

November 18, 2021



To The Secretary, Listing Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Maharashtra, India Scrip Code: 532767	To The Manager, Listing Department National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 Maharashtra, India Scrip Code: GAYAPROJ
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Dear Sir(s)/Madam(s),

Sub: Submission of Presentation to be made to Analysts/Investors

Please find enclosed herewith the presentation to be made to Analysts/Investors on the Results for the quarter and half year ended September 30, 2021. This presentation is being submitted in compliance with Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

This is for your information and records.

Yours faithfully

Gayatri Projects Limited

Chetan Kumar Sharma

**Chetan Kumar Sharma
Company Secretary &
Compliance Officer**



Encl.: As Above



**Gayatri Projects
Limited
Q2 FY22 Earnings**

Disclaimer

The material that follows is a Presentation of general background information about the Company's activities as at the date of the Presentation. It is information given in summary form and does not purport to be complete and it cannot be guaranteed that such information is true and accurate. This Presentation does not constitute a prospectus, offering circular or offering memorandum or an offer, or a solicitation of any offer, to purchase or sell, any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of the Company's equity shares.

This Presentation includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "projects", "predicts", "aims", "foresees", "plans", "expects", "intends", "may", "will", "seeks" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, aims, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Presentation and include statements regarding the Company's intentions, beliefs or current expectations concerning, amongst other things, its results or operations, financial condition, liquidity, prospects, growth, strategies and the industry in which the Company operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance including those relating to general business plans and strategy of the Company, its future outlook and growth prospects, and future developments in its businesses and its competitive and regulatory environment. Neither the Company, nor its Directors, Promoter & Promoter Group, affiliates or other advisors or representatives nor any of its or their parent or subsidiary undertakings or any such person's officers or employees gives any assurance that the assumptions underlying such forward-looking statements are free from errors nor do any of them accept any responsibility for the future accuracy of the forward-looking statements contained in this Presentation or the actual occurrence of the forecasted developments. Forward-looking statements speak only as of the date of this presentation. As a result, the Company expressly disclaims any obligations or undertaking to release any update or revisions to any forward-looking statements in this presentation as a result of any change in expectations or any change in events, conditions, assumptions or circumstances on which these forward-looking statements are based. No representation, warranty or undertaking, express or implied, is made or assurance given that such statements, views, projections or forecasts, if any, are correct or that the objectives of the Company will be achieved. The Company actual results of operations, financial condition and liquidity, and the development of the sector it operates in, may differ materially from those suggested by the forward-looking statements contained in this Presentation. In addition, even if the Company's results of operations, financial condition and liquidity, and the development of the industry in which the Company operates, are consistent with the forward-looking statements contained in this Presentation, those results or developments may not be indicative of results or developments in subsequent periods.

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Key Highlights

Strategic Updates

- Board had approved Preferential allotment of 75,000,000 equity shares at a price of INR 45 per equity share, aggregating to an inflow of INR 337 crores to 2 Strategic Investors – Taaza International Pte and Interups Inc. Company is following up to conclude the deal.
- Resolution of NHAI Suspension issue
 - Majority of rectification work complete. Started the paperwork process at NHAI for reversal of order

Project Execution Status

- Purvanchal Expressway provisional date of completion (PCoD) received for package 2 and expected for package 1 by month end.
 - We are expecting early completion bonus on both packages (5%-6% of Rs ~2700 Crores)
- Majority of the other projects were impacted due to the heavy monsoon and stretched liquidity situation

Q2FY22 Financial Performance

- While it was a weak quarter, revenues were marginally up (~8%) due to the early completion of Purvanchal expressway.
- Significant drop in normalized gross margin due to commodity price inflation. 15% higher costs drop Gross Profit Margins
- Exceptional hits this quarter affecting the gross margins
 - Varanasi - excess interest on mobilization advance cost 15cr
 - Khaigura O/C mining penalty - 11cr
 - One time expense of ~50 crores due to a project termination
 - BG Commission charges increase from 1.25% to 3% (NPA) – 20 cr extra during the quarter

