



GAYATRI

GAYATRI PROJECTS LIMITED

Staying on the Road Ahead
RESOLUTELY

ANNUAL REPORT 2020-21



The recent years have been challenging for the company. However we continue to exhibit the tenacity to fulfill our vision to be a key stakeholder in building the emerging India's infrastructure.

Gayatri is a hymn of knowledge and insight to resolutely stay ahead.

Table of Contents

Message from The Managing Director	2
Directors' Profile	4
Financial Highlights	6
Corporate Information	7
AGM Notice	8
Board's Report	20
Management Discussion and Analysis	28
Corporate Governance Report	45
Standalone Financial Statements	85
Consolidated Financial Statements	134

KEY HIGHLIGHTS OF THE YEAR

₹ **3,900** crores

Revenue + 14% Year on Year

During the year, we delivered a strong topline growth of 14% and surpassed our guidance of a flattish revenue growth. Our full year revenues crossed INR 3,900 crores and our EBITDA crossed INR 440 crores.

24%

Reduction in long – terms debt

Reduced our long-term debt by 24% to INR 519

₹ **12,300**

Orderbook as on 30 June, 2021



MESSAGE FROM THE MANAGING DIRECTOR

Dear Shareholders,

FY21 has been an exceptionally challenging year for us in many ways. We faced many macro and micro challenges on account of Covid-19 pandemic and tight liquidity, but I am happy to report that we were able to overcome these challenges to deliver a strong operating and financial performance.

During the year, we delivered a strong topline growth of 14% and surpassed our guidance of a flattish revenue growth. Our full year revenues crossed INR 3,900 crores and our EBITDA crossed INR 440 crores. Our strong operating performance was largely driven by the strong rate of execution across our project sites. Our key project of Purvanchal expressway in UP was almost completed during the year and will be handed over to the authorities soon. Similarly, our other project site in Mumbai and Andhra saw a strong pace of execution.

This year, we also made significant progress on de-leveraging and strengthening our balance sheet. During the end of last calendar, we received a sum of INR 208 crores by way of monetisation of arbitration claim. Similarly, we also received a sum of INR 70 cr from arbitration claims awarded by way of Conciliation with NHAI. Proceeds

from these settlements were used towards repayment of debt repayments and we successfully reduced our long-term debt by 24% to INR 519 crore this year. Despite, such a successful debt reduction, we continued facing liquidity crisis on account of delayed repayments from states governments, as a result company was unable to service its debt liability, in a timely manner, to some banks.

Stepping into FY 2022, we were approached by a strategic investor, bullish on India's Infra story, for an equity infusion in the company. I am happy to report that after much deliberation and discussion, we have signed a definitive agreement with Interups USA and Board has approved a preferential allotment of 75 million equity shares of Rs 2 each, which translates to an infusion of INR 337 crore in the company. Post the allotment, the strategic Investors and promoters will have a combined holding of 59% in the Company, on the expanded capital base. This equity infusion will help company partially pay its long-term debt and bring down the debt to a negligible level. This deal is subject to shareholder and regulatory approval, and we are working towards closing the same at the earliest.

We are maintaining our strong focus on

building as asset light business model and have a pure play EPC book of INR 130 billion as of 31 March'21. This translates into a book to bill of 3.4x – One of the highest in the industry and gives us a strong revenue visibility.

Outlook

We are confident that FY22 will another significant year for the company, as we move towards our strategic goal of becoming a debt free company. We are taking all the steps in that direction and are confident of achieving this status soon. Our business outlook remains positive as we move ahead on executing our pending order book and delivering projects at a faster pace. I would also like to take this opportunity to thank our entire stakeholder for their immense support and patience. We are at the far end of our transition journey and Gayatri 2.0 is well poised to emerge as a leading EPC company in the Country.

Regards

T. V Sandeep Kumar Reddy
Managing Director



DIRECTORS' PROFILE



T. Indira Reddy

T. Indira Reddy, wife of T. Subbarami Reddy, is the Promoter cum Non-Executive Chairperson of Gayatri Projects and director cum chairperson in several companies within Gayatri Group. She has an impeccable track record of guiding, advising and steering Gayatri Group. T. Indira Reddy has over 30 years of experience in the construction industry and has been a director in our Company since March 8, 1996.



