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Independent Auditor's Report on Quarterly Consolidated Financial Results and Year to Date Consolidated Financial Results pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

To the Board of Directors of GPT Infraprojects Limited

Report on the Audit of Consolidated Financial Results

Qualified Opinion

We have audited the accompanying consolidated annual financial results of **GPT Infraprojects Limited** (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its Twenty six (26) joint operations and a joint venture for the quarter and year ended 31st March 2020, ('the Statement') attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors (including joint auditor) on separate audited financial statements of the subsidiaries, joint operations and joint venture, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid Statement:

- (i) include the annual financial results of the subsidiaries, a joint venture and Joint operations listed in Attachment A
- (ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (iii) give a true and fair view in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Group for the year ended 31st March 2020.

Basis for Qualified Opinion

- a) Our limited review report on the unaudited consolidated financial results of the group for the quarter ended December 31, 2019 was qualified in respect of the matters stated below:

The Company has recognised unbilled revenue, accrued price escalations and trade receivables aggregating to Rs. 2,535.13 lacs (net of derecognition of Rs. 2,374.37 lacs during the year ended March 31, 2020), on certain completed construction contracts, which are yet to be billed /realized by the

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Company and are outstanding for more than 3 years. Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment of recoverability of the above said amounts, we are unable to comment on the recoverability and current classification of the same. No provision with respect to the same is made in the books of account (Refer note 6(a) to the consolidated financial results).

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, its joint operations and a joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to the following matters in the Notes to the consolidated financial results:

- a) Note 5(a) of the consolidated financial results which states that there are uncertainty on recoverability of Group's share of unbilled revenue, trade and other receivables aggregating to Rs. 2,013.99 lacs in respect of two joint operations, wherein the underlying projects have been completed and as represented to us, the management of such joint operations have initiated arbitration proceedings for recovery of dues.
- b) Note 5(b) of the consolidated financial results which states that a petition is filed by the customer in the Hon'ble High Court of Delhi against award of Rs. 6,120.32 lacs declared by Arbitration Tribunal in favour of a subsidiary of the Group and the consequent uncertainty on recoverability of net assets aggregating to Rs. 1,780.85 lacs as at March 31, 2020. The said award was in relation to an Engineering, Procurement and Construction contract received by the Group from its subsidiary in earlier year, whose execution was discontinued by the Group pursuant to termination of concession agreement between the subsidiary and its customer.
- c) We draw attention to Note 5(c) to the consolidated financial results, which states the management has made an assessment of the impact of COVID-19 on the group's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognised in the financial results. Further, the Company is closely monitoring the impact of COVID-19 on its operations, financial performance and position.

Our opinion is not modified in respect of these matters.

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Board of Directors' Responsibilities for the Consolidated Financial Results

These Statement have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group including its joint operations, and jointly ventures in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group, of its joint operations and a joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group its joint operations and a joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its joint operations and a joint venture are responsible for assessing the ability of the Group and its joint operations and a joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint operations and a joint venture are responsible for overseeing the financial reporting process of the Group and of its joint operations and a joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results and financial information of the entities within the Group and its joint venture to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

1. The Statement include the audited Financial Results of four (4) subsidiaries, whose Financial Statements reflect total assets of Rs. 10,586.87 lacs as at 31st March 2020, total revenue of Rs. 517.11 lacs and Rs. 2,272.25 lacs, total net profit after tax of Rs. (595.59) lacs and Rs. (366.12) lacs, total comprehensive income Rs. (595.59) lacs and Rs. (366.12) lacs for the quarter ended and year ended on 31st March 2020, respectively and net cash flow of Rs. 104.01 lacs for the year ended March 31, 2020, as considered in the Statement, which have been audited by their respective independent auditors. The consolidated financial results also include the Group's share of net profit of Rs. (8.07) lacs and Rs. (19.56) lacs and Group's share of total comprehensive income of Rs. (8.07) lacs and Rs. (19.56) lacs for the quarter and year ended 31st March, 2020 respectively, as considered in the statement, in respect of a joint venture, whose financial statement and other financial information have been audited by other independent auditor. The independent auditors' reports on financial statements of these entities have been furnished to us and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Certain of these subsidiaries and a joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and a joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and a joint venture located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

