

**GAYATRI PROJECTS LIMITED**

CIN : L99999TG1989PLC057289

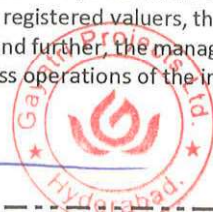
Regd. Office: B1, TSR TOWERS, 6-3-1090, RAJ BHAVAN ROAD, SOMAJIGUDA, HYDERABAD -500082
STATEMENT OF UN-AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2022

(₹ in Lakhs)

Sl. No.	Particulars	Quarter Ended			Year Ended
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		Unaudited	Audited	Unaudited	Audited
1	Income				
	Revenue from operations	28,256.19	53,735.63	89,708.74	3,10,233.68
	Other Income	614.02	194.99	20.18	338.52
	Total Income	28,870.21	53,930.62	89,728.92	3,10,572.20
2	Expenses				
	a. Cost of Materials Consumed & Work Expenditure	38,149.74	66,173.88	79,082.53	3,24,420.31
	b. Changes in Inventories of Work in Progress	13,234.67	3,332.20	(6,136.74)	613.82
	c. Employee Benefits Expense	2,431.06	3,372.19	3,683.49	13,565.05
	d. Finance Costs	10,932.08	9,774.42	6,763.01	33,767.44
	e. Depreciation and Amortization Expense	1,534.31	1,831.63	1,893.26	7,626.91
	f. Other Expenses	1,769.14	2,733.96	2,141.83	9,415.34
	Total Expenses	68,051.00	87,218.28	87,427.38	3,89,408.87
3	Profit / (Loss) before Exceptional items and Tax (1-2)	(39,180.79)	(33,287.66)	2,301.54	(78,836.67)
4	Exceptional Items	-	(14,051.05)	-	(14,051.05)
5	Profit / (Loss) before Tax (3+4)	(39,180.79)	(47,338.71)	2,301.54	(92,887.72)
6	Tax Expense (Net)	-	(51.05)	(39.17)	(258.56)
7	Net Profit / (Loss) after tax (5-6)	(39,180.79)	(47,287.66)	2,340.71	(92,629.16)
8	Other Comprehensive Income (OCI)				
	Items that will not be reclassified to profit or loss :				
	i) Changes in fair value of equity investment	(218.40)	(87.36)	180.96	274.56
	ii) Re-measurement gains/(losses) on actuarial valuation of Post Employment defined benefits	2.45	22.88	(4.38)	9.74
	iii) Income tax relating to Items that will not be reclassified to profit or loss	75.46	22.57	(61.51)	(99.31)
	Total Other Comprehensive Income / (Loss) (8)	(140.49)	(41.91)	115.07	184.99
9	Total Comprehensive Income / (Loss) (7+8)	(39,321.28)	(47,329.57)	2,455.78	(92,444.17)
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				3,857.28
12	Earnings Per Share (EPS) of ₹ 2/- each (Not annualised)				
	- Basic & Diluted	(20.93)	(25.26)	1.25	(49.48)

Notes to un-audited Standalone Financial Results:

- The above published un-audited standalone financial results for the quarter ended 30th June 2022 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, 2022 have been reviewed by the Audit Committee and approved by the Company's Board of Directors in their respective meetings held on 10th August 2022.
- The Company's Operations primarily consist of Construction activities and there are no other reportable segments.
- The Company has an investment in Gayatri Hi-tech Hotels Limited ("Investee Company") in the form of 4% Compulsorily Convertible Cumulative Preferential Shares ("CCCPs") amounting to ₹ 19,571.95 Lakhs as of 30th June 2022. 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 which has defaulted in the redemption of non-convertible debentures, pursuant to which the holders of the Non-Convertible Debentures have issued notices for recovery under SARFAESI Act and also filed applications under section 6 and section 7 of the Insolvency and Bankruptcy Code, 2016 before the Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench. The said application has not been admitted till date of approving the un-audited financial results of the company. As informed to us, the management of the investee company is in process of appropriately dealing with the notices received and the applications filed before the Hon'ble NCLT and further, the management is also in discussion with the Debenture Holders for a resolution/settlement of dues. Further, as per the latest available valuation reports of the investee company made by two independent registered valuers, the value of the investee company is much higher than the value at which the company had made its investment, and further, the management of the company is very confident that all the issues in the investee company will get resolved and business operations of the investee company will get normalized at the earliest and generate sufficient cash flows.



In view of the above and also considering the fact that the CCCPS are convertible into equity shares of the investee company during the financial year 2027-28 which is a very long period for realization of the investment or to analyze the actual investment value, 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 2022.