T. V. Sandeep Kumar Reddy

T. V. Sandeep Kumar Reddy, son T. Subbarami Reddy, is the Promoter cum Managing Director of Gayatri Projects Limited and director in several companies in Gayatri Group. He has been associated with Gayatri Projects since its incorporation in the year 1989. T. V. Sandeep Kumar Reddy has over 30 years of experience in the Construction Industry. Under his able leadership and skill in the infrastructure sector, Gayatri Projects was awarded official appreciation for the construction of Eastern Peripheral Expressway from National Highways Authority of India (NHAI) through the hands of Shri. Nitin Gadkari, Union minister for Road Transport and Highways.

He has taken the Group to newer heights, diversifying into owning and operating of infrastructural assets like major roads, power plants, and renewable energy assets. His other ambitious forays include Hospitality, Real Estate and Bio-organics.

He holds a Master's Degree in Construction Engineering and Management from University of Michigan at Ann Arbor, USA and also holds a Bachelor Degree in Civil Engineering from Purdue University. T. V. Sandeep Kumar Reddy is responsible for overseeing the day to day affairs of our Company. GPL has been engaged in construction activities for more than 40 years and has completed more than 8,000 lane kms of road construction over this period under his leadership.

All the decisions in the Company are taken under his leadership. He spear heads the Gayatri Group. He envisions the Gayatri Group becoming the leading business house of Modern India.



J. Brij Mohan Reddy

Mr. J. Brij Mohan Reddy, aged 80 years, is our Company's executive director vice chairman, is a Post-Graduate in Engineering from the University of California, Berkley, United States. J. Brij Mohan Reddy has over 54 years of experience in the Heavy Engineering Construction and the harbour engineering industries. He has been associated with our Company since 1989 and has been a whole - time director in our Company since March 30, 1994.

He is having vast experience in the areas of Marine works, Bridges and Off-shore works and has qualified Bachelor of Science in Industrial Engineering from The University of Montana from U.S.A. in 1964. He is recognized in Harbour Engineering (i.e. construction of Break Waters (BW), Piers, Wharf walls, Jetties etc.), RCC structures, Steel structures, and Highway projects and was responsible for the construction of the entire fisheries harbour at Chennai and major portion of recognized ORE -handling project for Chennai Port Trust, Off Shore Break Water at Pondicherry and the Break Water Marine works at Kakinada.



Ch. Hari Vithal Rao

Sri. Ch. Hari Vithal Rao, aged 79 years, is our Company's Non-Executive and Independent Director is a CAIIB from Indian Institute of Bankers, and holds a Bachelor's Degree in Arts from Andhra University. Ch. Hari Vithal Rao has over 50 years of experience as a banker and was employed with Bank of Baroda and Naandi Foundation in the past. He has been associated with our Company since November 04, 2005.

**Dr. K.V. Ramana Chary**

Dr K.V. Ramana Chary, (IAS) Retd, started his career as lecturer in Chemistry at Osmania University. He joined as Probationary Dy. Collector in 1977 and Worked as District Collector, Kadapa during the year 1993-94 and held various positions in the state of United Andhra Pradesh such as worked in Quli Qutub Shah Urban Development Authority, Hyderabad as Administrator for 9 years. He has been P.R.O to Chief Ministers in the state of united Andhra Pradesh. He has also served as Commissioner, Information & Public Relation Dept. & Ex-Officio Secretary to Govt. in the years 1995, 1999 & 2004 during the regime of various Chief Ministers. He retired as Prl. Secretary to Government, Revenue (Endowments) Department in the year 2011. He served as Advisor, Department of Culture during 2012-13. He is renowned for his administration skills and humble nature. Presently, he is on advisory capacity to the Government of Telangana.

