



Date : 23rd November, 2019

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-2020 Results to Analysts and Market Reg.,
Ref : Security Code : 532767 & GAYAPROJ**

.....
With reference to above subject, please find enclosed earnings presentation to Analysts and Market on results for the Q2 FY-2020.

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



Regd. & Corp. Office :

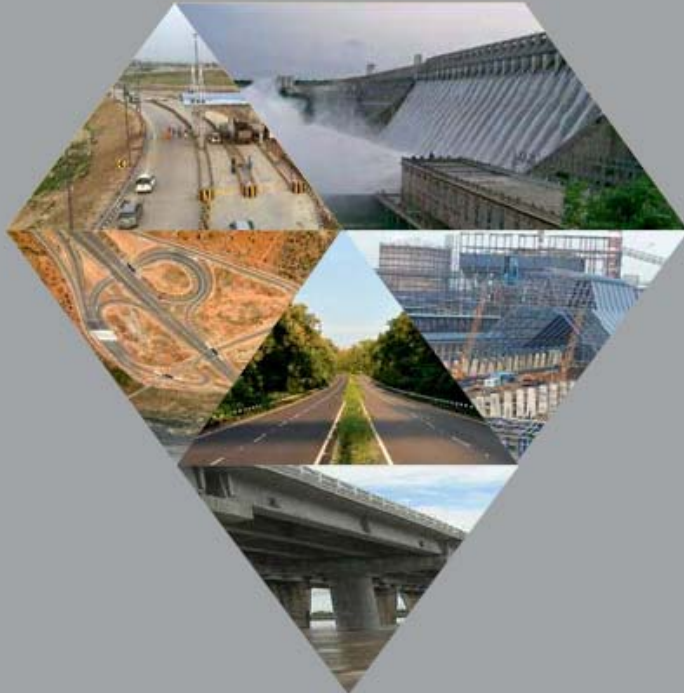
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Gayatri Projects Limited



Annual Report

2018-2019

Gayatri Projects Limited

Earnings Presentation
Q2FY20

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Agenda

1. Corporate Action to provide Liquidity Boost

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6. Key Investment Highlights

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8. Appendix – Core Business Highlights

Slide No. 15 onwards
onwards

Corporate Action to provide Liquidity Boost

Monetisation of stake in Power Asset

- Monetisation of c.5.9% stake in the Sembcorp Energy “India” Ltd (“SEIL”) at an advanced stage; closure by December 2019
- Process has been started for taking the necessary shareholders approval

Monetisation of Awards and Claims

- GPL has won awards, by different arbitrators/courts, a total of INR 10 Bn+ awards, towards disputed receivables from its EPC clients
- Post recent clarification by GOI; the Company has started engaging with banks and the Central Government agencies for monetising these awards - 50%+ of these awards are from central government agencies. The company can monetise 75% of awards through submission of bank guarantees
- In addition, GPL has a net exposure to outstanding claims of INR 9+ Bn in different arbitral tribunals/courts.

- The company is experiencing delayed payments from State Govts which resulted in delay in its own interest payment obligations; Expecting all accounts to be regularised by end December 2019.

Q2FY20 Highlights

Execution impacted due to prolonged monsoon

- Road EPC activities significantly impacted because of elongated monsoon affecting the progress of multiple large projects.
- Heavy rains in Assam & Haryana resulted in damage to the road surface for roads which were in defect liability period and required re-carpeting at significant cost
- Rains continued well into October; hence execution to pick up materially from Q4FY20

Order pick- up slow

- Slow offtake in NHAI road project; tendering expected to pick up from Q4FY20
- Expect to win significant orders from a strong irrigation bid pipeline in MP and Karnataka.
- Avoiding aggressive bidding in Road projects as order backlog strong at 4x book-to-bill

Debt Repayments

- Paid INR 1.7 billion of long term loan
- Paid INR 1.1 billion of interest costs
- Experiencing delayed payments from State Govts resulting in delayed in its own interest payment obligations; Care Ratings downgraded to D. Expecting all accounts to be regularised by end December 2019.

FY20: Revised Guidance

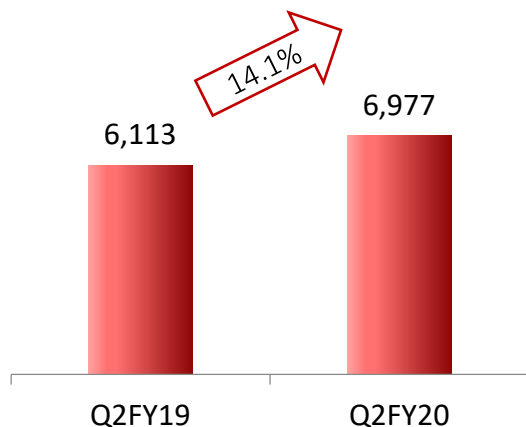
FY20 Guidance (INR Mn)

Order Inflow	INR 50-60 billion
Revenues	5%-10% Growth
EBITDA Margin	15%+
PAT	5%-10%

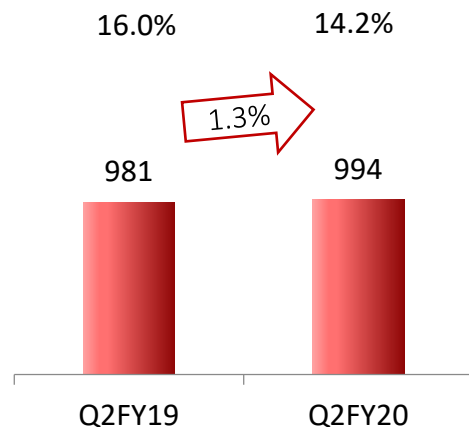
Execution delays due to excessive rainfalls have impacted the full year guidance