Key Highlights

Financial Management

- On account of the tight cash flow situation, Company has defaulted in repayment to lenders due to non-realisation expected receivables and as at 30th September 2021 the total outstanding dues to lenders are Rs 541.47 crores
- Company in discussion with banks to restructure the debt payment schedule to align with the expected cash flows
- Company expecting cashflows from
 - Early completion bonus of Purvanchal Expressway
 - Arbitration awards reward ~Rs 700 Crores; expecting ~Rs 200-300 crores by March'2022
- Promoters in advanced discussion on personal asset monetisation which will infuse capital into the company to help mitigate liquidity tightness.

Q2FY22 Income Statement - Snapshot



INR Mn	Q2FY22	Q2FY21	YoY(%)	H1FY22	H1FY21	YoY(%)
Revenue	8,655	7,982	8%	17,626	14,662	-13%
Expenses*	9,585	6,939	38%	17,462	12,774	-11%
EBITDA	-930	1,043	-189%	164	1,888	-24%
EBITDA Margin	-10.75%	13.07%		0.93%	13.10%	
Depreciation	192	221	-13%	381	438	13%
Finance Cost	787	846	-7%	1,467	1,628	28%
Other Income	12	26	-54%	14	29	-10%
Pre Exceptional PBT	-1,897	2		-1,670	-149	
PBT Margin	-21.92%	0.03%		-9.47%	-0.80%	
Exceptional	0	-16		-2	-17	
Tax Expense	-3	-15		-7	-30	
PAT	-1,894	1		-1,665	-136	
Pre Exceptional PAT	-1,894	1		-1,665	-136	

*Includes one time expenses incurred due to project termination

Top Work Orders – Status Update – Q2FY22



Project Name	Location	Contract Value (INR lacs)	Balance work as on 01.11.2021 (INR crs)	Mobilized on Site	Revenue Booking Start	Expected Completion of Project
Purvanchal Expressway Package 1	Eastern UP	1,483	203	Yes	Q3 19	Q2 22
Purvanchal Expressway Package 2	Eastern UP	1,276	117	Yes	Q3 19	Q2 22
Ghaghra Bridge to Varanasi Package 2	Varanasi, UP	741	78	Yes	Q3 17	Q2 22
Ghaghra Bridge to Varanasi Package 3	Varanasi, UP	587	30	Yes	Q3 17	Q1 22
Sultanpur - Varanasi Package 1	Varanasi, UP	986	168	Yes	Q3 17	Q3 22
Sultanpur - Varanasi Package 2	Varanasi, UP	806	112	Yes	Q3 17	Q2 22
Angul - Sambalpur Road work	Angul, Odisha	1,255	557	Yes	Q3 18	Q3 22
Cuttack - Angul PKG 1	Cuttak, Odisha	659	358	Yes	Q3 19	Q4 22
Cuttack - Angul PKG 2	Cuttak, Odisha	584	297	Yes	Q3 19	Q4 22
Rajamunda – Barkote	Barkote, Orissa	394	258	Yes	Q2 20	Q4 22
Bihar Road (Patna - Gaya)	Patna, Bihar	993	330	Yes	Q4 17	Q2 22
BSRDC Package 5	Kadirganj, Bihar	127	71	Yes	Q4 20	Q2 22
BSRDC Package 6	Kadirganj, Bihar	151	95	Yes	Q2 20	Q2 22
BSRDC Package 7	Kadirganj, Bihar	20	18	Yes	Q2 20	Q2 22
Nagpur - Mumbai Expressway	Shirdi, MH	1,312	621	Yes	Q1 20	Q3 22
6 Lane Tunnel at Khambataki Ghat	Satara, MH	493	395	Yes	Q2 20	Q4 22
Jammu Ring Road	Jammu	1,339	721	Yes	Q1 19	Q4 22
Andhra Pradesh / Tamil Nadu Border	Chittoor, AP	279	35	Yes	Q1 19	Q4 21