**Sreeramakrishna Grandhi**

Mr.Sreeramakrishna Grandhi, has 37 years of experience in leadership role at State Bank of India 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. At SBI, he handled diverse roles but predominantly focused on credit and handled portfolio of over 4,000 crores with zero NPA status during his tenure. Besides handling roles in improving Bank's customer relationship, he was a problem solver and decision maker roles in the bank's Human Resources Management and giving clear oversight and direction in expansion of business. Possess distinct ability to direct and manage crucial financial roles with focus on diagnosing and solving complex problems. Held several key assignments in banking for 37 years at one of the best banks in the world and have exposure to diverse industries from MSME to Very Large Corporates. He has been both a coach and mentor to promoters, in planning, execution of financial decisions and in some cases in retrieval from financial unplanned situations.

**Rama Devi Nanduri**

Smt. Rama Devi Nanduri, has more than 40 years of experience as banker, joined SBI in 1974 as a probation officer after majoring in physics from Osmania University. She has held several posts across several aspects of banking including retail and corporate credit, international business, inspection and audit, etc. Her 4 decade long career in the Bank culminated in a stint in The State Bank Staff College which is an apex training institution set up for imparting leadership and credit skills to mostly middle and senior level managers of the Bank and several other public and private sector banks as well as some international banks. She was also a member of committees involved in change management in the areas of corporate and agricultural credit.

**Man Mohan Gupta**

Shri. Man Mohan Gupta, aged 57 years, is our Company's Non-Executive and Nominee Director (Bank of Baroda). He holds degree in Business Administration (M.B.A) and CAIIB from Indian Institute of Bankers. He has a rich experience of 13 years in Bank of Baroda, presently designated as General Manager, Hyderabad-Zone. He Has a Strong knowledge of Banking & Finance, especially in matters Credit. With his shrewd yet tactful outlook, he has managed to garner business from all sectors in every job location and designation awarded to him. He has diligently strived to be the best. As a leader, he has the patience and confidence that help to bring out the best from his team. He has been appointed as a Director (as a Nominee of Bank of Baroda) w.e.f 15.06.2021.

FINANCIAL HIGHLIGHTS

₹ in Lakhs

DESCRIPTION	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Turnover	390,052	342,733	346,315	291,231	211,535	181,221	160,114	181,253	202,220	180,190
Profit Before Tax	5,122	(39,022)	23,570	18,255	10,946	6,969	3,509	8,248	10,201	6,984
Profit After Tax	5,658	(38,457)	21,077	18,809	7,043	5,801	2,205	4,761	6,309	4,597
EBITDA	44,907	42,661	54,497	46,767	30,503	25,946	20,757	26,969	26,605	19,994
Equity Capital	3,744	3,744	3,744	3,744	3,545	3,545	3,023	3,023	3,023	2,397
Reserves & Surplus	96,301	90,489	129,219	108,560	70,555	81,057	65,231	63,574	59,520	49,225
Net Worth	100,045	94,233	132,963	112,304	74,100	84,602	68,254	66,596	62,543	51,622
Gross Block	88,540	87,325	76,517	65,799	57,937	47,219	46,203	45,432	45,069	44,618
Net Block	33,008	39,420	37,633	33,497	30,925	22,686	20,812	22,936	24,738	27,394
Book Value (₹) Per Share of ₹ 2/- each	53.44	50.34	71.03	59.99	41.81	47.32	45.16	42.06	41.38	43.08
EPS (₹) Basic	3.02	(20.54)	11.26	10.58	3.97	3.46	1.46	3.15	24.53	37.83

Turnover (₹ in lakhs)

FY 20-21	390,052
FY 19-20	342,733
FY 18-19	346,315
FY 17-18	291,231
FY 16-17	211,535

EBITDA (₹ in lakhs)

FY 20-21	44,907
FY 19-20	42,661
FY 18-19	54,497
FY 17-18	46,767
FY 16-17	30,503

PBT (₹ in lakhs)

FY 20-21	5,122
FY 19-20	(39,022)
FY 18-19	23,570
FY 17-18	18,255
FY 16-17	10,946

PAT (₹ in lakhs)

