Act and also filed applications under section 6 and section 7 of the Insolvency and Bankruptcy Code, 2016 before the Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench. The said application has not been admitted till date of approving the un-audited financial results of the company. As informed to us, the management of the investee company is in process of appropriately dealing with the notices received and the applications filed before



the Hon'ble NCLT and further, the management is also in discussion with the Debenture Holders for a resolution/settlement of dues. Further, as per the latest available valuation reports of the investee company made by two independent registered valuers, the value of the investee company is much higher than the value at which the company had made its investment, and further, the management of the company is very confident that all the issues in the investee company will get resolved and business operations of the investee company will get normalized at the earliest and generate sufficient cash flows. In view of the above and also considering the fact that the CCCPS are convertible into equity shares of the investee company during the financial year 2027-28 which is a very long period for realization of the investment or to analyze the actual investment value, no provision for diminution/impairment for carrying value of the investments is required to be made in the un-audited consolidated financial results for the quarter ended 30th June 2022.

5. Gayatri Highways Limited, an associate company in which the company has an investment of ₹ 16,770.03 Lakhs in the form of Non-Convertible Preference Shares ('NCPS'), Equity Share Capital investment of ₹ 1,248.00 Lakhs, and also funded an amount of ₹ 25,825.80 Lakhs of unsecured loan / subordinate debt as at 30th June 2022. Further, as stated in the un-audited consolidated financial results of the Associate Company, it has been incurring operating losses during the past few years. However, the un-audited financial results of the said associate company have been prepared on a going concern basis as the promoters of the associate company have guaranteed support to the company and its management believes that its investments in road projects will generate sufficient cash flows to support the company in foreseeable future. As of 30th June 2022, the said associate company is holding portfolio in several road projects. The management of the company is of the opinion that considering the future cash flows of the company from the said road projects on account of various claims filed, annuities, Toll collections receivable, and arbitration awards awarded will be sufficient to recover the amounts invested/advanced to the associate company and hence, in the opinion of the management no provision is required to be made for the NCPS investments made by the company and unsecured loan/subordinate debt receivable by the company from the associate in the un-audited consolidated financial results for the quarter ended 30th June 2022.
6. In the ordinary course of business, the Company had given Contract Advances to a sub-contractor which on mutual consent have been converted into an interest-bearing inter-corporate loan. The said inter-corporate loan of ₹ 18,676.14 Lakhs and interest thereon of ₹ 22,477.81 Lakhs is pending for recovery as at 30th June 2022. The recovery of this loan along with interest thereon is delayed due to extraneous reasons like changes in government policies, delays in execution of projects, etc. However, the company has recovered considerable amounts during the previous financial years and the management is confident of recovering the balance amount in due course. Further, as per the information available with the company, the said sub-contractor is going to recover the money from the sale of immovable properties assigned to it and also assured the company that the sale proceeds will be utilised for repayment of dues to the company. In view of the above, the management of the company is of the view that no provision for the same is required to be made in the un-audited consolidated financial results for the quarter ended 30th June 2022.
7. One of the subsidiary of the associate company (hereinafter called as "concessionaire company" or Sai Matarani Tollways Limited "SMTL"), which has been awarded a Build-Operate-Transfer (BOT) work for the construction of Four Laning of Panikoili-Rimuli section of NH-215 Road. The Company has to receive an amount of ₹ 23,715.65 Lakhs towards EPC cost from the said concessionaire company as at 30th June 2022. Further, the company has given an irrevocable and unconditional Corporate Guarantee of ₹ 1,39,735.00 Lakhs to the lenders of the concessionaire company. The Concessionaire Company has given termination notice to the National Highways Authority of India (NHAI) due to irreparable loss of toll revenue from the road project and requested for a termination payment of ₹ 2,29,667.00 Lakhs. Apart from the above-said termination payment, the Concessionaire Company had filed claims with the NHAI under Concessionaire's right to recover losses/ damages from the Authority on account of material default of the Authority. SMTL Road Project was terminated by the NHAI on 28th January 2020, and toll collection rights were handed over to the NHAI from 30th January 2020. In the above circumstances, NHAI initially calculated the terminal payment of ₹ 58,421.00 Lakhs, however SMTL has not accepted the terminal payment calculated by NHAI and has negotiated with NHAI for further improvement. Accordingly, the termination payment was revised to ₹ 79,650.00 Lakhs by NHAI in March 2022. SMTL has requested its lenders to accept the above-said payment of ₹ 79,650.00 Lakhs towards full and final settlement of all existing past and future dues etc. Upon acceptance of the above stated proposal, the said lenders shall waive all future claims against SMTL and its guarantors and drop legal proceedings. Once the full and final settlement is accepted by the lenders of SMTL and based on the conditions if any imposed by the lenders of SMTL, the impact of the same shall be recognised. As per the available information and based on the discussions held with the lenders, the management is of the view that the possibility of invocation of Corporate Guarantee is remote. Based on the above, and as per the available information, the management of the company is of the view that no provision is required to be made in respect of trade receivables and Corporate Guarantee in the un-audited consolidated financial results for the quarter ended 30th June 2022.
8. An amount of ₹ 3620.49 Lakhs as on 30th June 2022 is receivable from M/s Western UP Tollways Limited ('Erstwhile Associate Company or WUTPL') 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 claims amounts received by the erstwhile associate company from NHAI. The Arbitration Tribunal has pronounced arbitration award of ₹ 12,443.00 Lakhs which includes interest thereon of ₹ 6,405.00 Lakhs and extension of concession period by 348 days. At the request of the M/s Western UP Tollways Limited, the above claims and the termination payment have been referred to the Conciliation Committee of Independent Experts ("CCIE") as per NHAI policy. The Management of WUTPL is very confident of getting the claim amounts from NHAI and assured the company by way of agreement, to pay the company its share upon receipt of claims, and accordingly, in the opinion of the management of the company, no provision is required to be made in respect of amounts receivable from the said erstwhile associate company in the un-audited consolidated financial results for the quarter ended 30th June 2022.



