

August 27, 2020

To
The Secretary, Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Maharashtra, India
Scrip Code: 532767

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
Scrip Code: GAYAPROJ

Dear Sir/Madam,

Re: Outcome of the Board Meeting Reg.,

This has reference to our letter dated August 20, 2020. The Board of Directors at the meeting held today, i.e. August 27, 2020, inter alia, transacted the following business:

1. Approved the Un-Audited Standalone and Consolidate Financial Results of the Company for the quarter ended June 30, 2020 with limited review report submitted by MOS & Associates LLP, the Statutory Auditors of the Company.
2. Approved the extension of term of Mr. P. Sreedhar Babu as Chief financial Officer of the Company for a term of 1 (One) year up to August 15, 2021.

The Board meeting commenced at 11:35 a.m. (IST) and concluded at 12.45 p.m. (IST).

A copy of the said results together with the Limited Review Report for quarter ended June 30, 2020 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 Kr. Sharma

Chetan Kumar Sharma
Company Secretary & Compliance officer



Regd. & Corp. Office :

Gayatri Projects Limited, B1, 6-3-1090, TSR Towers
Raj Bhavan Road, Somajiguda, Hyderabad 500 082. T.S
CIN: L99999TG1989PLC057289

T +91 40 2331 0330 / 4284 / 4296
F +91 40 2339 8435

E gplhyd@gayatri.co.in
www.gayatri.co.in



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, 2020 ("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.5 to the unaudited standalone financial results, wherein it is explained the COVID – 19 Pandemic effects and impact on the business operations of the company and however, the actual effect will be known based on the future developments.
- ii) As stated in Note No.6 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 and further, business operations of the investee company are severely impacted due to COVID – 19 Pandemic. No provision for diminution / impairment for carrying value of the investment is provided for the quarter ended 30th June, 2020 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.
- iii) As stated in Note No.7 to the unaudited standalone financial results, the associate company, in which the company has substantial amounts of investments and considerable amount to be receivable from said associate company, 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.



- iv) As stated in Note No.8 to the unaudited standalone financial results, the Inter Corporate Loan grouped under 'Non-current Loans' and accumulated interest thereon long pending for recovery.
- v) As stated in Note No.9 to the unaudited standalone financial results, the recovery of trade receivables is delayed for the detailed reasons stated in the said note. 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.
- vi) As stated in Note No.10 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.
- vii) As stated in Note No.11 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.
- viii) As stated in Note No.12 to the unaudited standalone financial results, 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) amounting to Rs.12,500 lakhs along with interest to be paid on or before 30th April, 2020 but the Associate Company has defaulted in repayment of principal amount and interest amount of Rs.9,800 lakhs crores and Rs.1,118.72 lakhs respectively as on 30th June, 2020.

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

S.V.C. Reddy
S V C Reddy

Partner

Membership No. 224028

UDIN: 20224028AAAAAG18324



Place: Hyderabad
Date: 27th August, 2020



GAYATRI PROJECTS LIMITED

CIN : L99999TG1989PLC057289

Regd. Office: B1, TSR TOWERS, 6-3-1090, RAJ BHAVAN ROAD, SOMAJIGUDA, HYDERABAD-500 082
STATEMENT OF UN-AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2020

(₹ in Lakhs)