2. We did not audit the financial statements and financial information of Twenty six (26) joint operations, whose financial statements and financial information reflect Group's share of total assets of Rs. 8,807.97 lacs as at 31st March 2020, Group's share of total revenue of Rs. 8,577.80 lacs and Rs. 20,968.88 lacs and Group's share of total net profit Rs. 405.92 lacs, Rs. 1,090.09 lacs and Group's share of total comprehensive income Rs. 405.92 lacs and Rs. 1,090.09 lacs for the year quarter and year ended on March 31, 2020 respectively and the Group's share in net cash flow of Rs. (347.35) lacs for the year ended March 31, 2020, as considered in the consolidated financial

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Attachment A:

Sr. No.	Name of entities
	Subsidiaries
1	GPT Investments Private Limited, Mauritius
2	GPT Concrete Products South Africa (Pty.) Limited, South Africa
3	Jogbani Highway Private Limited
4	Superfine Vanijya Private Limited
	Joint Ventures
1	GPT - Transnamib Concrete Sleepers (Pty.) Limited, Namibia
	Joint Operations
1	GPT - GVV (JV)
2	GPT - MADHAVA (JV)
3	GPT - GEO - UTS (JV)
4	GPT Infrastructure Pvt Ltd & Universal Construction Co. (JV)
5	GPT - TRIBENI (JV)
6	GPT - CVCC - SLDN (JV)
7	GEO Foundation & Structure Pvt Ltd & GPT Infraprojects Ltd (JV)
8	GPT - RANHILL (JV)
9	JMC - GPT (JV)
10	GPT - SMC (JV)
11	GPT - RAHEE (JV)
12	PREMCO - GPT (JV)
13	RAHEE - GPT (JV)
14	RAHEE - GPT IB (JV)
15	GPT - BHARTIA (JV)
16	GPT-BALAJI-RAWATS (JV)
17	HARI-GPT (JV)
18	GPT-SKY (JV)
19	GPT-GEO (JV)_Cochin
20	G R (JV)
21	GPT-ABCI (JV)
22	GPT-SSPL (JV)
23	GPT-BALAJI (JV)
24	GPT-ISC Projects (JV)
25	GPT-MBPL (JV)
26	NCDC-GPT (JV)

Consolidated Statement of Assets and Liabilities

(₹ in lacs)

Particulars	As at	As at
	31.03.2020	31.03.2019
	Audited	Audited
ASSETS		
A) NON-CURRENT ASSETS		
a) Property, plant and equipments	10,639.89	12,635.86
b) Right of use assets	747.58	-
c) Capital work-in-progress	121.81	265.98
d) Goodwill on consolidation	594.94	533.69
e) Other Intangible assets	25.76	16.84
f) Contract assets	2,112.70	2,690.60
g) Financial assets		
(i) Investment in a Joint Venture	2,635.19	2,732.36
(ii) Loans	5.11	24.55
(iii) Trade receivables	71.46	680.51
(iv) Other financial assets	84.98	896.61
h) Deferred tax assets (net)	492.31	132.76
i) Other non current assets	2,852.54	3,748.41
Total Non-Current Assets (A)	20,384.27	24,358.17
B) CURRENT ASSETS		
a) Inventories	9,119.17	8,268.43
b) Contract assets	23,202.07	22,588.14
c) Financial assets		
(i) Trade receivables	10,146.62	5,803.73
(ii) Cash and cash equivalents	176.76	561.68
(iii) Bank balances other than (ii) above	2,713.33	2,257.69
(iv) Loans	257.40	238.15
(v) Other financial assets	2,830.74	3,153.06
d) Other current assets	4,340.41	2,965.77
Total Current Assets (B)	52,786.50	45,836.65
Total Assets (A+B)	73,170.77	70,194.82
EQUITY AND LIABILITIES		
C) EQUITY		
a) Equity share capital	2,908.60	2,908.60
b) Other equity	19,560.91	18,355.06
c) Non-controlling interest	202.23	483.78
Total Equity (C)	22,671.74	21,747.44
LIABILITIES		
D) NON-CURRENT LIABILITIES		
a) Contract liabilities	1,517.41	503.55
b) Financial liabilities		
(i) Borrowings	396.85	1,662.11
(ii) Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises	996.29	398.02
(iii) Other current financial liabilities	569.61	-
c) Long term provisions	436.27	381.48
d) Deferred tax liabilities (net)	314.14	297.70
Total Non-Current Liabilities (D)	4,230.57	3,242.86
E) CURRENT LIABILITIES		
a) Contract liabilities	2,138.59	3,480.28
b) Financial liabilities		
(i) Borrowings	22,520.55	23,495.68
(ii) Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	25.23	41.84
- Total outstanding dues of creditors other than micro enterprises	17,875.33	15,156.75
(iii) Other financial liabilities	2,698.91	1,763.43
c) Short term provisions	210.99	190.80
d) Other current liabilities	798.86	1,075.74
Total Current Liabilities (E)	46,268.46	45,204.52
Total Liabilities (F = D+E)	50,499.03	48,447.38
Total Equity and Liabilities (C+F)	73,170.77	70,194.82

