



GAYATRI PROJECTS LIMITED

CIN : L99999TG1989PLC057289

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

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2020

(₹ in Lakhs)

| Sl. No. | Particulars | Quarter Ended | | | Year Ended | |
|---------|--|-------------------|--------------------|--------------------|--------------------|--------------------|
| | | 31.03.2020 | 31.12.2019 | 31.03.2019 | 31.03.2020 | 31.03.2019 |
| | | Audited | Unaudited | Audited | Audited | Audited |
| 1 | Income | | | | | |
| | Revenue from operations | 91,016.12 | 84,667.20 | 1,15,113.04 | 3,43,862.30 | 3,46,314.74 |
| | Other Income | 166.83 | 51.01 | 274.70 | 542.63 | 901.11 |
| | Total Income | 91,182.95 | 84,718.21 | 1,15,387.74 | 3,44,404.93 | 3,47,215.85 |
| 2 | Expenses | | | | | |
| | a. Cost of Materials Consumed & Work Expenditure | 91,852.99 | 56,211.41 | 87,484.02 | 2,93,491.00 | 2,77,483.04 |
| | b. Changes in Work in Progress | (13,209.98) | 9,394.05 | 3,820.21 | (18,933.50) | (6,286.06) |
| | c. Employee Benefits Expense | 3,913.42 | 3,716.86 | 3,743.79 | 14,922.30 | 12,770.64 |
| | d. Finance Costs | 10,687.45 | 8,512.51 | 5,708.76 | 33,711.23 | 28,436.95 |
| | e. Depreciation and Amortization Expense | 3,230.54 | 1,989.92 | 1,678.57 | 9,091.61 | 6,590.61 |
| | f. Other Expenses | 1,777.77 | 7,899.22 | 3,816.97 | 15,749.65 | 7,960.08 |
| | Total Expenses | 98,252.19 | 87,723.97 | 1,06,252.32 | 3,48,032.29 | 3,26,955.26 |
| 3 | Profit / (Loss) before Exceptional items and Tax (1-2) | (7,069.24) | (3,005.76) | 9,135.42 | (3,627.36) | 20,260.59 |
| 4 | a) Exceptional Items | - | - | - | - | - |
| | b) Share of Profit / (Loss) of Joint Ventures & Associates | (1,594.47) | (13.59) | (376.00) | (2,748.69) | (1,756.65) |
| 5 | Profit/(Loss) before Tax (3+4) | (8,663.71) | (3,019.35) | 8,759.42 | (6,376.05) | 18,503.94 |
| 6 | Tax Expense (Net) | (564.78) | (2,650.86) | 360.28 | (564.78) | 2,493.85 |
| 7 | Net Profit/(Loss) after tax (5-6) | (8,098.93) | (368.49) | 8,399.14 | (5,811.27) | 16,010.09 |
| 8 | Non-controlling Interest | - | - | - | - | - |
| 9 | Net Profit / (Loss) after tax and Non-controlling Interest (7+8) | (8,098.93) | (368.49) | 8,399.14 | (5,811.27) | 16,010.09 |
| 10 | Other Comprehensive Income (OCI) | | | | | |
| | Items that will not be reclassified to profit or loss : | | | | | |
| | i) Changes in fair value of equity investments | (56.17) | (20,557.98) | - | (20,614.15) | - |
| | ii) Re-measurement gains/(losses) on actuarial valuation of Post Employment defined benefits | (95.57) | (16.38) | 37.74 | (33.21) | 82.05 |
| | iii) Income tax relating to Items that will not be re-classified to profit or loss | 111.04 | 63.27 | 239.08 | 146.80 | 224.27 |
| | Total Other Comprehensive Income (10) | (40.70) | (20,511.09) | 276.82 | (20,500.56) | 306.32 |
| 11 | Total Comprehensive Income for the Year (9+10) | (8,139.63) | (20,879.58) | 8,675.96 | (26,311.83) | 16,316.41 |
| 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 |
| 13 | Other Equity (excluding Revaluation Reserves) | - | - | - | 87,284.62 | 1,13,592.70 |
| 14 | Earnings Per Share of ₹ 2/- each (Not annualised) | | | | | |
| | - Basic & Diluted | (4.33) | (0.20) | 4.48 | (3.10) | 8.55 |

