



# GAYATRI PROJECTS LIMITED

CIN : L99999TG1989PLC057289

Regd. Office: B1, TSR TOWERS, 6-3-1090, RAJ BHAVAN ROAD, SOMAJIGUDA, HYDERABAD-500082  
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER, 2019

(₹ in Lakhs)

Sl. No.	Particulars	Quarter Ended			NINE-MONTHS ENDED		Year Ended
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Income</b>						
	Revenue from operations	84,667.20	69,770.66	87,787.04	2,52,846.18	2,31,201.70	3,46,314.74
	Other Income	51.01	161.84	477.46	375.80	626.41	901.11
	<b>Total Income</b>	<b>84,718.21</b>	<b>69,932.50</b>	<b>88,264.50</b>	<b>2,53,221.98</b>	<b>2,31,828.11</b>	<b>3,47,215.85</b>
2	<b>Expenses</b>						
	a. Cost of Materials Consumed & Work Expenditure	56,211.41	71,329.74	71,943.46	2,01,638.01	1,89,999.02	2,77,483.04
	b. Changes in Work in Progress	9,394.05	(18,624.88)	(2,690.37)	(5,723.52)	(10,106.27)	(6,286.06)
	c. Employee Benefits Expense	3,716.86	3,717.66	3,118.52	11,008.88	9,026.85	12,770.64
	d. Finance Costs	8,512.51	7,461.15	7,891.37	23,023.78	22,728.19	28,436.95
	e. Depreciation and Amortization Expense	1,989.92	1,948.42	1,664.73	5,861.07	4,912.04	6,590.61
	f. Other Expenses	7,899.22	4,113.91	1,254.29	13,971.88	4,143.11	7,960.08
	<b>Total Expenses</b>	<b>87,723.97</b>	<b>69,946.00</b>	<b>83,182.00</b>	<b>2,49,780.10</b>	<b>2,20,702.94</b>	<b>3,26,955.26</b>
3	<b>Profit / (Loss) before Exceptional items and Tax (1-2)</b>	<b>(3,005.76)</b>	<b>(13.50)</b>	<b>5,082.50</b>	<b>3,441.88</b>	<b>11,125.17</b>	<b>20,260.59</b>
4	a) Exceptional Items	-	-	-	-	-	-
	b) Share of Profit/(Loss) of Joint Ventures & Associates	(13.59)	(1,091.18)	(9.52)	(1,154.22)	(1,380.65)	(1,756.65)
5	<b>Profit/(Loss) before Tax (3+4)</b>	<b>(3,019.35)</b>	<b>(1,104.68)</b>	<b>5,072.98</b>	<b>2,287.66</b>	<b>9,744.52</b>	<b>18,503.94</b>
6	Tax Expense (includes earlier year taxation & Deferred Tax)	(2,650.86)	1,047.60	1,285.84	-	2,133.57	2,493.85
7	<b>Net Profit/(Loss) after tax (5-6)</b>	<b>(368.49)</b>	<b>(2,152.28)</b>	<b>3,787.14</b>	<b>2,287.66</b>	<b>7,610.95</b>	<b>16,010.09</b>
8	Non-controlling Interest	-	-	-	-	-	-
9	<b>Profit / (Loss) after tax and Non-control of Interest (7+8)</b>	<b>(368.49)</b>	<b>(2,152.28)</b>	<b>3,787.14</b>	<b>2,287.66</b>	<b>7,610.95</b>	<b>16,010.09</b>
10	Other Comprehensive Income (OCI)						
	<b>Items that will not be reclassified to profit or loss :</b>						
	i) Changes in fair value of equity investments(Refer Note No.11)	(20,557.98)	-	-	(20,557.98)	-	(723.84)
	ii) Re-measurement gains/(losses) on actuarial valuation of Post Employment defined benefits	(16.38)	38.36	14.32	62.36	44.31	82.05
	iii) Income tax relating to Items that will not be re-classified to profit or loss	63.27	(13.40)	(4.79)	35.76	(14.81)	224.27
	<b>Total Other Comprehensive Income (10)</b>	<b>(20,511.09)</b>	<b>24.96</b>	<b>9.53</b>	<b>(20,459.86)</b>	<b>29.50</b>	<b>(417.52)</b>
11	<b>Total Comprehensive Income for the Period (9+10)</b>	<b>(20,879.58)</b>	<b>(2,127.32)</b>	<b>3,796.67</b>	<b>(18,172.20)</b>	<b>7,640.45</b>	<b>15,592.57</b>
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	<b>Earnings Per Share of ₹ 2/- each</b>						
	- Basic & Diluted	(0.20)	(1.15)	2.03	1.22	4.07	8.55

