



GAYATRI PROJECTS LIMITED

CIN : L99999TG1989PLC057289

Regd. Office: B1, TSR TOWERS, 6-3-1090, RAJ BHAVAN ROAD, SOMAJIGUDA, HYDERABAD-500082
STATEMENT OF UN-AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED 30th SEPTEMBER, 2021

Sl. No.	Particulars	Quarter Ended			Half-Year Ended		(₹ in Lakhs)
		30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	Year Ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	Revenue from operations	86,552.62	89,708.74	79,822.89	1,76,261.36	1,46,617.62	3,90,051.89
	Other Income	120.13	20.18	261.20	140.31	289.65	736.83
	Total Income	86,672.75	89,728.92	80,084.09	1,76,401.67	1,46,907.27	3,90,788.72
2	Expenses						
	a. Cost of Materials Consumed & Work Expenditure	89,285.61	79,082.53	76,362.31	1,68,368.14	1,33,964.02	3,33,214.80
	b. Changes in Inventories of Work in Progress	1,225.47	(6,136.74)	(12,912.36)	(4,911.27)	(18,182.86)	(13,057.02)
	c. Employee Benefits Expense	3,069.17	3,683.49	3,274.60	6,752.66	6,747.78	15,050.51
	d. Finance Costs	7,877.34	6,792.05	8,463.13	14,669.39	16,282.41	32,074.58
	e. Depreciation and Amortization Expense	1,917.64	1,893.26	2,209.05	3,810.90	4,383.49	8,450.16
	f. Other Expenses	2,266.26	2,142.40	2,667.27	4,408.66	5,209.65	10,603.93
	Total Expenses	1,05,641.49	87,456.99	80,064.00	1,93,098.48	1,48,404.49	3,86,336.96
3	Profit / (Loss) before Exceptional items and Tax (1-2)	(18,968.74)	2,271.93	20.09	(16,696.81)	(1,497.22)	4,451.76
4	a) Exceptional Items	-	-	-	-	-	-
	b) Share of Profit / (Loss) of Joint Ventures & Associates	(2.98)	(20.07)	(159.95)	(23.05)	(170.85)	(677.79)
5	Profit/(Loss) before Tax (3+4)	(18,971.72)	2,251.86	(139.86)	(16,719.86)	(1,668.07)	3,773.97
6	Tax Expense (Net)	(30.79)	(39.17)	(149.15)	(69.96)	(300.39)	(536.26)
7	Net Profit/(Loss) after tax (5-6)	(18,940.93)	2,291.03	9.29	(16,649.90)	(1,367.68)	4,310.23
8	Non-controlling Interest	-	-	-	-	-	-
9	Net Profit / (Loss) after tax and Non-controlling Interest (7+8)	(18,940.93)	2,291.03	9.29	(16,649.90)	(1,367.68)	4,310.23
10	Other Comprehensive Income/(Loss) (OCI)						
	Items that will not be reclassified to profit or loss :						
	i) Changes in fair value of equity investments	-	-	(149.76)	-	-	-
	ii) Re-measurement gains/(losses) on actuarial valuation of Post Employment defined benefits	(4.38)	(4.38)	(21.26)	(8.76)	(42.52)	(17.50)
	iii) Income tax relating to Items that will not be re-classified to profit or loss	1.34	1.72	24.87	3.06	(20.03)	6.11
	Total Other Comprehensive Income/(Loss) (10)	(3.04)	(2.66)	(146.15)	(5.70)	(62.55)	(11.39)
11	Total Comprehensive Income (9+10)	(18,943.97)	2,288.37	(136.86)	(16,655.60)	(1,430.23)	4,298.84
12	Paid Up Equity Share Capital (Face Value ₹ 2/- per Share)	3,743.97	3,743.97	3,743.97	3,743.97	3,743.97	3,743.97
13	Other Equity (excluding Revaluation Reserves) as shown in audited balance sheet of the previous year						91,583.46
14	Earnings Per Share of ₹ 2/- each (Not annualised)						
	- Basic & Diluted	(10.11)	1.22	(0.04)	(8.89)	(0.73)	2.30

