

(A Govt. of India Undertaking)
Specialised Corporate Finance Branch
Ground Floor, The Belvedere, 6-3-891 & 892,
Raj Bhavan Road, Somajiguda, Hyderabad

Lr. No. 1006/GSL/1255

Date: 21.02.2017

To

The Dy. General Manager
State Bank of India
 Industrial Finance Branch, Raj Bhavan Road,
 Somajiguda, Hyderabad – 500 082.
 Ph. No: 040-2340
 9473/23412767/23402143
 Fax: 2340 3862/0795 sa.09103@sbi.co.in

The Asst. General Manager
Bank of Baroda
 Corp Finance Branch,
 3-6-262/6, Tirumala Estates, 3rd floor,
 Himayathnagar, Hyderabad – 500 029.
 Ph. No: 040-2342 1640/1641
 Fax: 040-2342 1642,
indhya@bankofindia.com

To,
 The Asst. General Manager,
Union Bank of India
 Industrial Finance Branch
 Rajbhavan Road,
 Hyderabad – 500 082.
ifbhyd@unionbankofindia.co.in

The Asst General Manager
Punjab National Bank
 R P Road, Secunderabad-500 003
 Ph. No: 040-5596 4 849/2770 2898/5796
 Fax: 2770 0910
Bo0421@pnb.co.in

To,
 The Managing Director,
 M/s Gayatri Sugars Ltd,
 B-2, II Floor, 6-3-1090, TSR Towers,
 Raj Bhavan Road, Somajiguda,
 Hyderabad - 500082

Dear Sir,

Reg: M/s. Gayatri Sugars Ltd – Circulation of JLF meeting minutes held on 1.2.17

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We are here with forwarding the minutes of the consortium meeting held on 01.02.2017 for your perusal and records.

Yours faithfully,



(T Arvind Kumar)
 Chief Manager

CC: to: The General Manager, Circle Office, Hyderabad
 The General Manager, DRMD, Head Office, Hyderabad

Minutes of the JLF meeting of M/s Gayatri Sugars Ltd held on 01.02.2017 at Andhra Bank, Specialized Corporate Finance Branch, Hyderabad

Mr. S.V.S.S Prasad, DGM, Andhra Bank chaired the consortium meeting and welcomed the lenders and Company representatives Mrs. T Saritha Reddy –Managing Director, Mr. V R Prasad, CFO. He briefly explained the main agenda of the meeting after confirmation of the minutes of the previous meeting held on 01.12.2016

DGM, AB has presented the agenda of the meeting as follows:

1. Security creation on the NCD's.
2. Status of security perfection on Nizam Sagar Unit.
3. Status of BIFR.
4. Performance of the unit.

Security creation on the NCD's and Status of security perfection on Nizam Sagar Unit: As the matter was discussed in the previous meetings, that the NCDs were proposed to be issued with the following terms:

Terms of NCD's to be issued:

1	Name of the Instrument	Secured, unlisted, Non-convertible Debentures (NCDs)
2	Amount	Equal to Outstanding ROR as on 31/3/2015 i.e. Rs. 695.05 lakhs
3	Coupon Rate	4% p.a. (payable along with redemption)
4	Redemption	Redeemable at face value in un-equal installments at the rate of 30%, 30% & 40% respectively at the end of 4 th , 5 th & 6 th year respectively from the date of issue i.e. from July 2016.
5	Face Value	Rs.10/-
6	Early Redemption Option	Company has the option to redeem earlier than the redemption date by giving 30 days' notice.
7	Security	Extension of First pari-passu charge on all the fixed assets of the company, as per the requirement of the compliance of Companies Act 2013.

Due dates were decided based on the date of issuance that if NCD's were issued by June 2016 then due dates will fall in 4th, 5th, 6th years from July 2016. However, the process of issuance of NCD's has not completed. The company has in the several meetings confirmed that they shall be completing the issuance process by Sep 2016 and the same could not materialized on account of pending issue of security creation on Nizam Sagar unit. Security perfection on Nizam Sagar Unit was discussed in the lead bank appraisal.