(₹ in Lakhs)

| STATEMENT OF AUDITED CONSOLIDATED ASSETS AND LIABILITIES | | CONSOLIDATED | |
|--|--|--------------------|--------------------|
| | | As at | As at |
| | | 31.03.2020 | 31.03.2019 |
| | | Audited | Audited |
| ASSETS | | | |
| 1 NON-CURRENT ASSETS | | | |
| | (a) Property, Plant & Equipment | 45,641.29 | 43,854.19 |
| | (b) Intangible assets | - | 7.18 |
| | (c) Capital Work in Progress | 1,739.95 | 702.55 |
| | (d) Financial Asset | | |
| | (i) Investments | 57,194.21 | 1,20,132.61 |
| | (ii) Loans | 34,519.34 | 35,482.14 |
| | (iii) Trade Receivables | 23,078.44 | 25,822.15 |
| | (iv) Other Financial Assets | 21,785.16 | 19,032.21 |
| | (e) Deferred Tax Asset (net) | 501.06 | - |
| | Total - Non-current Assets | 1,84,459.45 | 2,45,033.03 |
| 2 CURRENT ASSETS | | | |
| | (a) Inventories | 62,377.98 | 35,741.42 |
| | (b) Financial Asset | | |
| | (i) Trade receivables | 1,27,876.83 | 1,45,972.12 |
| | (ii) Cash and cash equivalents | 11,835.63 | 12,820.27 |
| | (iii) Other bank balances | 21,093.07 | 20,511.30 |
| | (iv) Loans | 9,083.73 | 5,786.82 |
| | (c) Current Tax Assets (Net) | 19,916.78 | 14,474.32 |
| | (d) Other Current Assets | 1,30,441.68 | 1,28,326.69 |
| | Total - Current Assets | 3,82,625.70 | 3,63,632.94 |
| | TOTAL - ASSETS | 5,67,085.15 | 6,08,665.97 |
| EQUITY AND LIABILITIES | | | |
| 1 EQUITY | | | |
| | (a) Equity Share capital | 3,743.97 | 3,743.97 |
| | (b) Other Equity | 87,284.62 | 1,13,592.70 |
| | Total - Equity | 91,028.59 | 1,17,336.67 |
| 2 LIABILITIES | | | |
| Non-Current Liabilities | | | |
| | (a) Financial Liabilities | | |
| | (i) Borrowings | 71,378.89 | 1,03,137.28 |
| | (ii) Other Financial liabilities | 1,31,141.13 | 1,49,622.97 |
| | (b) Provisions | 613.98 | 482.41 |
| | (c) Deferred Tax Liabilities (net) | - | 210.52 |
| | Total - Non-Current Liabilities | 2,03,134.00 | 2,53,453.18 |
| Current Liabilities | | | |
| | (a) Financial Liabilities | | |
| | (i) Borrowings | 1,16,201.16 | 94,986.78 |
| | (ii) Trade payables | 1,06,407.51 | 88,790.32 |
| | (iii) Other Financial Liabilities | 39,909.02 | 44,938.23 |
| | (b) Other Current Liabilities | 10,119.04 | 8,818.61 |
| | (c) Provisions | 285.83 | 342.18 |
| | Total - Current Liabilities | 2,72,922.56 | 2,37,876.12 |
| | TOTAL - EQUITY AND LIABILITIES | 5,67,085.15 | 6,08,665.97 |



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STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2020

Notes :