## 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 consolidated unaudited financial results for the quarter ended and nine months ended 31st December, 2019 have been reviewed by the Audit Committee and considered & approved by the Board of Directors of the Company at its meeting held on 14th February, 2020.
- The Company's Operations primarily consist of Construction activities and there are no other reportable segment under Ind AS 108 "Operating Segments".
- Gayatri Energy Ventures Private Limited (GEVPL), a wholly owned subsidiary company incorporated for the purpose of investment in power projects, in which the Company had invested Equity Share Capital of ₹ 639.83 crores and also funded as and when required in the form of unsecured loan amounting to ₹ 140.29 crores as at 30th September, 2019. During the current quarter, GEVPL had sold its entire investment in Sembcorp Energy India Limited (SEIL) for a consideration of Rs. 406.77 crores and the proceeds from the sale were utilised by GEVPL to repay dues towards Non-Convertible Debentures and repayment of significant loan to the Company. Subsequent to sale of investment in Sembcorp Energy India Limited and as per the unaudited financials of GEVPL for the quarter ended 31st December 2019, there has been significant erosion in the networth of GEVPL. In view of the above, the management of the company has decided to recognise the diminution in the value of investment by ₹ 445.34 crores. Considering the nature of the transaction, the same has been disclosed as an exceptional item in the financial results for the quarter and nine months ended 31st December, 2019. Further, pursuant to the share purchase agreement entered for the sale of the investment, GEVPL is entitled to earnouts on occurrence of liquidity event in SEIL which is no later than 31st December, 2024 and the earnouts amount will be recognised in the year of realisation.
- An amount of ₹ 36.20 crores as on 31st December, 2019 is receivable from the 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 ₹ 469.56 crores 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 for the quarter and nine months ended 31st December, 2019.
- 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 Panikolli-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 ₹ 248.44 crores towards EPC cost from the said concessionaire company as on 31st December, 2019. Further, the company has given an irrevocable and unconditional Corporate Guarantee of ₹ 1,827.35 crores to the lenders of the concessionaire company, the said concessionaire company is facing difficulties in repaying its dues to the lenders on account of poor toll collections. In these circumstances, the concessionaire company has filed a claim of Rs.2,835.73 crores on NHAI as termination payment and the company has also filed a claim on the concessionaire company. However, NHAI has given notice dated 28.01.2019 to terminate the concession agreement with the concessionaire company by citing certain non-compliances and has directed the Concessionaire to handover toll plazas in the said project to NHAI. As per the said termination notice, the termination payment shall be intimated in due course. As per the information and explanations given by the subsidiary of the associate company and based on the legal opinion obtained by it, the subsidiary of the associate company will receive significant amount of compensation so as to settle dues to the lenders. 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 given by the company to subsidiary of the associate company in the financial results for the quarter and nine months ended 31st December, 2019.