Q2FY20 – Financial Performance

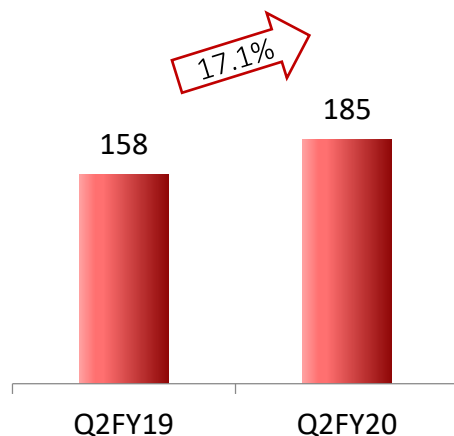
Revenue (INR Mn)



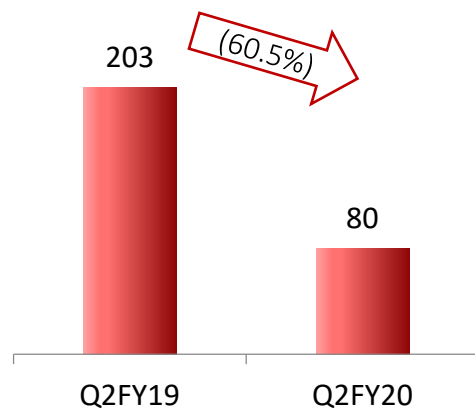
EBITDA (INR Mn) & EBITDA Margin



PBT (INR Mn)



PAT (INR Mn)



Key Highlights

- Severe extended rains affected operations across some of our largest projects resulting significant revenue attrition.
- The company, booked a large claim awarded to it during the period.
- Also company took this opportunity to clean-up on followings accounts:
 - Historical disputed GST claims (contracts from pre-GST era) worth Rs. 50cr were reversed during the quarter.
 - Very heavy rains resulted in damage to road surface in two projects (Assam & Haryana) which were in defect liability period (DLP) – and significant expenses were incurred in resurfacing. Rs. 40cr extra was spent during the quarter on this a/c.
 - In addition, expected credit loss of Rs.19cr had to be booked during the quarter, resulting in additional hit on EBITDA.

Q2FY20 Snapshot

INR Mn	Q2FY20	Q2FY19	YoY(%)	H1FY20	H1FY19	YoY(%)
Revenue	6,977	6,113	14%	16,818	14,341	17%
Expenses	5,983	5,133	17%	14,296	11,943	20%
EBITDA	994	981	1%	2,522	2,398	5%
<i>EBITDA Margin</i>	<i>14.2%</i>	<i>16.0%</i>		<i>15.0%</i>	<i>16.7%</i>	
Depreciation	195	164	19%	387	325	19%
Finance Cost	630	670	-6%	1,273	1,297	-2%
Other Income	16	12		32	15	
PBT	185	158	17%	893	792	13%
<i>PBT Margin</i>	<i>2.7%</i>	<i>2.6%</i>		<i>5.3%</i>	<i>5.5%</i>	
Tax Expense	105	(45)		265	85	212%
PAT	80	203	-61%	628	707	-11%
<i>PAT Margin</i>	<i>1.1%</i>	<i>3.3%</i>		<i>3.7%</i>	<i>4.9%</i>	
Basic EPS	0.43	0.66	-35%	3.36	3.49	-4%

Top Work Orders – Status Update

Project Name	Location	Contract Value (INR Cr)	Balance work as on 01.10.2019 (INR Cr)	Mobilized on Site	INR Crores	
					Revenue Booking Start	Expected Completion of Project End of Q & Year
Purvanchal Expressway Package 1	Eastern UP	1,483	1,307	Yes	Q3 19	Q3 22
Purvanchal Expressway Package 2	Eastern UP	12,76	1,084	Yes	Q3 19	Q3 22
Ghaghra Bridge to Varanasi Package 2	Varanasi, UP	741	207	Yes	Q3 17	Q4 20 *
Ghaghra Bridge to Varanasi Package 3	Varanasi, UP	558	118	Yes	Q3 17	Q4 20 *
Sultanpur - Varanasi Package 1	Varanasi, UP	986	401	Yes	Q3 17	Q4 20 *
Sultanpur - Varanasi Package 2	Varanasi, UP	806	298	Yes	Q3 17	Q4 20 *
Angul - Sambalpur Road work	Angul, Odisha	1,255	945	Yes	Q3 18	Q3 22
Cuttack - Angul PKG 1	Cuttack	583	487	Yes	Q3 19	Q3 22
Cuttack - Angul PKG 2	Cuttack	529	441	Yes	Q3 19	Q3 22
Rajamunda - Barkote	Barkote, Orissa	394	384	Yes	Q1 20	Q1 21
Bihar Road (Patna - Gaya)	Patna, Bihar	971	528	Yes	Q4 17	Q3 22
BSRDC Package 5	Kadirganj, Bihar	126	126	Yes	Q1 20	Q4 21
BSRDC Package 6	Kadirganj, Bihar	127	99	Yes	Q1 20	Q4 21
BSRDC Package 7	Kadirganj, Bihar	151	134	Yes	Q1 20	Q4 21
Jammu Ring Road	Jammu	1,339	1,095	Yes	Q1 19	Q2 23