- 1 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.
- 2 The above consolidated financial results for the year ended 31st March, 2020 have been reviewed by the Audit Committee and considered & approved by the Board of Directors of the Company at its meeting held on 30th June, 2020.
- 3 The Company's Operations primarily consist of Construction activities and there are no other reportable segment under Ind AS 108 "Operating Segments".
- 4 Figures for the quarter ended 31st March, 2020 and 31st March, 2019 are the balancing figures between the audited figures for the full financial year ended 31st March, 2020 and 31st March, 2019 (Ind AS) and the published figures for the nine months period ended 31st December, 2019 and 31st December, 2018 respectively.
- 5 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 Rs.639.83 crores and also funded as and when required in the form of unsecured loan, the balance loan as at 31st March, 2020 is Rs. 5.79 crores. During the year, GEVPL has 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 Debentures and remaining amount is used by holding company for various purposes. As a result of sale of investment in Sembcorp Energy India Limited, there has been significant erosion in the networth of GEVPL for the year ended 31st March, 2020. In view of the above, the management of the company has decided to recognise the diminution in the value of investment (i.e. impairment of Investment) by Rs.445.34 crores on the basis of net worth of GEVPL. Considering the nature of the transaction, the same has been disclosed as an exceptional item in the statement of Profit & Loss of the financial statements for the year ended 31st March, 2020. Further, pursuant to the 'Share Purchase Agreement' entered for the sale of the investment, GEVPL is entitled to earn outs on occurrence of liquidity event in SEIL which is no later than 31st December, 2024 and the earn outs amount will be recognised in the year of realisation.
- 6 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.195.72 crores as at 31st March, 2020. 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. During the financial year, the investee company rescheduled its Debt and certain financial parameters of the investee company have also improved. However, due to COVID-19 pandemic and implementation of lockdown in the county, the business operations of the investee company was severely impacted. The extent to which the COVID – 19 pandemic shall effect the operations of the investee company are depended on future developments. In these circumstances, the company is unable to assess the true impact on its investment made in CCCPS for the current financial year ending 31st March, 2020. However, the management of the company is of the view that 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 generate sufficient cash flows. Hence, considering the tenure of the investment and nature of the investment, provision for diminution / impairment for carrying value of the investments is not required to be made for the current financial year.
- 7 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.203.50 crores of unsecured loan / subordinate debt as at 31st March, 2020. 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. Based on the above, the management of the company is of the opinion that 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 year ended 31st March, 2020.
- 8 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.185.49 crores is pending for recovery as at 31st March, 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 financial statements of the company for the year.
- 9 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 31st March, 2020. Further, the company has given an irrevocable and unconditional Corporate Guarantee of Rs.1827.35 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.1999.28 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 committee is scheduled for hearing on 01.07.2020. 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 for the year ended 31st March, 2020.
- 10 An amount of Rs.36.20 crores as on 31st March, 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.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.
- 11 The Advances to Suppliers, Sub-contractors and others as at 31st March, 2020, includes an amount of Rs.148.78 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 current financial year, the company has recovered an amount of Rs. 151.99 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 statements for the current financial year.
- 12 As per the settlement agreement dated 29th March, 2019 made between 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 loan availed by GHL amounting to Rs.125 crores along with interest in twelve monthly instalments commencing from May 2019 and the entire amount to be paid on or before 30th April, 2020. As per the available information and financial statements of GHL, Principal amount of Rs.98 crores and Interest amount of Rs.7.89 crores is defaulted as at Balance Sheet date i.e. 31.03.2020.



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STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2020

- 13 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 in the month of March, 2020, the work at major sites has come to standstill and post lockdown restrictions, the works are resumed but due to shortage of site workmen and disruption in material supply, the works are being carried at sub-optimal level which may lead to delay in completion of the projects. However the respective Departments have awarded an extension of time by another six months with no extra cost to the contractor. COVID –19 Pandemic impact and lockdown restrictions caused temporary stress on the working capital management. As stated above, 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 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 on the financial statements.
- 14 The Company had adopted Ind AS 116 "Leases" w.e.f. 1st April, 2019 and applied the same to lease contracts existing as on 1st April, 2019 with Right to use Asset recognised at an amount equal to the adjusted lease liability amount and impact of the same is not material on the results of the company for the Quarter and Year ended 31 March, 2020.
- 15 During the preceding financial years the subsidiary company (i.e. GEVPL) had issued 99,25,000 number of 9% OFCD's amounting to Rs.9.93 crores. During the current year from the proceeds of sale of investment in M/s. Sembcorp Energy India Ltd (SEIL), the subsidiary company had paid an amount of Rs. 6.00 crores to the debenture holders. In view of accumulated losses in the company and its inability to realize the entire amount from sale of the investment in SEIL, the company has initiated negotiation/discussion with Debenture holder to settle the final amounts payable to them and as at balance sheet date, the negotiations are inconclusive.
- 16 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, 2020 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. 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 the due course.
- 17 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 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.
- 18 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: 30th June, 2020