Sl. No.	Particulars	Quarter Ended			Year Ended
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
		Unaudited	Audited	Unaudited	Audited
1	Income				
	Revenue from operations	66,794.73	91,016.12	98,408.32	3,42,733.36
	Other Income	28.37	166.83	162.85	517.42
	Total Income	66,823.10	91,182.95	98,571.17	3,43,250.78
2	Expenses				
	a. Cost of Materials Consumed & Work Expenditure	57,601.71	91,852.99	74,096.86	2,93,491.00
	b. Changes in Inventories of Work in Progress	(5,270.50)	(13,209.98)	3,507.31	(18,933.50)
	c. Employee Benefits Expense	3,473.18	3,913.42	3,574.11	14,921.05
	d. Finance Costs	7,819.28	8,474.13	6,433.60	28,574.69
	e. Depreciation and Amortization Expense	2,174.44	3,230.54	1,922.73	9,091.61
	f. Other Expenses	2,381.78	3,053.14	1,956.48	10,594.04
	Total Expenses	68,179.89	97,314.24	91,491.09	3,37,738.89
3	Profit / (Loss) before Exceptional items and Tax (1-2)	(1,356.79)	(6,131.29)	7,080.08	5,511.89
4	Exceptional Items	-	-	-	(44,533.89)
5	Profit/(Loss) before Tax (3+4)	(1,356.79)	(6,131.29)	7,080.08	(39,022.00)
6	Tax Expense (Includes Deferred Tax)	(151.24)	(564.78)	1,603.26	(564.78)
7	Net Profit/(Loss) after tax (5-6)	(1,205.55)	(5,566.51)	5,476.82	(38,457.22)
8	Other Comprehensive Income (OCI)				
	Items that will not be reclassified to profit or loss :				
	i) Changes in fair value of equity investment	149.76	(106.08)	-	(386.88)
	ii) Re-measurement gains/(losses) on actuarial valuation of Post Employment defined benefits	(21.26)	(95.57)	40.38	(33.21)
	iii) Income tax relating to Items that will not be reclassified to profit or loss	(44.90)	111.04	(14.11)	146.80
	Total Other Comprehensive Income (8)	83.60	(90.61)	26.27	(273.29)
9	Total Comprehensive Income (7+8)	(1,121.96)	(5,657.12)	5,503.09	(38,730.51)
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				90,488.56
12	Earnings Per Share of ₹ 2/- each (not annualized)				
	- Basic & Diluted	(0.64)	(2.97)	2.93	(20.54)

- 1 The above published results have been prepared in accordance with the principles and procedures as set out in Ind AS on financial statements and such other applicable standards as notified under section 133 of the Companies Act, 2013 and Companies (Indian Accounting Standard) Rules 2015 as amended.
- 2 The above financial results for the quarter ended 30th June, 2020 have been reviewed by the Audit Committee and considered and approved by the Board of Directors of the Company at its meeting held on 27th August, 2020.
- 3 The Statutory auditors have carried out limited review of the unaudited standalone financial results for the quarter ended 30th June, 2020.
- 4 The Company's Operations primarily consist of Construction activities and there are no other reportable segment under Ind AS 108 "Operating Segments".
- 5 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 lock down restrictions imposed across the country, the work at major sites has come to standstill and post lockdown restrictions, the works are resumed but due to shortage of site workmen and disruption in material supply, the works are being carried at sub-optimal level which may lead to delay in completion of the projects. However the respective Departments have awarded an extension of time by another six months with no extra cost to the contractor. COVID -19 Pandemic impact and lockdown restrictions caused temporary stress on the working capital management. As stated above, the company is mainly executing government related works, it is estimated that there will be no defaults in receivables of the company and there will be no cancellation / suspension of works allotted to the company. In view of the above, the COVID-19 pandemic impact on the business operations of the company is temporary in nature and it will not impact the continuity of the business operations of the company. However, the Company will closely monitor the future developments and economic conditions across the country and assess its impact on the financial statements.
- 6 The company has investment in Gayatri Hi-tech Hotels Limited ("Investee Company") in the form of Compulsorily Convertible Cumulative Preferential Shares ("CCCPS") amounting to Rs.19,571.95 Lakhs as at 30th June, 2020. 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 has significantly affected the operations of the investee company and the extent to which the COVID - 19 pandemic shall effect the operations of the investee company are depended on future developments which are uncertain. In these circumstances, the company is unable to assess the true impact on its investment made in CCCPS for the current quarter ending 30th June 2020. However, the management of the company is of the view that since these CCCPS will be converted into equity shares of the investee company during the financial years 2027-28 which is very long period and further, the management is very confident that business operations of the investee company will get normalized at the earliest and generate sufficient cash flows. Hence, considering the tenure of the investment and nature of the investment, the management of the company is of the view that no provision for diminution / impairment for carrying value of these investments is required to be made on the made in the financial results for the current quarter ending 30th June 2020.
- 7 Gayatri Highways Limited, an associate company in which the company has investment of Rs. 16,770.03 Lakhs in the form of Non-Convertible Preference Shares ("NCPS"), Equity Share Capital investment of Rs. 1,248.00 Lakhs and also funded an amount of Rs.20,313.05 Lakhs of unsecured loan / subordinate debt . Further, as stated in the latest audited financial statements of the Associate Company, it has been incurring operating losses during the past few years. However, the financial statements of said associate company have been prepared on going concern basis as the promoters of the associate company have guaranteed support to the company and its management believes its investments in road projects will generate sufficient cash flows to support the company in foreseeable future. Based on the above, the management of the company is of the opinion that no provision is required to be made in the financial results for the current quarter ending 30th June, 2020 in respect of NCPS investments made by the company and unsecured loan/subordinate debt receivable by the company from the associate company.