*expected completion delayed due to excessive rainfall

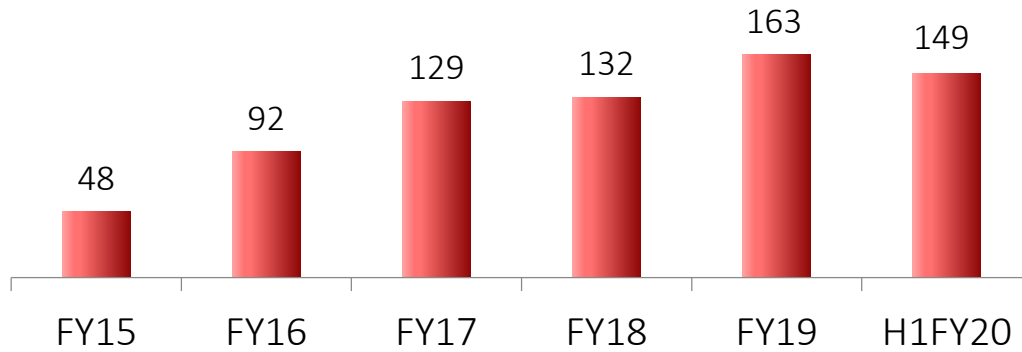
Top Work Orders – Status Update

						INR Crores
Project Name	Location	Contract Value (INR Cr)	Balance work as on 01.10.2019 (INR Cr)	Mobilized on Site	Revenue Booking Start	Expected Completion of Project End of Q & Year
Nagpur - Mumbai Expressway	Shirdi	1,312	1,241	Yes	Q1 20	Q2 22
6 lane tunnel at Khambataki Ghat	Satara	493	488	Yes	Q2 20	Q4 22
Dimapur - Kohima Package 3	Nagaland	340	173	Yes	Q4 16	Q3 20
Hyderabad Elevated Corridor	Hyderabad	425	374	Yes	Q1 20	Q2 21
Andhra Pradesh / Tamilnadu border	Chittoor, AP	306	155	Yes	Q1 19	Q3 21
Kempwad Lift Irrigation Scheme (INR 1,363.5 Cr)	Karnataka	990	589	Yes	Q2 18	Q4 20
Chintalapudi PKG 1	Pattisema, AP	989	771	Yes	Q3 19	Q2 21
Chintalapudi PKG 2	Jangannagudem	683	514	Yes	Q3 19	Q2 21
Kaleswaram Project (INR 1,482.75 Cr.)	Siddipeta	600	600	Yes	Q1 20	Q1 23
PLIS Package 18 (MEIL - HES JV)	Jadcherla	700	700	Awaiting for Appointed Date		Expecting Q3 22
Iqbalgarh to Vadodara : 4744	Vadodara	425	375	Yes	Q4 18	Q1 22
TOP WORK ORDERS		18,588	13,634			
PROPORTION OF TOTAL ORDER BOOK			91%			

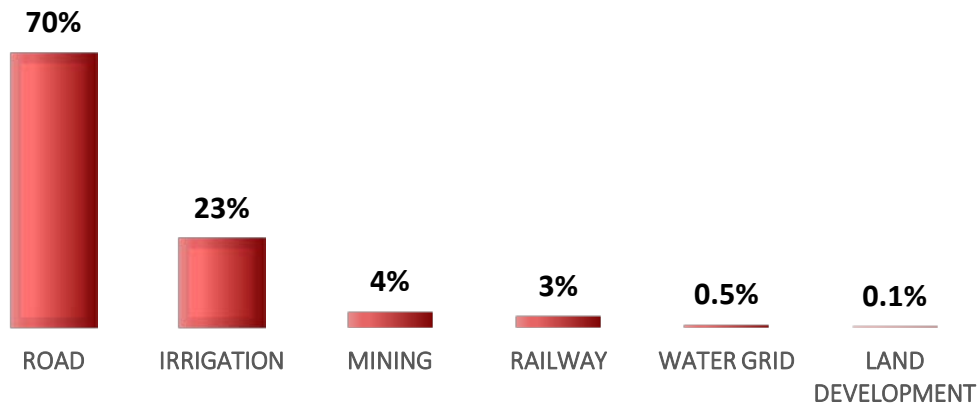
Growing Order Book : Current Book to Bill of 4x

Growing and De-Risked Order Book (INR Bn)

