

Minutes of Consortium Meeting of Surat Hazira NH-6 Tollway Pvt Ltd (SHNTPL) held on 28.06.2022 via Webex virtual meeting

Sh AD Saha, DGM Sastra, Punjab National Bank - Lead Bank in SHNTPL Consortium welcomed the officials of the Member Banks, Company and LIE Representatives. The meeting was attended through Video Conference (Webex Meet). The roll call is as under:

SI No	Name of Bank/Fl	Name of participant
1	Punjab National Bank	Mr AD Saha, DGM
2	Punjab National Bank	Mr K Sree Rama Krishna, AGM
3	Punjab National Bank	Mr M Balaji Sr. Manager
4	ARCIL	Mr Jigar Dalal
5	State Bank of India	Mr Adesh Kumar Gupta Mr Koshore Ms Mitali D
6	UCO Bank	Mr Lokesh Kumar, AGM Mr Balu, Ch Manager
8	Surat Hazira NH-6 Tollway Pvt Ltd	Mr Vivek Sood Mr Varun Singh
9	Halcrow, LIE	Mr Jay Kumar Prasad

The following are the Minutes of the said Meeting:-

Agenda Item 1: Confirmation of Minutes of the last Consortium Meeting held on 25.03.2022:

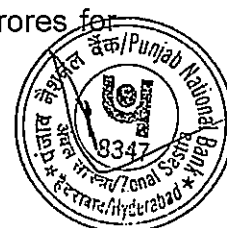
Lead Bank sought confirmation of Minutes of the previous Meeting held on 25.03.2022. The same were adopted after confirmation by member lenders.

Agenda Item 2: Discussion on performance of Company from 01.04.2021 to 28.06.2022:

DGM, Lead Bank requested the Company representatives to inform the performance of Company. Mr Vivek Sood presented the performance of company through slide show for the period 01.04.2021 to 31.03.2022 and FY 2023 2 months. Brief details as under: (Rs in Crores)

Particulars	Projection as per RP 31.03.2022	Actual as on 31.03.2022	FY 2023 (2M)
Revenue from operations	267.61	185.28	38.42
PBT	(107.07)	(63.85)	-
Finance exp	97.46	88.66	-
MM exp	40.61	45.30	-

Lead Bank informed that they have released Rs 22.29 Crores (NHAI Grant money) and Rs 40.00 Crores from toll collections i.e., total amount of Rs 62.29 Crores for critical maintenance of Road project.



For the query raised by DGM, Lead Bank, Mr Jay Kumar Prasad, LIE informed that that the major maintenance works at site completed as estimated. He further confirmed that amount released by Lead Bank towards Maintenance expenses were utilized effectively and condition of road is in good condition. Lenders were shown few slides of road condition after repairs and all lenders noticed that the road is in good condition.

Mr Sood further requested the lenders not to appropriate funds from escrow account and allow the funds to be accumulated for overlay work to be carried out from post monsoon period (Nov/Dec,2022) onwards to keep the road traffic worthy and safeguard from adverse action of NHAI in long term.

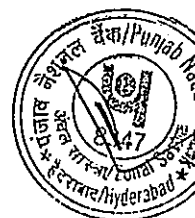
At this point DGM Lead Bank requested LIE regarding approximate amount required for overlay work of road project for which LIE informed that an amount of Rs 1.00 Crore appx per KM is required and work may continue for a period of 6 to 8 months preferably from Nov/Dec, 2022. After deliberations, lenders in principally agreed to set aside required amount for overlay of road project in a phased manner to maintain the asset in good condition for better recovery. The required amount to be build up through toll collections over a period of time. Mr Sood expressed thanks for the cooperation being extended by lenders for towards repairs of the road project.

Representative of Lead Bank also raised the issue of monthly operating expenditure which appears to be on higher side and proposed for appointment of ASM for which company agreed review the entire operating expenses and make a presentation in the next JLM. As such appointment of ASM deferred for time being and shall taken up in next JLM.

Furthr, Mr Sood informed that in March 2021, Arbitration Tribunal has awarded extension in Concession Period by 959 days. However, both NHAI and Company have challenged the award in Hon'ble Delhi High Court. Last hearing was held on 25th May 2022. Next hearing on this matter is scheduled on 12th July 2022.

Agenda Item 3: Discussion on appropriation of funds in Escrow Account:

DGM Lead Bank informed that balance available in Escrow Account/Collections accounts as on 27.06.2022 is Rs 42.79 Crs. Lead Bank proposed to appropriate Rs 38.00 Crores towards lenders dues and leave Rs 5.00 Crores to meet overhead and maintenance expenses. At this juncture, ARCIL expressed view that entire Escrow balance can be retained to meet proposed overlay expenses of Road Project. DGM Lead Bank suggested that the said expenses can be accumulated over a period time since overlay work could commence only after monsoon, tentatively from Nov/Dec,2022. Consortium lenders including ARCIL agreed for the said arrangement and gave consent for appropriation of Escrow balance for Rs 38.00



Crores towards repayment of lenders dues.

Lead Bank requested representatives of Company and LIE to leave the forum enabling the lenders to discuss the way forward in the account and accordingly they left the forum.

Agenda Item 4:- Discussion on way forward of Account:

Lead Bank recalled the attention of lenders that the performance of Company is not satisfactory as per Restructure Plan of 2018 and loan installments are not coming as envisaged. He opined that second restructure plan may be difficult since Company may not get RP4 rating from external rating agencies due to its continuous losses since 2019. Alternatively, it is suggested to put the Loan account for sale through ARC mode. Further, DGM Lead Bank informed lenders that PNB submitted its proposal for sale of asset through ARC mode to their competent authority. SBI and UCO Bank requested to share calculations of Reserve Price to enable them to take up the matter with their appropriate authority.

SBI and UCO Bank suggested that an offer from ARC to the consortium could lead to better negotiation. DGM Lead Bank agreed to this point and requested other lenders to utilize their network for better ARC offer.

Agenda Item 5: Discussion on Unit visit by lenders:

Consortium decided to make a site visit to Road Project during last week of July'2022.

Agenda Item 6: Other matters:

Mr K Sree Ramakrishna, AGM Lead Bank suggested appointment of ASM to monitor expenses of Road Project. Lenders decided to take up this matter at the time of unit visit.

Mr K Sree Ramakrishna, AGM Lead Bank informed to lenders that IIFCL is getting additional recovery from company due to their allocation of unsustainable debt portion as interest bearing NCDs as against CRPSs by rest of lenders. At this point, ARCIL (debt acquired from IIFCL) remarked that their NCDs portion is getting minimal interest rate of Rs 1.35 lacs per annum and they are agreeable to adjust the same to the consortium. Lenders requested ARCIL to provide details of interest recovery on NCDs for making adjustment in future remittance.

Since no other matter for discussion the Consortium meeting concluded with a vote of thanks to all the participants.