Top Work Orders – Status Update – Q2FY22



Project Name	Location	Contract Value (INR Lacs)	Balance work as on 01.07.2021 (INR Crs)	Mobilized on Site	Revenue Booking Start	Expected Completion of Project
Hyderabad Elevated Corridor	Hyderabad	425	277	Yes	Q1 20	Q2 23
Iqbalgarh to Vadodara : 4744	Vadodara - Gujarat	197	107	Yes	Q4 18	Q4 22
Kempwad Lift Irrigation Scheme (Rs.1363.49 Cr.)	Karnataka	990	361	Yes	Q2 18	Q4 22
Chintalapudi PKG 1	Pattisema, AP	1,240	974	Yes	Q3 19	Q2 23
Chintalapudi PKG 2	Jangannagudem AP	683	470	Yes	Q3 19	Q2 22
PLIS Package 18 (MEIL - HES JV)	Jadcherla	700	521	Yes	Q4 20	Q3 22
Kaleswaram Project (Rs.1482.75 Cr.)	Siddipeta	600	146	Yes	Q2 20	Q3 22
Water supply projects -1	UP	146	120	Yes		Q3 24
Water supply projects -2	UP	396	390	No		Q3 24
Water supply projects -3	UP	196	166	Yes		Q3 24
Water supply projects 4	UP	417	417	No		Q3 24
Water supply projects -5	UP	443	443	No		Q3 24
Water supply projects -6	UP	444	444	No		Q3 24
Water supply projects -7	UP	444	444	No		Q3 24
		20,806	9,744			

GPL: Amongst India's leading Asset – Light EPC Companies



- One of India's leading EPC focused construction and infrastructure companies
- Re-focused business on "Asset-Light" Model over last 6 years
 - Reduced, restructured, monetized exposure to Asset Development Business
 - Significant improvement in leverage (2.4x to 1.65x in last 6 years) and free cash flow generation

- 5 decades of experience in execution of major civil works; Marquee clients
- Geographically and segmentally Diversified

- Pan India operations spread across 19 states: Transportation, Waterworks & Industrial construction projects

- Strong Execution track record
- Completed more than 8,000 lane km of road construction over the last 40 years

- Completed ~44 projects aggregating to INR 106 billion+ value in last 5 years
- Own extensive fleet of more than 2,355 pieces of construction equipment

- Leading technology-led transformation in Indian construction space -end-to-end digital project management

- Technology-driven efficient execution
- Real-time reporting, higher transparency, faster execution

- Order book of INR 117 bn+
- Book-to-Bill of 2.8x

Business Segments

Core Business - EPC (Order Book: INR 117 Bn+)

Transportation
National and State Highways

Water Works
Canals, Dams, supply & Dist.

Industrial
Steel & Power Plants, T&D, Conveyor

Mining
U/G Mechanised

Railways
DFC

Other Civil
Site Levelling, Bldg EPC

Asset Development

Power (GEVL)

Sembcorp Energy India Ltd. (SEIL) stake sold. Material residual interest on next monetisation event

Highways

4 Annuity + 3 Toll national & state highways (including 1 terminated Toll road)

Demerged into a separate entity; Listed on BSE & NSE

Notes to Account - Snapshot



Note	5	6
Description	Gayatri Hi-Tech Hotels: Legacy issue. Significantly delayed EPC cost receivable from a related party. It was subsequently converted into Compulsorily Convertible Cumulative Preferential Shares (CCCPS) in FY16	Investment in Gayatri Highways Limited: Road BOT assets owned by GPL were spun off into separate listed company (GHL) and 74% of shareholding was distributed to GPL shareholders. GPL's residual interest is through Equity (12.48cr), Unsecured Loan (248.61cr) & Non Convertible Pref shares (167.70 cr)
Gross Amount	INR 195.7 Cr	INR 428.09 Cr
Action Taken	In the past company has been able to sell around 20% CCCPS to 3rd party investors	ECL/ other provision of INR35.5Cr booked till now
Further Action	CCPS will be converted into equity shares in financial year 2027-28 which is a very long period. The business operations of the investee company is expected to get normalised at the earliest & generate sufficient cash flows	The company believes its investment in road projects will generates sufficient cash flows to support the company in foreseeable future.