GPT Infraprojects Limited

CIN - L20103WB1980PLC032872

Consolidated Cash Flow Statement for the year ended March 31, 2020

(₹ in lacs)

Particulars	2019 - 20	2018 - 19
<u>A. Cash Flow from Operating Activities</u>		
Net Profit before tax	1,867.16	1,495.00
<u>Adjustment for :</u>		
Depreciation & amortization expenses	2,370.13	2,335.67
(Profit) / Loss on sale / discard of fixed assets (net)	0.08	(10.77)
Interest income on deposits from Banks / loans, advances etc. (Gross)	(135.27)	(225.58)
Unspent liabilities / provisions no longer required written back	(142.61)	(356.42)
Expected credit loss	420.00	6.98
Reversal of expected credit loss	-	(12.60)
Impairment of Investments in a joint venture	77.61	-
Interest Income on financial assets carried at amortized cost	-	(363.53)
Loss / (gain) on foreign exchange fluctuations	(281.45)	(135.27)
Gains on buyback of investments	-	(52.30)
Interest expenses	4,137.13	4,178.64
Operating Profit before working capital changes	8,312.78	6,859.82
(Increase) / Decrease in Contract assets	(36.03)	(1,560.60)
(Increase) / Decrease in Trade receivables	(4,149.88)	2,112.89
(Increase) in Other financial assets	579.39	(6.06)
(Increase) / Decrease in other assets	(724.65)	12.42
(Increase) in inventories	(850.74)	(223.14)
Increase / (Decrease) in Contract liabilities	(327.83)	(2,542.64)
Increase in trade payables	3,391.07	2,093.69
Increase / (Decrease) in financial liabilities	793.42	(13.15)
(Decrease) in other liabilities (including deferred tax liabilities)	(133.73)	489.55
Increase in provisions	86.70	77.33
Cash Generated from operations	6,940.50	7,300.11
Taxes paid (net of tax refund)	(464.32)	(1,107.83)
Net Cash flow from Operating Activities (A)	6,476.18	6,192.28
<u>B. Cash Flow from Investing Activities</u>		
Loans given to bodies corporate and employees	-	(2.41)
Refund of loans given to bodies corporate and employees	0.19	27.57
Purchase of property, plant and equipments and intangible assets (including capital work in progress)	(1,520.12)	(1,202.38)
Proceeds from sale of property, plant and equipments and intangible assets (including capital work in progress)	38.00	18.69
Investments in joint venture	-	189.27
Interest received	90.63	280.86
Investment in margin money deposits	(697.57)	(757.65)
Proceeds from maturity of margin money deposits	841.13	667.13
Net Cash used in Investing Activities (B)	(1,247.74)	(778.92)
<u>C. Cash Flow from Financing Activities</u>		
Long term borrowings received	1,153.80	1,729.17
Long term borrowings repaid	(1,843.36)	(1,181.36)
Proceeds from (repayment of) of cash credit (net)	(8,165.54)	3,059.43
Proceeds from short term borrowings	9,397.69	3,539.97
Repayment of short term borrowings	(2,207.28)	(7,388.16)
Dividend paid	-	(581.40)
Dividend paid by a subsidiary	-	(105.94)
Interest paid	(3,948.67)	(4,157.18)
Net Cash used in Financing Activities (C)	(5,613.36)	(5,085.47)
Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)	(384.92)	327.89
Effect of foreign currency translation	-	0.22
Cash and cash equivalents - Opening Balance	561.68	233.57
Cash and cash equivalents - Closing Balance	176.76	561.68
Notes:		
Cash and cash equivalents:		
Balances with banks:		
- On current accounts	142.17	532.21
- On unpaid dividend account*	0.44	0.34
Cash on hand	34.15	29.13
Cash and cash equivalents as at the close of the year	176.76	561.68
* The Group can utilise these balances only towards settlement of the respective unpaid dividend		