5. Gayatri Highways Limited, an associate company in which the company has an investment of ₹ 16,770.03 Lakhs in the form of Non-Convertible Preference Shares ('NCPS'), Equity Share Capital investment of ₹ 1,248.00 Lakhs, and also funded an amount of ₹ 25,825.80 Lakhs of unsecured loan / subordinate debt as at 30th June 2022. Further, as stated in the un-audited standalone financial results of the Associate Company, it has been incurring operating losses during the past few years. However, the un-audited financial results of the said associate company have been prepared on a going concern basis as the promoters of the associate company have guaranteed support to the company and its management believes that its investments in road projects will generate sufficient cash flows to support the company in foreseeable future. As of 30th June 2022, the said associate company is holding portfolio in several 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, Toll collections receivable, and arbitration awards awarded 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 in the un-audited standalone financial results for the quarter ended 30th June 2022.
6. In the ordinary course of business, the Company had given Contract Advances to a sub-contractor which on mutual consent have been converted into an interest-bearing inter-corporate loan. The said inter-corporate loan of ₹ 18,676.14 Lakhs and interest thereon of ₹ 22,477.81 Lakhs is pending for recovery as at 30th June 2022. The recovery of this loan along with interest thereon is delayed due to extraneous reasons like changes in government policies, delays 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 the 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 2022.
7. One of the subsidiary of the associate company (hereinafter called as "concessionaire company" or Sai Matarani Tollways Limited "SMTL"), which has been awarded a Build-Operate-Transfer (BOT) work for the construction of Four Laning of Panikoili-Rimuli section of NH-215 Road. The Company has to receive an amount of ₹ 23,715.65 Lakhs towards EPC cost from the said concessionaire company as at 30th June 2022. Further, the company has given an irrevocable and unconditional Corporate Guarantee of ₹ 1,39,735.00 Lakhs to the lenders of the concessionaire company. The Concessionaire Company has given termination notice to the National Highways Authority of India (NHAI) due to irreparable loss of toll revenue from the road project and requested for a termination payment of ₹ 2,29,667.00 Lakhs. 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. 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. In the above circumstances, NHAI initially calculated the terminal payment of ₹ 58,421.00 Lakhs, however SMTL has not accepted the terminal payment calculated by NHAI and has negotiated with NHAI for further improvement. Accordingly, the termination payment was revised to ₹ 79,650.00 Lakhs by NHAI in March 2022. SMTL has requested its lenders to accept the above-said payment of ₹ 79,650.00 Lakhs towards full and final settlement of all existing past and future dues etc. Upon acceptance of the above stated proposal, the said lenders shall waive all future claims against SMTL and its guarantors and drop legal proceedings. Once the full and final settlement is accepted by the lenders of SMTL and based on the conditions if any imposed by the lenders of SMTL, the impact of the same shall be recognised. 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. Based on the above, and as per the available information, the management of the company is of the view that no provision is required to be made in respect of trade receivables and Corporate Guarantee in the un-audited standalone financial results for the quarter ended 30th June 2022.
8. An amount of ₹ 3620.49 Lakhs as on 30th June 2022 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 ₹ 12,443.00 Lakhs which includes interest thereon of ₹ 6,405.00 Lakhs 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 claim 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 2022.
9. The Advances to Suppliers, Sub-contractors, and others as at 30th June 2022, includes an amount of ₹ 15,022.65 Lakhs given to one sub-contractor in the normal course of business. The recovery of this advance is delayed due to certain extraneous factors not attributable to the sub-contractor. During the previous financial years, the company has recovered a substantial amount of more than ₹ 18,000.00 Lakhs from the said sub-contractor. In view of this, the management is confident to recover the remaining 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 2022.



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10. As per the Settlement and Supplementary Agreement dated 14th September 2020 made between Gayatri Projects Limited ("the Company/GPL"), 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 ₹ 8,410.00 Lakhs and an additional interest of ₹ 865.00 Lakhs towards the loan availed by GHL along with interest in eleven monthly installments commencing from 15th September 2020 and the entire amount to be paid on or before 15th July 2021. The Company and GHL have jointly paid the principal amount of ₹4,590.00 Lakhs due till February 2021. The balance principal amount payable to IL&FS is ₹ 3,823.00 Lakhs and interest due and payable is ₹ 677.00 Lakhs. Due to non-payment of remaining installments/dues, the IL&FS has filed an application under section 7 of the Insolvency and Bankruptcy Code, 2016 before the Hon'ble National Company Law Tribunal, Hyderabad on 18th January 2022. The applications filed by the IL&FS is not admitted till the date of approving the results and the next hearing is posted on 17th August 2022.
11. The recovery of work and other advances and receivables got delayed from one sub-contractor amounting to ₹ 9,935.85 Lakhs as at 30th June 2022 which is on account of a 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 standalone financial results for the quarter ended 30th June 2022.
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 lockdown restrictions imposed across the country during the previous two 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 the progress of the works executed by the company. However, the Company will closely monitor the future developments and economic conditions across the country and assess its impact on the business operations and going concern of the company.
13. Due to changes in business conditions on account of the Covid-19 pandemic, there has been a delay in recovery of Trade Receivables as stated in the above note no. 12, increase in materials cost and increase in cost of services, non-availability of adequate working capital to execute the contract works on hand, non-awarding of fresh contract works due to lenders reluctant to provide bank guarantee or other facilities, etc., have severely affected the business operations and billing cycle (raising of RA bills on the contractors) of the company which have resulted that the Company defaulted in repayment of dues to its lenders and devolvement of significant Non-Fund based facilities and most of the lenders have recalled their financial facilities extended to the company. The loans and other facilities sanctioned to the company have been classified by the lenders as Non-Performing Assets (NPA) and the interest/finance cost on financial facilities has been recognized in the books of accounts / financial results on the basis of the loans sanction letters and other loan documents available with the company as the lenders have not provided the loan balance confirmations, loan account statements, other interest and financial charges debit advices etc., and hence, the interest and financial charges accounted and recognized in the financial results is subject to reconciliation and confirmation and differential interest and finance charges will be accounted upon restructuring or settlement of the dues or based on the availability of the loan account statements. The consortium of lender had via this letter dt.06/06/2022, had informed the company that in case the company is able to infuse up-front ₹ 400 to ₹500 crores along with a detailed resolution plan the same may be considered. The management has identified a potential investor for raising the necessary funds and is in the process of working out a detailed resolution plan for settling of dues to the lenders and the due diligence for the same in ongoing.