- 8 In the ordinary course of business, the Company had given Contract Advances to a sub-contractor which on mutual consent have been converted into interest bearing inter corporate loan. The said inter corporate loan of Rs.18,676.14 Lakhs and interest thereon of Rs.18,991.44 Lakhs is pending for recovery as at 30th June, 2020. 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 previous financial years 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 results of the company for the current quarter ending 30th June, 2020.
- 9 One of the subsidiary of the associate company (herein after called as "concessionaire company" or "SMTL"), which has been awarded a Build-Operate-Transfer (BOT) work for construction of Four Laning of Panikoli-Rimuli section of NH-215 Road has given termination notice to National Highways Authority of India (NHAI). The Company has to receive an amount of Rs. 244.72 crores towards EPC cost from the said concessionaire company as on 30th June, 2020. Further, the company has given an irrevocable and unconditional Corporate Guarantee of Rs.1,827.35 crores to the lenders of the concessionaire company. SMTL Project was terminated by NHAI on 28th January, 2020 and toll collection rights were handed over to them on 30th January, 2020. SMTL is entitled for a Termination Payment of Rs. 2,834.47 Crores (which includes Adjusted Equity of Rs.835.19 Crores and Total Debt Due of Rs.1,999.28 Crs). Apart from the Termination Payment, SMTL has made a claim under "Concessionaire's right to recover losses/ damages from the Authority on account of material default of the Authority for an amount of Rs.974.49 Crores towards cost overrun claims attributable to the NHAI, which includes claims against EPC Escalation made on NHAI from EPC Contractor (GPL) for Rs 517.52 Crores. The above Claims and the termination payment have been referred to the Conciliation Committee of Independent Experts ("CCIE") as per NHAI policy. As per the information and explanations given by the concessionaire company and based on the legal opinion obtained by it, the said concessionaire company will receive significant amount of compensation so as to settle dues to the lenders and the company. 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. In view of this, the management is of the opinion that no provision is required to be made in respect of receivables and Corporate Guarantee for the current quarter ending 30th June, 2020.
- 10 An amount of Rs.3,620.49 Lakhs as on 30th June, 2020 is receivable from M/s Western UP Tollways Limited ("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 Rs.46,956.00 Lakhs 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 respect of amounts receivable from the said erstwhile associate company for the current quarter ending 30th June, 2020.
- 11 The Advances to Suppliers, Sub-contractors and others as at 30th June, 2020, includes an amount of Rs.14,424.20 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 year, the company has recovered an amount of Rs. 15,199.00 Lakhs from the said sub-contractor. 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 results for the current quarter ending 30th June, 2020.
- 12 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 Rs.12,500.00 Lakhs along with interest in twelve monthly instalments commencing from May 2019 and the entire amount to be paid on or before 30th April, 2020. As per the available information and financial statements of GHL, Principal amount of Rs.9,800.00 Lakhs and Interest amount of Rs.1,118.72 Lakhs is defaulted as at 30th June, 2020. However, the Company and its Associate Company are in the process of repayment of loan dues and in respect of which, an amount of Rs.2,950 lakhs was paid in the month of August 2020 and the Company and its Associate Company has proposed to repay the balance amount in installments.
- 13 Previous period / year figures have been regrouped to facilitate comparison wherever necessary.

By Order of the Board
For Gayatri Projects Limited



T.V.SANDEEP KUMAR REDDY
Managing Director

Place: Hyderabad.

