

16th November, 2017

To, The General Manager, The Department of Corporate Relations, The Bombay Stock Exchange Limited, 25th Floor, Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.	To, The Secretary, National Stock Exchange of India Ltd, 5th Floor, Exchange Plaza, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai -400 051.
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Dear Sir/Madam.

Sub: Presentation on Q2 FY-18 Results to Analysts and Market Reg.,

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With reference to above subject, please find enclosed presentation to Analysts and Market on results for the quarter and half year ended September 30, 2017.

For your information and necessary dissemination please.

Thanking you,

Yours truly,

For GAYATRI PROJECTS LIMITED



(CS I.V. LAKSHMI)

**Company Secretary and Compliance Officer
Membership No. 17607**



Earnings Presentation

Q2 FY18



Disclaimer



Some of the statements in this presentation that are not historical facts are forward looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate.

These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.

Further, this presentation may make references to reports and publications available in the public domain. Gayatri Projects Ltd. makes no representation as to their accuracy or that the company subscribes to those views / findings.

Q2FY18 Highlights



De-merger of Road BOT business approved by NCLT

- NCLT has approved the restructuring and de-merger of the Road BOT assets. GPL shareholders will directly own 74% in the de-merged BOT entity.
- GPL's balance sheet, as on 31 March 2017, would be recast to exclude the assets and liabilities of the Road BOT business.
- Consequently, GPL's consolidated debt would significantly reduce by more than INR 25 billion

Order Book

- Order book of c.INR 120 bn as on 30 September
- Healthy Trailing book-to-bill of 4.9x
- Won an irrigation order of Rs. 14.8 bn in consortium with 2 other parties

Financial Highlights

- Revenue up 21% at INR 4,232 million
- EBITDA up 37% at INR 747 million
- PAT up 138% at INR 238 million

Outlook

- Strong momentum of order inflow – Bid pipeline of c.INR 230 bn for next 2 months
- On track for 50%+ revenue growth in FY18; EBITDA expected to be maintained at 15%



Significant Uptick from BharatMala Priyojana

INR 4 Trillion of new Road Projects

Annual Opportunity of 3x of NHA FY17 run rate

Gayatri – A Key Beneficiary

Significant uptick in Road EPC projects

GPL – A leading Pure Road EPC company

Vests more power in NHA

One of the largest market share of NHA awarded projects

Requires significant CAPEX on EPC players to scale up

Significant CAPEX done in last 2 years; low incremental requirements

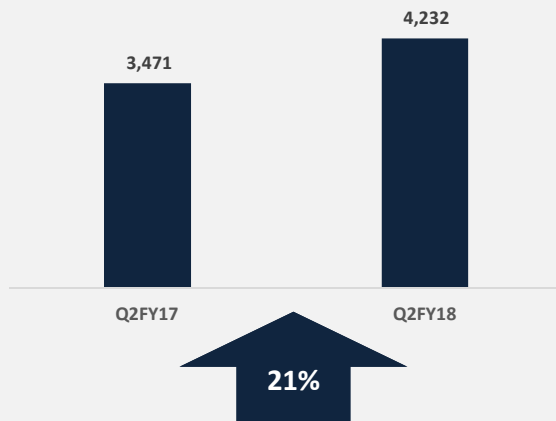
Bharat Mala Project Highlights

- Corridor-based approach
- Rs3.8 tn of new projects out of Rs6.9 tn of overall spends
- 20% share or Rs1 tn ordering opportunity for PPP projects
- DPR or detailed project report for 19,500 kms is underway currently
- NHA and MORTH would now have the final say on most PPP projects (excluding BOT Toll requiring VGF) up to Rs20 bn and EPC projects (limit of Rs10 bn for non-NHA projects)



