



Response to your article "Lenders Call Expression of Interest - With no Buyers for Jyoti Structures, Banks to sell Assets" published in The Economic Times on 5th April, 2016

Manoj K. Mathur to: Saloni Shukla

06-04-2016 18:30

Cc: "SBI CAG", "Bombay Stock Exchange Limited", "National Stock Exchange of India Ltd"

Dear Ms. Saloni Shukla,

We have for reference your article "**Lenders Call Expression of Interest – With no Buyers for Jyoti Structures, Banks to sell Assets**" published in The Economic Times on 5th April, 2016.

It is observed that contents of the article do not reflect the correct position with specific reference to 'banks having acquired Jyoti Structures... with no buyer now getting ready to sell off its assets piecemeal'

You will agree that it is in the interest of trade and the investor to report factual state of affairs narrated herein:

Jyoti Structures Limited is an EPC contracting Company in Power Transmission and Distribution Networks in India and abroad. Jyoti undertakes turnkey projects offering a complete range of services in design, engineering, procurement, tower testing, manufacturing, construction and project management.

On 11th August, 2015 lenders to the Company invoked SDR process as per RBI circular of June 2015.

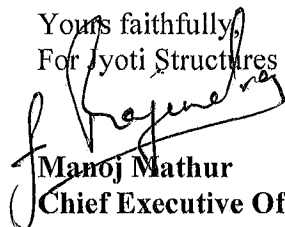
Subsequently, the lenders with super majority decided not to convert their debt into equity and call for expression of interest from investors (outside SDR) willing to take majority stake in the Company.

We have been informed by State Bank of India, the lead bank that they have received expression of interest from two investors and that the Joint Lenders Forum will soon meet to take the process forward

Requesting you to make necessary corrections in your publication immediately.

Thanking you,

Yours faithfully,
For Jyoti Structures Limited


Manoj Mathur
Chief Executive Officer

1) Ms. Saloni Shukla
Special Correspondent
The Economic Times
Mumbai

2) State Bank of India,
Corporate Accounts Group
Mumbai

3) Bombay Stock Exchange Limited

4) National Stock Exchange of India Ltd) For your information, in response
to article published in ET



With no buyer for Jyoti Structures, banks to sell assets - The Economic Times.pdf

With no buyer for Jyoti Structures, banks to sell assets

By [Saloni Shukla](#), ET Bureau | 5 Apr, 2016, 01.10AM IST

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MUMBAI: Banks that had acquired debt-laden [Jyoti Structures](#) under [debt restructuring rules](#), are now getting ready to sell off its [assets](#) piecemeal, two people familiar with the matter said. After several attempts to sell controlling stake in the heavy electrical equipment maker failed, the lenders have called expression of interest (EoI) from interested parties, the persons cited earlier said.

Jyoti Structures has defaulted on [loans](#) of more than Rs 2,000 crore. In August last year, the consortium of banks, led by [State Bank of India](#), had taken operational control of the Mumbai-based company by invoking strategic debt restructuring norms after it firm failed to clear its dues. They however, failed to attract buyers for equity in the company.

"Direct independent discussions are not working out in this case, so we have sought expression of interest by interested parties," a senior executive of one of the lending banks said on the condition of anonymity.

In an email response to ET's query, a spokesperson for Jyoti Structures said, "Joint Lender Forum invited expression of interest in terms of extant RBI guidelines. We understand that they have received expression of interest. "



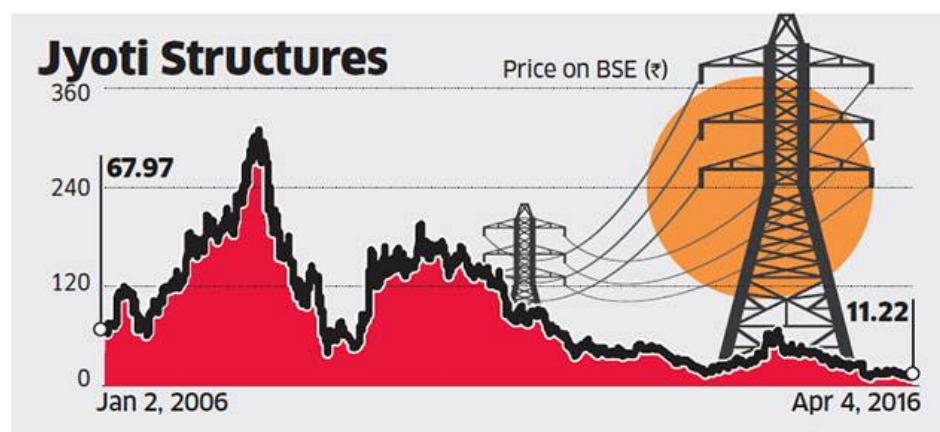
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An EoI is not a binding agreement, hence lenders do not necessarily have to auction the controlling stake to those who have shown interest. Banks can also approach a suitable buyer and request a bid.

Companies where lenders have sought EoI include Electrosteel Steels, Adhunik Power and Natural Resources Ltd and Gammon India.

Lenders are hopeful of selling the company as it has a healthy order book. "The company has

an order book of Rs 4,610 crore. Internal estimates show that these would start generating revenues of Rs 1,300 crore per year in the next three to four years," another banker said.

The company also operates manufacturing plants in Nashik, Raipur and Dubai, with a combined capacity of 215,000MT of transmission line towers. It also has an in-house tower testing facility at Igatpuri.

"We are hopeful that domestic and foreign buyers will be interested in buying these assets," the people cited earlier said.

"In SDR, there is always a possibility of a promoter bringing his own investor that is being eliminated with EoIs," they said.

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