

August 13, 2021

To The Secretary, Listing Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Maharashtra, India <u>Scrip Code: 532767</u>	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>
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Dear Sir/Madam,

Re: Outcome of the Board Meeting Reg.,

This has reference to our letter dated August 07, 2021, the Board of Directors at the meeting held today, i.e. August 13, 2021, inter alia, transacted the following business:

Approved the Un-Audited Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 2021 with Limited Review Report submitted by MOS & Associates LLP, the Statutory Auditors of the Company.

The Board meeting commenced at 12:45 p.m. (IST) and concluded at 01:20 p.m. (IST).

A copy of the said results together with the Limited Review Report for quarter ended June 30, 2021 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 for 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, 2021 ("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, 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, 2021 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. 6 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. 7 to the unaudited standalone 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. 8 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, the termination payment calculated by the NHAI is very low as compared to the expected termination payment. 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. 9 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.10 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 Note No. 11 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.45.90 crores since September, 2020. The repayment of remaining loan instalments is pending since March, 2021.
- viii) As stated in Note No. 12 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 default in repayment of dues to the lenders amounting to Rs.234.02 crores. However, the actual effect of Covid-19 pandemic and default in repayment of dues to the lenders will be known based on the future developments.

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.

Place: Hyderabad
Date: 13th August, 2021

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


Oommen Mani
Partner



Membership No. 234119
UDIN: 21234119AAAACH4306



GAYATRI PROJECTS LIMITED

CIN : L99999TG1989PLC057289

Regd. Office: B1, TSR TOWERS, 6-3-1090, RAJ BHAVAN ROAD, SOMAJIGUDA, HYDERABAD-500082
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2021

Sl. No.	Particulars	Quarter Ended			(₹ in Lakhs)
		30.06.2021	31.03.2021	30.06.2020	Year Ended
		Unaudited	Audited	Unaudited	31.03.2021
1	Income				
	Revenue from operations	89,708.74	1,36,009.58	66,794.73	3,90,051.89
	Other Income	20.18	421.57	28.37	736.60
	Total Income	89,728.92	1,36,431.15	66,823.10	3,90,788.49
2	Expenses				
a.	Cost of Materials Consumed & Work Expenditure	79,082.53	1,09,033.79	57,601.71	3,33,214.80
b.	Changes in Inventories of Work in Progress	(6,136.74)	8,858.48	(5,270.50)	(13,057.02)
c.	Employee Benefits Expense	3,683.49	4,207.51	3,473.18	15,050.51
d.	Finance Costs	6,763.01	7,184.83	7,819.28	32,072.18
e.	Depreciation and Amortization Expense	1,893.26	1,911.14	2,174.44	8,450.16
f.	Other Expenses	2,141.83	2,810.88	2,381.78	9,936.28
	Total Expenses	87,427.38	1,34,006.63	68,179.89	3,85,666.91
3	Profit / (Loss) before Exceptional items and Tax (1-2)	2,301.54	2,424.52	(1,356.79)	5,121.58
4	Exceptional Items	-	-	-	-
5	Profit / (Loss) before Tax (3+4)	2,301.54	2,424.52	(1,356.79)	5,121.58
6	Tax Expense (Net)	(39.17)	(85.71)	(151.24)	(536.26)
7	Net Profit / (Loss) after tax (5-6)	2,340.71	2,510.23	(1,205.55)	5,657.84
8	Other Comprehensive Income (OCI)				
	Items that will not be reclassified to profit or loss :				
i)	Changes in fair value of equity investment	180.96	18.72	149.76	255.84
ii)	Re-measurement gains/(losses) on actuarial valuation of Post Employment defined benefits	(4.38)	46.28	(21.26)	(17.50)
iii)	Income tax relating to Items that will not be reclassified to profit or loss	(61.51)	(22.72)	(44.90)	(83.29)
	Total Other Comprehensive Income / (Loss) (8)	115.07	42.28	83.60	155.05
9	Total Comprehensive Income / (Loss) (7+8)	2,455.78	2,552.51	(1,121.96)	5,812.89
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)				96,301.45
12	Earnings Per Share (EPS) of ₹ 2/- each (Not annualised)				
	- Basic & Diluted	1.25	1.34	(0.64)	3.02