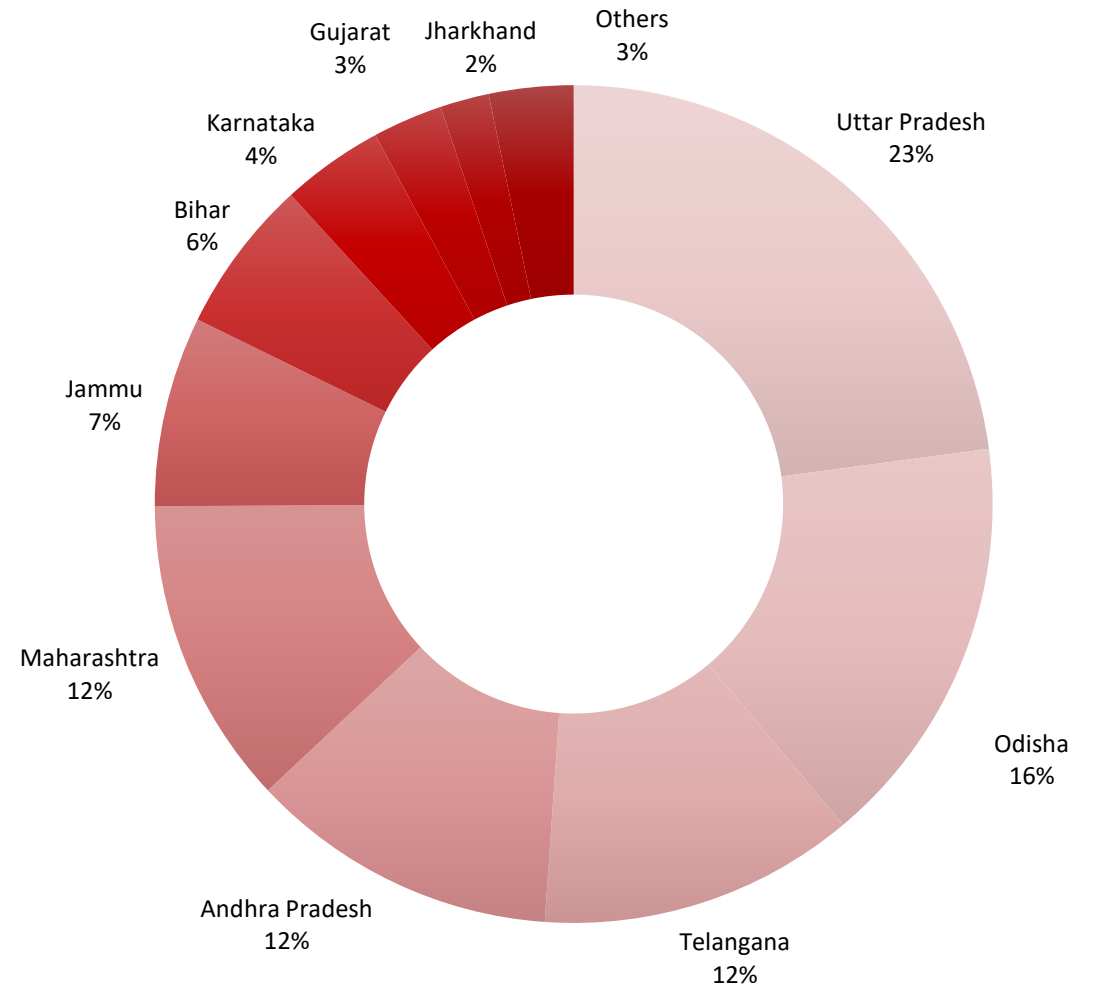
GPL's Growth in EPC order book over the last 5 years



Segmental Diversification



Geographical Diversification



Key Investment Highlights

Strong presence in high growth construction sector

Healthy and diversified pure EPC un-executed order book with good revenue growth visibility

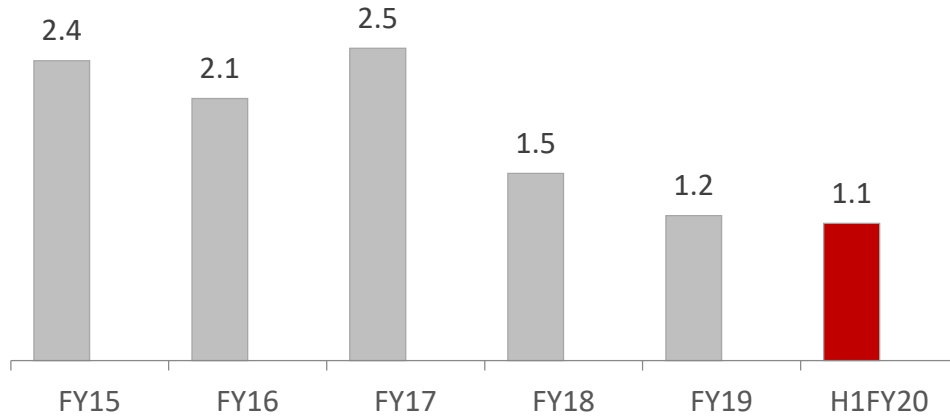
Highly efficient operations with strong execution capabilities

Balance-sheet improvement on track for industry leading metrics in next 3 years

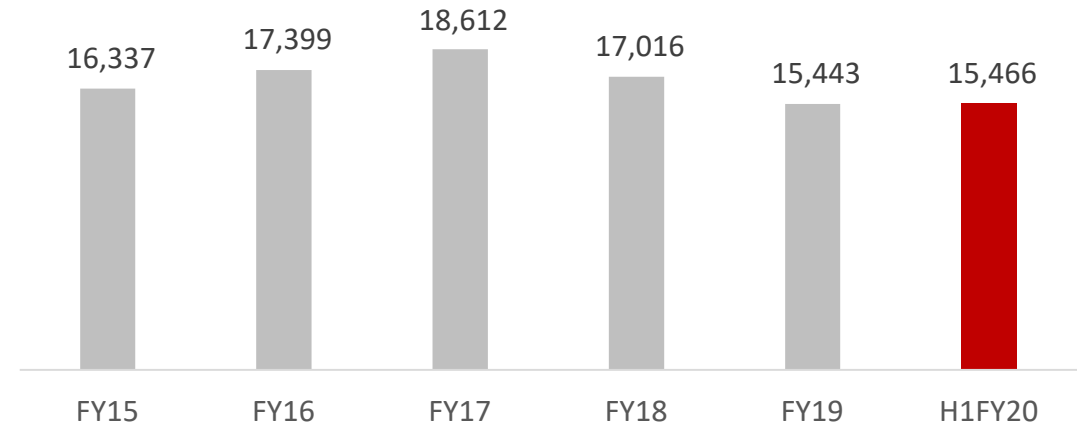
Significant value unlocking through business restructuring