FY 20-21	5,658
FY 19-20	(38,457)
FY 18-19	21,077
FY 17-18	18,809
FY 16-17	7,043

CORPORATE INFORMATION

Board of Directors

Smt. T. Indira Reddy	-	Chairperson	(DIN: 00009906)
Sri T.V. Sandeep Kumar Reddy	-	Managing Director	(DIN: 00005573)
Sri. J. Brij Mohan Reddy	-	Executive Vice Chairman	(DIN: 00012927)
Sri. Ch. Hari Vithal Rao	-	Independent Director	(DIN: 00012970)
Sri.G. Sreeramakrishna	-	Independent Director	(DIN: 06921031)
Sri. K.V. Ramanachary	-	Independent Director	(DIN: 08658826)
Smt. N. Ramadevi	-	Independent Director	(DIN: 08699570)

Company Secretary & Compliance Officer

CS Chetan Kumar Sharma

Chief Financial Officer

CA P. Sreedhar Babu

Statutory Auditors

M O S & Associates LLP
501, Lahari Benz Apartments,
Somajiguda, Hyderabad – 500 082

Bankers

Bank of Baroda
Bank of Maharashtra
Canara Bank
The Federal Bank Limited
IDBI Bank Limited
Indian Overseas Bank
Punjab National Bank
State Bank of India
Union Bank of India

Registered & Corporate Office

B-1, T.S.R. Towers, 6-3-1090
Raj Bhavan Road, Somajiguda
Hyderabad – 500 082
CIN: L99999TG1989PLC057289
Tel: 040 – 23314284,
Fax: 040 – 23398435
Email: gplhyd@gayatri.co.in
Website: www.gayatri.co.in

Registrars & Transfer Agents

KFin Technologies Pvt. Ltd.
Selenium Tower B, Plot 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500 032, Telangana
Toll free number - 1- 800-309-4001
Email: einward.ris@kfintech.com
Website: https://www.kfintech.com

AGM NOTICE

NOTICE is hereby given that the 32nd ANNUAL GENERAL MEETING of **M/s. Gayatri Projects Limited** will be held on Friday the 24th September 2021 at 03.30 P.M (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following businesses:

ORDINARY BUSINESS:

- To receive, consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2021 together with the reports of the Auditors thereon and of the Board of Directors thereon.**

(a) **“RESOLVED THAT** the audited standalone financial statement of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

(b) **“RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2021 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

- To appoint a Director in place of Mrs. T. Indira Reddy, who retires by rotation, and being eligible, offers herself for re-appointment.**

“RESOLVED THAT Mrs. T. Indira Reddy (DIN 00009906), who retires by rotation in terms of section 152(6) of the Companies Act 2013, and being eligible offers herself for reappointment, be and is hereby re-appointed as a Director of the Company.”

SPECIAL BUSINESS:

- Ordinary Resolution for ratification of remuneration payable to M/s. N.S.V. KRISHNA RAO & CO., appointed as Cost Auditors of the Company for the F.Y 2021-22**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Cost Record and Audit) Rules, 2014, **M/s. N.S.V. KRISHNA RAO & CO**, Cost Accountants appointed as Cost Auditors by the Board of Directors of the Company to audit the cost records of the Company for the financial year 2021-22 for a remuneration of Rs. 1,15,000 (Rupees One Lakh Fifteen Thousand) per annum plus applicable service tax and out of pocket expenses that may be incurred be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

- Re-appointment of Sri. J. Brij Mohan Reddy as Whole Time Director designated as Executive Vice Chairman**

To consider and if thought fit to pass with or without modifications the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to provisions of sections 196, 197, 203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act), as amended or re-enacted from time to time, the members hereby approves the re-appointment of Mr. J. Brij Mohan Reddy as Whole Time Director designated as Executive Vice Chairman of the Company for a period of three years commencing from October 1, 2021 to September 30, 2024 with the following terms and conditions:

- Period: For a period of 3 years commencing from October 01, 2021 to September 30, 2024
- Nature of Duties: Sri J. Brij Mohan Reddy shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such