Date: 27th August, 2020



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, 2020 ("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. GPL SPL Joint Venture
14. Vishwa Gayatri Joint Venture
15. Maytas Gayatri Joint Venture
16. Gayatri RNS SIPL Joint Venture
17. Gayatri KMB Joint Venture
18. Gayatri PTPS Joint Venture
19. HES Gayatri NCC Joint Venture
20. Gayatri OJSC SIBMOST Joint Venture

5. Emphasis of Matters

We draw attention to the following matters:

- i) As stated in Note No.5 to the unaudited consolidated financial results, wherein it is explained the COVID – 19 Pandemic effects and impact on the business operations of the company and however, the actual effect will be known based on the future developments.
- ii) As stated in Note No. 6 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 and further, business operations of the investee company are severely impacted due to COVID – 19 Pandemic. No provision for diminution / impairment for carrying value of the investment is provided for the quarter ended 30th June, 2020 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.
- iii) As stated in Note No. 7 to the unaudited consolidated financial results, the associate company, in which the company has substantial amounts of investments and considerable amount to be receivable from said associate company, 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.
- iv) As stated in Note No. 8 to the unaudited consolidated financial results, the Inter Corporate Loan grouped under ‘Non-current Loans’ and accumulated interest thereon long pending for recovery.
- v) As stated in Note No.9 to the unaudited consolidated financial results, the recovery of trade receivables is delayed for the detailed reasons stated in the said note. 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.
- vi) As stated in Note No.10 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.
- vii) As stated in Note No.11 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.
- viii) As stated in the Note No.12 to the unaudited consolidated financial results, 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) amounting to Rs.12,500 lakhs along with interest to be paid on or before 30th April, 2020 but the Associate Company has defaulted in repayment of principal amount and interest amount of Rs.9,800 lakhs crores and Rs.1,118.72 lakhs respectively as on 30th June, 2020.

- ix) As stated in the Note No.13 to the unaudited consolidated financial results, regarding amount payable by the subsidiary company to holders of Optionally Fully Convertible Debentures.
- x) As stated in the Note No.14 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.
- xi) As stated in the Note No.15 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, 2020. 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 twenty 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, 2020. 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.

For M O S & ASSOCIATES LLP

Chartered Accountants

Firm's Registration No. 001975S/S200020

S. V. C. Reddy
S V C Reddy

Partner

Membership No. 224028

UDIN: 20224028AAAAAH2108



Place: Hyderabad
Date: 27th August, 2020



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, 2020

(₹ in Lakhs)

Sl. No.	Particulars	Quarter Ended			Year Ended
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
		Unaudited	Audited	Unaudited	Audited
1	Income				
	Revenue from operations	66,794.73	91,016.12	98,408.32	3,43,862.30
	Other Income	28.45	166.83	162.95	542.63
	Total Income	66,823.18	91,182.95	98,571.27	3,44,404.93
2	Expenses				
	a. Cost of Materials Consumed & Work Expenditure	57,601.71	91,852.99	74,096.86	2,93,491.00
	b. Changes in Inventories of Work in Progress	(5,270.50)	(13,209.98)	3,507.31	(18,933.50)
	c. Employee Benefits Expense	3,473.18	3,913.42	3,574.36	14,922.30
	d. Finance Costs	7,819.28	10,687.45	7,050.12	33,711.23
	e. Depreciation and Amortization Expense	2,174.44	3,230.54	1,922.73	9,091.61
	f. Other Expenses	2,542.38	1,777.77	1,958.75	15,749.65
	Total Expenses	68,340.49	98,252.19	92,110.13	3,48,032.29
3	Profit / (Loss) before Exceptional items and Tax (1-2)	(1,517.31)	(7,069.24)	6,461.14	(3,627.36)
4	a) Share of Profit/(Loss) of Joint Ventures & Associates	(10.90)	(1,594.47)	(49.45)	(2,748.69)
5	Profit/(Loss) before Tax (3+4)	(1,528.21)	(8,663.71)	6,411.69	(6,376.05)
6	Tax Expense (includes Deferred Tax)	(151.24)	(564.78)	1,603.26	(564.78)
7	Net Profit/(Loss) after tax (5-6)	(1,376.97)	(8,098.93)	4,808.43	(5,811.27)
8	Other Comprehensive Income (OCI)				
	Items that will not be reclassified to profit or loss :				
	i) Changes in fair value of equity investment	149.76	(56.17)	-	(20,614.15)
	ii) Re-measurement gains/(losses) on actuarial valuation of Post Employment defined benefits	(21.26)	(95.57)	40.38	(33.21)
	iii) Income tax relating to Items that will not be reclassified to profit or loss	(44.90)	111.04	(14.11)	146.80
	Total Other Comprehensive Income (8)	83.60	(40.70)	26.27	(20,500.56)
9	Total Comprehensive Income (7+8)	(1,293.38)	(8,139.63)	4,834.70	(26,311.83)
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				87,284.62
12	Earnings Per Share of ₹ 2/- each (not annualized)				
	- Basic & Diluted	(0.69)	(4.33)	2.57	(3.10)

