



JYOTI STRUCTURES LIMITED

Registered & Corporate Office:

Valecha Chambers, 6th Floor, New Link Road
Oshiwara, Andheri (West), Mumbai – 400 053
Corporate Identity No.: L45200MH1974PLC017494
Tel.: (91-22) 4091 5000 Fax : (91-22) 40915014 / 15
E-mail: contact@jisl.in Web site : www.jisl.in

Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, C-1, Block G,
BKC, Bandra (East), Mumbai – 400 051

Department of Corporate Services
Bombay Stock Exchange Limited
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001

Ref : Scrip ID JYOTISTRUC

Ref : Scrip Code 513250

29th August, 2017

Dear Sir

Sub: Outcome of IRP Board Meeting

This is to inform you that a meeting of IRP Board of Jyoti Structures Limited was held this morning, i.e. Tuesday, the 29th August, 2017 at the registered office of the Company inter-alia, to consider unaudited financial results for the quarter ended 30th June, 2017.

In the aforesaid meeting, the IRP Board

- approved unaudited financial results of the Company for the quarter ended 30th June, 2017, a copy of which is enclosed along with Limited Review Report of the Auditors;
- Considered extension of 3 months for the 42nd Annual General Meeting required to be held for the F.Y 2016-2017

You are requested to take the same on record and acknowledge the receipt.

Thanking You,

Yours faithfully,

For Jyoti Structures Limited


Company Secretary



Encl. as above

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UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2017

(₹ in Lacs)

Sr. No	Particulars	For Quarter Ended			Year Ended
		30/06/2017	31/03/2017	30/06/2016	31/03/2017
		Unaudited	Audited	Unaudited	Audited
I)	Revenue from operations	14,574	20,804	22,897	85,590
II)	Other income	330	321	659	1,939
III)	Total income (I+II)	14,904	21,125	23,556	87,529
IV)	Expenses				
a)	Cost of materials consumed	4,006	11,932	12,031	46,716
b)	Change in inventories of finished goods, work-in-progress and stock-in-trade	3,285	4,952	(421)	8,725
c)	Excise duty paid	120	36	241	624
d)	Erection and sub-contracting expenses	4,754	10,042	7,279	31,121
e)	Employee benefit expenses	2,346	2,636	2,662	10,407
f)	Finance cost	21,565	27,267	18,042	84,208
g)	Depreciation and amortisation expense	1,009	1,551	1,318	5,079
h)	Other expenses	14,236	35,752	2,306	48,926
	Total expenses (IV)	51,321	94,168	43,458	2,35,806
V)	Loss before tax (III - IV)	(36,417)	(73,043)	(19,902)	(1,48,277)
VI)	Tax expense				
	Current tax	-	-	-	-
	Deferred tax	-	(4)	-	(4)
	(Excess)/Short Provision of Taxes for earlier year	-	371	-	371
VII)	Loss for the period from continuing operations (V - VI)	(36,417)	(73,410)	(19,902)	(1,48,644)
VIII)	Other comprehensive income (net of tax)				
	A. Items that will not be reclassified to profit or loss	131	(171)	70	(31)
	B. Items that will be reclassified to profit or loss	14	(274)	183	(242)
	Other comprehensive income (VIII)	(117)	(103)	113	(211)
IX)	Total comprehensive income for the period (VII + VIII)	(36,534)	(73,513)	(19,789)	(1,48,855)
X)	Paid-up equity share capital (Face value ₹ 2 each)	2,191	2,191	2,191	2,191
XI)	Other equity				(1,40,572)
XII)	Earning per equity share for continuing operations				
	- Basic ₹	(33.25)	(67.02)	(18.17)	(135.72)
	- Diluted ₹	(33.25)	(67.02)	(18.17)	(135.72)
XIII)	Paid-up Debt Capital				4,972
XIV)	Debenture Redemption Reserve				1,244
XV)	Debt Equity Ratio				(1.49)
XVI)	Debt Service Coverage Ratio				(0.72)
XVII)	Interest Service Coverage Ratio				(0.74)