# GAYATRI PROJECTS LIMITED

CIN : L99999TG1989PLC057289

Regd. Office: B1, TSR TOWERS, 6-3-1090, RAJ BHAVAN ROAD, SOMAJIGUDA, HYDERABAD-500082

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER, 2019

- 7 Gayatri Highways Limited, an associate company in which the company has invested in Non-Convertible Preference Shares of ₹ 167.70 crores and also funded as a sponsor via unsecured loan / subordinate debt amount of ₹ 179.67 Crores as at 31st December, 2019. Further, as stated in the audited financial statements of the Associate Company, it has been incurring operating losses during the past few years and its current liabilities far exceed its current assets. 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 for the diminution in the carrying value of the equity investments made by the company and unsecured loan/subordinate debt receivable from the associate company for the quarter and nine months ended 31st December, 2019.
- 8 The company has investment in Gayatri Hitech Hotels Limited ("Investee Company") in the form of Compulsorily Convertible Cumulative Preferential Shares ("CCCPS") amounting to ₹ 195.72 crores as at 31st December, 2019. As per the available information and based on the financial statements of Investee Company, it has incurred considerable losses and there has been significant erosion of Net worth of the investee company. However, the financial statements of the Investee Company have been prepared on going concern basis, based on comfort letters provided by the promoters of Investee Company for continued support of the Investee Company to meet its financial obligations in order to enable to continue its operations in the foreseeable future as a going concern. The management of the company is of the view that, by considering the fact there is a significant rescheduling of debts in the investee company and improvement in certain financial parameters of the Investee Company, there is no need of provision to be made for carrying value of the investments made by the company for the quarter and nine months ended 31st December, 2019.
- 9 During the preceding financial years the subsidiary company 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 at Maharashtra and as on 31st December, 2019 the total investment/ advance/ share application amount is ₹ 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. The management of the subsidiary company is of the opinion that despite there been a considerable delay in exiting from the power project, there is no need for any provision/impairment to be made and the company shall exit from the investments made and recover the entire amount in the due course.
- 10 During the preceding financial years one of the step down subsidiary company had given Contract Advance of ₹ 21.57 crores to the company in which KMP are interest 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 is very much confident of commencement of Thermal Power Project and further opined that the mobilisation advance will be recovered out of running bills to be submitted and hence no provision is required to be made regarding contract advance.
- 11 During the current quarter, the subsidiary company has sold its entire investment i.e. 32,34,53,773 Equity Shares in M/s. Sembcorp Energy India Limited (SEIL) in accordance with Share Purchase Agreement (SPA) dated 6th December, 2019 entered between Sembcorp Utilities Pte. Ltd ("The Purchaser") and the company, for a consideration of ₹ 406,77,19,233 i.e. ₹ 12.57 per share. Pursuant to sale, the company has reversed the Previously recognised Other Comprehensive Income (OCI) on account of Fair Value Measurement on the Investment and recognised net gain on sale of investment in the Statement of Unaudited Financial Results. Further as per above mentioned SPA, the Company is also entitled for earnout on the above shares and the same shall be payable by the purchaser only upon the occurrence of a Liquidity Event which is no later than 31st December, 2024. The management of the company has decided to recognise the impact of earnouts in the year of realisation.
- 12 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 ₹ 186.76 crores and interest thereon of ₹ 181.08 crores is pending for recovery as at 31st December, 2019. 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 financial results of the company for the quarter and nine months ended 31st December, 2019.
- 13 The Advances to Suppliers, Sub-contractors and others as at 31st December, 2019, includes an amount of ₹ 146.42 crores given to one sub- contractor in the normal course of business. The recovery of this advance and interest thereon is delayed due to certain extraneous factors not attributable to the subcontractor. During the current financial period from 1st April, 2019 to 31st December, 2019, the company has recovered an amount of ₹ 126.03 crores 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 financial results of the company for the quarter and nine months ended 31st December, 2019.
- 14 Previous period / year figures have been regrouped to facilitate comparison wherever necessary.

By Order of the Board  
For Gayatri Projects Limited

Sd/-  
T INDIRA REDDY  
Chairperson  
DIN : 00009906

Place: Hyderabad.  
Date: 14th February, 2020