

**March 24, 2020**

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| To<br>The Secretary, Listing Department<br>BSE Limited<br>Phiroze Jeejeebhoy Towers<br>Dalal Street<br>Mumbai - 400 001<br>Maharashtra, India<br>Scrip Code: 532767 | To<br>The Manager, Listing Department<br>National Stock Exchange of India Limited<br>Exchange Plaza, 5th Floor, Plot No. C/1,<br>G Block, Bandra-Kurla Complex, Bandra (E)<br>Mumbai - 400 051<br>Maharashtra, India<br>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.



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