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9. The Advances to Suppliers, Sub-contractors, and others as at 30th June 2022, includes an amount of ₹ 15,022.65 Lakhs given to one sub-contractor in the normal course of business. The recovery of this advance is delayed due to certain extraneous factors not attributable to the subcontractor. During the previous financial years, the company has recovered a substantial amount of more than ₹ 18,000 Lakhs from the said sub-contractor. In view of this, the management is confident to recover the remaining advances from the sub-contractor in due course, and hence no provision is required to be made in the un-audited consolidated financial results for the quarter ended 30th June 2022.
10. As per the Settlement and Supplementary Agreement dated 14th September 2020 made between Gayatri Projects Limited ("the Company/GPL"), 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 balance principal loan amount of ₹ 8,410.00 Lakhs and an additional interest of ₹ 865.00 Lakhs towards the loan availed by GHL along with interest in eleven monthly installments commencing from 15th September 2020 and the entire amount to be paid on or before 15th July 2021. The Company and GHL have jointly paid the principal amount of ₹ 4,590.00 Lakhs due till February 2021. The balance principal amount payable to IL&FS is ₹ 3,823.00 Lakhs and interest due and payable is ₹ 677.00 Lakhs. Due to non-payment of remaining installments/dues, the IL&FS has filed an application under section 7 of the Insolvency and Bankruptcy Code, 2016 before the Hon'ble National Company Law Tribunal, Hyderabad on 18th January 2022. The applications filed by the IL&FS is not admitted till the date of approving the results and the next hearing is posted on 17th August 2022.
11. The recovery of work and other advances and receivables got delayed from one sub-contractor amounting to ₹ 9,935.85 Lakhs as at 30th June 2022 which is on account of a mis-match in the cash flows of the sub-contractor and non-extending of financial facilities. As per the information and explanations given by the said sub-contractor, the dues to the company will be paid in due course without any fail, and hence, in the opinion of the management provision is not required to be made in the un-audited consolidated financial results for the quarter ended 30th June 2022.
12. The company is mainly engaged in the execution of road works allotted by the National Highways Authority of India and Irrigation related works given by various state governments. Due to various Covid-19 related lockdown restrictions imposed across the country during the previous two financial years, the work at major sites had got disrupted and delayed. The works have resumed post relaxation of lockdown restrictions. The recovery of trade receivables got delayed due to COVID –19 Pandemic impact on the economy of the country and various states which ultimately caused financial and operational stress on the company and the progress of the works executed by the company. However, the Company will closely monitor the future developments and economic conditions across the country and assess its impact on the business operations and going concern of the company.
13. Due to changes in business conditions on account of the Covid-19 pandemic, there has been a delay in recovery of Trade Receivables as stated in the above note no. 12, increase in materials cost and increase in cost of services, non-availability of adequate working capital to execute the contract works on hand, non-awarding of fresh contract works due to lenders reluctant to provide bank guarantee or other facilities, etc., have severely affected the business operations and billing cycle (raising of RA bills on the contractors) of the company which have resulted that the Company defaulted in repayment of dues to its lenders and devolvement of significant Non-Fund based facilities and most of the lenders have recalled their financial facilities extended to the company. The loans and other facilities sanctioned to the company have been classified by the lenders as Non-Performing Assets (NPA) and the interest/finance cost on financial facilities has been recognized in the books of accounts / financial results on the basis of the loans sanction letters and other loan documents available with the company as the lenders have not provided the loan balance confirmations, loan account statements, other interest and financial charges debit advices etc., and hence, the interest and financial charges accounted and recognized in the financial results is subject to reconciliation and confirmation and differential interest and finance charges will be accounted upon restructuring or settlement of the dues or based on the availability of the loan account statements. The consortium of lender had via this letter dt.06/06/2022, had informed the company that in case the company is able to infuse up-front ₹ 400 to ₹ 500 crores along with a detailed resolution plan the same may be considered. The management has identified a potential investor for raising the necessary funds and is in the process of working out a detailed resolution plan for settling of dues to the lenders and the due diligence for the same in ongoing.

