GAYATRI

16th February, 2017

To,	To,
The General Manager, **The Department of Corporate Relations,** **The Bombay Stock Exchange Limited.,** **25th Floor, Phiroz Jeejeebhoy Towers,** **Dalal Street, Mumbai – 400 001**	**The Secretary,** **National Stock Exchange of India Ltd.** **5th Floor, Exchange Plaza** **Plot No.C/1, G Block** **Bandra Kurla Complex, Bandra (East)** **Mumbai -400 051.**

Dear Sir/Madam.

Sub: – Intimation under Regulation 30 of SEBI(LODR) Regulations, 2015- Presentation on Q3 & 9M FY17 Results to Analysts and Market Reg..,

With reference to above subject, please find enclosed presentation to Analysts and Market on Q3 & 9M FY17 results of the Company.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours truly,

For GAYATRI PROJECTS LIMITED

Gayatri Projects Ltd. Hyderabad

(CS I.V.LAKSHMI)
Company Secretary & Compliance officer
Membership No. ACS 17607

Regd. & Corp. Office :
Gayatri Projects Limited, B1, 6-3-1090, TSR Towers
Raj Bhavan Road, Somajiguda, Hyderabad 500 082 T.S
T +91 40 2331 0330 /4284 /4296
F +91 40 2339 8435
E gplhyd@gayatri.co.in
www.gayatri.co.in

Q3 & 9M FY17 Results Presentation

February, 2017

GAYATRI

Disclaimer

Some of the statements in this presentation that are not historical facts are forward looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate.

These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.

Further, this presentation may make references to reports and publications available in the public domain. Gayatri Projects Ltd. makes no representation as to their accuracy or that the company subscribes to those views / findings.

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Index

Financial Highlights – Q3 & 9M FY17

Order Book

9M FY17 Developments

Asset-holding Subsidiaries

Outlook

About Us

Annexure: Restructuring of Road Assets – Road Ahead

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Financial Highlights – Q3 & 9M FY17

Order Book

9M FY17 Developments

Asset-holding Subsidiaries

Outlook

About Us

Annexure: Restructuring of Road Assets – Road Ahead

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Snapshot - 9M FY17 Financial Performance

13.9%

REVENUE

Rs.1,303cr

17.9%

EBITDA

Rs.198cr

38.1%

PAT

Rs.39cr

ORDER BOOK*

Rs.12,023cr

* As of Jan 1, 2017. 3 in-operative irrigation orders totaling Rs1,778cr removed from order book in 2Q.

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Key Highlights – 9M FY17

- **Strong traction in order inflow; order book grew by ~3x in past 15 months**
  - Bagged orders in excess of Rs. 4,200 crore during 9M FY17
  - Focused on ramping up order execution
- **Board approves Comprehensive restructuring & separate listing of Company's Road BOT assets –**
  - Board has approved a scheme of arrangement which involves following 3 steps, executed simultaneously:
    - Transfer of SMTL (Orissa road under construction) from GPL to NewCo (GDPL)
    - Amalgamation of GIVL (current asset holding company owning rest of BOT road assets) with GPL
    - All Road BoT Assets business to be transferred from GPL to NewCo
  - Proposed NewCo shareholding structure: GPL 26%, Current GPL shareholders 74%
  - NewCo to be listed after all the approvals are in place and the above scheme of arrangement is executed
  - An indicative list of all sanctions and approvals needed for the transaction to go through is appended at the end of this ppt. Effective date of the scheme is proposed to be 1st April, 2016
  - The process is likely to be finalized before FY2017 accounts are closed
- **Board approves sub-division of equity shares**
  - Board approves sub-division of Nominal Value of equity shares of Rs. 10/- per share to Rs. 2/- per share
- **Power Assets –**
  - SembCorp Gayatri Power Limited (SGPL) "(Formerly NCCPPL)" concludes construction of its first 660 MW unit; expects to complete entire project by first quarter of 2017
  - Optimization of power generation asset holding structure: JV partner Sembcorp Utility writes a 5 year call option giving Gayatri (GEVL) an option to go upto 30% stake in the business