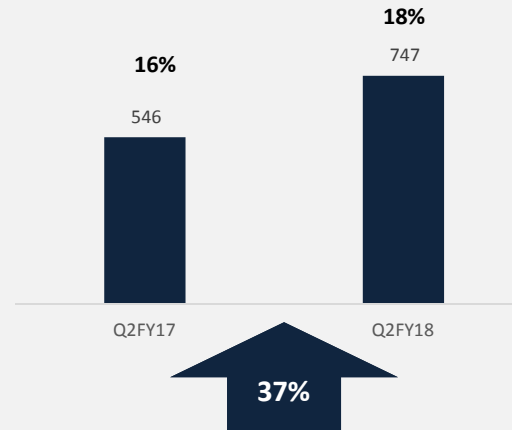
Key Financial Highlights

Revenue (INR Mn)



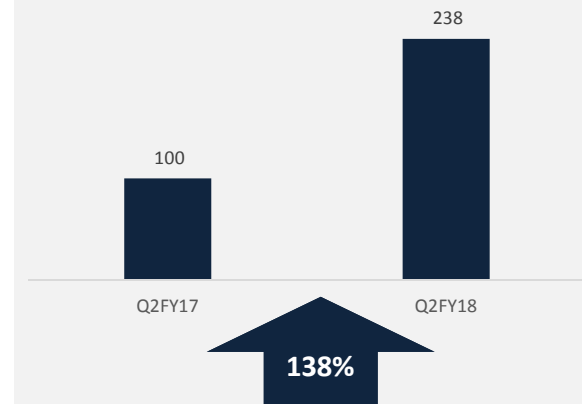
- Q2 performance impacted due to heavy monsoon in key states of Eastern UP, Bihar, Odisha and Mizoram
- Revenue growth understated due to GST impact
 - Earlier VAT was part of net sales

EBITDA (INR Mn) and Margins (%)



- EBITDA margin higher due to GST accounting – lower revenue and input tax credit

PAT INR Mn



- PBT impacted due to investments made for higher level of activity
- Profitability also impacted due to seasonality
- PAT includes tax reversal and MAT credit

Results Update – Q2FY18

(INR Mn)



Consolidated Financial Performance	Q2FY18	Q2FY17	Y-o-Y Change	Q1FY18	Q-o-Q Change
Revenue	4,232	3,500	21%	6,520	-35%
Expense	4,161	3,510	19%	6,201	-33%
EBITDA	747	546	37%	971	-23%
<i>EBITDA Margin</i>	18%	16%	-	15%	-
Interest	541	446	21%	524	3%
Depreciation	135	110	22%	127	6%
Other Income	9	11	-13%	77	-88%
PBT	81	0.46	-	397	-80%
Tax	-156	-116	35%	55	187%
Exceptional Items	-	-	-	-	-
Other Comprehensive Income	1	-	-	-	-372%
		16		0	
PAT	238	100	138%	451	-47%
EPS	1.3	3.3		2.6	

Results Update – H1FY18

(INR Mn)