STATEMENT OF UNAUDITED CONSOLIDATED ASSETS AND LIABILITIES		(₹ in Lakhs)	
		CONSOLIDATED	
		As at 30.09.2021	As at 31.03.2021
		Un-Audited	Audited
ASSETS			
1	NON-CURRENT ASSETS		
	(a) Property, Plant & Equipment	37,751.81	39,229.46
	(b) Capital Work in Progress	895.54	2,907.13
	(c) Financial Asset		
	(i) Investments	56,511.44	56,517.45
	(ii) Loans	33,978.90	33,978.90
	(iii) Trade Receivables	20,305.20	21,602.90
	(iv) Other Financial Assets	24,405.43	23,515.89
	(d) Deferred Tax Asset (net)	1,116.46	1,043.44
	Total - Non-current Assets	1,74,964.78	1,78,795.17
2	CURRENT ASSETS		
	(a) Inventories	83,872.69	81,468.57
	(b) Financial Asset		
	(i) Trade receivables	1,65,431.08	1,51,852.14
	(ii) Cash and cash equivalents	953.69	8,374.76
	(iii) Other bank balances	13,184.84	20,563.43
	(iv) Loans	13,080.18	11,183.81
	(c) Current Tax Assets (Net)	21,665.23	20,273.28
	(d) Other Current Assets	1,05,819.11	1,04,465.00
	Total - Current Assets	4,04,006.82	3,98,180.99
	TOTAL - ASSETS	5,78,971.60	5,76,976.16
EQUITY AND LIABILITIES			
1	EQUITY		
	(a) Equity Share capital	3,743.97	3,743.97
	(b) Other Equity	74,927.86	91,583.46
	Total - Equity	78,671.83	95,327.43
2	LIABILITIES		
	Non-Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	36,945.96	41,688.18
	(ii) Lease Liabilities	662.51	1,012.30
	(iii) Other Financial liabilities	84,297.02	91,930.75
	(b) Provisions	790.45	790.26
	Total - Non-Current Liabilities	1,22,695.94	1,35,421.49
	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	1,98,665.35	1,67,698.66
	(ii) Lease Liabilities	947.82	1,296.54
	(iii) Trade payables	1,35,491.31	1,43,640.13
	(iv) Other Financial Liabilities	29,299.91	22,586.27
	(b) Other Current Liabilities	13,104.33	10,910.53
	(c) Provisions	95.11	95.11
	Total - Current Liabilities	3,77,603.83	3,46,227.24
	TOTAL - LIABILITIES	5,00,299.77	4,81,648.73
	TOTAL - EQUITY AND LIABILITIES	5,78,971.60	5,76,976.16



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STATEMENT OF UN-AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED 30th SEPTEMBER, 2021

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 consolidated financial results for the quarter and half-year ended 30th September, 2021 have been reviewed by the Audit Committee and considered & approved by the Board of Directors of the Company at its meeting held on 13th November, 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 September, 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 CCPS 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 results for the quarter and half-year ended 30th September, 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.248.61 crores of unsecured loan / subordinate debt as at 30th September, 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 September, 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 and half-year ended 30th September, 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.211.86 crores is pending for recovery as at 30th September, 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 and half-year ended 30th September, 2021.
- 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 Panikoiil-Rimuli section of NH-215 Road. The Company has to receive an amount of Rs. 237.16 crores towards EPC cost from the said concessionaire company as at 30th September, 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 and half-year ended 30th September, 2021.
- An amount of Rs.36.20 Crores as on 30th September, 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 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 and half-year ended 30th September, 2021.



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STATEMENT OF UN-AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED 30th SEPTEMBER, 2021

- 9 The Advances to Suppliers, Sub-contractors and others as at 30th September, 2021, includes an amount of Rs.152.28 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 substantial amount of more than Rs 180.00 crores from the said sub-contractor. In view of this, the management is confident to recover the entire advances from the sub-contractor in the due course and hence, no provision is required to be made in the un-audited consolidated financial results for the quarter and half-year ended 30th September, 2021.
- 10 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 March 2021 installment. As the company had not paid the balance amount by the agreed dates, the lender has sent various notices to the GPL/GHL and through the notice dated 9th November, 2021 issued to the Company and GHL, time is given till 12th November, 2021 to repay the entire outstanding dues payable, failing which IL&FS may reopen / restore / reinstitute the Insolvency Applications I/II and also initiate any other proceedings against the Company/GHL before any legal forums. The company has communicated its commitment to repay entire IL&FS dues through its letter dated 11th November, 2021.
- 11 The recovery of work & other advances and receivables got delayed from one sub-contractor amounting to Rs 99.36 crores as at 30th September, 2021 which is on account of mis-match in the cash flows of the sub-contractor and non-extending of financial facilities. As per the information and explanations given by the said sub-contractor, the dues to the company will be paid in due course without any fail and hence, in the opinion of the management provision is not required to be made in the un-audited consolidated financial results for the quarter and half year ended 30th September, 2021.
- 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 and preceding financial years, the work at major sites had got disrupted and delayed. The works have resumed post relaxation of lockdown restrictions. The recovery of trade receivables got delayed due to COVID –19 Pandemic impact on the economy of the country and various states which ultimately caused financial and operational stress on the company and progress of the works executed by 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 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 Due to changes in business conditions on account of Covid-19 pandemic, there has been delay in recovery of Trade Receivables, increase in materials cost, non-availability of adequate working capital to execute the works on hand etc., have resulted that the Company has defaulted in repayment of dues to its lenders and devolvement of significant Non-Fund based facilities. The outstanding dues including devolvement of Non-Fund based facilities as at 30th September, 2021 is Rs.541.47 crores and further, the loans and other facilities sanctioned to the company have been classified by the lenders as Non-Performing Assets. In these circumstances, the lenders have sent various notices to the company and the personal guarantors for recovery of their dues. The management of the company is in the process of appropriately dealing with the said notices received and also initiated the process to address the lenders in order to repay the defaulted amount and the management is very confident to resolve the issue at the earliest.
- 14 During the preceding financial years, the subsidiary company (i.e. GEVPL) had made an investment/ advance/ share application money to Jimbhuvish Power Generation Private Limited and Jimbhuvish Power Project Limited to set up a coal-based power plant in Maharashtra and as on 31st March, 2021 the total amount infused in the form of investment/advance/share application money is Rs. 55.44 crores. The Subsidiary Company had decided to exit from the said power project and in this regard entered into an Exit Agreement on 25th May, 2013, which was subsequently amended by various letter agreements and as per the latest agreement the company shall exit from the said power project by 31st October, 2021. Though there has been a significant delay in exiting from the above investments, the management is confident to recover the entire investment amount in the immediate subsequent financial year as per the Exit Agreement and hence, in the opinion of the management no provision is required to be made in the carrying value of the Investment. However, as a matter of prudence and in compliance with the Ind AS requirement, an amount of Rs.12.77 crores has been provided towards provision for credit loss of the advance amount & Share Application Money infused by the subsidiary company.
- 15 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 the step-down subsidiary company considering the nature of advances and the long pending recovery of the same, had during the previous years provided an Expected Credit Loss (ECL)of Rs 10.84 crores and is in the process of estimating if any further ECL/provision is to be made regarding the said Contract Advance.
- 16 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
- 17 Previous period / year figures have been regrouped to facilitate comparison wherever necessary.