- The above published results have been prepared in accordance with the principles and procedures as set out in Ind AS on financial statements and such other applicable standards as notified under section 133 of the Companies Act, 2013 and Companies (Indian Accounting Standard) Rules 2015 as amended.
- The above financial results for the quarter ended 30th June, 2020 have been reviewed by the Audit Committee and considered and approved by the Board of Directors of the Company at its meeting held on 27th August, 2020.
- The Statutory auditors have carried out limited review of the unaudited consolidated financial results for the quarter ended 30th June, 2020.
- The Company's Operations primarily consist of Construction activities and there are no other reportable segment under Ind AS 108 "Operating Segments".
- 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 lock down restrictions imposed across the country, the work at major sites has come to standstill and post lockdown restrictions, the works are resumed but due to shortage of site workmen and disruption in material supply, the works are being carried at sub-optimal level which may lead to delay in completion of the projects. However the respective Departments have awarded an extension of time by another six months with no extra cost to the contractor. COVID -19 Pandemic impact and lockdown restrictions caused temporary stress on the working capital management. As stated above, the company is mainly executing government related works, it is estimated that there will be no defaults in receivables of the company and there will be no cancellation / suspension of works allotted to the company. In view of the above, the COVID-19 pandemic impact on the business operations of the company is temporary in nature and it will not impact the continuity of the business operations of the company. However, the Company will closely monitor the future developments and economic conditions across the country and assess its impact on the financial statements.
- The company has investment in Gayatri Hi-tech Hotels Limited ("Investee Company") in the form of Compulsorily Convertible Cumulative Preferential Shares ("CCCPS") amounting to Rs.19,571.95 Lakhs as at 30th June, 2020. 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 has significantly affected the operations of the investee company and the extent to which the COVID - 19 pandemic shall effect the operations of the investee company are depended on future developments which are uncertain. In these circumstances, the company is unable to assess the true impact on its investment made in CCCPS for the current quarter ending 30th June 2020. However, the management of the company is of the view that since these CCCPS will be converted into equity shares of the investee company during the financial years 2027-28 which is very long period and further, the management is very confident that business operations of the investee company will get normalized at the earliest and generate sufficient cash flows. Hence, considering the tenure of the investment and nature of the investment, the management of the company is of the view that no provision for diminution / impairment for carrying value of these investments is required to be made on the made in the financial results for the current quarter ending 30th June 2020.