Significant Deleveraging Despite Continued Strong Revenue Growth

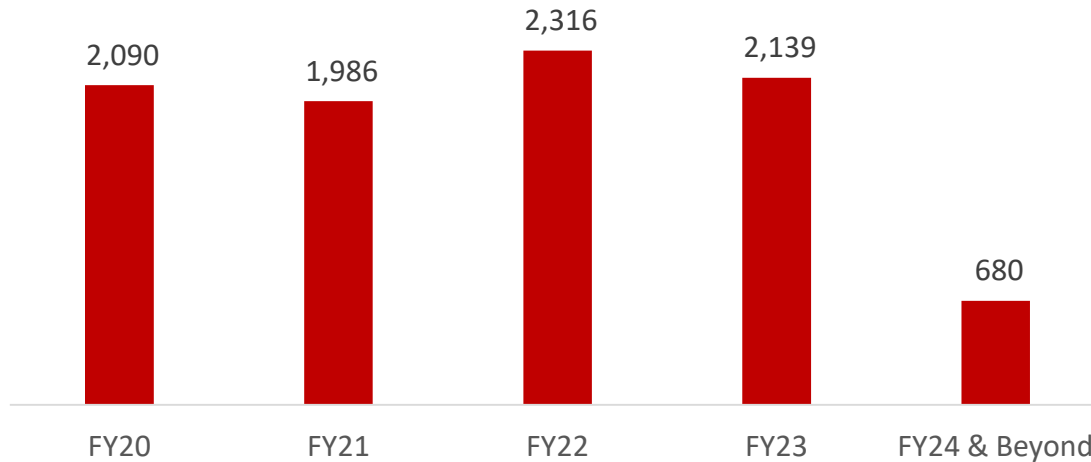
Net Debt/Equity (x)



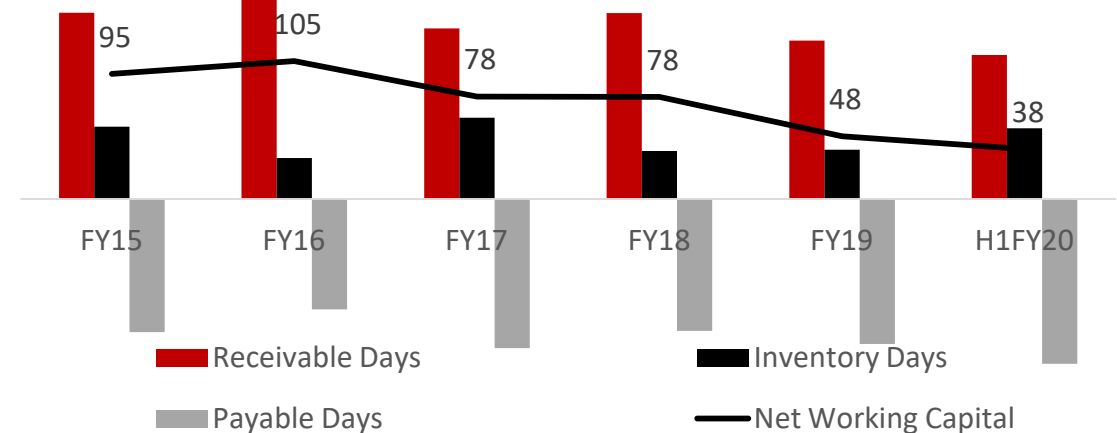
Net Debt (INR Mn)



Debt Maturity Profile (INR MN)