Further, promoters have guaranteed their continuous financial and other support to the company and are in the process of infusing the funds into the company and the company has appointed a leading consultant as Corporate Debt Advisors for Debt Restructuring proposal / amicable debt settlement proposal in the best interest of the company and the lenders. In these circumstances, the lenders have sent various notices to the company and the personal guarantors for recovery of their dues and have appointed a forensic auditor. The company has not received the final forensic audit report till date of approving the un-audited financial results for the quarter ending 30th June 2022. The Lenders have also filed petitions/legal suits/complaints before the Debt Recovery Tribunal (DRT)/other forums for recovery of the dues and issued notices under SARFAESI Act. Further, two lenders & two operational creditors of the company and IL&FS (as stated in the above note no. 10), have filed applications under section 6 and section 7 of the Insolvency and Bankruptcy Code, 2016 before the Hon'ble National Company Law Tribunal (NCLT), Hyderabad. The applications filed before the Hon'ble NCLT are not admitted till the date of approving the results. Besides this, the management of the company is in the process of appropriately dealing with the notices received from various lenders, petitions filed before the DRT, and applications filed before the Hon'ble NCLT. The management is very confident to resolve all these issues at the earliest in the best interest of the company's affairs, business operations, and lender's business interests.

14. During the current period ended 30th June 2022, the company has assigned some of its contract works amounts to ₹ 3,62,833.00 Lakhs on back-to-back basis to sub-contractors / other contractors as the company is unable to achieve the work progress targets due to working capital issue and non-availability of funds for the detailed reasons stated in note 13. The assignment of these contract works to sub-contractors / other contractors is done in the best interest of the company in order to avoid huge termination penalties and other hindered consequences. Due to assignment of contract works to sub-contractors / other contractors, the company could not raise bill for contract work executed till the date of assignment and accordingly, the company had no other option other than to reverse or nullify the value of the work in progress recognized in the books of accounts during the previous quarter or current quarter which has resulted in reversal of work in progress amounts to ₹13,742.92 Lakhs for the quarter ended 30th June, 2022.



TJL



15. During the current period ended 30th June 2022, the company has incurred a loss of ₹ 39,180.79 Lakhs for the detailed reasons stated in note no. 13 & 14 and the net worth of the company is completely eroded on account of huge losses suffered by the company for the reasons stated in note no. 13 and 14 which are beyond the control of the company or the management. As at 30th June, 2022, the company has defaulted in repayment of outstanding loans including recalled loans and other credit facilities, devolvement of non-fund based facilities total amounting to ₹ 3,25,198.88 Lakhs. The lenders have classified all these loans and financial facilities including other credit facilities as NPA and have issued various notices for recovery of their dues as explained in note no. 13. As at 30th June, 2022, the current liabilities exceed the current assets by ₹ 1,44,297.57 Lakhs. However, the financial results / statements have been prepared on a Going-Concern basis as the promoters have guaranteed their continuous financial and other support to the company and are in the process of infusing the funds in to the company apart from identifying a potential investor for raising the funds in order to settle / restructuring the dues to the lenders. Further, the company has appointed a leading consultant as Corporate Debt Advisors for Debt Restructuring proposal/ amicable debt settlement proposal in the best interest of the company, lenders and stakeholders. The management of the company is very confident of reviving the company from current financial crises and resolving the debt default issues at the earliest. Hence, un-audited standalone financial results for the quarter ended 30th June, 2022 are prepared on Going Concern basis.
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 figures have been regrouped to facilitate comparison wherever necessary.



Place: Hyderabad.
Date: 10th August 2022

By Order of the Board
For **GAYATRI PROJECTS LIMITED**

A handwritten signature in blue ink, appearing to be "T. Indira Reddy", written over a horizontal line.

T.INDIRA REDDY
Chairperson
DIN : 00009906