Further, promoters have guaranteed their continuous financial and other support to the company and are in the process of infusing the funds into the company and the company has appointed a leading consultant as Corporate Debt Advisors for Debt Restructuring proposal / amicable debt settlement proposal in the best interest of the company and the lenders. In these circumstances, the lenders have sent various notices to the company and the personal guarantors for recovery of their dues and have appointed a forensic auditor. The company has not received the final forensic audit report till date of approving the un-audited financial results for the quarter ending 30th June 2022. The Lenders have also filed petitions/legal suits/complaints before the Debt Recovery Tribunal (DRT)/other forums for recovery of the dues and issued notices under SARFAESI Act. Further, two lenders & two operational creditors of the company and IL&FS (as stated in the above note no. 10), have filed applications under section 6 and section 7 of the Insolvency and Bankruptcy Code, 2016 before the Hon'ble National Company Law Tribunal (NCLT), Hyderabad. The applications filed before the Hon'ble NCLT are not admitted till the date of approving the results. Besides this, the management of the company is in the process of appropriately dealing with the notices received from various lenders, petitions filed before the DRT, and applications filed before the Hon'ble NCLT. The management is very confident to resolve all these issues at the earliest in the best interest of the company's affairs, business operations, and lender's business interests.



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14. During the current period ended 30th June 2022, the company has assigned some of its contract works amounts to ₹ 3,62,833.00 Lakhs on back-to-back basis to sub-contractors / other contractors as the company is unable to achieve the work progress targets due to working capital issue and non-availability of funds for the detailed reasons stated in note 13. The assignment of these contract works to sub-contractors / other contractors is done in the best interest of the company in order to avoid huge termination penalties and other hindered consequences. Due to assignment of contract works to sub-contractors / other contractors, the company could not raise bill for contract work executed till the date of assignment and accordingly, the company had no other option other than to reverse or nullify the value of the work in progress recognized in the books of accounts during the previous quarter or current quarter which has resulted in reversal of work in progress amounts to ₹13,742.92 Lakhs for the quarter ended 30th June, 2022.
15. During the current period ended 30th June 2022, the company has incurred a loss of ₹ 39,189.60 Lakhs for the detailed reasons stated in note no. 13 & 14 and the net worth of the company is completely eroded on account of huge losses suffered by the company for the reasons stated in note no. 13 & 14 which are beyond the control of the company or the management. As at 30th June, 2022, the company has defaulted in repayment of outstanding loans including recalled loans and other credit facilities, devolvement of non-fund based facilities total amounting to ₹ 3,25,198.88 Lakhs. The lenders have classified all these loans and financial facilities including other credit facilities as NPA and have issued various notices for recovery of their dues as explained in note no. 13. As at 30th June, 2022, the current liabilities exceed the current assets by ₹ 1,42,933.97 Lakhs. However, the financial results / statements have been prepared on a Going-Concern basis as the promoters have guaranteed their continuous financial and other support to the company and are in the process of infusing the funds in to the company apart from identifying a potential investor for raising the funds in order to settle / restructuring the dues to the lenders. Further, the company has appointed a leading consultant as Corporate Debt Advisors for Debt Restructuring proposal/ amicable debt settlement proposal in the best interest of the company, lenders and stakeholders. The management of the company is very confident of reviving the company from current financial crises and resolving the debt default issues at the earliest. Hence, un-audited consolidated financial results for the quarter ended 30th June, 2022 are prepared on Going Concern basis.
16. During the preceding financial years, the subsidiary company had made an investment/ advance/ share application money to Jinhuvish Power Generation Private Limited ("JPGPL") which had planned to set up a coal-based power plant in Maharashtra and as at 30th June, 2022 the total amount infused in the form of investment/advance/share application money is ₹ 5,544.45 Lakhs (₹. 