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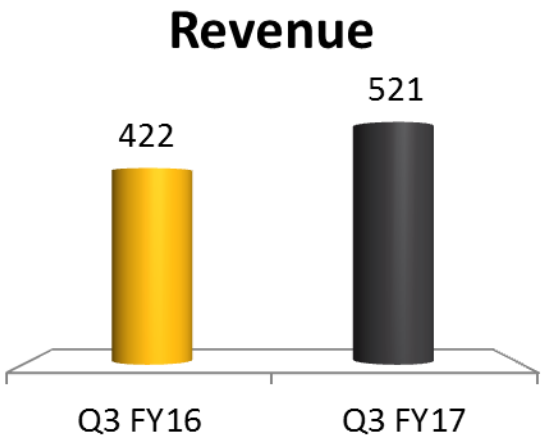
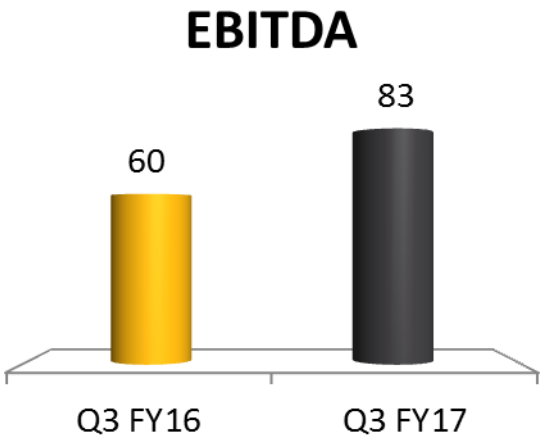
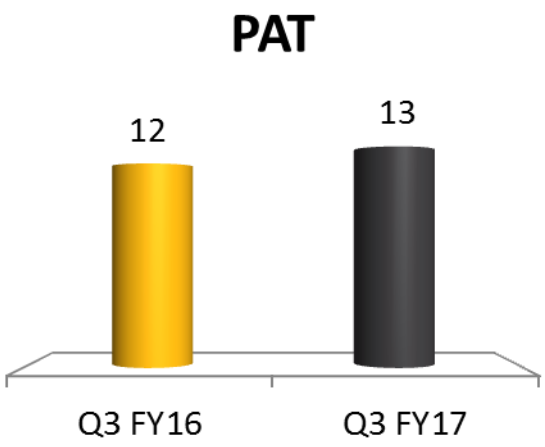
Q3 FY17 Highlights

Figs. In crore







- Revenue growth for the quarter partially impacted by extended monsoon and demonetisation effect in the initial period – payment to workers. However situation has now normalized expect pick up in execution
- Operating margins remained stable despite significant mobilization expenses at the new sites. But capex related to new work orders – especially concrete related equipment significantly added to depreciation and interest cost

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M.D.'s Comments

Commenting on the results, Mr. Sandeep Kumar Reddy, Managing Director, Gayatri Projects Limited said *"We are pleased with the way we have transformed our core EPC business over the past few years. Our order book has not only grown over three fold in the past eighteen months but is now also much more diversified than in the past. Further as a part of our strategic initiatives we have also started bidding and winning orders for construction projects in business areas which we didn't explore in the past, which has contributed towards success of our EPC business. In addition, we have achieved the transformation without sacrificing on the margins and are confident of maintaining our historical margins.*

In conjunction with building up the order book we are also equally committed towards ramping up our project execution capabilities and are confident of delivering healthy top line growth. Performance for 9M to some extent was impacted by external factors like monsoons, delayed land acquisition and Govt.'s demonetization scheme. However, we believe it is temporary in nature and will not impact our overall goal of maintaining revenue momentum. We are now fully mobilized at several of our new project sites and are seeing significant jump in revenue booking from the current quarter.

Moving on to our power assets, we are approaching the completion of the second and final 660 MW unit of our second power project namely SembCorp Gayatri Power Limited. Completion of the same will result in creation of a 2640 MW power complex, which will help meet power demand of the country.

Moving on to the road assets, we are confident that our efforts towards restructuring the business will help in creating right value for the assets. Post restructuring, the existing GPL shareholders would to own 74% of the entity which would hold 7 of our road assets. We are hopeful that the restructuring process gets completed before 2017.

Going ahead, we are confident that our recent strategic initiatives coupled with Government's efforts towards improving the country's infrastructure quality will help us deliver consistent growth going forward."

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Financial Highlights – Q3 & 9M FY17

Order Book

9M FY17 Developments

Asset-holding Subsidiaries

Outlook

About Us

Annexure: Restructuring of Road Assets – Road Ahead

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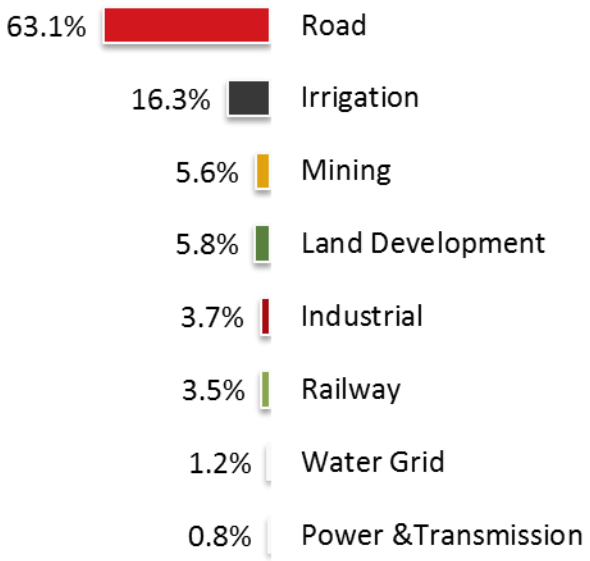
Order Book Update

