CIN : L27109TG1989PLC010654

SATHAVAHANA ISPAT LIMITED

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SECTL/1679/2017

DATED: 07/06/2017

To,
The Manager Listing,
National Stock Exchange of India Limited,
Regd.Office: "Exchange Plaza",
Bandra-Kurla Complex,
Bandra (East), MUMBAI – 400 051

Dear Sirs

SUB: INTIMATION UNDER REGULATION 30 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 - ADOPTION OF SCHEME FOR SUSTAINABLE STRUCTURING OF STRESSED ASSETS (S4A) AND REFERENCE DATE BY THE JOINT LENDERS FORUM (JLF)

The Company considering the delay in repayment of term loans including interest thereon and in meeting the obligations of short term borrowings and letters of credit has requested the secured lenders to consider and adopt the "Scheme for Sustainable Structuring of Stressed Assets' (S4A) with respect to the total exposure to the company on the term loans and working capital loans.

The Lenders, having constituted Joint Lenders Forum (JLF), in their meeting held today i.e. 07-Jun-2017 have acceded in-principle to the request of the company for S4A scheme with Reference date today i.e. 07-Jun-2016 which scheme shall be finalised within 180 days from Reference Date in terms of guidelines / directions of Reserve Bank of India (RBI) issued from time to time with respect to S4A scheme.

Under the S4A scheme, the debt exposure of the Company based on Techno Economic Viability study will be bifurcated into two parts –Sustainable and Unsustainable debt. The Sustainable debt amount which shall not be less than 50% of existing debt, shall have to be serviced by the Company on the same terms as that of existing terms and conditions including repayment schedules. The Unsustainable debt portion of the exposure shall be converted in to equity or other instruments as mutually agreed between the Company and the JLF by following the RBI guidelines for the S4A scheme with a clearly spelt out terms. JLF gets 180 days from Reference Date to formulate the resolution plan and implement the same after due internal approvals.

This is positive from the Company's point of view, as the Cash Flows of the Company are expected to ease post implementation of S4A scheme which will eventually facilitate improvement in its operations.

The Company has considered adopting the restructuring scheme of loans for the first time in its history of over two and a half decades.

This may please be relayed to the esteemed members of the exchange.

Thanking you,

Yours faithfully,
For Sathavahana Ispat Limited

(A. Naresh Kumar)
Managing Director

Note : Please address all the correspondence to head office