3,000.00 Lakhs in the form of Equity Share Capital and ₹.1,544.45 Lakhs in the form of share application money and ₹ 1,000.00 Lakhs in the form of Advance for purchase of Equity Shares). The Company had decided to exit from the said power project and in this regard entered into an Exit Agreement on 25th May, 2013, which was subsequently amended by various letter agreements and as per the latest agreement the company shall exit from the said power project by 31st October, 2021. Though there has been a significant delay in exiting from the above company, the management is confident to recover the entire investment made by it including share application money & advances given as the said JPGPL is having more than 600 Acres of land acquired for power plant and has coal linkage/allotment which will generate enough cash flows upon monetization and hence, no provision is required to be made in the carrying value of the investment. However, as a matter of prudence and in compliance with Ind AS requirement, the entire amount of Share Application Money Given Pending for Allotment & Advance for Purchase of Equity Shares amounting to ₹ 2,544.45 Lakhs has been provided as provision for credit loss and provision for credit impaired advances in the financial results. Further, the holding company of the company has provided a Bank Guarantee in favour of Western Coalfields Limited ("WCL") on behalf of JPGPL towards coal linkage/allotment to the proposed power plant. As the Bank Guarantee was not renewed, WCL has encashed the bank guarantee on 11.04.2022 by communication letter dated 05.04.2022 for ₹ 2,421 Lakhs which in the opinion of the management of the company and holding company is completely illegal and grossly incorrect. The encashment of bank guarantee was accounted as liability to the holding company and receivable from JPGPL. The company has filed the writ petition before the Hon'ble High Court of Judicature at Bombay Bench at Nagpur against the purported and unusual act of the said WCL and the writ petition is pending for disposal. It is of the view of the management that the invocation of encashment of bank guarantee will get revoked/reimbursed and hence, no provision has been made in the un-audited consolidated financial results for the quarter ended 30th June 2022. However, provision for the same shall be made in the subsequent period based on the result of the writ petition filed/other petitions to be filed against the said WCL before the Hon'ble High Court.
17. Bhandara Thermal Power Corporation Limited (BTPCL), is a wholly owned Stepdown-Subsidiary Company incorporated to build, own and operate coal-fired power plant in India in which the Company had invested Equity Share Capital of ₹ 495.78 Lakhs and also funded the amount for setting up the power plant as and when required in the form of unsecured loan / advance, the balance loan / advance as at 30th June, 2022 is ₹ 8,601.84 Lakhs. BTPCL had proposed the construction of power plant in Bhandara district of Maharashtra, India and acquired 622.93 Acres of land, but the said construction of power plant has not commenced due to various factors such as pending coal allotment, pending clearances and approvals from various authorities, delay in acquisition of complete land required for the project due to local factors., etc.,. The management of the company is in the opinion of not to proceed with the construction of the project in view of that considering the macro-economic conditions, future outlook and cost revenue feasibility of thermal power projects and other factors. The stepdown-sub subsidiary company is in the opinion to sell the land acquired by it as the land fetches good value than the land acquisition cost and is in the early stages of looking out for prospective buyers and further opined that the entire amount owes to the holding company including the investment shall be re-paid from the sale proceeds of the land. The management of the company based on the valuation reports of such land is confident of recovering the entire loan / advance amount given to it including investment made by it in the stepdown-sub subsidiary company and hence in the opinion of the management that no provision is required to be made for the equity investment and loan/advance given to the stepdown-sub subsidiary company.



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18. During the preceding financial years, the stepdown-subsiary company had given Contract Advance of ₹ 2,155.05 Lakhs to Indira Energy Holdings Private Limited (the Contractor) towards the execution of road and site development works at proposed Thermal Power Project site. As the stepdown-subsiary company had not handover the complete land as required for the development of the project due to various reasons such as pending coal allotment and pending financial closure, etc., the contractor has not commenced the road and site development works at the instructions of the company and the recovery of the advance given to the contractor is pending as at the balance sheet date. The management of the stepdown-subsiary company considering the nature of advances and the long pending recovery of the same has provided an amount of ₹ 1,083.61 Lakhs as Expected Credit Loss (ECL) during the previous year and is in the process of estimating if any further ECL/provision is to be made regarding the said Contract Advance. However, the management of the stepdown subsidiary company is confident of recovering the entire advance given to the contractor based on the value of the monetary assets available with the contractor.
19. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
20. Previous period figures have been regrouped to facilitate comparison wherever necessary.

Place: Hyderabad.
Date: 10th August 2022



By Order of the Board
For GAYATRI PROJECTS LIMITED

T.INDIRA REDDY
Chairperson
DIN : 00009906