Order Book - Details

- Continued strong traction in order; backlog of Rs.12,023 Cr currently.
  - This is after we have removed 3 in-operative irrigation orders totaling up to Rs1,778cr awarded by AP / Telangana govt. from the order book during Q2 FY17.
  - Rs. 1,255 crore NHAI order for four laning of Angul – Sambalpur section of NH-42 in the state of Odisha under NHDP – IV on EPC mode in JV with Russian Construction Company PTPS
  - Rs. 926 crore order from Bihar State Road Development Corporation Limited (BSRDC) and Ministry of Road Transport & Highways (MORTH) for four laning of Gaya – Hisur – Rajgir – Nalanda – Biharsharif section of NH – 82 in the state of Bihar
- Revenue visibility remains quite strong on the back of robust order book - expect 30%+ revenue growth over next 3-4 years – with much stronger growth in the near-term
- Continue to remain focused on bidding for margin accretive projects (cluster-based approach to bidding).

Order Book – Break Up



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Recent Developments

Financial Highlights – Q3 & 9M FY17

Order Book

9M FY17 Developments

Asset-holding Subsidiaries

Outlook

About Us

Annexure: Restructuring of Road Assets – Road Ahead

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Recent Developments

1. Strong order inflows
2. Comprehensive restructuring and separate listing of road assets
3. Power Genco Asset Holding Structure Optimised – Call option written by Sembcorp
4. SembCorp Gayatri Power – Nears completion of construction work for its Second 660 MW unit
5. Board approves sub – division of share

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EPC Biz – Momentum in Order Inflows continue

- Bagged orders worth more than Rs. 4,200 crore during 9M FY17

- Rs. 1,255 crore NHAI order for four laning of Angul – Sambalpur section of NH-42 in the state of Odisha under NHDP – IV on EPC mode in JV with Russian Construction Company PTPS
- Rs. 926 crore order from Bihar State Road Development Corporation Limited (BSRDC) and Ministry of Road Transport & Highways (MORTH) for four laning of Gaya – Hisur – Rajgir – Nalanda – Biharsharif section of NH – 82 in the state of Bihar

- Bagged maiden order in construction of airports by bagging Rs. 706 crore order from M/s. City and Industrial Development Corporation of Maharashtra (CIDCO)
- Scope of work includes land development of Navi Mumbai Int'l airport

