

6th November, 2015

To,
The General Manager,
The Department of Corporate Relationship,
The Bombay Stock Exchange Limited.,
25th Floor, Phiroz Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
(East)

To,
The Listing Department,
National Stock Exchange of India Ltd
5th Floor, Exchange Plaza
Plot No.C/1 , G Block
Bandra Kurla Complex ,Bandra
Mumbai -400 051.

Dear Sir/Madam.

Sub: Clarification on the news appeared in Economic Times Reg.,

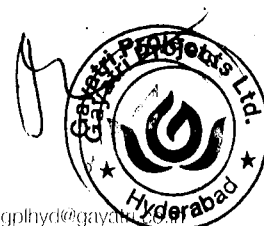
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The Economic Times has reported following news article: " CARE DOWNGRADES RS.4300 CRORE LOAN OF GAYATRI PROJECT TO DEFAULT CATEGORY". The news article refers to a rating downgrade which is based on old financial data. The factual position has significantly changed in last 6 months – the changes include fresh equity infusion into the business, massive improvement in order-book, commissioning of a profitable large power project by a jointly controlled entity and a general improvement in liquidity situation.

We would like to clarify the following with respect to the news:

Though CARE has downgraded the rating from B+ to D, the fact is that CARE has considered the repayment delays **as on the balance sheet date (31st March, 2015) which have subsequently been rectified.** The following material changes have also significantly improved our liquidity position since that date, which have been completely ignored by the rating agency:

1. Equity raising of more than Rs.100.00 cr through preferential allotment to a large FII and to promoters.
2. The company's effective construction order book has increased by Rs.4,000cr, and the company has achieved L1 position in other construction projects. This has resulted in a 75%+ growth in our effective order book in last 6 months.
3. The company's jointly controlled entity has commissioned a 1320MW power plant, which is among the most profitable power plants in the country at this point in time.
4. The company is in advanced discussions for monetizing some assets in its Roads asset holding portfolio.



Continuous Sheet

Separately, the Company has obtained letters from various consortium bankers, including the lead Bank, M/s. Bank of Baroda confirming that company's loan account with respective banks are running with "NO OVER DUES" and the account status is "STANDARD ASSET" – as of the end of latest quarter. We are attaching the letters obtained from the banks to this notice.

The company is contemplating approaching CARE for review of the Rating.

This is for your kind information and dissemination please.

Regards,

Yours truly,

For GAYATRI PROJECTS LIMITED



(CS IV. Lakshmi)

Company Secretary and Compliance Officer