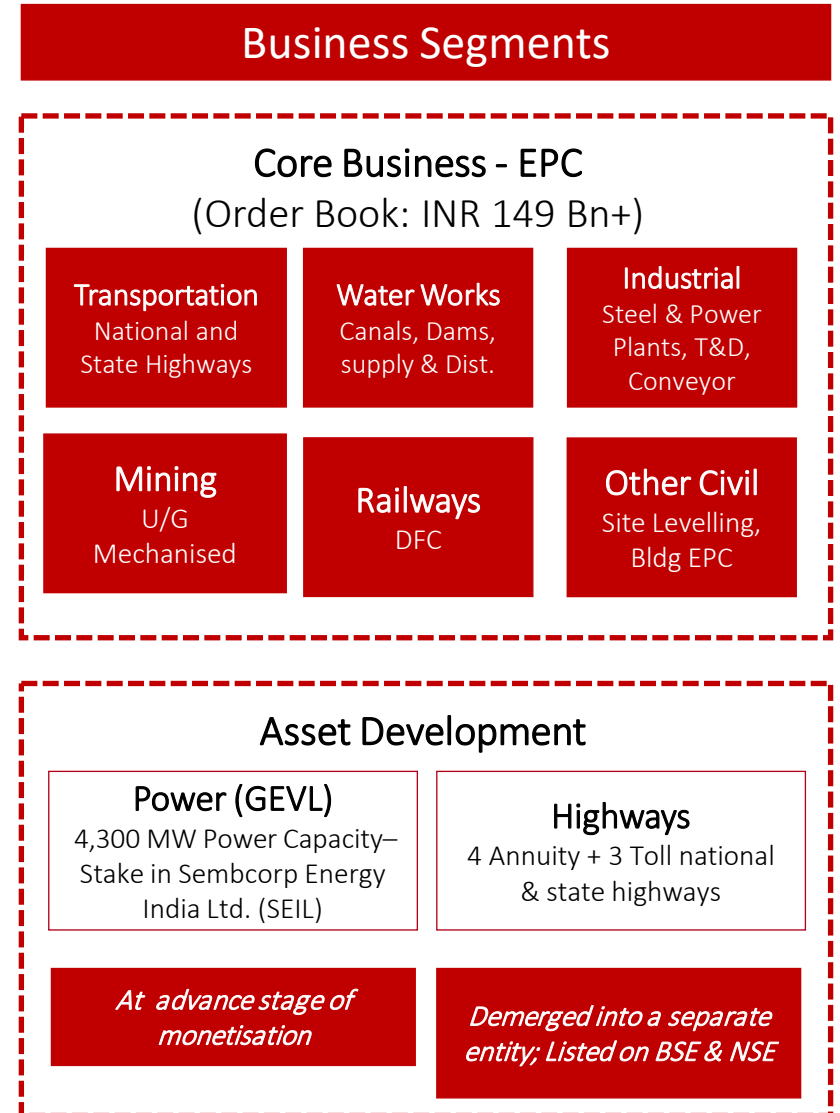


Working Capital Days



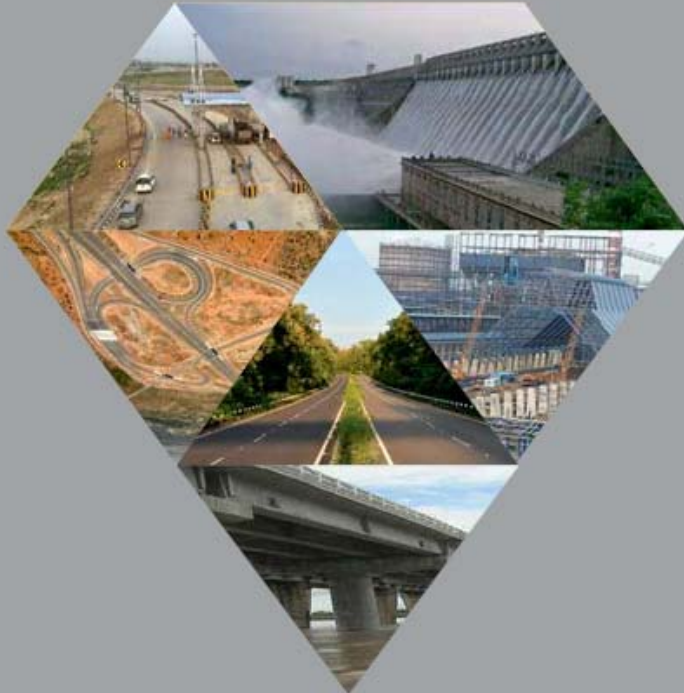
GPL: Amongst India's leading Asset – Light EPC Companies

- One of India's leading construction and infrastructure companies with dedicated focus on asset-light EPC work
- 5 decades of experience in execution of major civil works, diversified across geographies & infrastructure segments
 - Pan India operations spread across 19 states
 - Transportation, Waterworks & Industrial construction projects
 - Marquee client list: NHAI, KNNL, PWD (Mizoram), MSRDC, BSRDC, CIDCO (Maharashtra) I & CAD (AP, Telangana) etc.
- Strong Execution track record
 - Completed more than 6,850 lane km of road construction over the last 25 years
 - Completed ~44 projects aggregating to INR 106 billion+ value in last 5 years
 - Own extensive fleet of more than 2,355 pieces of construction equipment
- Leading technology-led transformation in Indian construction space
 - Technology-driven efficient execution: IOT, Computer vision, UAVs, cloud-computing
 - Real-time reporting, higher transparency & faster execution using end-to-end digital project management
- High medium term revenue growth visibility driven by large order wins
 - Order book of INR 149 bn
 - Book-to-Bill of 4x: high growth visibility for next 3-4 years
- Re-focused business on "Asset-Light" Model over last 4 years
 - Reduced, restructured, monetized exposure to Asset Development Business
 - Significant improvement in balance-sheet leverage (2.4x to 1.16x in last 4 years), return ratios (FY2019 RoE & RoCE at 17%) and free cash flow generation (FCF of Rs 1.5 Bn, post interest payment, generated for the first time in last 10 years)
 - On track for mid 20s RoE & RoCE, strong cash-flow generation and D/E below 0.5x in next 2-3 years





Gayatri Projects Limited



Annual Report

2018-2019

Appendix

Strategy – Focusing on ‘Asset Light’ EPC segment

Asset light EPC model

- Pure EPC company with no asset-heavy BOT or HAM project work.
- Diversified across geographies and practice areas
- Deleveraging balance-sheet and monetizing non-core assets to improve visible Return on Capital
- Focused on cash flow generation

Explore new opportunities in EPC

- Further enhance engineering capabilities in order to pursue new EPC contracts
- Enter specialized sectors with low competition and high margins
- Opportunity includes underground mining, water supply, lift-irrigation, high speed railways, urban infrastructure, pre-fab buildings etc



Grow presence in core EPC segments

- Actively bid for quality projects in core areas of expertise- roads, irrigation, industrials
- Maintain a healthy book-to-bill ratio
- Adhere to geographical cluster approach while bidding for projects to optimize management & equipment utilization and maximize profitability