NOTES:

- 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 un-audited standalone financial results for the quarter ended 30th June, 2021 have been reviewed by the Audit Committee and considered and approved by the Board of Directors of the Company at its meeting held on 13th August, 2021.
- The Company's Operations primarily consist of Construction activities and there are no other reportable segment under Ind AS 108 "Operating Segments".
- Figures for the quarter ended 31st March, 2021 are the balancing figures between the audited figures for the full financial year ended 31st March, 2021 and the published figures for the nine months period ended 31st December, 2020.
- The company has investment in Gayatri Hi-tech Hotels Limited ("Investee Company") in the form of 4% Compulsorily Convertible Cumulative Preferential Shares ("CCCPS") amounting to Rs.195.72 crores as at 30th June, 2021. 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 county 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. However, the fair valuation of the investment done by an independent registered valuer is not lower than the actual investment made by the company and further the management of the is very confident that business operations of the investee company will get normalized at the earliest and generate sufficient cash flows. The CCCPS will be converted into equity shares of the investee company during the financial years 2027-28 which is very long period for realisation of investment or to analyse the actual investment value. 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 the investments is required to be made in the un-audited standalone financial results for the quarter ended 30th June, 2021.
- Gayatri Highways Limited, an associate company in which the company has investment of Rs. 167.70 crores in the form of Non-Convertible Preference Shares ("NCPS"), Equity Share Capital investment of Rs. 12.48 crores and also funded an amount of Rs.240.76 crores of unsecured loan / subordinate debt as at 30th June, 2021. Further, as stated in the 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. As at 30th June, 2021 the associate company has holding portfolio in seven 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 and Toll collections receivable 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 company for the quarter ended 30th June, 2021.
- 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.186.76 crores and interest thereon of Rs.207.39 crores is pending for recovery as at 30th June, 2021. 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. Further, as per the information available with the company, the said sub-contractor is going to recover the money from 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, 2021.





