

**17<sup>th</sup> March, 2018**

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

**Sub: Intimation with regard to Company's Liquidity and Debt position, pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Reg.,**

We would like to inform you that the Company's liquidity and debt position is as follows:

1. Company's liquidity and debt position is stretched during the current year due to:
  - a. Strong growth in business – 52% YoY revenue growth during the first 9 months of the year
  - b. Debt repayment obligations relating to large investments made in the past relating to power and road assets which have not yielded returns as yet.
2. In the last 3 years company has taken several steps to move to an asset light model, including:
  - a. Focusing on pure EPC orders in the core construction services business – completely eschewing any BOT or Hybrid-Annuity (HAM) orders both of which tend to be capital intensive
  - b. Converted potential further cash investments in power assets (which would have been funded by more debt) into an option-based structure which substantially protected GPL's upside from Power Assets.
  - c. Decided to completely avoid taking up any new Road BOT projects in Gayatri Projects Limited (GPL) fold and to demerge the existing 7 Road BOT assets into a new listed company with separate shareholding structure.
3. As large debt repayment obligations came up during the current year, the company has engaged with banks:
  - a. Completely up-to-date with all repayment obligations till June 2017 and regularized most of the accounts till September, 2017
  - b. Agreed on a standstill from 14<sup>th</sup> October on approximately half the debt obligations of the company – significantly easing the liquidity position
  - c. RBI's 12<sup>th</sup> February announcement regarding the revised stressed asset resolution framework invalidated the erstwhile resolution scheme. Consequently, the repayment standstill from 14<sup>th</sup> October became infructuous and we ended up with delayed payments to the banks.

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





4. Company's Gross debt outstanding has reduced by Rs.40cr during the first 11 month of the year despite sharp growth in business and delayed repayments:
  - a. Gross debt outstanding as of 28<sup>th</sup> February, 2018 stood at Rs.2,028 Crores versus Rs.2,069 Crores outstanding as of 31<sup>st</sup> March 2017.
  - b. This is despite more than 50% YoY growth in revenue.
  - c. Company's D/E ratio will improve substantially during the current year due to lower Gross Debt position and increase in Net Worth due to capital raise and profit generated by the business.
5. Equity raising from Qualified Institutional Placement to take care of delayed payments to the banking system:
  - a. The company has raised Rs.200 Crores equity from the Institutional Investors through a QIP during the current month.
  - b. All the money raised through the QIP (net of costs) will be used to repay the banks over the next 3-4 days.
  - c. The company expects to be regular in payments to the banking system by the end of next week.
6. In the meanwhile, credit rating agency CARE has downgraded company's rating to D.
  - a. The details of the rating downgrade are attached at the bottom of this announcement
  - b. The rating downgrade is due to delay in payments to the banks.
  - c. The company expects to be regular in all its payments to the banks by the end of next week.
  - d. We hope that the rating agency will take action to revert us to the original rating after the repayments planned in next week.

This is for your information and dissemination please.

Thanking you,  
Yours truly,

**For GAYATRI PROJECTS LIMITED**

  
(CS I.V. LAKSHMI)  
Company Secretary and Compliance Officer  
Membership No.17607.



**CREDIT RATING**

<b>Facilities</b>	<b>Amount (Rs. Crore)</b>	<b>Rating</b>	<b>Rating Action</b>
Long-term Bank Facilities	2138.03	<b>CARE D (Single D)</b>	<b>Revised from CARE BB-; Negative (Double B Minus; Outlook: Negative)</b>
Long-term/Short-term Bank Facilities	4594.03	<b>CARE D/CARE D (Single D / Single D)</b>	<b>Revised from CARE BB-; Negative / CARE A4 (Double B Minus; Outlook: Negative / A Four)</b>
<b>TOTAL</b>	<b>6732.06 (Rupees Six thousand Seven Hundred Thirty Two Crore and Six Lakh only)</b>		

For **GAYATRI PROJECTS LTD.***(I.V. LAKSHMI)*

Company Secretary &amp; Compliance officer