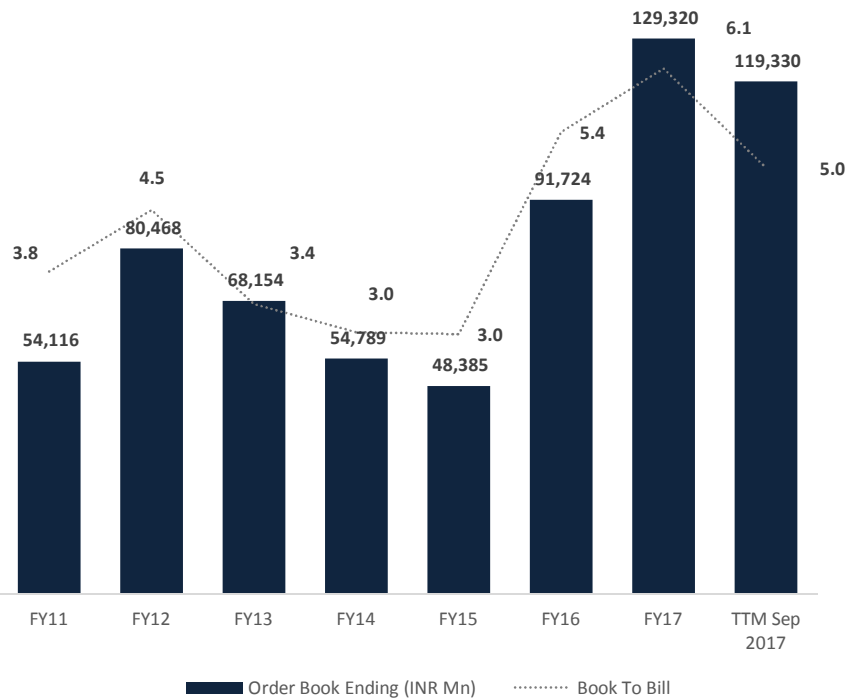


Consolidated Financial Performance	H1FY18	H1FY17	Y-o-Y Change	FY17
Revenue	10,752	7,824	37%	21,154
Expense	10,362	7,739	34%	20,148
EBITDA	1,717	1,154	49%	3,246
<i>EBITDA Margin</i>	16%	15%	-	15%
Interest	1,065	863	23%	1,810
Depreciation	262	206	28%	432
Other Income	87	85	2%	129
PBT	477	171	-	1,134
Tax	-211	-109	94%	237
Exceptional Items	-	-	-	-154
Other Comprehensive Income	0.8	-18	-	2
PAT	689	261	164%	745
EPS	3.9	1.6		4.2