Since, obtaining No-objection from SDF is a time taking process, the company has requested all the consortium member Banks to accept the extending of First Pari-passu Charge on the Fixed Assets of the Company except Nizam Sagar Unit to enable the company for issuance of NCDs and to come out of CDR. Bankers have opined that if SDF is not issuing the NOC then banks can create sub-servant charge on Nizam Sagar Unit. All the banks have in-principally agreed for the same. However, informed that subject to approval from their sanctioning authority.

Status of BIFR:

BIFR posted the hearing date on 27th December, 2016 for submission of Draft Rehabilitation Scheme (DRS) and appointed IDBI bank as Monitoring Institute. The company has appointed M/s. Dhir & Dhir Associates, as advisers for preparation of DRS.

In the mean time, the Ministry of Finance, Govt. of India, vide a notification dated 25th November 2016, has repealed the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) with effect from 1 December, 2016. The Sick Industrial Companies (Special Provisions) Repeal Act, 2003 was enacted which gave the Central Government the power to repeal SICA, and dissolve the BIFR.

Following the repeal of SICA, all cases under the BIFR and the AAIFR stand abated and fresh cases must be filed with the National Company Law Tribunal. Therefore, the company's BIFR case stands cancelled presently.

Performance of the unit:

The company's MD has explained about the present crushing season of units as follows:

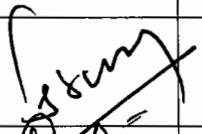
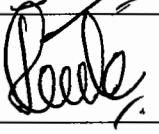
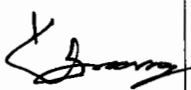
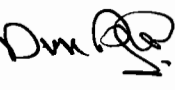


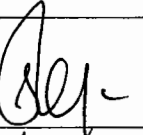
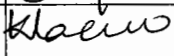
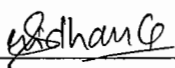

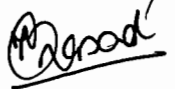

The crushing has commenced from 06.12.2016 instead of October. During the present season the crushing has fallen down due to draught conditions prevailed in the area i.e. crushing was done at 2.50 lakhs. Due to good rain fall in the present year, the MD has informed that the next year crushing season is expected at 7.25 lakhs. With regard to overdue position in loan accounts, banks have advised the company to make the payment. The company has informed that they shall be clearing the dues shortly to keep the account out of SMA2.

The meeting concluded with vote of thanks to Chair. Mr. S.V.S.S. Prasad on behalf of the consortium conveyed thanks to Mrs. T Saritha Reddy and to all other representatives of the banks for having attended the meeting.

List of the participants is enclosed.



Attendance Sheet dated: 01.02.2017

Name of the Bank	Officer Attending/Designation	Signature	Phone Number	Email id
Andhra Bank	Mr. SVSS Prasad DGM		040-23421174	bm1006@andhrabank.co.in
	Mrs. M Renuka SR. Manager		040-23421177	bm1006@andhrabank.co.in
Bank of Baroda	K. Sridhar		8106586395	indhyd@bankofbaroda.com
	D.V.K. DIXITULU		773856120	do
Union Bank of India	P. Rahul		8008705842	IPB hyderabad@unionbankofindia.co.in
Punjab National Bank	B.N. Meethy Chief Manager		7702224616	600421@pnb.co.in
State Bank of India	BRAJAN DGM		7330611190	b.rejan@sbi.co.in
	K. LAKSHMI		970404455	kotturi.lakshmi@sbi.co.in
	G. SRIDHAR		8008877119	sridhar.gumma@sbi.co.in
M/s Gayatri Sugars Ltd	Sante Reddy		9869033299	sasitarreddy71@yahoo.co.in
	VR Prasad		9908437774	vr.prasad@gmail.com
	S. Murali Krishna		970111188	murali@gayatri.co.in