GAYATRI PROJECTS LIMITED

CIN : L99999TG1989PLC057289

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

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2021

- 8 On 01st 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 Lining of Panikooli-Rimuli section of NH-215 Road. The Company has to receive an amount of Rs. 238.02 crores towards EPC cost from the said concessionaire company as on 30th June, 2021. Further, the company has given an irrevocable and unconditional Corporate Guarantee of Rs.1827.35 crores to the lenders of the concessionaire company.
- The Concessionaire Company has given termination notice to National Highways Authority of India (NHAI) due to irreparable loss of toll revenue from the road project and requested for termination payment of Rs.2296.67 crores. 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 for an amount of Rs.174.49 Crores towards cost overrun claims attributable to the NHAI, which includes claims against EPC Escalation made on NHAI from EPC Contractor (GPL) for Rs.17.52 Crores.
- 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. The Concessionaire Company has requested the NHAI for referring the disputes such as Termination Payment and Claims to the Conciliation Committee of Independent Experts ("CCIE") as per NHAI policy. Further, the Concessionaire Company had filed petition on 21st December, 2019 against the NHAI before the Hon'ble High Court of Delhi, New Delhi requesting NHAI to deposit 90% of the Debt Due by the said Concessionaire Company.
- In these circumstances, the NHAI vide its letter dated 31.03.2021 has calculated the termination payment as Rs.584.21 crores unilaterally as against termination payment of Rs.2296.67 crores and released total amount of Rs.445.75 crores to Escrow Bank Account of the lenders of said Concessionaire Company and retained Rs.138.46 crores with it towards various counter claims and statutory deductions etc.
- The Concessionaire Company has utterly disagreed with the termination payment calculated by the NHAI unilaterally and disputed the termination payment. The dispute pertaining to the termination payment along with the claims submitted by the Concessionaire Company are pending before the CCIE Committee.
- The Second meeting of the Conciliation Committee of Independent Experts ("CCIE") held on 21.06.2021 and the committee observed that since NHAI has taken over the asset which is largely completed, there has to be an amicable settlement as has happened in similar cases. The Committee further feels that there is some merit in the submission of the concessionaire that an amicable settlement has to be on basis of neither Party default. The meeting is adjourned for next hearing.
- 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 in the un-audited standalone financial results for the quarter ended 30th June, 2021.
- 9 An amount of Rs.36.20 Crores as on 30th June, 2021 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 the claims amounts received by the erstwhile associate company from NHAI. The Arbitration Tribunal has pronounced arbitration award of Rs. 124.43 Crores which includes interest thereon of Rs. 64.05 crores 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 claims 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, 2021.
- 10 The Advances to Suppliers, Sub-contractors and others as at 30th June, 2021, includes an amount of Rs.153.28 crores 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 an amount of Rs 151.99 crores 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 un-audited standalone financial results for the quarter ended 30th June, 2021.
- 11 As per the Settlement and Supplementary Agreement dated 14th September, 2020 made between Gayatri Projects Limited ("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 balance principal loan amount of Rs. 84.10 crores and additional interest of Rs. 8.65 Crores towards loan availed by GHL along with interest in eleven monthly instalments commencing from 15th September, 2020 and the entire amount to be paid on or before 15th July, 2021. The company & GHL have jointly paid principal amount of Rs.45.90 crores till date.
- 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 lock down restrictions imposed across the country during the year, the work at major sites had got disrupted, however post relaxation of lockdown restrictions, the works have resumed and the company is recovering from the economic after effects of COVID-19 and works at various major sites are progressing well.
- COVID –19 Pandemic impact and lockdown restrictions caused financial and operational stress on the company. As stated above, since 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 these circumstances, the company has defaulted in repayment of dues to lenders due to non-realisation expected receivables and as at 30th June 2021, the total outstanding dues to lenders are Rs. 234.02 crores. In order to deleverage its balance sheet and to strengthen its financial position, the company has initiated the process of raising fresh equity share capital by way of preferential allotment for a total amount of Rs. 337.50 crores.
- In view of the above, the COVID-19 pandemic impact on the business operations of the company and default in repayment of dues to lenders 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.
- 13 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.
- 14 Previous period / year figures have been regrouped to facilitate comparison wherever necessary.

By Order of the Board

For Gayatri Projects Limited

T V Sandep Kumar Reddy

Managing Director

DIN : 00005573



Place: Hyderabad.

Date: 13th August, 2021



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, 2021 ("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. 5 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, 2021 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. 6 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 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. 7 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. 8 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, the termination payment calculated by the NHAI is very low as compared to the expected termination payment. 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. 9 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. 10 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. 11 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.45.90 crores since September, 2020. The repayment of remaining loan instalments is pending since March, 2021.
- viii) As stated in Note No. 12 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 default in repayment of dues to the lenders amounting to Rs.234.02 crores. However, the actual effect of Covid-19 pandemic and default in repayment of dues to the lenders will be known based on the future developments.
- ix) As stated in the Note No.14 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. 15 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. 16 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

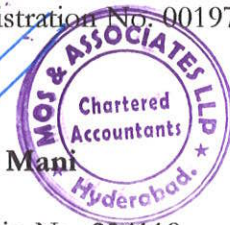
- a. We did not review the financial results / statements and other information in respect of one associate company which reflects Group's share of net loss of Rs. Nil for the quarter ended 30th June, 2021. The financial results / statement have been reviewed by other auditor whose review report has 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 eighteen 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, 2021. 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 four 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: 21234119AAAACI9129

Place: Hyderabad

Date: 13th August, 2021



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, 2021

(₹ in Lakhs)