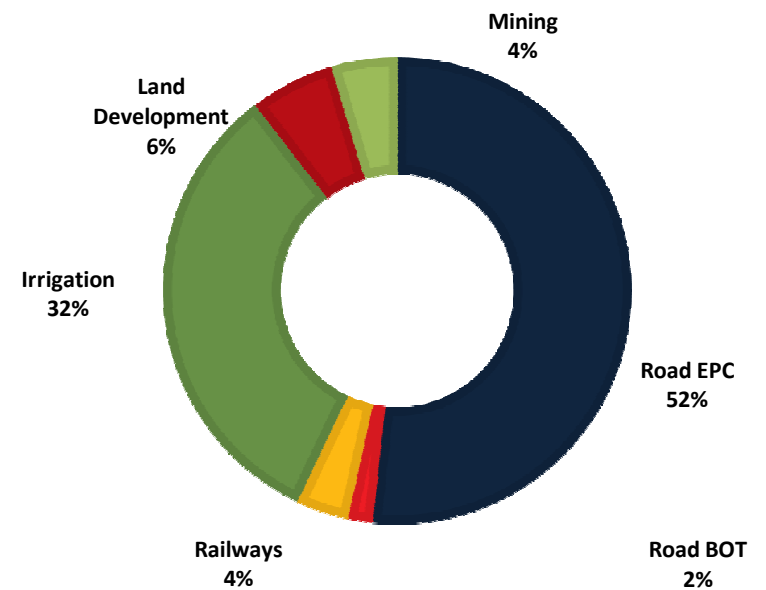
Well Diversified and Growing Order Book

Order Book* and Book to Bill Ratio



*Order book adjusted for cancelled orders

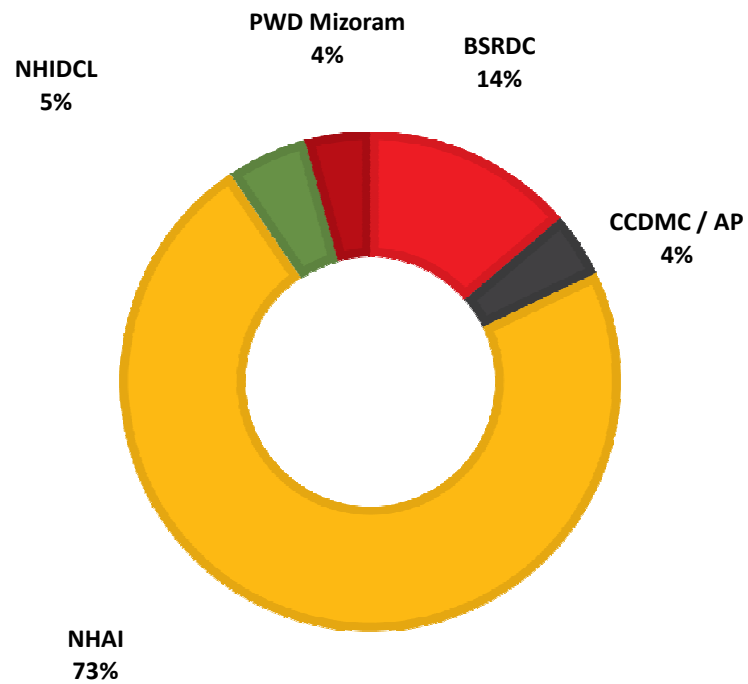
Order Book Break-up



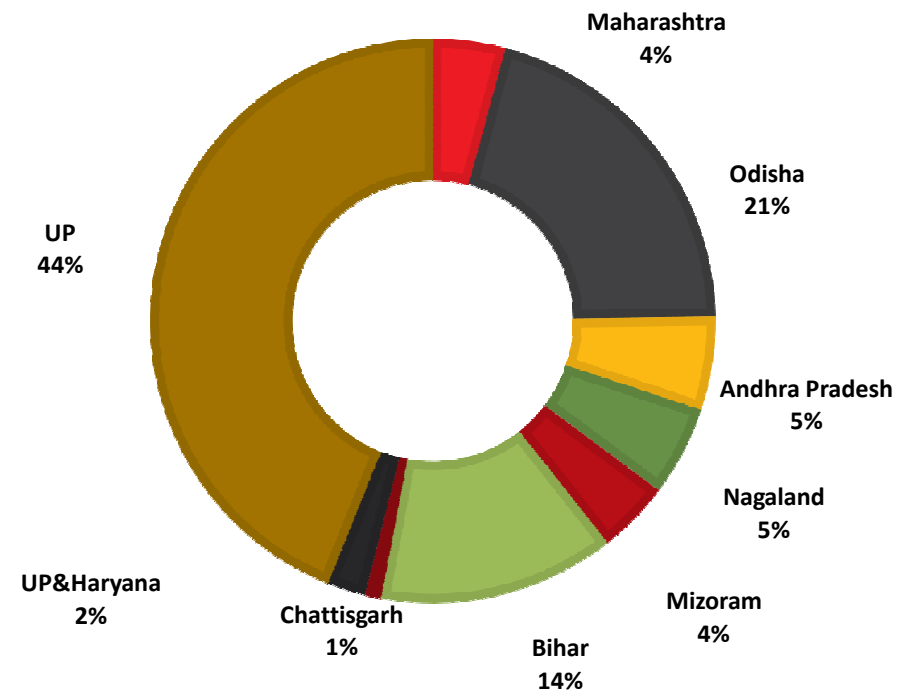


Robust Road EPC Order Book

Client Wise Order Book



State Wise Order Book





Working Capital Cycle (TTM)

Net Sales (TTM)	24,067
Debtors (Trade Rcvb)	8,795
Annualised Receivable Days (A)	133
Inventory	4,173
Inventory Days (B)	63
Trade Payables	6,113
Annualised Payable Days (C)	93
WC Cycle (A+B-C) Days	104
WC Cycle Months	3.4



Projects Won in Q2

Project Name	Kaleshwaram Lift Irrigation Project
Type	Irrigation
Contract Value	INR 14,830 million
Gayatri Share	INR 6,000 million
Other Partners	NCC and HES

Corporate Overview





Company Overview

■ A Pedigreed construction company; strong play on India's Infra Story

- Focus on asset-light pure EPC work - Key player in roads and irrigation EPC
- Strong Track Record with more than 50 years of operation
- Well diversified Business Portfolio

