



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 AND HALF-YEAR ENDED 30th SEPTEMBER, 2020

(₹ in Lakhs)

Sl. No.	Particulars	Standalone					Year Ended 31.03.2020 Audited
		Quarter Ended			Half-Year Ended		
		30.09.2020 Unaudited	30.06.2020 Unaudited	30.09.2019 Unaudited	30.09.2020 Unaudited	30.09.2019 Unaudited	
1	Income						
	Revenue from operations	79,822.89	66,794.73	69,770.66	1,46,617.62	1,68,178.98	3,42,733.36
	Other Income	261.20	28.37	160.62	289.57	323.47	517.42
	Total Income	80,084.09	66,823.10	69,931.28	1,46,907.19	1,68,502.45	3,43,250.78
2	Expenses						
	a. Cost of Materials Consumed & Work Expenditure	76,362.31	57,601.71	71,329.75	1,33,964.02	1,45,426.61	2,93,491.00
	b. Changes in Inventories of Work in Progress	(12,912.36)	(5,270.50)	(18,624.88)	(18,182.86)	(15,117.57)	(18,933.50)
	c. Employee Benefits Expense	3,274.60	3,473.18	3,716.91	6,747.78	7,291.02	14,921.05
	d. Finance Costs	8,463.13	7,819.28	6,297.54	16,282.41	12,731.14	28,574.69
	e. Depreciation and Amortization Expense	2,209.05	2,174.44	1,948.42	4,383.49	3,871.15	9,091.61
	f. Other Expenses	2,503.33	2,381.78	3,412.49	4,885.11	5,368.97	10,594.04
	Total Expenses	79,900.06	68,179.89	68,080.23	1,48,079.95	1,59,571.32	3,37,738.89
3	Profit / (Loss) before Exceptional items and Tax (1-2)	184.03	(1,356.79)	1,851.05	(1,172.76)	8,931.13	5,511.89
4	Exceptional Items	-	-	-	-	-	(44,533.89)
5	Profit/(Loss) before Tax (3+4)	184.03	(1,356.79)	1,851.05	(1,172.76)	8,931.13	(39,022.00)
6	Tax Expense (Net)	(149.15)	(151.24)	1,047.60	(300.39)	2,650.86	(564.78)
7	Net Profit/(Loss) after tax (5-6)	333.18	(1,205.55)	803.45	(872.37)	6,280.27	(38,457.22)
8	Other Comprehensive Income (OCI)						
	Items that will not be reclassified to profit or loss :						
	i) Changes in fair value of equity investment	(49.92)	149.76	(336.97)	99.84	(336.97)	(386.88)
	ii) Re-measurement gains/(losses) on actuarial valuation of Post Employment defined benefits	(21.26)	(21.26)	38.36	(42.52)	78.74	(33.21)
	iii) Income tax relating to Items that will not be reclassified to profit or loss	24.87	(44.90)	(13.40)	(20.03)	(27.51)	146.80
	Total Other Comprehensive Income (8)	(46.31)	83.60	(312.01)	37.29	(285.74)	(273.29)
9	Total Comprehensive Income for the Year (7+8)	286.88	(1,121.96)	491.44	(835.08)	5,994.53	(38,730.51)
10	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
11	Other Equity (excluding Revaluation Reserves) as shown in the Audited Balance Sheet of the previous year						90,488.56
12	Earnings Per Share (EPS) of ₹ 2/- each						
	- Basic & Diluted	0.18	(0.64)	0.42	(0.47)	3.35	(20.54)

(₹ in Lakhs)