- 7 Gayatri Highways Limited, an associate company in which the company has investment of Rs. 16,770.03 Lakhs in the form of Non-Convertible Preference Shares (NCPS), Equity Share Capital investment of Rs. 1,248.00 Lakhs and also funded an amount of Rs.20,313.05 Lakhs of unsecured loan / subordinate debt . Further, as stated in the latest audited financial statements of the Associate Company, it has been incurring operating losses during the past few years. However, the financial statements of said associate company have been prepared on going concern basis as the promoters of the associate company have guaranteed support to the company and its management believes its investments in road projects will generate sufficient cash flows to support the company in foreseeable future. Based on the above, the management of the company is of the opinion that no provision is required to be made in the financial results for the current quarter ending 30th June, 2020 in respect of NCPS investments made by the company and unsecured loan/subordinate debt receivable by the company from the associate company.
- 8 In the ordinary course of business, the Company had given Contract Advances to a sub-contractor which on mutual consent have been converted into interest bearing inter corporate loan. The said inter corporate loan of Rs.18,676.14 Lakhs and interest thereon of Rs.18,991.44 Lakhs is pending for recovery as at 30th June, 2020. 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 previous financial years 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 results of the company for the current quarter ending 30th June, 2020.
- 9 One of the subsidiary of the associate company (herein after called as "concessionaire company" or "SMTL"), which has been awarded a Build-Operate-Transfer (BOT) work for construction of Four Laning of Panikolli-Rimuli section of NH-215 Road has given termination notice to National Highways Authority of India (NHAI). The Company has to receive an amount of Rs. 244.72 crores towards EPC cost from the said concessionaire company as on 30th June, 2020. Further, the company has given an irrevocable and unconditional Corporate Guarantee of Rs.1,827.35 crores to the lenders of the concessionaire company. SMTL Project was terminated by NHAI on 28th January, 2020 and toll collection rights were handed over to them on 30th January, 2020. SMTL is entitled for a Termination Payment of Rs. 2,834.47 Crores (which includes Adjusted Equity of Rs.835.19 Crores and Total Debt Due of Rs.1999.28 Crs). Apart from the Termination Payment, SMTL has made a claim under "Concessionaire's right to recover losses/ damages from the Authority on account of material default of the Authority for an amount of Rs.974.49 Crores towards cost overrun claims attributable to the NHAI, which includes claims against EPC Escalation made on NHAI from EPC Contractor (GPL) for Rs 517.52 Crores. The above Claims and the termination payment have been referred to the Conciliation Committee of Independent Experts ("CCIE") as per NHAI policy. As per the information and explanations given by the concessionaire company and based on the legal opinion obtained by it , the said concessionaire company will receive significant amount of compensation so as to settle dues to the lenders and the company. 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. In view of this, the management is of the opinion that no provision is required to be made in respect of receivables and Corporate Guarantee for the current quarter ending 30th June, 2020.
- 10 An amount of Rs.3,620.49 Lakhs as on 30th June, 2020 is receivable from M/s Western UP Tollways Limited ('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 Rs.46,956.00 Lakhs 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 respect of amounts receivable from the said erstwhile associate company for the current quarter ending 30th June, 2020.
- 11 The Advances to Suppliers, Sub-contractors and others as at 30th June, 2020, includes an amount of Rs.14,424.20 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 year, the company has recovered an amount of Rs. 15,199.00 Lakhs from the said sub-contractor. 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 results for the current quarter ending 30th June, 2020.
- 12 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 Rs.12,500.00 Lakhs along with interest in twelve monthly instalments commencing from May 2019 and the entire amount to be paid on or before 30th April, 2020. As per the available information and financial statements of GHL, Principal amount of Rs.9,800.00 Lakhs and Interest amount of Rs.1,118.72 Lakhs is defaulted as at 30th June, 2020. However, the Company and its Associate Company are in the process of repayment of loan dues and in respect of which, an amount of Rs.2,950 lakhs was paid in the month of August 2020 and the Company and its Associate Company has proposed to repay the balance amount in installments.
- 13 During the preceding financial years, the subsidiary company (i.e. GEVPL) had issued 99,25,000 number of 9% OFCD's amounting to Rs.992.50 Lakhs. During the previous financial year, the subsidiary company had paid an amount of Rs. 600.00 Lakhs to the debenture holders from the proceeds of sale of investment in M/s. Sembcorp Energy India Ltd (SEIL). In view of accumulated losses in the subsidiary company and its inability to realize the entire amount from sale of the investment in SEIL, the subsidiary company has initiated negotiation/discussion with the Debenture Holder to settle the final amounts payable to them and as at 30th June, 2020, the negotiations are inconclusive.
- 14 During the preceding financial years, the subsidiary company (i.e. GEVPL) had made an investment/ advance/ share application money to Jimbhuvish Power Generation Private Limited and Jimbhuvish Power Project Limited to set up a coal-based power plant in Maharashtra and as on 30th June, 2020, the total amount infused in the form of investment/advance/share application money is Rs. 5,564.63 Lakhs . The Subsidiary Company had decided to exit from the said power project and entered into an Exit Agreement on 25th May, 2013 in this regard, 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. The management of the subsidiary company is of the opinion that despite there been a considerable delay in exiting from the power project, there is no need for any provision/impairment to be made and the subsidiary company shall exit from the investments made and recover the entire amount in due course.
- 15 During the preceding financial years, the step down subsidiary company (i.e. BTPCL) had given Contract Advance of Rs.2,155.05 Lakhs 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 Mobilisation Advance has not been adjusted /recovered. The management of BTPCL is very much confident of commencement of Thermal Power Project and further opined that the mobilisation advance will be recovered out of running bills to be submitted and hence, no provision is required to be made regarding contract advance.
- 16 Previous period / year figures have been regrouped to facilitate comparison wherever necessary.

Place: Hyderabad.
Date: 27th August, 2020



By Order of the Board
For Gayatri Projects Limited

T.V.SANDEEP KUMAR REDDY
Managing Director