■ One of the fastest growing core construction company in India

- Strong revenue growth over next 3-4 years
- Trailing book-to-bill of c.5x annual revenues
- Expected portfolio level margins among new orders in usual 15% range
- Pure EPC business to have ROICs - mid-to-high 20s

■ Earnings to grow sharply as investment phase getting over

- Strong momentum of order Inflow and timely project execution
- On track for 50%+ revenue growth in FY18; EBITDA expected to be maintained at 15%

■ Strategy focussed on Creating Superior Shareholder Value

- Business Restructuring to create a leaner and cleaner structure

Business Model



Asset Light

- Focussed on asset light model across businesses
- Pure EPC company (No exposure to HAM/BOT)
- Option to monetise legacy BOT assets
- Exposure to power business through option structure

De-Risked Portfolio

- Well diversified portfolio in EPC space – Road EPC (50%+); Irrigation (20%+)
- Pan India Operations
- Geographical cluster approach while bidding for projects
- Efficient utilisation of resources

Superior Financial Performance

- Expect to maintain 15% EBITDA margins
- Strong project execution skills leading to timely completion of projects
- Maintain a Healthy book to bill ratio



De-Merger of BOT Assets Creates a Superior EPC Company

Strong Technical Skill Set

50+ years old Construction company

Pan India Operations

UP, Andhra Pradesh, Odisha, North East, K'ka, Mumbai, Bihar

Well Diversified Order Book

50%+ Road EPC; 26%+ Irrigation

Industry Leading Margin`s

15% EBITDA Margin

High Return Ratios

ROE 20%

Strong Balance Sheet

Long Term Debt: c.Rs. 900 crores



Strong Revenue Growth in Near Term

- **Significant Revenue Growth in the next 2-3 years**
 - Healthy book to bill ratio maintained

- **Strong Project Execution Skills**
 - Have maintained a strong execution rate of over 19% historically

- **Lower Incremental Capex Needed: < 50 Cr**
 - Effective utilisation of equipment
 - Optimise cost and improve competitiveness
 - Lower raw material requirement for Concrete roads

High Revenue Visibility

Cluster Bidding Approach

Return ratios improving

Significant Free Cash Flow from FY19



Other EPC Businesses

Irrigation



- Strong history of project execution in the irrigation segment, completing marquee projects such as the construction of 5 packages of the Narmada Main Canal, and the Indi branch canal of the Upper Krishna project
- Current Order book of Rs. 6,200 crores to be executed over next 2-3 years
- Key Projects are Karnataka Neeravari Nigam, VSP Flood Bank etc

Underground Mining



- Entered into a partnership with China Coal Overseas Development Company, a Beijing-based subsidiary of China Coal, to offer Longwall technology for mining
- Won 2 orders worth 700 crores for utilising Longwall Technology
- Huge opportunity for Mining EPC Players as Coal India targets 100mt of coal production from underground mines (from 3mt currently)

Transmission & Power



- Design, Manufacture, Pre-dispatch Inspection, Testing and Supply of Materials for various projects, Supply and erection of work on turnkey basis
- Current Order book of Rs. 1,388 crores to be executed over next 2-3 years
- Key Clients – TPCIL, NCC Power, BGR Energy, GEGCL

PAN India Presence



Key EPC Projects

State	Project Type	Order Book (INR Mn)
Karnataka	Irrigation (K'Ka Neeravari Nigam)	13,530
Odisha	Road (Angul Sambalpur)	12,550
UP	Road (Sultanpur - Varanasi Pkg 1&2)	15,920
UP	Road (Ghaghara Bridge to Varanasi Pkg 2&3)	13,290
Bihar	Road (Patna – Gaya)	8,810
Telangana	Irrigation (PLIS Irrigation)	7,000
Mumbai	Airport (Navi Mumbai)	6,990



