

July 13, 2010

**CARE ASSIGNS 'CARE A-' RATING TO THE PROPOSED NCD ISSUE OF JYOTI STRUCTURES LTD.****Rating Assigned**

<b>Facilities/Instruments</b>	<b>Amount (Rs. crore)</b>	<b>Rating<sup>1</sup></b>	<b>Remarks</b>
Non Convertible Debenture (NCD)	125	<b>'CARE A-' [Single A Minus]</b>	Assigned
<b>Total Facilities</b>	<b>125</b>		

**Rating Rationale**

The rating derives strength from healthy growth in total income, experienced management, successful track record spanning around thirty six years, comfortable gearing ratios, strong order book position and JV set up by the company in Dubai and South Africa to tap the international market.

However, the rating is constrained by high working capital utilisation levels and increased interest costs resulting in lower profitability margins.

The ability of the company to manage its working capital in view of increasing operations and maintaining and improving the profitability margins, in the rising competitive environment, are the key rating sensitivities.

**Company Profile**

Incorporated in 1974, JSL is mainly engaged in execution of turnkey contracts for setting up transmission lines, towers and sub-stations. The Company's manufacturing facilities at Nasik and Raipur are ISO-14001 and ISO-9001 certified. The Company also has a significant presence in the overseas market with projects executed in around 40 countries.

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<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications



*Press Release*

On a total income of Rs.1,742.43 crore, JSL earned a PAT of Rs.79.74 crore in FY09. Overall gearing of JSL stood at 0.72 and the long term debt equity stood at 0.15 as on March 31, 2009. As per the provisional results for Q4FY10, JSL earned a PAT of Rs.25.29 crore on net sales of Rs.545.64 crore.

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