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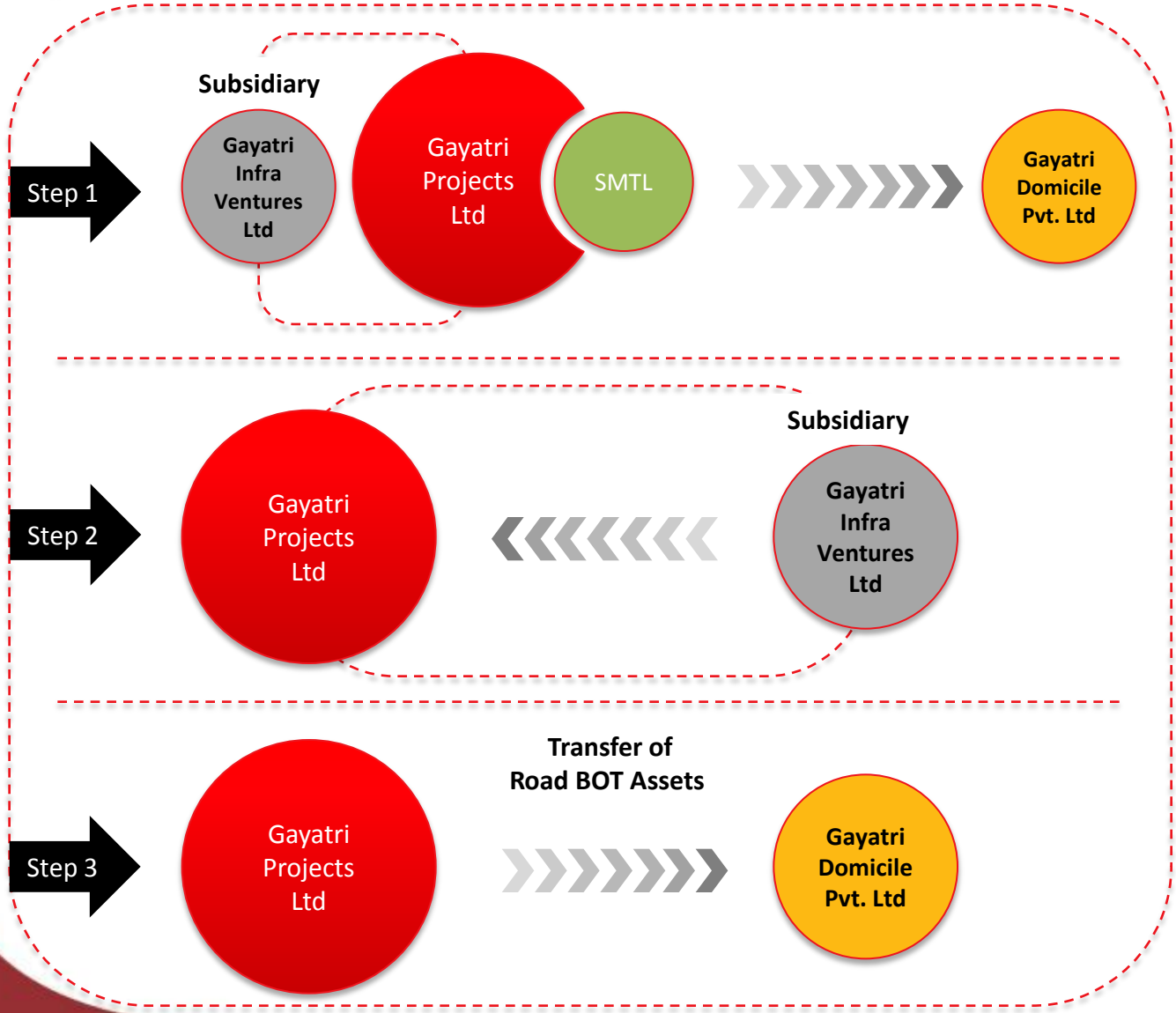
Restructuring & Separate listing of Road Assets



- Transfer of investments in Sai Maatarini Tollways Limited from Gayatri Projects Limited to Gayatri Domicile Private Limited at book value
- Post transfer of investments, merger of Gayatri Infra Ventures Limited with Gayatri Projects Limited
- Post merger of GIVL with GPL, transfer of Infrastructure Road BOT Assets Business from GPL to GDPL.
- GDPL, to be owned 74% directly by current GPL shareholders and to be listed on the bourses.
- Transaction completion expected before FY2017 accounts are finalized, with an effective date of 1st April 2016. Key approvals required are listed in Annexure 1.

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Optimization of Power Genco Asset Holding Structure - Sembcorp Call Option

GEVL was initially planning to increase stake in power generation subsidiaries (TPCIL, SGPL, 2640MW) to 30% each by raising capital through mezzanine funding. That plan has been aborted and a call option structure has been negotiated with JV partner Sembcorp Utilities.

The optimization recognises two market realities:

- Long-term exceptional asset value - among most advantageously located / managed power gencos
  - Hence the need to maintain stake in a cost effective manner
- Current tough power trading environment (could persist for 12-24 months)
  - Hence the need to avoid un-necessary mezz debt interest cost

Project capital structure (including 4th, the last, unit which is likely to come on stream in next 3-4 months)

- Project Cost: Rs.19,300cr (orignal estimate Rs. 13,900 cr)
- Project Equity: Rs.5,600cr (original estimate Rs. 3,500 cr)
- Gayatri (GEVL) incremental investment for 30% stake - Rs.900cr (today's cost)

SEMBCORP (SCI SP) unit has written a CALL OPTION, exercise allows Gayatri stake to go 30%

- Current GEVL stake in 2 power generation OpCos ~13%.
- Option terms:
  - Life: 5 years
  - Strike price: Rs.900cr, accretes @18%p.a. (with dividends to Gayatri's credit)
  - Multiple partial exercises allowed

We hope to exercise the option over next 2-3 years.