By Order of the Board
For Gayatri Projects Limited

Sd/-
T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

Place: Hyderabad.
Date: 13th November, 2021



GAYATRI PROJECTS LIMITED

CONSOLIDATED UNAUDITED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 30th SEPTEMBER, 2021

₹ in Lakhs

Particulars	For the half-year ended 30th September, 2021	For the half-year ended 30th September, 2020
A Cash Flow from Operating Activities:		
Profit before Tax excluding extraordinary and exceptional items	(16,696.81)	(1,497.22)
Adjustments for:		
Depreciation and amortization	3,810.90	4,383.49
Interest and other Income	(1,606.47)	(817.73)
Expected credit loss	1,760.07	2,106.98
Finance Costs	16,275.36	18,205.81
Foreign Currency Translation and Transactions – ECB	-	(1.94)
Changes in Fair Value of Equity Investment	(17.05)	(9.64)
Operating Profit before working Capital Changes	3,526.00	22,369.75
Adjustments for:		
(Increase) / Decrease in Trade Receivables	(13,578.94)	(10,845.15)
(Increase) / Decrease in non-current financial asset	(133.16)	(109.84)
(Increase) / Decrease in current financial asset	(60.21)	(3,959.66)
(Increase) / Decrease in Other current assets	(3,964.80)	3,952.94
(Increase) / Decrease in Inventory	(2,404.12)	(13,837.86)
Increase / (Decrease) in current financial liabilities	2,894.26	(3,681.30)
Increase / (Decrease) in non-current financial liabilities	(7,642.30)	(21,238.84)
Increase / (Decrease) in Trade Payables	(8,152.44)	4,878.87
Cash (used in) / generated from Operating activities	(29,515.71)	(22,471.09)
Direct Taxes paid (Net)	-	-
Net Cash (used in)/ generated from Operating Activities (A)	(29,515.71)	(22,471.09)
B Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment including capital work-in-progress	(321.66)	(348.33)
Sale of Non-Current Investments	-	-
Net proceeds from margin money deposits of BGs/LCs	7,378.59	886.01
Interest and other income received	1,606.47	817.81
Net Cash (used in)/ generated from Investing Activities (B)	8,663.40	1,355.49
C Cash Flow from Financing Activities		
Foreign Currency Translation and Transactions – ECB	-	1.94
Net Proceeds from / (Repayment of) Long term borrowings	(5,192.73)	10,247.19
Net Proceeds from / (Repayment of) Short term borrowings	30,736.97	26,374.30
Net Proceeds from / (Repayment of) Inter Corporate Loans	-	(10.26)
Finance Costs	(12,113.00)	(19,130.90)
Net Cash (used in)/ generated from Financing Activities (C)	13,431.24	17,482.27
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(7,421.07)	(3,633.33)
Cash and Cash Equivalents at the beginning of the year 2021-22	8,374.76	11,836.64
Cash and Cash Equivalents at the end of the period	953.69	8,203.31

By Order of the Board
For Gayatri Projects Limited

Sd/-
T.V.SANDEEP KUMAR REDDY
Managing Director
DIN : 00005573

Place: Hyderabad.
Date: 13th November, 2021