STATEMENT OF UN-AUDITED STANDALONE ASSETS AND LIABILITIES		STANDALONE	
		As at 30th September, 2020	As at 31st March, 2020
		Un-audited	Audited
ASSETS			
1	NON-CURRENT ASSETS		
	(a) Property, Plant & Equipment	36,430.93	39,420.14
	(b) Capital Work in Progress	47.40	1,093.35
	(c) Financial Assets		
	(i) Investments	56,046.76	55,937.28
	(ii) Loans	34,248.40	34,519.34
	(iii) Trade Receivables	21,932.39	23,078.44
	(iv) Other Financial Assets	19,438.64	18,549.10
	(d) Deferred Tax Asset (Net)	781.42	501.06
	Sub-total - Non-Current Assets	1,68,925.94	1,73,098.71
2	CURRENT ASSETS		
	(a) Inventories	76,215.84	62,377.98
	(b) Financial Assets		
	(i) Trade receivables	1,38,721.98	1,27,876.83
	(ii) Cash and cash equivalents	8,198.56	11,828.26
	(iii) Other bank balances	20,207.06	21,093.07
	(iv) Loans	12,213.81	8,505.18
	(c) Current Tax Assets (Net)	21,345.45	19,910.18
	(d) Other Current Assets	1,21,903.68	1,28,520.50
	Sub-total - Current Assets	3,98,806.38	3,80,112.00
	TOTAL - ASSETS	5,67,732.32	5,53,210.71
EQUITY AND LIABILITIES			
1	EQUITY		
	(a) Equity Share Capital	3,743.97	3,743.97
	(b) Other Equity	89,653.48	90,488.56
	Sub-total - Shareholders' Funds	93,397.45	94,232.53
2	LIABILITIES		
	Non-Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	51,463.30	56,478.42
	(ii) Other Financial Liabilities	1,09,949.10	1,31,141.13
	(b) Provisions	609.69	613.98
	(c) Deferred Tax Liabilities (Net)	-	-
	Sub-total - Non-Current Liabilities	1,62,022.09	1,88,233.53
	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	1,42,565.20	1,16,201.16
	(ii) Trade payables	1,11,289.46	1,06,407.51
	(iii) Other Financial Liabilities	48,543.23	37,739.84
	(b) Other Current Liabilities	9,629.06	10,110.31
	(c) Provisions	285.83	285.83
	Sub-total - Current Liabilities	3,12,312.78	2,70,744.65
	TOTAL - EQUITY AND LIABILITIES	5,67,732.32	5,53,210.71



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STATEMENT OF UN-AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED 30th SEPTEMBER, 2020