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Sembcorp Gayatri Power nears completion of its second 660-mw Unit

- Sembcorp Gayatri Power Limited (SGPL) (formerly NCC Power Projects Limited), nears completion of construction of its second and final 660 MW unit
- Completed First unit of the 660 MW in Q2 FY17
- Sembcorp Gayatri Power Limited (SGPL) (formerly NCC Power Projects Limited), is a joint venture between its wholly-owned subsidiary Sembcorp Utilities, and Gayatri Energy Ventures, a wholly-owned subsidiary of Gayatri Projects.
- The Plant, located in Krishnapatnam in Andhra Pradesh's SPSR Nellore District, India, utilizes supercritical technology that allows for enhanced efficiency

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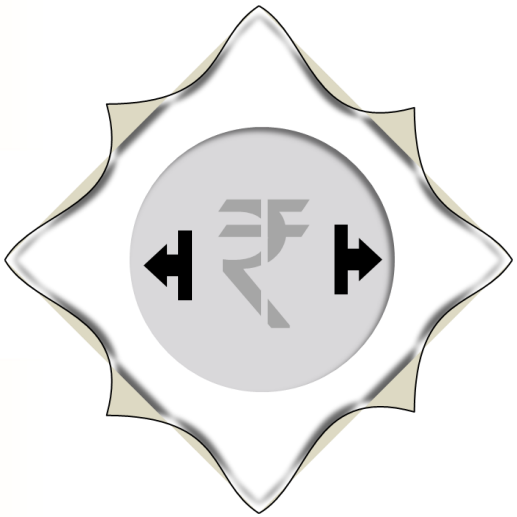
Board approves sub-division of shares

Board of Directors of the Company approved Sub-division of Nominal Value of equity shares of Rs. 10/- per share to Rs. 2/- per share



Further, the Board also approved Alteration of Capital Clause in Memorandum of Association of the Company

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Financial Highlights – Q3 & 9M FY17

Order Book

9M FY17 Developments

Asset-holding Subsidiaries

Outlook

About Us

Annexure: Restructuring of Road Assets – Road Ahead

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Development of Road Assets

- Gayatri Infra Ventures Ltd, a subsidiary of Gayatri Projects Ltd dedicated towards development of road assets
- Balanced portfolio comprising of four annuity and three toll based projects
- Focus on value creation through monetization and restructuring
- Recently sold WUPTL to Cube Infra
- Board has approved a Scheme of arrangement for restructuring and separately listing the business. Expect to close the transaction before FY2017 accounts are finalized.
- Toll-based projects (HKRRL, IDTL) seeing significant improvement in tolling activity in last 3-4 months

Portfolio Summary

Annuity Based Projects	Status	GIVL Stake	COD	Concession Period (Years)	Length (kms)
Gayatri Jhansi Roadways Limited (GJRL)	PCC Obtained	51%	Jun 2010	20	50.0
Gayatri Lalitpur Roadways Limited (GLRL)	PCC Obtained	51%	Jul 2010	20	50.0
Hyderabad Expressways Limited (HEL)	PCC Obtained	50%	Aug 2011	15	13.0
Cyberabad Expressways Limited (CEL)	PCC Obtained	50%	Mar 2012	15	11.7
Toll based Projects	**Status**	**GIVL Stake**	**COD**	**Concession Period (Years)**	**Length (kms)**
Hyderabad Karimnagar-Ramgundam (HKRRL)	PCC Obtained	50%	May 2014	25	207.0
Indore Dewas Tollways Limited (IDTL)	PCC Obtained	100%	May 2015	25	45.1
Sai Maatarini Tollways Limited (SMTL) 100% Subsidiary of GPL	Under Construction	100%	Expected Q4 FY17	24	166.2

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Development of Power Assets

- Incorporated in 2008, Gayatri Energy Ventures Ltd is a wholly owned subsidiary of Gayatri Projects
- Current Portfolio:
  - TPCIL & SGPL "(Formerly NCCPPL)" (13% GEVPL, 87% Sembcorp Utilities)
  - Option agreement signed with JV partner Sembcorp Utilities, would allow Gayatri to increase stake to 30% over the next 5 years.
- Strong Power Plant Economics:
  - **Exceptional fuel security:** True port-based location ensures among the best logistics for both imported and domestic coal
  - **Global coal price deflation** is making imported coal cheaper than domestic coal on a per GCal, landed at plant basis.
  - **Home market continues to stay power deficit:** shortage of generation capacity and constrained transmission networks
  - **Targeting high proportion of sales through long-term PPAs at remunerative rates:** 1070MW already in place, L2 for 500MW in a large AP tender,
  - **Near term weakness in spot power sales** markets impacting cash flows. Should correct over next 12-24 months.

