



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 NINE-MONTHS ENDED 31st DECEMBER, 2020

(₹ in Lakhs)

Sl. No.	Particulars	Quarter Ended			Nine-Months Ended		Year Ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	Revenue from operations	1,07,424.69	79,822.89	84,667.20	2,54,042.31	2,52,846.18	3,43,862.30
	Other Income	25.46	261.20	51.01	315.11	375.80	542.63
	Total Income	1,07,450.15	80,084.09	84,718.21	2,54,357.42	2,53,221.98	3,44,404.93
2	Expenses						
	a. Cost of Materials Consumed & Work Expenditure	90,216.99	76,362.31	56,211.41	2,24,181.01	2,01,638.01	2,93,491.00
	b. Changes in Work in Progress	(3,732.64)	(12,912.36)	9,394.05	(21,915.50)	(5,723.52)	(18,933.50)
	c. Employee Benefits Expense	4,095.22	3,274.60	3,716.86	10,843.00	11,008.88	14,922.30
	d. Finance Costs	8,604.94	8,463.13	8,512.51	24,887.35	23,023.78	33,711.23
	e. Depreciation and Amortization Expense	2,155.53	2,209.05	1,989.92	6,539.02	5,861.07	9,091.61
	f. Other Expenses	2,400.83	2,667.27	7,899.22	7,610.48	13,971.88	15,749.65
	Total Expenses	1,03,740.87	80,064.00	87,723.97	2,52,145.36	2,49,780.10	3,48,032.29
3	Profit / (Loss) before Exceptional items and Tax (1-2)	3,709.28	20.09	(3,005.76)	2,212.06	3,441.88	(3,627.36)
4	a) Exceptional Items	-	-	-	-	-	-
	b) Share of Profit / (Loss) of Joint Ventures & Associates	(45.56)	(159.95)	(13.59)	(216.41)	(1,154.22)	(2,748.69)
5	Profit/(Loss) before Tax (3+4)	3,663.72	(139.86)	(3,019.35)	1,995.65	2,287.66	(6,376.05)
6	Tax Expense (Net)	(150.16)	(149.15)	(2,650.86)	(450.55)	-	(564.78)
7	Net Profit/(Loss) after tax (5-6)	3,813.88	9.29	(368.49)	2,446.20	2,287.66	(5,811.27)
8	Non-controlling Interest	-	-	-	-	-	-
9	Net Profit/(Loss) after tax and Non-controlling Interest(7+8)	3,813.88	9.29	(368.49)	2,446.20	2,287.66	(5,811.27)
10	Other Comprehensive Income (OCI)						
	Items that will not be reclassified to profit or loss :						
	i) Changes in fair value of equity investments	237.12	(149.76)	(20,557.98)	237.12	(20,557.98)	(20,614.15)
	ii) Re-measurement gains/(losses) on actuarial valuation of Post Employment defined benefits	(21.26)	(21.26)	(16.38)	(63.78)	62.36	(33.21)
	iii) Income tax relating to Items that will not be re-classified to profit or loss	(40.54)	24.87	63.27	(60.57)	35.76	146.80
	Total Other Comprehensive Income (10)	175.32	(146.15)	(20,511.09)	112.77	(20,459.86)	(20,500.56)
11	Total Comprehensive Income (9+10)	3,989.20	(136.86)	(20,879.58)	2,558.97	(18,172.20)	(26,311.83)
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 the Audited Balance Sheet of the previous year						87,284.62
14	Earnings Per Share of ₹ 2/- each						
	- Basic & Diluted (Not Annualised)	2.04	(0.04)	(0.20)	1.31	1.22	(3.10)