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 financial results for the quarter and half-year ended 30th September, 2020 have been reviewed by the Audit Committee and considered and approved by the Board of Directors of the Company at its meeting held on 5th November, 2020.
- The Statutory auditors have carried out limited review of the unaudited standalone financial results for the quarter and Half-year ended 30th September, 2020.
- The Company's Operations primarily consist of Construction activities and there are no other reportable segment under Ind AS 108 "Operating Segments".
- Pursuant to the Debt Resolution Plan proposed by the company to its lenders consortium, the company is in advanced stages of monetizing arbitration claim awarded to it by utilizing Arbitration Bank Guarantee facility from its lenders. The company anticipates receiving a sum of Rs 21,922.00 Lakhs against such claim and the same shall be exclusively utilized by the company for reducing its term loans. Further, the company is also in the process of monetizing other arbitration claims awarded to it by way of Conciliation Mode with NHAI and the same is expected to conclude in the next few months.
- 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 lock down restrictions imposed across the country, the work at major sites had come to standstill and post lockdown restrictions, the works are resumed. However, due to shortage of site workmen and disruption in material supply, the works are being carried at sub-optimal level. The majority of the works executed by the company are NHAI and state government works. Accordingly the company does not anticipate any default in receivables on their account. However, there is delay in realizing the receivables due to COVID-19 situation. COVID-19 Pandemic impact and the ensuing lockdown restrictions caused temporary stress on the working capital management. RBI vide letter dated 27th March, 2020 and 23rd May, 2020 have announced certain regulatory measures to mitigate the burden of serving the debt by the companies on account of the disruptions due to COVID-19 pandemic. The measures inter alia include reschedule of term loan instalments, deferment of the term loan / CC / working capital facility interest, reduction of the margin on working capital facilities, reassessment of the working capital limits and sanction of special line of credit facilities to overcome present crisis. In this regard, the company had availed the Covid Emergency Credit facility extended by its lenders of Rs 6,025.00 Lakhs and the outstanding interest on Working Capital Facilities accrued for the period 1st March, 2020 to 31st August, 2020 amounting to Rs.8,157.77 Lakhs is converted as Covid Funded Interest Term loan. Further, outstanding interest on Term Loans accrued for the period 1st March, 2020 to 31st August, 2020 amounting to Rs.3,560.06 Lakhs is converted into Term loan. Accordingly, interest & financial charges incurred and accrued for the period 1st March, 2020 to 31st August, 2020 have not been paid by the company. The COVID-19 pandemic impact on the business operations of the company 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.
- The company has investment in Gayatri Hi-tech Hotels Limited ("Investee Company") in the form of Compulsorily Convertible Preferential Shares ("CCCPS") amounting to Rs.19,571.95 Lakhs as at 30th September, 2020. The latest Audited 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. The ongoing Covid 19 pandemic has significantly affected the operations of the investee company and the extent to which the COVID-19 pandemic shall affect the operations of the investee company are dependent on future developments which are uncertain. In these circumstances, the company is unable to assess the true impact on its investment made in CCCPS for the current quarter and half year ended 30th September, 2020. However, the management of the company is of the view that since these CCCPS will be converted into equity shares of the investee company during the financial years 2027-28 which is very long period and further, the management is very confident that business operations of the investee company will get normalized at the earliest and will generate sufficient cash flows. 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 these investments is required to be made on the made in the unaudited financial results for the current quarter and half year ended 30th September, 2020.
- Gayatri Highways Limited, an associate company in which the company has investment of Rs. 16,770.03 Lakhs in the form of Non-Convertible Preference Shares ("NCPS"), Equity Share Capital investment of Rs. 1,248.00 Lakhs and also funded an amount of Rs. 24,174.15 Lakhs of unsecured loan / subordinate debt. Further, as stated in the latest 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. Based on the above, the management of the company is of the opinion that no provision is required to be made in the unaudited financial results for the current quarter and half year ended 30th September, 2020 in respect of NCPS investments made by the company and unsecured loan/subordinate debt receivable by the company from the associate company.
- 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.18,676.14 Lakhs and interest thereon of Rs.19,438.64 Lakhs is pending for recovery as at 30th September, 2020. 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. In view of this, no provision for the same is required to be made in the unaudited financial results for the current quarter and half year ended 30th September, 2020
- 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 Panikoiili-Rimuli section of NH-215 Road has given termination notice to National Highways Authority of India (NHAI). The Company has to receive an amount of Rs. 244.72 crores towards EPC cost from the said concessionaire company as on 30th September, 2020. Further, the company has given an irrevocable and unconditional Corporate Guarantee of Rs.1,827.35 crores to the lenders of the concessionaire company. SMTL Project was terminated by NHAI on 28th January, 2020 and toll collection rights were handed over to them on 30th January, 2020. SMTL is entitled for a Termination Payment of Rs. 2,834.47 Crores (which includes Adjusted Equity of Rs.835.19 Crores and Total Debt Due of Rs.1,999.28 Crs). Apart from the Termination Payment, SMTL has made a claim 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. The above Claims and the termination payment have been referred to the Conciliation Committee of Independent Experts ("CCIE") as per NHAI policy. The first meeting of the Independent Experts Committee and the Committee observed that there are sufficient chances of settlement by mutual discuss with a view to arriving at broad contours of amicable settlement. Further to arrive termination payment calculations both Concessionaire and NHAI has also appointed Independent Financial Consultants. Both NHAI and Concessionaire had first meeting on 19.10.2020 to discuss about termination payment calculations which is inconclusive and both parties agreed to meet again. In these circumstances, one of the lender of the said concessionaire company has approached the Hon'ble Debts Recovery Tribunal for recovery of debts of Rs.2051.21 crores. The company is taking necessary steps and legal recourse to defend the matter. 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 unaudited financial results for the current quarter and half year ended 30th September, 2020.
- An amount of Rs.3,620.49 Lakhs as on 30th September, 2020 is receivable from M/s Western UP Tollways Limited ("Erstwhile Associate Company") 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 erstwhile associate has so far raised a total claim for Rs.46,956.00 Lakhs on NHAI on different counts which are in the advanced stage of arbitration. The Management of the erstwhile associate company is confident of getting the claims amounts from NHAI and assured the company by way of agreement, to pay the dues to the company upon receipt of claims and hence, in the opinion of the management, no provision is required to be provided in respect of amounts receivable from the said erstwhile associate company in the unaudited financial results for the current quarter and half year ended 30th September, 2020.
- The Advances to Suppliers, Sub-contractors and others as at 30th September, 2020, includes an amount of Rs.14,424.20 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 subcontractor. During the previous financial year, the company has recovered an amount of Rs. 15,199.00 Lakhs 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 unaudited financial results for the current quarter and half year ended 30th September, 2020.
- 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 September 2020 and the entire amount to be paid on or before 15th July, 2021. The Company and its Associate Company are in the process of repayment of loan dues as per the agreed repayment schedule. Pursuant to the settlement and supplementary agreement entered, the IL&FS has filed application before the Hon'ble National Company Law Tribunal, Hyderabad Bench to withdraw the Application filed under section 7 of the Insolvency and Bankruptcy Act, 2016 against the company.
- Previous period / year figures have been regrouped to facilitate comparison wherever necessary.