Portfolio Summary

	TPCIL	Sembcorp Gayatri Power Project "(Formerly NCCPPL)"
Capacity	1,320 Mw (2x660 Mw)	1,320 Mw (2x660 Mw)
Location	Near Krishnapatnam port, Andhra Pradesh	Near Krishnapatnam port, Andhra Pradesh
TPC *	9,402 crore	9,878 crore
CFE	Obtained	Obtained
EC	Obtained	Obtained
CL	Signed PPA	LOA Obtained
WL	Obtained	Obtained
PPA	Acquired	In Progress
LA	Acquired	Acquired
FC	Completed	Completed
Current Progress	Commissioned	Commissioning during FY17

TPC - Total Project Cost: CFE - Consent for Establishment: EC - Environmental Clearance: CL - Coal Linkage: WL - Water Linkage PPA - Power Purchase Agreement: LA - Land Acquisition: FC - Financial Closure: LOA – Letter of Assurance

* Revised

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Financial Highlights – Q3 & 9M FY17

Order Book

9M FY17 Developments

Asset-holding Subsidiaries

Outlook

About Us

Annexure: Restructuring of Road Assets – Road Ahead

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Outlook

- Government's efforts towards reviving investment climate by stepping up infrastructure spend is likely to ensure continued addition to our already strong order book. We expect to maintain the new order accretion pace achieved during last financial year.

- Growth in construction order book should help us sustain a 30%+ topline growth over next 3-4 years. We expect to maintain operating margins (EBITDA) in 14-15% range. . Total revenue booking from the large new order book built in last 18 months (Rs.9,500cr) has been only Rs.374cr. The growth should be much stronger near-term as we have already mobilized at most of the new construction sites.

- Road Assets: Working towards commissioning the last non-operating road in our portfolio during FY17. The Board has approved a comprehensive restructuring of the portfolio which should result in a separate listing and an optimal growth path for the business.

- Power Assets: With 3 out 4 units of the TPCIL / SGPL "(Formerly NCCPPL)" power complex commissioned and 4th close to commissioning, focus is on maximizing long term PPAs for sales. Short-term trading conditions are tough and are likely to stay as such for next 12-24 months. Almost 2/3rd capacity is already contracted on long-term basis (1070MW executed PPA, 500MW L2 position in a large bid). Including short term contracts the plant's capacities are almost fully sold out for most of CY2017. We have been able to restructure our ownership of the asset to be better geared for current tough conditions. Our option agreement with Sembcorp allows us to increase stake to 30% over next 5 years.

CONSTRUCTION

POWER GENERATION ASSETS

ROAD ASSETS

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Financial Highlights – Q3 & 9M FY17

Order Book

9M FY17 Developments

Asset-holding Subsidiaries

Outlook

About Us

Annexure: Restructuring of Road Assets – Road Ahead

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About Us

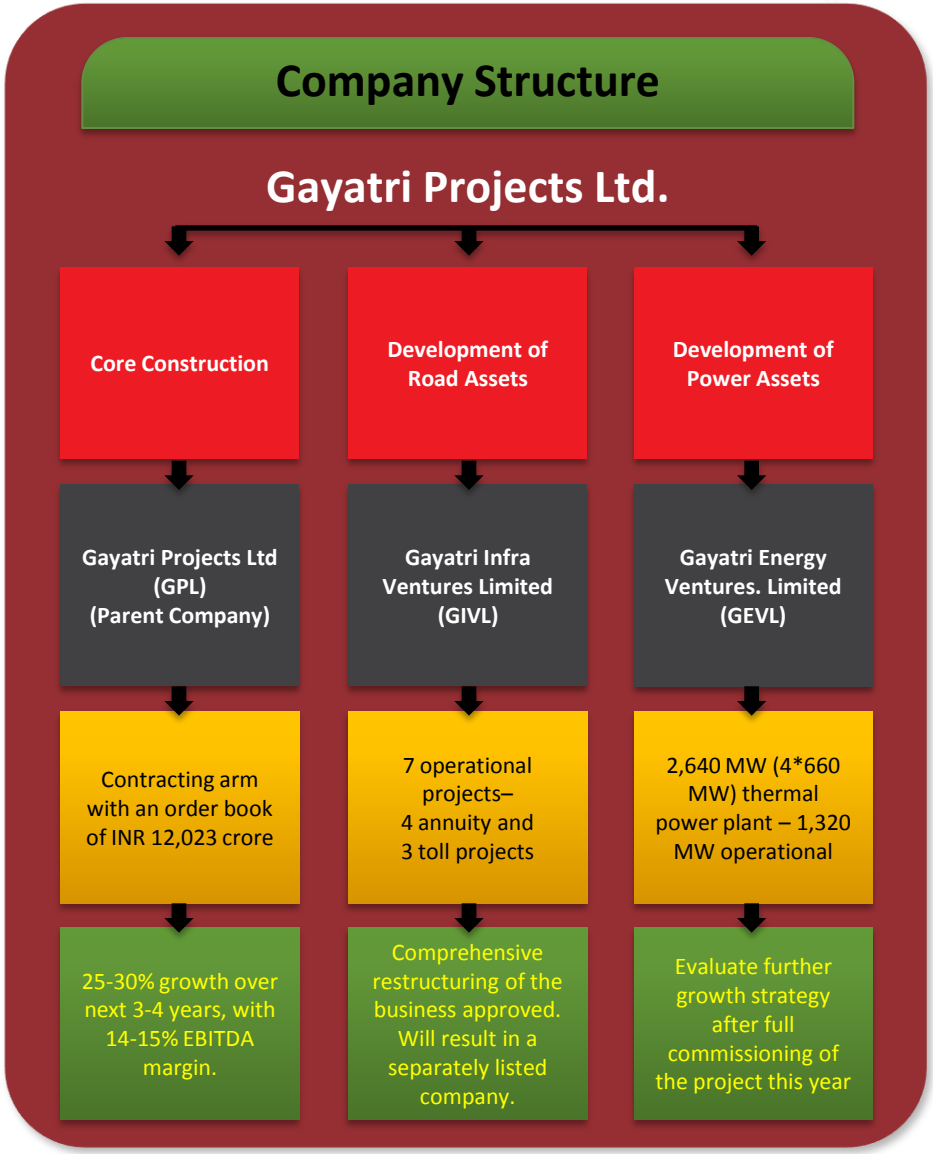
- Gayatri Projects Limited (Parent Company) core construction Company
- Dedicated subsidiaries to focus on Road and Power segment