Outlook

- Government's efforts towards reviving investment climate by stepping up infrastructure spend is likely to ensure continued addition to our already strong order book. We expect to maintain the new order accretion pace achieved during last financial year.
- Growth in construction order book should help us sustain a 30%+ topline growth over next 3-4 years. We expect to maintain operating margins (EBITDA) in 15% range. Total revenue booking from the large new order book built in last 24 months (c.Rs.11,000cr) has been only c.Rs.1,000cr. The growth should be much stronger near-term as we have already mobilized at most of the new construction sites.
- Road Assets: All Road portfolio successfully commissioned. Toll/Annuity collection started. NCLT has approved the restructuring and de-merger of the BOT assets. GPL shareholders will directly own 74% in de-merged BOT entity. The BOT business to list as a separate entity in due course.
- Power Assets: With the full commissioning of power assets, focus is on maximizing long term PPAs for sales. Short-term trading conditions are tough and are likely to stay as such for next 12-24 months. Almost 2/3rd capacity is already contracted on long-term basis (1070MW executed PPA, 500MW PPA is at approval stage with the regulator). Including short term contracts the plant's capacities are almost fully sold out for most of CY2017. We have been able to restructure our ownership of the asset to be better geared for current tough conditions. Our option agreement with Sembcorp allows us to increase stake to 30% over next 5 years.

CONSTRUCTION



POWER GENERATION ASSETS



ROAD ASSETS





Key Investment Highlights

Healthy and diversified order inflows with good revenue growth visibility

Asset Light Business Model – Pure Play EPC Company

Strong Presence in High Growth Core Construction Sector

Highly Efficient Operations with Strong Operating Performance

Significant Value Unlocking through Business Restructuring



Balance Sheet

INR Mn	H1FY18	31.03.2017
Share Capital	355	355
Reserves and Surplus	9,455	8,766
Non Current Liabilities	20,305	19,247
<i>Long Term Borrowings</i>	8,716	9,678
<i>Defer Tax Liabilities</i>	222	232
<i>Other Long Term Borrowings</i>	11,265	9,239
Current Liabilities	18,579	18,034
<i>Short Term Liabilities</i>	9,500	9,596
<i>Trade Payables</i>	6,113	6,518
<i>Other Current Liabilities</i>	2,971	1,920
Total Equity and Liabilities	48,693	46,401

INR Mn	H1FY18	31.03.2017
Non Current Assets	20,768	20,617
<i>Fixed Assets</i>	3,127	3,093
<i>Non Current Investments</i>	12,270	12,181
<i>Long Term Loans and Advances</i>	5,102	5,102
Current Assets	27,925	25,784
<i>Inventories</i>	4,173	3,601
<i>Trade Receivables</i>	8,795	8,504
<i>Cash and Cash Equivalents</i>	2,024	1,970
<i>Short Term Loans and Advances</i>	1,990	1,759
Total Assets	48,693	46,401



Appendix



Business Segment: Power Assets

- TPCIL & SGPL "(Formerly NCCPPL)" (13% GEVPL, 87% Sembcorp Utilities)
- Option agreement signed with JV partner Sembcorp Utilities, would allow Gayatri to increase stake to 30% over the next 5 years.

Unique Positioning

- **Exceptional fuel security:** True port-based location ensures among the best logistics for both imported and domestic coal
- **Home market continues to stay power deficit:** shortage of generation capacity and constrained transmission networks
- **Targeting high proportion of sales through long-term PPAs at remunerative rates:** 1070MW already in place, 500MW long-term PPA referred to APERC for approval by AP Discom.
- **Near term weakness in spot power sales** markets impacting cash flows. Should correct over next 12-24 months.