Notes to Account - Snapshot



Note	6	7
Description	Contract Advances (loan): 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	Exposure to Sai Maatarani Tollways Ltd: 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. The Concessionaire Company has requested the NHAI for referring the disputes such as Termination Payment and Claims to the Conciliation Committee of Independent Experts ("CCIE") as per NHAI policy. Further, the Concessionaire Company had filed petition on 21st December, 2019 against the NHAI before the Hon'ble High Court of Delhi, New Delhi requesting NHAI to deposit 90% of the Debt Due by the said Concessionaire Company.
Gross Amount	INR 398.6 Cr	INR 237 Cr
Action Taken	The company has recovered considerable amounts in previous years	1. Cumulative ECL provision booked of INR 39.5 cr 2. Concession has been terminated and asset has been returned back to NHAI 3. Conciliation proceeding started in July 20; NHAI & concessionaire had first meeting on October 2020; respective consultants are interacting now
Further Action	The balance amount will be recovered in due course.	The company has been working expeditiously towards closing conciliation proceeding. If required arbitration shall be invoked and further appropriate legal initiatives taken.

Notes to Account - Snapshot



Note	8	9
Description	Receivables from Western UP Tollways (WUTPL)(erstwhile associate company). EPC Cost – 36.2 cr. This amount is receivable from the erstwhile associate company against the EPC works executed by GPL. The erstwhile associate company has so far raised a total claim of INR 470 cr on NHAI.	Advance to Suppliers, Sub Contractors given in the normal course of business
Gross Amount	INR 36.2 Cr	152.2 Cr
Action Taken	During the current quarter, The arbitration tribunal has pronounced arbitration award of INR 124 cr (including interest of INR 64 cr) & extension of concession period by 348 days to WUTPL . WUTPL will pass on any monetary gains to GPL in proportion to its original stake in the asset	Significant amount has been recovered in past as well as in current year. The company recovered INR 152 cr in FY20
Further Action	Above claims have been referred to the Conciliation Committee of Independent Expert as per NHAI policy. The balance amount will be recovered upon the receipt of the claim amount.	The balance amount will be recovered in due course

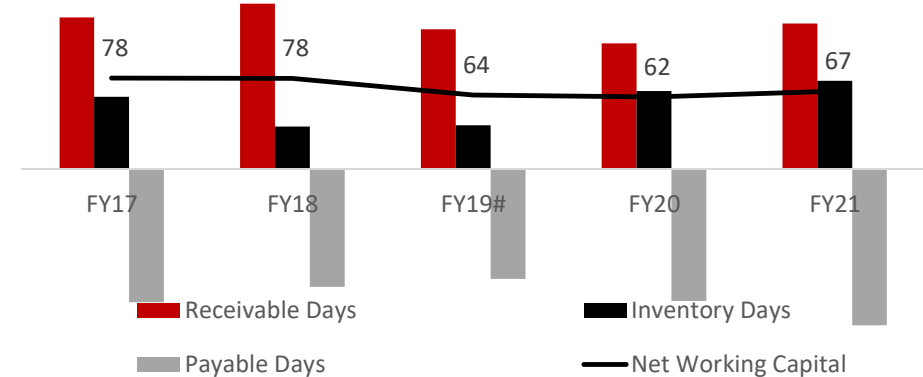
Building an Asset Light Business Model



Growing Revenue Base (INR MN)



Working Capital Days



* Due to lockdown, work at major sites came to standstill during Q1FY20 and the revenue during trailing 12 months was materially lower as a result working capital days have increased.