Development of Road Assets:

- GIVL, dedicated towards development of road assets
- GPL's board approves purchase of AMP's 30% stake in GIVL
- GPL's board approves restructuring of the business which should result in a separately listed entity, before FY2017 accounts are finalized.
- Current Portfolio: 7 road projects

Development of Power Assets:

- GEVL, dedicated towards development of power assets
- 100% owned Subsidiary of GPL
- Current Portfolio:
- TPCIL & SGPL : 660MWx4
- GEVL ownership: ~13% currently with an option to increase stake to 30% over next 5 years.



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Gayatri Projects – Construction arm

- Core Construction Company with a Pan India Presence
- Rich DNA of almost 50 years' experience in Project execution
- Strong, well-diversified order book of Rs.12,023 cr currently. Among the market leaders in new EPC contracts awarded by NHAI.
- Client list includes several leading names including NHAI, AAI, Nalco, Tata Steel, Reliance Petroleum etc.
- ISO 9001 – 2000 certified Company
- Owns Extensive fleet of state of the art Construction equipment
  - Heavy Earth Moving Machine: Hydraulic excavators, loaders
  - Concreting Plants: batching plants, transit mixers
  - Road Equipment: vibratory tandem rollers, integrated stone crushing plants
  - Quarry Equipment: Wagon Drills, Jack Hammers
  - Transportation Equipment: Tractors, Water tankers
- Two fold benefits of owning several assets:
  - Lower dependence on external sub contractors
  - Maximizing profits & returns

