

**March 24, 2020**

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/Madam,

**Sub: Debt Resolution Plan and Signing of Inter-Creditor Agreement (ICA)**

The company has been facing severe liquidity constraints over the last few months due to cash flow mismatches which have resulted in delayed repayments and interest payments to its lending consortium. On an average, GPL's total monthly debt service obligation is in Rs.35 – 40 Crores range and it has been facing one to two months of delay in its contractual monthly debt service obligations. The company encountered the cash flow mismatches mainly due to more than 6 months delay beyond contractual payment terms in several state government projects and prolonged legal proceedings / settlement delays on an increasing number of contractual claims (Arbitration awards / claims under arbitration).

1. GPL has proposed a resolution plan to the lending consortium which essentially involves repaying most of its term debt (1/3<sup>rd</sup> of Gross Debt) in order to drastically reduce its monthly debt service obligations and bring it significantly below normal operating cashflows of the business. Key elements of the plan are:

- a. Repayments through monetization of arbitral awards decided in favour of GPL (counterparty GOI entities) against bank guarantees ("BG") as per the CCEA decision dated 28th Nov 2019 and NHAI Policy guideline dated 6th March 2020. GPL expects a cashflow of up to Rs.406 crores over next 1-3 months.
- b. Monetisation of Claims under process either through a Conciliation & Settlement Mechanism (set-up through MORTH, GOI circular of 18th Dec 2019) or through the normal arbitration process. GPL expects minimum cashflow in Rs.90-100cr range over next 1-3 months.
- c. Reduction of debt by disposing of non-core assets.

2. Following progress has been achieved by the company towards the above mentioned resolution plan:

- a. A key step in the monetization of arbitral awards as per GOI guidelines mentioned above is procuring suitable Bank Guarantees. The company has already received final BG sanction letters worth INR 143.94 crores from IDBI Bank and INR 126.57 crores from Syndicate Bank. Follow-up with counterparty for monetisation has started.



Regd. & Corp. Office :

**Gayatri Projects Limited**, B1, 6-3-1090, TSR Towers  
Raj Bhavan Road, Somajiguda, Hyderabad 500 082. T.S  
CIN: L99999TG1989PLC057289

T +91 40 2331 0330 / 4284 / 4296  
F +91 40 2339 8435

E gplhyd@gayatri.co.in  
www.gayatri.co.in

Continuous Sheet

b. The company has settled 2 out of 3 (AS11, AS27 & AS10 – project) conciliation proceedings. The company has already received INR 44 Crores from settlement of its claim related to AS11 project under Gayatri ECI JV. Further the JV has also successfully settled another claim of INR 42 Crores related to AS27 project. Both these projects were executed by M/s. Gayatri ECI JV. The Company share in the claim is in the ratio 56:44 (Gayatri: ECI). The company is also at an advance stage of discussion with NHAI pertaining to its settlement of claim for the 3rd AS10 project.

As a part of the resolution process, the lending consortium has signed an Inter-Creditor Agreement (ICA) effective March 21, 2020 under "The Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Direction, 2019". The ICA will facilitate a smoother resolution process under the leadership of Bank of Baroda. It will also protect company from any coercive action, therefore ensuring smooth conduct of business.

This is for your information and records.

Yours faithfully

**Gayatri Projects Limited**

*Chetan Kumar Sharma*

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