GAYATRI PROJECTS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2020

₹ in Lakhs

| Particulars | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|---|--|--|
| A Cash Flow from Operating Activities: | | |
| Profit before Tax excluding extraordinary and exceptional items | (3,627.35) | 20,260.60 |
| Adjustments for: | | |
| Depreciation and amortization | 9,091.61 | 6,590.61 |
| Interest and other Income | (3,494.61) | (3,332.74) |
| Expected credit loss | 6,511.73 | 2,195.09 |
| Loss / (Profit) on sale of Property, Plant and Equipment | 141.60 | (1.30) |
| Finance Costs | 36,949.78 | 31,296.73 |
| Provision for doubtful advance/ Goodwill | 3.00 | 55.96 |
| Foreign Currency Translation and Transactions – ECB | 10.99 | 234.99 |
| Changes in Fair Value of Equity Investment | 25.62 | 81.55 |
| Operating Profit before working Capital Changes | 45,612.37 | 57,381.49 |
| Adjustments for: | | |
| (Increase) / Decrease in Trade Receivables | 18,100.03 | (25,935.22) |
| (Increase) / Decrease in non-current financial asset | (1,705.89) | (250.18) |
| (Increase) / Decrease in current financial asset | 10,929.31 | (2,829.20) |
| (Increase) / Decrease in Other current assets | (18,600.21) | (42,885.82) |
| (Increase) / Decrease in Inventory | (20,676.70) | (6,445.75) |
| Increase / (Decrease) in current financial liabilities | 6,355.18 | 3,983.42 |
| Increase / (Decrease) in non-current financial liabilities | (18,439.83) | 46,471.79 |
| Increase / (Decrease) in Trade Payables | 17,617.19 | 24,648.18 |
| Cash (used in) / generated from Operating activities | 39,191.45 | 54,138.71 |
| Direct Taxes paid (Net) | - | (2,577.66) |
| Net Cash (used in)/ generated from Operating Activities (A) | 39,191.45 | 51,561.05 |
| B Cash Flow from Investing Activities | | |
| Purchase of Property, Plant and Equipment including capital work-in-progress | (12,067.49) | (10,783.11) |
| Sale of Non-Current Investments | 39,549.25 | - |
| Net proceeds from in bank deposits (having original maturity of more than three months) | (581.77) | (1,444.89) |
| Recovery / (Payment) of Advances | 741.33 | - |
| Adjustment for opening cash equivalents balance of subsidiary derecognised | (5.32) | - |
| Interest and other income received | 3,494.61 | 3,302.93 |
| Net Cash (used in)/ generated from Investing Activities (B) | 31,130.61 | (8,925.07) |
| C Cash Flow from Financing Activities | | |
| Foreign Currency Translation and Transactions – ECB | (10.99) | (234.99) |
| Net Proceeds from / (Repayment of) Long term borrowings | (43,491.87) | (8,540.77) |
| Net Proceeds from / (Repayment of) Short term borrowings | 7,662.91 | 4,226.63 |
| Net Proceeds from / (Repayment of) Inter Corporate Loans | 1,010.26 | - |
| Finance Costs | (36,477.01) | (30,966.39) |
| Net Cash (used in)/ generated from Financing Activities (C) | (71,306.70) | (35,515.52) |
| Net Increase / (Decrease) in cash and cash equivalents (A+B+C) | (984.64) | 7,120.46 |
| Cash and Cash Equivalents at the beginning of the year | 12,820.27 | 5,699.81 |
| Cash and Cash Equivalents at the end of the year | 11,835.63 | 12,820.27 |

By Order of the Board
For Gayatri Projects Limited

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

Place: Hyderabad.
Date: 30th June, 2020