Sl- No.	Particulars	Quarter Ended			Year Ended
		30.06.2021	31.03.2021	30.06.2020	31.03.2021
		Unaudited	Audited	Unaudited	Audited
1	Income				
	Revenue from operations	89,708.74	1,36,009.58	66,794.73	3,90,051.89
	Other Income	20.18	421.72	28.45	736.83
	Total Income	89,728.92	1,36,431.30	66,823.18	3,90,788.72
2	Expenses				
	a. Cost of Materials Consumed & Work Expenditure	79,082.53	1,09,033.79	57,601.71	3,33,214.80
	b. Changes in Inventories of Work in Progress	(6,136.74)	8,858.48	(5,270.50)	(13,057.02)
	c. Employee Benefits Expense	3,683.49	4,207.51	3,473.18	15,050.51
	d. Finance Costs	6,792.05	7,187.23	7,819.28	32,074.58
	e. Depreciation and Amortization Expense	1,893.26	1,911.14	2,174.44	8,450.16
	f. Other Expenses	2,142.40	2,993.45	2,542.38	10,603.93
	Total Expenses	87,456.99	1,34,191.60	68,340.49	3,86,336.96
3	Profit / (Loss) before Exceptional items and Tax (1-2)	2,271.93	2,239.70	(1,517.31)	4,451.76
4	a) Exceptional Items	-	-	-	-
	b) Share of Profit /(Loss) of Joint Ventures & Associates	(20.07)	(461.38)	(10.90)	(677.79)
5	Profit/(Loss) before Tax (3+4)	2,251.86	1,778.32	(1,528.21)	3,773.97
6	Tax Expense (includes Deferred Tax) (Net)	(39.17)	(85.71)	(151.24)	(536.26)
7	Net Profit/(Loss) after tax (5-6)	2,291.03	1,864.03	(1,376.97)	4,310.23
8	Other Comprehensive Income (OCI)				
	Items that will not be reclassified to profit or loss :				
	i) Changes in fair value of equity investment	-	18.72	149.76	-
	ii) Re-measurement gains/(losses) on actuarial valuation of Post Employment defined benefits	(4.38)	46.28	(21.26)	(17.50)
	iii) Income tax relating to Items that will not be reclassified to profit or loss	1.72	(22.72)	(44.90)	6.11
	Total Other Comprehensive Income (8)	(2.66)	42.28	83.60	(11.39)
9	Total Comprehensive Income (7+8)	2,288.37	1,906.31	(1,293.38)	4,298.84
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				91,494.06
12	Earnings Per Share of ₹ 2/- each (not annualized)				
	- Basic & Diluted	1.22	0.99	(0.69)	2.30

- 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, 2021 have been reviewed by the Audit Committee and considered and approved by the Board of Directors of the Company at its meeting held on 13th August, 2021.
- The Statutory auditors have carried out limited review of the unaudited consolidated financial results for the quarter ended 30th June, 2021.
- The Company's Operations primarily consist of Construction activities and there are no other reportable segment under Ind AS 108 "Operating Segments".
- The company has investment in Gayatri Hi-tech Hotels Limited ("Investee Company") in the form of 4% Compulsorily Convertible Cumulative Preferential Shares ("CCCPS") amounting to Rs.195.72 crores as at 30th June, 2021. 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 the extent to which the COVID - 19 pandemic shall effect the operations of the investee company are depended on future developments which are uncertain. However, the fair valuation of the investment done by an independent registered valuer is not lower than the actual investment made by the company and further the management of the Company is very confident that business operations of the investee company will get normalized at the earliest and generate sufficient cash flows. The CCCPS will be converted into equity shares of the investee company during the financial years 2027-28 which is very long period for realisation of investment or to analyse the actual investment value. 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 the investments is required to be made in the un-audited consolidated financial results for the quarter ended 30th June, 2021.
- Gayatri Highways Limited, an associate company in which the company has investment of Rs. 167.70 crores in the form of Non-Convertible Preference Shares ("NCPS"), Equity Share Capital investment of Rs. 12.48 crores and also funded an amount of Rs.240.76 crores of unsecured loan / subordinate debt as at 30th June, 2021. Further, as stated in the 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. As at 30th June, 2021 the associate company has holding portfolio in seven 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 and Toll collections receivable 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 company for the quarter ended 30th June, 2021.