Portfolio Summary

	TPCIL	Sembcorp Gayatri Power Project "(Formerly NCCPPL)"
Capacity	1,320 Mw (2x660 Mw)	1,320 Mw (2x660 Mw)
Location	Near Krishnapatnam port, Andhra Pradesh	Near Krishnapatnam port, Andhra Pradesh
TPC *	9,402 crore	9,878 crore
CFE	Obtained	Obtained
EC	Obtained	Obtained
CL	Signed PPA	LOA Obtained
WL	Obtained	Obtained
PPA	Acquired	In Progress
LA	Acquired	Acquired
FC	Completed	Completed
Current Progress	Commissioned	Commissioning during FY17

TPC - Total Project Cost: CFE - Consent for Establishment: EC - Environmental Clearance: CL - Coal Linkage: WL - Water Linkage PPA - Power Purchase Agreement: LA - Land Acquisition: FC - Financial Closure: LOA - Letter of Assurance

Business Segment: BOT - ROADS



Annuity Based Projects	Status	GIVL Stake	COD	Concession Period (Years)	Length (kms)
Gayatri Jhansi Roadways Limited (GJRL)	PCC Obtained	51%	Jun 2010	20	50.0
Gayatri Lalitpur Roadways Limited (GLRL)	PCC Obtained	51%	Jul 2010	20	50.0
Hyderabad Expressways Limited (HEL)	PCC Obtained	50%	Aug 2011	15	13.0
Cyberabad Expressways Limited (CEL)	PCC Obtained	20%	Mar 2012	15	11.7

Toll based Projects	Status	GIVL Stake	COD	Concession Period (Years)	Length (kms)
Hyderabad Karimnagar-Ramgundam (HKRRL)	PCC Obtained	50%	May 2014	25	207.0
Indore Dewas Tollways Limited (IDTL)	PCC Obtained	100%	May 2015	25	45.1
Sai Maatarini Tollways Limited (SMTL) 100% Subsidiary of GPL	Under Construction	100%	August 2017	24	166.2

Board of Directors



T. Indira Subbarami Reddy

Promoter and Non-Executive Chairperson, over 25 years of experience in the construction industry

T. V. Sandeep Kumar Reddy

Promoter and Managing Director, 20+ years of construction experience

J Brij Mohan Reddy

Executive Vice Chairman, Over 49 years of experience in Heavy Engineering Construction and the harbour engineering industries

Dr. V L Moorthy

Non-Executive and Independent Director, 42 years of experience in paper and pulp industry

G. Siva Kumar Reddy

Non-Executive and Independent Director, Over 28 years of relevant experience

Mr.K.Venkateswarlu

Non-Executive and Nominee Director (Bank of Baroda)

Mr. J.N.Karamchetti,

Non-Executive and Independent Director, rich experience in the field of engineering and steel

Mr. Ch. Hari Vittal Rao

Non-Executive and Independent Director, 49 years of experience as a banker and was employed with Bank of Baroda and Naandi Foundation in the past.



Key Management Personnel

Mr. T. V. Sandeep Kumar Reddy, Managing Director

Presently leads the Gayatri Group. He has done his Masters in Construction Engineering and Management from the University of Michigan, USA and also holds a Bachelor's Degree in Civil Engineering from Purdue University, USA.

Mr. P Sreedhar Babu, Chief Finance

Mr Babu is a Fellow Member of Institute of Chartered Accountants of India. He started his career as a Practicing Chartered Accountant in 1987 and after 18 years of practice joined GPL in 2005 as a Vice-President (Finance).

Mr. J. Brij Mohan Reddy, Vice Chairman

Has been with the Group since 1989. He is an Engineering Graduate from Berkley University, USA. He was responsible for the construction of the entire Fisheries Harbour at Chennai and a major portion of the Mechanised ORE-handling Project for the Chennai Port Trust.

Mrs. I V Lakshmi, Group Company Secretary & Chief Compliance Officer

Ms. Lakshmi is a Company Secretary & Compliance Officer is a Graduated from Andhra University, LLB from Osmania University, CAIIB from Indian Institute of Bankers and Associate Member of Institute of Company Secretaries of India. She has an experience of 15 plus years in the field of Secretarial and Legal.



Contact Details

K.G. Naidu (Vice President- Finance)

Gayatri Projects Limited

Tel: +91 40

23310330/23314284/4296

Email: kgnaidu@gayatri.co.in

Sheetal Khanduja

Go India Advisors

+91 9769364166

sheetal@goindiaadvisors.com