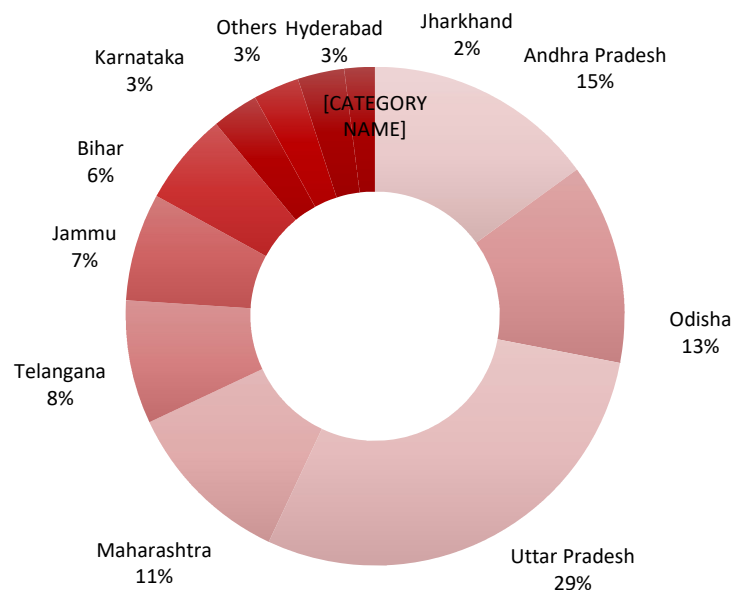
Temporary stress on working capital management due to aggressive pace of work (higher unbilled revenue) on a few sites and payment delays from certain state governments.

- ❑ Re-focused business on “Asset-Light” Model over last 6 years
- ❑ Revenue jumped 2.5x in last 6 years

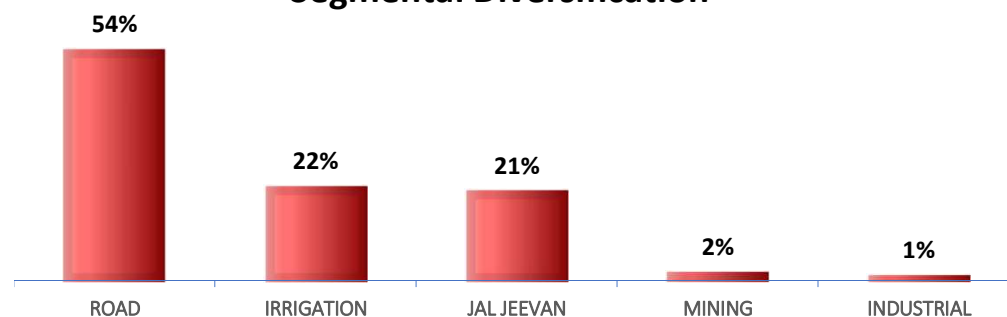
Pure Play EPC Order Book Getting Stronger



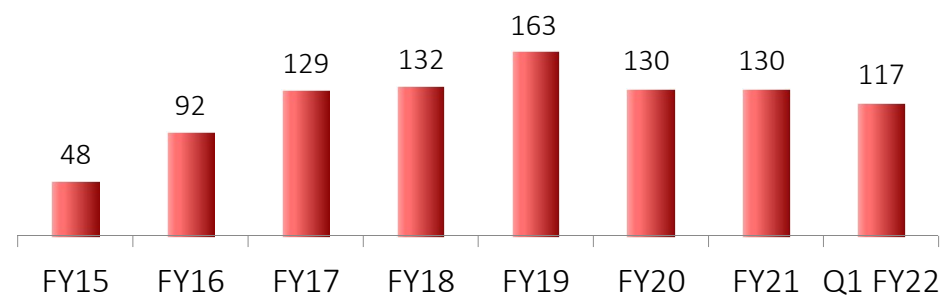
Geographical Diversification



Segmental Diversification



De-Risked EPC Order Book (INR Bn)



Key Investment Highlights



Strong presence in high growth construction sector

Healthy and diversified pure EPC un-executed order book with good revenue growth visibility

Highly efficient operations with strong execution capabilities

Consistently trying to further strengthen the balance sheet

Significant value unlocking through business restructuring

Appendix



Awards & Claims



AWARDS

INR 5 Bn+

Different arbitration tribunals/courts have awarded GPL, a total of INR 5 Bn+, towards disputed receivables from its EPC clients.