By Order of the Board
For GAYATRI PROJECTS LIMITED

Sd/-
T.JINDIRA REDDY
Chairperson
DIN : 00009906

Place: Hyderabad.
Date: 5th November, 2020



GAYATRI PROJECTS LIMITED
STANDALONE UN-AUDITED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30th SEPTEMBER, 2020

₹ in Lakhs

Particulars	For the Period ended 30th September, 2020	For the Period ended 30th September, 2019
A Cash Flow from Operating Activities:		
Profit before Tax excluding extraordinary and exceptional items	(1,172.76)	8,931.13
Adjustments for:		
Depreciation and amortization	4,383.49	3,871.15
Interest and other Income	(817.73)	(141.26)
Expected credit loss	2,107.06	2,454.63
(Profit)/Loss on sale of Property, Plant and Equipment	-	141.60
Finance Costs	17,885.23	12,725.40
Foreign Currency Translation and Transactions – ECB	(1.94)	5.74
Changes in Fair Value of Equity Investment	(9.64)	14.59
Operating Profit before working Capital Changes	22,373.71	28,002.98
Adjustments for:		
(Increase) / Decrease in Trade Receivables	(10,845.15)	11,193.77
(Increase) / Decrease in non-current financial asset	(109.84)	(862.56)
(Increase) / Decrease in current financial asset	(3,959.66)	(2,613.83)
(Increase) / Decrease in Other current assets	3,962.80	(14,716.83)
(Increase) / Decrease in Inventory & Work in Progress	(13,837.86)	(15,511.74)
Increase / (Decrease) in current financial liabilities	(2,215.78)	1,234.32
Increase / (Decrease) in non-current financial liabilities	(21,238.84)	(1,586.38)
Increase / (Decrease) in Trade Payables	4,881.95	13,521.30
Cash (used in) / generated from Operating Activities	(20,988.67)	18,661.03
Direct Taxes paid (Net)	-	(2,699.05)
Net Cash (used in)/ generated from Operating Activities (A)	(20,988.67)	15,961.98
B Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment including capital work-in-progress (net of proceedings from sale of Plant and Equipment)	(1,394.28)	(4,722.35)
Increase / (Decrease) of Capital Work in Progress	1,045.95	-
Purchase / Sale of Non-Current Investments	-	(141.60)
Net investments in bank deposits (having original maturity of more than three months)	886.01	(888.39)
Interest and other income received	817.73	141.26
Net Cash (used in)/ generated from Investing Activities (B)	1,355.41	(5,611.08)
C Cash Flow from Financing Activities		
Proceeds from issue of Share Capital including share premium	-	-
Foreign Currency Translation and Transactions – ECB	1.94	(5.74)
Net Proceeds from / (Repayment of) Long term borrowings *	8,768.48	(16,644.36)
Net Proceeds from / (Repayment of) Short term borrowings *	26,374.30	12,360.49
Net Proceeds from / (Repayment of) Inter Corporate Loans	(10.26)	-
Finance Costs	(19,130.90)	(11,456.55)
Net Cash (used in)/ generated from Financing Activities (C)	16,003.56	(15,746.16)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(3,629.70)	(5,395.26)
Cash and Cash Equivalents at the beginning of the year	11,828.26	12,649.86
Cash and Cash Equivalents at the end of the Year	8,198.56	7,254.60

Figures in brackets represent cash outflows.

* Refer note no.6 of the unaudited standalone financial results

By Order of the Board
For Gayatri Projects Limited

Sd/-
T INDIRA REDDY
Chairperson
DIN : 00009906

Place: Hyderabad.
Date: 5th November, 2020