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 nine months period ended 31st December, 2020 have been reviewed by the Audit Committee and considered & approved by the Board of Directors of the Company at its meeting held on 5th February, 2021.
- The Statutory auditors have carried out limited review of the unaudited consolidated financial results for the quarter and Nine-months period ended 31st December, 2020.
- The Company's Operations primarily consist of Construction activities and there are no other reportable segment under Ind AS 108 "Operating Segments".
- 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 have resumed and the company is recovering from the economic after effects of COVID-19 and works at various major sites are progressing well. Based on its internal assessment the company does not anticipate any defaults on account of trade receivables or reduction in carrying value of its assets. The company is closely monitoring the economic developments on account of the uncertain pandemic conditions and its impact on the operations of the company.
- Pursuant to the Debt Resolution Plan proposed by the company to its lenders consortium, the company has monetized arbitration claim awarded to it by furnishing the Bank Guarantee facility from its lenders. During the current quarter, the company has received net amount of Rs. 20,825.63 Lakhs against such claim and the same is utilized by the company for reducing its term loans to the lenders who have issued the Arbitration BG. Further, the company received a net amount of Rs.6,940.95 Lakhs towards settlement of arbitration claims awarded from NHAI and the same is used to pay the dues to the lenders.
- The company has investment in Gayatri Hi-tech Hotels Limited ("Investee Company") in the form of Compulsorily Convertible Cumulative Preferential Shares ("CCCPS") amounting to Rs.19,571.95 Lakhs as at 31st December, 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 depended 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 Nine Months period ended 31st December 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 year 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 in the unaudited financial results for the current quarter and Nine Months period ended 31st December, 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. 24,803.49 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 Nine Months period ended 31st December, 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.19,885.85 Lakhs is pending for recovery as at 31st December 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 Nine Months period ended 31st December, 2020.



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- 10 One of the subsidiary of the associate company M/s. Sai Matarani Tollways Limited (herein after called as "concessionaire company" or "SMTL"), which has been awarded a Build-Operate-Transfer (BOT) work for construction of Four Laning of Panikoili-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 31st December, 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 was held on 01.07.2020 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 had also appointed Independent Financial Consultants. Both NHAI and Concessionaire had first meeting on 19.10.2020 to discuss about termination payment calculations which was inconclusive and both parties have agreed to meet again. In these circumstances, one of the lender of the said concessionaire company has approached the Hon'ble Debts Recovery Tribunal (DRT) 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 to 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 Nine Months period ended 31st December, 2020.
- 11 An amount of Rs.3,620.49 Lakhs as on 31st December, 2020 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 the claims amounts received by the erstwhile associate company from NHAI. During the current quarter, The Arbitration Tribunal has pronounced arbitration award of Rs 12,443.03 lakhs which includes interest thereon of Rs. 6,405.15 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 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 unaudited financial results for the current quarter and Nine Months period ended 31st December, 2020.
- 12 The Advances to Suppliers, Sub-contractors and others as at 31st December, 2020, includes an amount of Rs.15,458.09 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 Nine Months period ended 31st December, 2020.
- 13 During the preceding financial years, the subsidiary company (i.e. GEVPL) had issued 99,25,000 number of 9% OFCD's amounting to Rs.992.50 Lakhs. During the previous financial year, the subsidiary company had paid an amount of Rs. 600.00 Lakhs to the debenture holders from the proceeds of sale of investment in M/s. Sembcorp Energy India Ltd (SEIL). In view of accumulated losses in the subsidiary company and its inability to realize the entire amount from sale of the investment in SEIL, the subsidiary company has initiated negotiation/discussion with the Debenture Holder to settle the final amounts payable to them and as at 31st December, 2020, the negotiations are inconclusive.
- 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 December, 2020, the total amount infused in the form of investment/advance/share application money is Rs. 5,564.63 Lakhs. The Subsidiary Company had decided to exit from the said power project and entered into an Exit Agreement on 25th May, 2013 in this regard, 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 subsidiary company shall exit from the investments made and recover the entire amount in due course.
- 15 During the preceding financial years, the step down subsidiary company (i.e. BTPCL) had given Contract Advance of Rs.2,155.05 Lakhs 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 BTPCL 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 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: 5th February, 2021