CLAIMS

INR 3.5 Bn+

In addition, GPL has a net exposure to outstanding claims of INR 3.5 Bn+ in different arbitral tribunals/courts.



Monetisation of stake in power asset

- The company **concluded the sale** of its 5.95% stake in power assets of Sembcorp Energy India Ltd (“SEIL”) for cash proceeds of **INR 4,068 Mn + upside option in Dec 2019.**
- The proceeds from the above sale, INR 2,068 Mn has been used towards repayment of long-term debt and the balance amount is utilized for meeting the working capital requirements of the company and for other general corporate purpose.
- **GPL retains significant residual economic interest despite the sale**
 - **UPSIDE No. 1** - The above transaction is based on a basic equity value of INR 70,000 Mn for SEIL. GPL will be paid full upside based on market discovered value at the first available monetisation event (less a carried cost of 14% on initial cashflow). This upside expires in December 2024.
 - **UPSIDE No. 2** – In addition, Gayatri had an option for additional 5.58% stake in Sembcorp Energy on payment of Rs4.8bn. GPL will be paid full upside based on market discovered value at the first available monetisation event (less a carried cost of 18% on initial strike price). This upside expires in May 2022.

Profit & Loss



All figures in INR Million

INR Mn	FY21	FY20	FY19	FY18	FY17
Revenue	39,005	34,273	34,631	29,123	21,154
Expenses	34,514	30,007	29,182	24,446	17,919
EBITDA	4491	4266	5,449	4,677	3,234
<i>EBITDA Margin</i>	<i>11.5%</i>	<i>12.4%</i>	<i>15.7%</i>	<i>16.1%</i>	<i>15.3%</i>
Depreciation	845	909	659	547	432
Finance Cost	3,207	2,857	2,513	2,394	2,014
Other Income	73	52	79	89	306
Pre Exceptional PBT	512	551	2,357	1,825	1,095
<i>PBT Margin</i>	<i>1.3%</i>	<i>1.6%</i>	<i>6.8%</i>	<i>6.3%</i>	<i>5.2%</i>
Exceptional Item		-4,453			-154
Tax Expense	-54	-56	249	-55	237
Adjusted PAT	566	607	2,107	1,881	858
<i>PAT Margin</i>	<i>1.5%</i>	<i>1.8%</i>	<i>6.1%</i>	<i>6.5%</i>	<i>4.1%</i>
Basic EPS	3.02		11.3	10.6	4.0

Balance Sheet



All figures in INR Million

ASSETS (INR Mn)	H1FY22	FY21	FY20	FY19	EQUITY AND LIABILITIES (INR Mn)	H1FY22	FY21	FY20	FY19
NON-CURRENT ASSETS					EQUITY				
(a) Property Plant & Equipment	3,153	3,301	3,942	3,763	(a) Equity Share capital	374	374	374	374
(b) Capital Work in Progress	25	226	109	5	(b) Other Equity	7,972	9,630	9,049	12,922
(c) Financial Assets					LIABILITIES				
(i) Investments	5,624	5,621	5,594	10,088	Non-Current Liabilities				
(ii) Loans	3,398	3,398	3,452	3,474	(a) Financial Liabilities				
(ii) Trade Receivables	2,031	2,160	2,307		(i) Borrowings	2,204	2,780	5,648	7,121
(iv) Other Financial Assets	2,119	2,023	1,855		(ii) Other Financial liabilities	8,430	9,193	13,399	14,962
(d) Deferred Tax Assets (Net)	102	95	50		(b) Provisions	79	79	77	48
					(c) Deferred Tax Liabilities (net)				21
CURRENT ASSETS					CURRENT LIABILITIES				
(a) Inventories	8,387	8,147	6,238	3,574	(a) Financial Liabilities				
(b) Financial Assets					(i) Borrowings	19,866	14,257	11,620	9,499
(i) Trade receivables	16,542	15,183	12,787	13,930	(ii) Trade payables	13,549	14,364	10,894	10,508
(ii) Cash and cash equivalents	94	836	1,183	1,265	(iii) Other Financial Liabilities	2,643	4,800	3,774	2,293
(iii) Other Bank Balances	1,318	2,056	2,109	2,002	(h) Other Current Liabilities	1,310	1,089	1,011	858
(iv) Loans	1,184	1,178	851	1,887	(c) Provisions	10	10	29	34
(c) Current Tax Assets (Net)	2,166	2,027	1,991	1,447					
(d) Other Current Assets	10,455	10,317	13,390	17,206					
TOTAL	56,598	56,577	55,859	58,641	TOTAL	56,598	56,577	55,859	58,641

