SATHAVAHANA ISPAT LIMITED

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GENERAL ANNOUNCEMENT – DEBT RESTRUCTURING

SCHEME FOR SUSTAINABLE STRUCTURING OF STRESSED ASSETS (S4A)

Joint Lenders Forum (JLF) at its meeting held today i.e.17-NOV-2017 has reviewed the structuring of Company's debt with the bankers under Scheme for Sustainable Structuring of Stressed Assets (S4A) in the company and after deliberations and considering the lack of adequate cash flows as on reference date i.e.07-Jun-2017 i.e. the cash flows available from the current as well as immediately prospective (not more than six months) level of operations concluded that the S4A scheme cannot be implemented. At the request of the Company the JLF was in-principally agreeable to examine the other options including deep restructuring of the debt. Meanwhile, State Bank of India, one of the consortium member in the loan portfolio, informed the JLF that based on the impracticability in the implementation of S4A scheme it has classified the debt of the company as non-performing asset.

The Company is expecting that the lenders will consider the request for deep restructuring of the debt and arrive at the resolution plan at the earliest. The Company views that the deep restructuring will help in the long run.

(A. Naresh Kumar)
Managing Director

Place: Hyderabad
Date: 17.11.2017