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- 7 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.186.76 crores and interest thereon of Rs.207.39 crores is pending for recovery as at 30th June, 2021. 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. Further, as per the information available with the company, the said sub-contractor is going to recover the money from 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, 2021.
- 8 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. The Company has to receive an amount of Rs. 238.02 crores towards EPC cost from the said concessionaire company as on 30th June, 2021. Further, the company has given an irrevocable and unconditional Corporate Guarantee of Rs.1827.35 crores to the lenders of the concessionaire company. The Concessionaire Company has given termination notice to National Highways Authority of India (NHAI) due to irreparable loss of toll revenue from the road project and requested for termination payment of Rs.2296.67 crores. 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 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. 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. The Concessionaire Company has requested the NHAI for referring the disputes such as Termination Payment and Claims to the Conciliation Committee of Independent Experts ("CCIE") as per NHAI policy. Further, the Concessionaire Company had filed petition on 21st December, 2019 against the NHAI before the Hon'ble High Court of Delhi, New Delhi requesting NHAI to deposit 90% of the Debt Due by the said Concessionaire Company. In these circumstances, the NHAI vide its letter dated 31.03.2021 has calculated the termination payment as Rs.584.21 crores unilaterally as against termination payment of Rs.2296.67 crores and released total amount of Rs.445.75 crores to Escrow Bank Account of the lenders of said Concessionaire Company and retained Rs.138.46 crores with it towards various counter claims and statutory deductions etc. The Concessionaire Company has utterly disagreed with the termination payment calculated by the NHAI unilaterally and disputed the termination payment. The dispute pertaining to the termination payment along with the claims submitted by the Concessionaire Company are pending before the CCIE Committee. The Second meeting of the Conciliation Committee of Independent Experts ("CCIE") held on 21.06.2021 and the committee observed that since NHAI has taken over the asset which is largely completed, there has to be an amicable settlement as has happened in similar cases. The Committee further feels that there is some merit in the submission of the concessionaire that an amicable settlement has to be on basis of neither Party default. The meeting is adjourned for next hearing. 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 in the un-audited consolidated financial results for the quarter ended 30th June, 2021.
- 9 An amount of Rs.36.20 Crores as on 30th June, 2021 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 the claims amounts received by the erstwhile associate company from NHAI. The Arbitration Tribunal has pronounced arbitration award of Rs. 124.43 Crores which includes interest thereon of Rs. 64.05 crores 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 claims 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, 2021.
- 10 The Advances to Suppliers, Sub-contractors and others as at 30th June, 2021, includes an amount of Rs.153.28 crores 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 an amount of Rs 151.99 crores 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 un-audited consolidated financial results for the quarter ended 30th June, 2021.
- 11 As per the Settlement and Supplementary Agreement dated 14th September, 2020 made between Gayatri Projects Limited ("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 balance principal loan amount of Rs. 84.10 crores and additional interest of Rs. 8.65 Crores towards loan availed by GHL along with interest in eleven monthly instalments commencing from 15th September, 2020 and the entire amount to be paid on or before 15th July, 2021. The company & GHL have jointly paid principal amount of Rs.45.90 crores till date.
- 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 lock down restrictions imposed across the country during the year, the work at major sites had got disrupted, however post relaxation of lockdown restrictions, the works have resumed and the company is recovering from the economic after effects of COVID-19 and works at various major sites are progressing well. COVID –19 Pandemic impact and lockdown restrictions caused financial and operational stress on the company. As stated above, since 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 these circumstances, the company has defaulted in repayment of dues to lenders due to non-realisation expected receivables and as at 30th June 2021, the total outstanding dues to lenders are Rs. 234.02 crores. In order to deleverage its balance sheet and to strengthen its financial position, the company has initiated the process of raising fresh equity share capital by way of preferential allotment for a total amount of Rs. 337.50 crores. In view of the above, the COVID-19 pandemic impact on the business operations of the company and default in repayment of dues to lenders 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.





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- 13 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.
- 14 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, 2021, the negotiations are inconclusive.
- 15 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, 2021, the total amount infused in the form of investment/advance/share application money is Rs. 5,544.46 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.
- 16 During the preceding financial years, the step down subsidiary company (i.e. BTPCL) had given Contract Advance of Rs.21.55 crores 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.
- 17 Previous period / year figures have been regrouped to facilitate comparison wherever necessary.



Place: Hyderabad.
Date: 13th August, 2021



By Order of the Board
For Gayatri Projects Limited

T V Sandep Kumar Reddy
Managing Director
DIN : 00005573