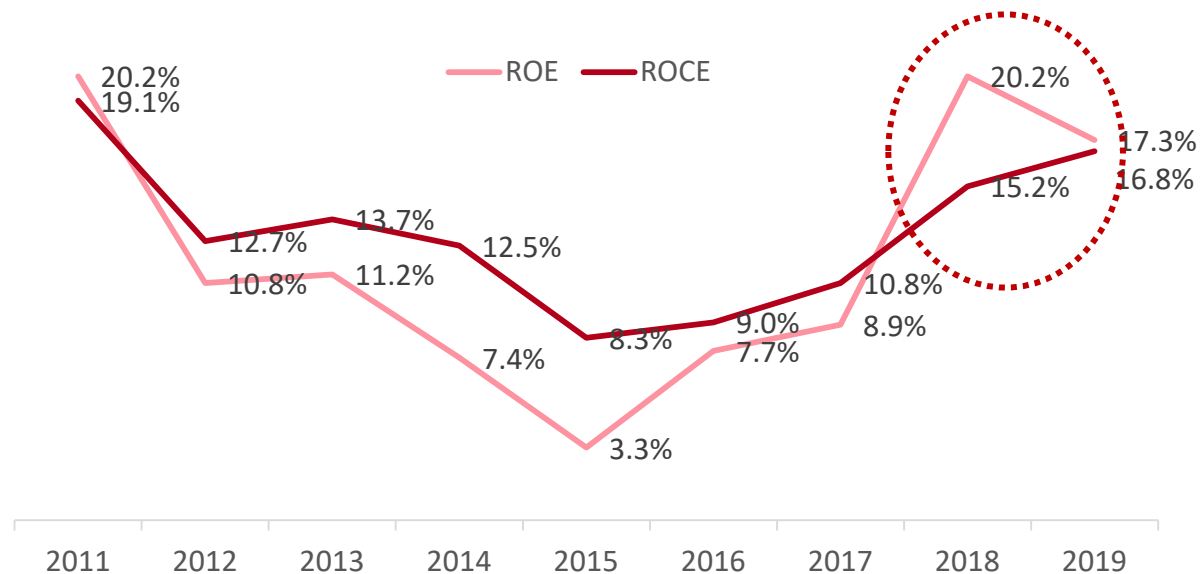
Focus on driving operational performance & execution efficiency

- Integrate best practices from different sectors to improve performance and project execution
- Utilize advanced technologies, designs, engineering and project management tools in order to increase productivity
- Strengthen IT systems and other internal processes to reduce manual intervention

Spotlight on Asset-Light Model

- **2012-2015** : GPL numbers depressed due to asset investments
- **2016 onwards**: Business restructuring and Shift towards Asset-Light model

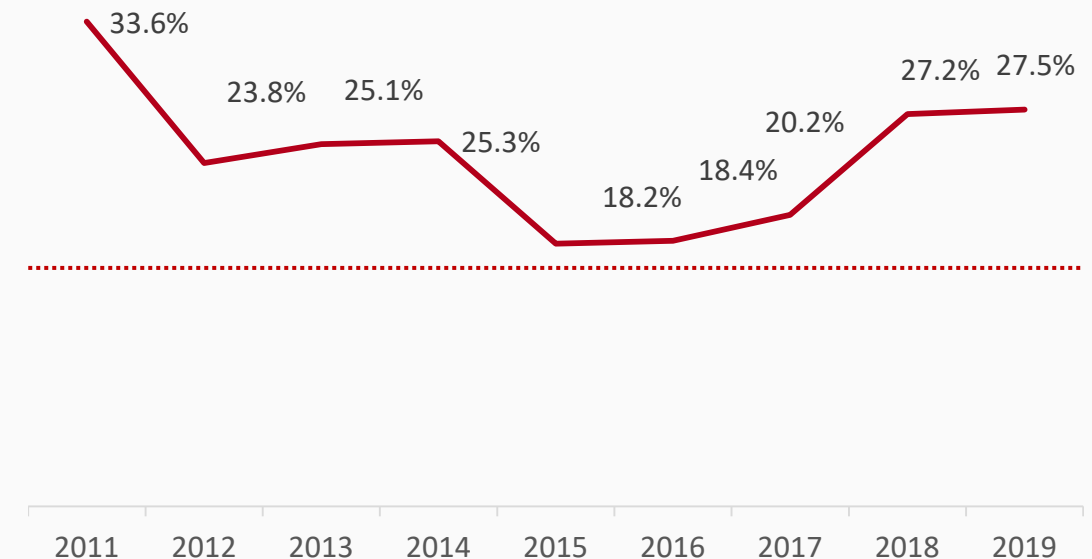
Historical ROE and ROCE



* Core construction business ROCE calculated after deducting investment in power and road BOT assets from the total capital employed

- Core Construction Services business is a high ROCE business; At the bottom of cycle generated 18.2%
- In line with the Industry practice, Free cash flow from Core Construction activities was used for funding asset acquisition prior to 2016

ROCE - Core Construction Business



Strong Execution Capabilities & a Diverse Range of Projects

Projects executed in last 5 years

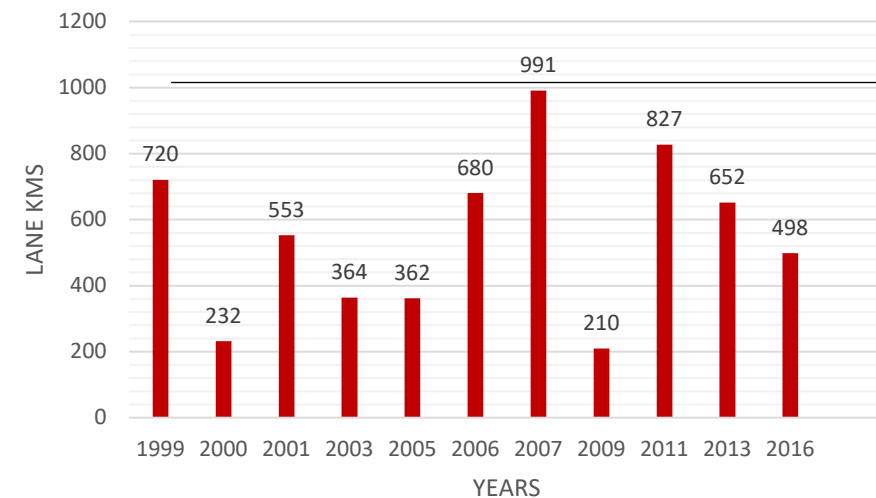
Segment	No. of projects executed	Value of contract (INR Mn)
Roads	12	64,587
Industrial	17	23,535
Irrigation	10	10,727
Site leveling	2	2,382
Dams & reservoirs	2	448
Railways	1	3,845
Total	44	105,524