Sr. No	Notes
1)	The above results have been approved by the Insolvency Resolution Professional at their meetings held on 29th Aug, 2017. The Statutory Auditors of the Company have carried out a Limited Review of the results for the quarter ended 30th June, 2017.
2)	To the extent that the provisional quarterly results for quarter ending June 30, 2017 reflect the financial position, results of operations or cash flows of JSL prior to the period the IRP took over the management of JSL, the RP has relied upon and assumes the accuracy/ veracity of data set out in the financial statements, which the RP assumes are in conformity with generally accepted accounting standards, the Companies Act, Accounting Standards and the related rules and regulations, and present a true and fair view of the assets and liabilities, profit and loss and cash flows of the JSL and the group, as of the dates and for the periods indicated therein. The RP further assumes that the descriptions under the financial statements do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. It is further clarified that the RP has not conducted any examination or review and therefore, the RP is in no position to necessarily reveal matters of significance. Accordingly, the RP is not making any representations regarding the sufficiency of the required procedures for your purposes. In the Board meeting held today, 29th Aug 2017, RP placed a brief note on observations and clarifications sought for further comments. This shall form the part of Board minutes.
3)	The application for initiation of Corporate Insolvency Resolution Process ('CIRP') u/s 7 of the Insolvency and Bankruptcy Code, 2016 filed by State Bank of India, a financial creditor, has been admitted by the Hon'ble National Company Law Tribunal, Mumbai vide Order No. CP/1137/I&BP/NCLT/MAH/2017 dated 04 th July, 2017, ordering commencement of CIRP.
4)	The Company adopted Indian Accounting Standards ('Ind AS') from 1st April, 2016 and accordingly this financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34. "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued there under and other accounting principles generally accepted in India.
5)	The Company is in the business of execution of projects related to power transmission and as such there are no separate reportable operating segments as defined by Ind AS 108 - "Operating Segments".
6)	Cost of material consumed includes Bought-out materials purchased for supplies to customers under the contracts.
7)	Finance cost includes interest payable based on restructuring agreement with lenders.
8)	Previous period figures have been re-arranged, re-grouped, re-calculated and re-classified, wherever necessary.
9)	Formula used for calculation of ratios is as under
i)	Debt Equity Ratio = Term Loan and Debentures / Equity
ii)	Debt Service Coverage Ratio = Profit before depreciation, Interest and Tax / (Interest Expense + Principal repayment of Term Loan & Debenture)
iii)	Interest Service Coverage Ratio = Profit before depreciation, Interest and Tax / Interest Expense

Vandana Garg
Insolvency Professional
Restructuring Advisory LLP
For Jyoti Structures Limited
Vandana Garg
Insolvency Resolution Professional
Red. No: IBB/IPA-001/PA-P00025/2016-2017/10058
Registration No: IBB/IPA-001/IP-P00025/2016-2017/10058

INDEPENDENT AUDITORS' REVIEW REPORT

To,
The Insolvency Resolution Professional of Jyoti Structures Limited,
IP Registration No: IBBI/IPA-001/IP-P00025/2016-2017/10058

We have reviewed the accompanying statement of unaudited financial results of **Jyoti Structures Limited** ('the Company') for the quarter ended 30th June, 2017 ('the Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by circular no. CIR/CFD/FAC/62/2016 dated 5th July, 2016.

The application for initiation of Corporate Insolvency Resolution Process ('CIRP') u/s 7 of the Insolvency and Bankruptcy Code, 2016 filed by State Bank of India, a financial creditor, has been admitted by the Hon'ble National Company Law Tribunal, Mumbai vide Order No. CP/1137/I&BP/NCLT/MAH/2017 dated 04th July, 2017, ordering commencement of CIRP. Accordingly, this statement is the responsibility of the Company's Insolvency Resolution Professional ('IRP') and has been approved by them.

This statement has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, except for the points mentioned in the paragraph on 'Basis of Disclaimer conclusion', nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the aforesaid Indian Accounting Standards and other recognised accounting practices and policies recognised in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by circular no. CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Basis of Disclaimer Conclusion:

- (a) No provision is made for performance guarantees given by the Company and encashed by customers amounting to Rs. 2,664.92 lakhs. We are informed that the Company will be initiating arbitration in respect of encashment of these guarantees and it is hopeful of recovering this money from the customers. We are unable to comment on the recoverability of this amount and the corresponding impact on 'Total Comprehensive Income' for the period and on Retained Earnings.
- (b) Upto 30th June, 2017, the Company has not provided a part of the interest on the outstanding loans as claimed by certain banks amounting to cumulative Rs. 10,494.28 lakhs, since the erstwhile management is of the opinion that the banks have charged excessive interest and the excess interest will be waived by the banks. We are unable to comment on the impact of the same on 'Total Comprehensive Income' for the period and on Retained Earnings.
- (c) As on 30th June, 2017, the Company has advanced loan of Rs. 6,566.99 lakhs to a subsidiary company namely Jyoti International Inc. ('JII') and other outstanding amounts from it are Rs. 1,177.16 lakhs. The financial statements of that Company as on 31st March, 2017 are not made available to us. As per the last audited financial statements made available for the year ended on 31st March, 2016, the net worth of that Company is fully eroded. No provision is made for the outstanding amounts as on 30th June, 2017. In the light of the uncertain financial position of that Company, we are unable to comment on the ultimate recoverability of the same.
- (d) As on 30th June, 2017, the Company has advanced loan of Rs. 803.24 lakhs to one of its step-down subsidiary Company namely Jyoti Americas LLC and other outstanding amounts from it are Rs. 5,621.32 lakhs. Due to the losses incurred, the net worth of the concerned step-down subsidiary is fully eroded as on 31st March, 2016. However, no provision for the loan or the other outstanding amounts is made as on 30th June, 2017. In the light of the uncertain financial position of that Company, we are unable to comment on the ultimate recoverability of the same.
- (e) The Company has made investment of Rs. 419/- in the equity shares of its subsidiary Company, namely Jyoti Structures Africa (Pty) limited (JSAPL). As on 30th June, 2017, the Company has also advanced loan of Rs. 3,133.95 lakhs to JSAPL and the outstanding credit to that Company is Rs. 3,530.79 lakhs. Due to the losses incurred, the net worth of that Company is fully eroded on that date. With the infusion of new orders in the group company, Jyoti Structures Africa (Pty) Ltd. (JSAL) the company has earned a profit during the year ended 31st March, 2017. No provision for diminution in the value of the said investment or other outstanding amounts is made as on 30th June, 2017 as the erstwhile management is optimistic of turning around the business of that Company. We are unable to comment on the ultimate recoverability of the same.
- (f) For the quarter ended 30th June, 2017, the Company has incurred losses of Rs. 36,534.02 lakhs and as on 30th June, 2017 has a negative net worth of Rs. 1,74,920.43 lakhs. Further, the Company's current liabilities exceed its current assets by Rs. 2,13,232.51 lakhs. On account of its operational and financial position, the Company has delayed payments to various parties and dues to statutory authorities and interest on such delays is not determined. Further, as mentioned above, the CIRP has commenced on 4th July, 2017.

Due to the above circumstances, we are unable to comment on the ability of the Company to continue as a going concern.



- (g) The Company has in the past given corporate guarantees of Rs. 48,877.11 lakhs (USD 7,55,00,000) for a subsidiary Company, namely Jyoti International Inc., and a step-down subsidiary Company, namely Jyoti America LLC, for loans taken from the lenders by the respective companies. The normal business operations of the said companies have been discontinued. The liability of these corporate guarantees, if invoked by lenders, has not been ascertained and the same is not provided for.
- (h) The amounts of Trade Payables and Trade Receivables are as per the books of accounts of the Company. In absence of confirmations of these balances as on 30th June, 2017, we are unable to comment upon the correctness of the amounts appearing in the books of accounts.
- (i) The Company is facing a financial crunch, which has resulted into delays in implementing contracted projects. Upto 30th June, 2017, the Company has made a total provision of Rs. 1,600 lakhs for any liability that may arise from delay in execution of these projects, which in the view of the erstwhile management would be adequate. In the absence of any independent evaluation of the progress of these projects and delays, if any, we are unable to comment on the adequacy of the provision.

Without qualifying our conclusion, we draw attention to the following point:

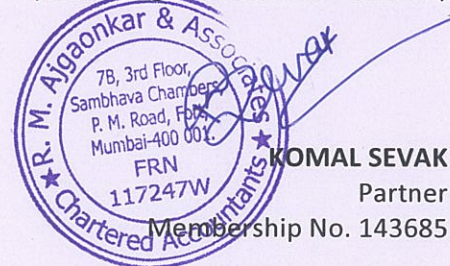
In August 2013, Jyoti International Inc., a subsidiary company, has issued subordinated debt of USD 1,30,00,000 and preferred stock Series A of USD 1,00,00,000. In April 2014, the Company issued additional 47 shares of Series A preferred stock, at USD 4,00,000 per share, for additional gross proceeds of USD 1,88,00,000. Cumulative dividend accrues on these preferred stocks of Series A, on a daily basis at the rate of 0.01% per year on the original purchase price, per share.

The said subsidiary company has a contingent liability of USD 3,47,00,000 for above mentioned preferred stock variable return along with its accretion of USD 1,14,53,076 for the year ended 31st March, 2016.

As per preferred stock agreement, that Company and Jyoti Structures Limited, the parent company, planned to settle the variable return due on 28th August, 2016 through the issuance of common stock of Jyoti Structures Limited. However, the parties have not exercised the right, hence the same has not been recorded by the Company.

All the observations stated in our Audit Report of the Company for the year ended 31st March, 2017, have been included in this review report.

For **R. M. AJGAONKAR & ASSOCIATES**
Chartered Accountants
(Firm's Registration No. 117247W)



KOMAL SEVAK
Partner
Membership No. 143685

Place: Mumbai
Date: 29th August, 2017