



Lakshmi
Energy and Foods Limited
Formerly Lakshmi Overseas Industries Limited

Corporate / Admin Office & Works :
Chandigarh-Ludhiana National Highway, Khamanon-141801, Punjab. India
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E-mail : corporate@lakshmigroup.in
CIN No.: L00000CH1990PLC010573

July 10, 2017

To

Listing Department National Stock Exchange of India Ltd Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai-400051 NSE Symbol: LAKSHMIEFL	Department of Corporate Services BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 BSE Code: 519570
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Sub: Scheme for S4A (Sustainable Structuring of Stressed Assets) under the RBI guidelines

Dear Sir,

The Joint Lender's Forum meeting of the company has agreed to consider the account of company under S4A (Scheme for Sustainable Structuring of Stressed Assets) under the RBI guidelines with reference date 21 June 2017.

Further, we also enclose herewith a copy of press release that is being issued by the company in connection with the above.

We request you take the note of the same.

Thanking You,

Yours truly,

For **Lakshmi Energy and Foods Limited**


Company Secretary



Press Release

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RBI's S4A route for the company

The company is in receipt of communication dated 6 July 2017 from Lead Bank – Punjab National Bank wide which minutes of the Joint Lender's Forum (JLF) meeting held on 21 June 2017 has been provided to the company and wherein it has been stated that JLF has agreed to implement S4A (Scheme for Sustainable Structuring of Stressed Assets) under the RBI guidelines with reference date 21 June 2017.

Decision of Joint Lender's Forum to consider the account of Company under S4A scheme of RBI speaks about the confidence of the lender's in the ability of Management to run the company profitably. Management of Company extend thanks to the lenders for reposing the confidence in the Management of Company.

Under S4A scheme of RBI, the debt of the company will be bifurcated into two parts – sustainable debt, which cannot be less than 50% of existing debt and will have to be serviced. The other unsustainable part of the loan can either be converted into long term (15-20 years) Optionally Convertible Debentures/Redeemable Optionally Convertible Preference Shares/Equity, with clearly spelt out terms. Lenders get 180 days from 'Reference Date' to formulate the resolution plan and implement the same, along with necessary internal approvals.

We feel that it is a positive move from the lenders and resolution will surely support towards sustained long term solution and growth for the company as it will result in the reduction of at least 50% cost of debt servicing.

On account of prevailing recessionary conditions worldwide, the Company's operations have also come under stress on account of Reduction in the market prices of Paddy and Rice. There has been sharp fall in the market prices of basmati paddy as well as rice in the last 2 years. The fall in prices is mainly attributed to higher production of basmati coupled with tepid international demand particularly due to import restrictions by countries like Iran. Reduction in market price of paddy and rice led to substantial fall in the valuation of Inventory and operations and profitability of the company.

Implementation of S4A scheme of RBI will have a positive impact on all the stake holders.