Strong BG limits key competitive advantage

- Company has existing BG limit of INR 44 bn
- Existing BG limit provides ability to maintain order book of over INR 200 bn
- Ability to further increase the BG limits

Roads: Peak executed capacity at ~1,000 kms for the year 2007



Required Lane Kilometers to be executed (as order) ~700 Lane Kms

Capacity to execute 1,100 – 1,200 Lane kms/ year

Profit & Loss

All figures in INR Million

INR Mn	FY19	FY18	FY17
Revenue	34,631	29,123	21,154
Expenses	29,182	24,446	17,919
EBITDA	5,449	4,677	3,234
<i>EBITDA Margin</i>	<i>15.7%</i>	<i>16.1%</i>	<i>15.3%</i>
Depreciation	659	547	432
Finance Cost	2,513	2,394	2,014
Other Income	79	89	306
PBT	2,357	1,825	941
<i>PBT Margin</i>	<i>6.8%</i>	<i>6.3%</i>	<i>4.4%</i>
Tax Expense	249	-55	237
PAT	2,107	1,881	704
<i>PAT Margin</i>	<i>6.1%</i>	<i>6.5%</i>	<i>3.3%</i>
Basic EPS	11.3	10.6	4.0

Balance Sheet

All figures in INR Million

ASSETS (INR Mn)	H1FY20	FY19	FY18	EQUITY AND LIABILITIES (INR Mn)	H1FY20	FY19	FY18
				EQUITY			
NON-CURRENT ASSETS				(a) Equity Share capital	374	374	374
(a) Property Plant & Equipment	3,848	3,763	3,350	(b) Other Equity	13,521	12,922	10,856
(b) Capital Work in Progress	5	5	-				
(c) Financial Assets				LIABILITIES			
(i) Investments	10,053	10,088	10,169	Non-Current Liabilities			
(ii) Loans	3,452	3,474	3,563	(a) Financial Liabilities			
				(i) Borrowings	5,394	7,121	8,032
CURRENT ASSETS				(ii) Other Financial liabilities	14,804	14,962	10,332
(a) Inventories	5,125	3,574	2,930	(b) Provisions	41	48	52
(b) Financial Assets				(c) Deferred Tax Liabilities (net)	19	21	71
(i) Trade receivables	12,717	13,930	11,337				
(ii) Cash and cash equivalents	725	1,265	569	Current Liabilities			
(iii) Other Bank Balances	2,090	2,002	1,857	(a) Financial Liabilities			
(iv) Loans	2,103	1,887	1,703	(i) Borrowings	10,735	9,499	9,591
(c) Current Tax Assets (Net)	1,293	1,447	1,385	(ii) Trade payables	11,860	10,508	8,043
(d) Other Current Assets	18,833	17,206	12,998	(iii) Other Financial Liabilities	2,479	2,293	2,042
				(h) Other Current Liabilities	986	858	446
				(c) Provisions	34	34	21
TOTAL	60,246	58,641	49,861	TOTAL	60,246	58,641	49,861

Board of Directors

T. Indira 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

Mr Birendra Kumar

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 Vithal 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

Ms. Gayathri Ramachandran

IAS (Retd.); has held important positions in the Government of India in the Ministries of Power, Petroleum, Industries, Chemicals & Fertilizers and Civil Aviation.

Mr. K. Jairaj

IAS (Retd.); has held key appointments in the Infrastructure, Energy, Transport and Urban Development sectors

Management Team - HQ



T Sandeep Reddy

- **Managing Director**
- Masters in Construction Engineering & Management from University of Michigan, USA
- 20+ years of construction experience



J Brij Mohan Reddy

- **Executive Vice Chairman**
- Graduate in Industrial Engineering from Berkeley University, USA
- 50 years of experience in construction and engineering



P Sreedhar Babu

- **Chief Finance Officer**
- Fellow Member of Institute of Chartered Accountants of India
- 18+ years of experience in finance and banking



D Sitaram

- **President, Business Development**
- In-charge of evaluating new business units, identifying suitable Joint-Venture partners, and attending review meetings with clients and regulatory bodies



T Rajiv Reddy

- **Vice President**
- In-charge of overall Project Controls & Monitoring, and head of Mining business unit
- Graduate in Industrial Engineering from University of Illinois, Urbana-Champaign, USA

Management Team - Projects



K Sesa Reddy

- Senior Vice President, Transportation
- In-charge of project monitoring and controls
- Previously a Project Head at L&T
- Masters in Construction management from Birla Institute of Technology
- 32+ years of experience in infrastructure



G Venkateshwar Rao

- Senior Vice President, Irrigation
- Oversees entire irrigation business unit
- Graduate in Civil Engineering
- 20+ years of experience in irrigation EPC



MV Suresh

- Vice President, Roads
- Oversees road construction projects
- Graduate in Civil Engineering
- 20+ years of experience in EPC



CH Ramakrishna Rao

- Senior Vice President, Roads
- Oversees road construction projects
- Masters in Construction management from Birla Institute of Technology
- 20+ years of experience in infrastructure



Sudhakar Lolla

- Vice President, Mining
- Oversees underground mining projects
- Masters in Technology and Mining from Indian School of Mines
- 18+ years of experience in mining

Contact Details

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