Board of Directors



T. Indira Reddy

Promoter and Non-Executive Chairperson, over 25 years of experience in the construction industry

T. V. Sandeep Kumar Reddy

Promoter and Managing Director, 20+ years of construction experience

J Brij Mohan Reddy

Executive Vice Chairman, Over 49 years of experience in Heavy Engineering Construction and the harbour engineering industries

Mr. Ch. Hari Vittal Rao

Non-Executive and Independent Director, 49 years of experience as a banker and was employed with Bank of Baroda and Naandi Foundation in the past

Mr. Sreeramakrishna Grandhi

Non-Executive and Independent Director. 37+ years of experience in leadership role at SBI and retired as Chief General Manager. He has been on the boards of prestigious Government of India and Public limited companies including in Audit Committees.

Shri Man Mohan Gupta

Nominee Director - Bank of Baroda (Appointed wef 15th June 2021)

Management Team - HQ



T Sandeep Reddy

- **Managing Director**
- Masters in Construction Engineering & Management from University of Michigan, USA
- 20+ years of construction experience



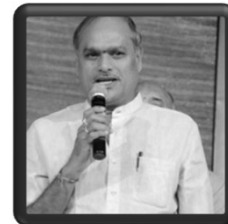
J Brij Mohan Reddy

- **Executive Vice Chairman**
- Graduate in Industrial Engineering from Berkeley University, USA
- 50 years of experience in construction and engineering



P Sreedhar Babu

- **Chief Finance Officer**
- Fellow Member of Institute of Chartered Accountants of India
- 18+ years of experience in finance and banking



D Sitaram

- **President, Business Development**
- In-charge of evaluating new business units, identifying suitable Joint-Venture partners, and attending review meetings with clients and regulatory bodies



T Rajiv Reddy

- **Vice President**
- In-charge of overall Project Controls & Monitoring, and head of Mining business unit
- Graduate in Industrial Engineering from University of Illinois, Urbana-Champaign, USA

Management Team - Projects



K Sesha Reddy

- **Senior Vice President, Transportation**
- In-charge of project monitoring and controls
- Previously a Project Head at L&T
- Masters in Construction management from Birla Institute of Technology
- 32+ years of experience in infrastructure



G Venkateshwar Rao

- **Senior Vice President, Irrigation**
- Oversees entire irrigation business unit
- Graduate in Civil Engineering
- 20+ years of experience in irrigation EPC



CH Ramakrishna Rao

- **Senior Vice President, Roads**
- Oversees road construction projects
- Masters in Construction management from Birla Institute of Technology
- 20+ years of experience in infrastructure



MV Suresh

- **Vice President, Roads**
- Oversees road construction projects
- Graduate in Civil Engineering
- 20+ years of experience in EPC

Thank You

Contact Details – Go India Advisors

Sheetal Khanduja

+91 9769364166

sheetal@goindiaadvisors.com

Surabhi Sutaria

+91 95940 63493

surabhi@goindiaadvisors.com

R.Balasubramanian

Gayatri Projects Limited

Tel: +91 40 23310330

r.bala@gayatri.co.in

Chetan Sharma

Gayatri Projects Limited

Tel: +91 40 23310330

cs@gayatri.co.in