NHAI: National Highways Authority of India; AAI: Airports Authority of India

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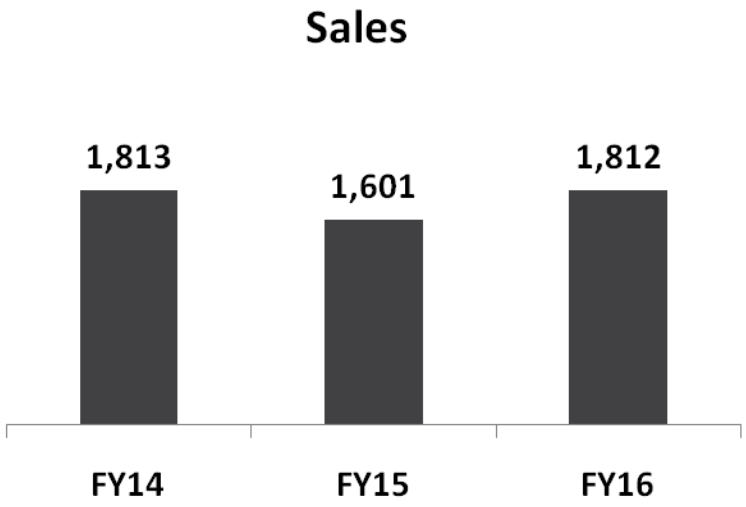
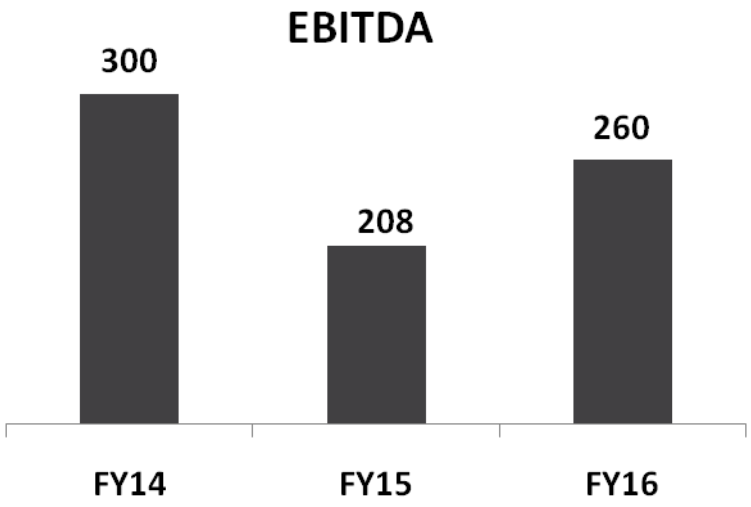
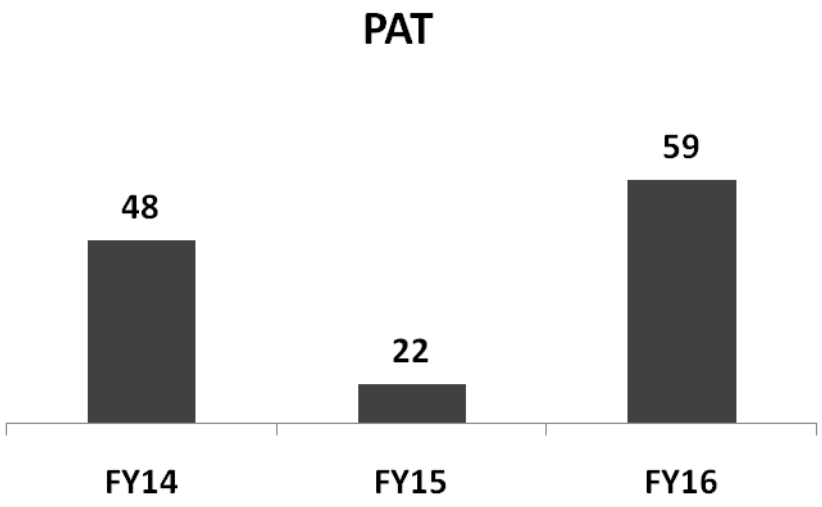
Financial Performance at a Glance…

Figs. In crore







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Financial Highlights – Q3 & 9M FY17

Order Book

9M FY17 Developments

Asset-holding Subsidiaries

Outlook

About Us

Annexure: Restructuring of Road Assets – Road Ahead

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Scheme Conditional On Approvals/ Sanctions

This Scheme is conditional upon and subject to:

- Requisite approvals, clearances or permissions that may be required to be obtained under applicable laws, or where applicable, the waiting periods or time periods for approval of the Reserve Bank of India, rules and regulations having expired or been terminated.
- Requisite approvals from **National Highway Authority of India ("NHAI")** and other relevant regulatory authorities, regarding change in ownership of **SMTL, BHHPL, CEL, GJRL, GLRL, HEL, HKRRL, IDTL**, as per the terms of their respective Concession Agreement.
- The Scheme being approved by the requisite majorities in number and value of such classes of shareholders and / or creditors of the Demerged Company and Resulting Company as may be directed by the High Court;
- The share purchase agreement between **GPL** and **AMP** Capital Finance Mauritius Limited for the acquisition of the 29.41% shareholding in **GIVL** by **GPL**, being completed and given effect.
- The Scheme being sanctioned by the High Court;
- The certified copy of the order(s) of the High Court sanctioning the Scheme being filed with the Registrar of Companies having jurisdiction by the Demerged Company and the Resulting Company
- Approval of the Scheme, by the Stock Exchange, pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), 2015
- Approval of the Scheme by SEBI in terms of SEBI Circulars
- Any other approvals and sanctions from a Governmental Authority as may be required by Law in respect of the Scheme being obtained;
- This Scheme, although to come into operation with effect from the Appointed Date, shall be effective from the Effective Date.

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For further information please contact:

K.G. Naidu (Vice President-Finance)
Gayatri Projects Limited
Tel: +91 40 23310330/23314284/4296
Email: kgnaidu@gayatri.co.in

Gavin Desa / Suraj Digawalekar
CDR India
Tel: +91 22 66451237 / 66451235
Fax: +91 22 66451213
Email: gavin@cdr-india.com / suraj@cdr-india.com

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