

September 21, 2010

**CARE REAFFIRMS THE RATINGS ASSIGNED TO THE BANK FACILITIES OF  
JAI BALAJI INDUSTRIES LTD.**

**Ratings**

Facilities	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Long term Bank Facilities	1,780.84 (enhanced from 1,553.28)	'CARE BBB' (Triple B)	Reaffirmed
Short term Bank Facilities	105.00 (reduced from 220.00)	'PR2' (PR Two)	Reaffirmed
Long/Short term Bank Facilities	84.75	'CARE BBB' / 'PR2'	Reaffirmed
<b>Total Facilities</b>	<b>1,970.59</b>		

**Rating Rationale**

The ratings continue to draw strength from the support & experience of the promoters, satisfactory client portfolio and integrated operation on the supply value chain. Improvement in most of the financial parameters in FY10, company's entry into high value D.I.Pipe segment and gradual recovery in the steel sector also support the ratings. The ratings are however constrained by the risk of volatility in raw material & finished goods prices, high exposure in group & associate companies, risk associated with implementation of large on-going project, low liquidity parameters due to substantial loan repayment liability in the near term and cyclicality in business along with increased competition from unorganised sector players. Successful commissioning of the ongoing projects and ability to improve on profitability and solvency parameters remain the key rating sensitivities.

**Company Profile**

JBIL, incorporated in July, 1999, is the flagship company of the Kolkata based Jai Balaji group. The company is engaged in manufacturing of sponge iron, pig iron, ferro alloys, steel billets/MS ingots, TMT bars/rods and DI pipes, besides having backward integration for sinter and power.

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

In FY10, JBIL earned a PBILD and PAT (after deferred taxation) of Rs.248.5 crore and Rs.32.5 crore on net sales of Rs.1,920.0 crore.

During Q1FY11, JBIL earned a PAT (after defd. tax) of Rs.10.4 crore on net sales of Rs.398.3 crore.

**Analyst Contact**

Name: Priti Agarwal / Ishan Marda

Tel # 033 22808472/22831800/22896150

Mobile #9831967110/9831984640

Email: priti.agarwal@careratings.com / ishan.marda@careratings.com

***CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries /regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.***

**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

CARE is headquartered in Mumbai, with Offices all over India. The office addresses and contact numbers are given below:

**HEAD OFFICE: MUMBAI**

**Mr. D.R. Dogra**

Managing Director

Cell : +91-98204 16002

E-mail : dr.dogra@careratings.com

**Mr. Rajesh Mokashi**

Dy. Managing Director

Cell : +91-98204 16001

E-mail: rajesh.mokashi@careratings.com

**Mr. Ankur Sachdeva**

Head - Business Development

Cell : +91-9819698985

E-mail: ankur.sachdeva@careratings.com

4<sup>th</sup> Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway,  
Sion (East), **Mumbai 400 022** Tel.: (022) 67543456 Fax: (022) 67543457

**Website: www.careratings.com**

**OFFICES**

<p>Mr.Mehul Pandya Regional Manager 32 TITANIUM Pralhadnagar Corporate Road, Satellite, <b>Ahmedabad - 380 015.</b> Tel – 079 4026 5656 Mobile - 98242 56265 E-mail: mehul.pandya@careratings.com</p>	<p>Mr.Sundara Vathanan Regional Manager Unit No. 8, I floor, Commander's PlaceNo. 6, Raja Ram Mohan Roy Road, Richmond Circle, <b>Bangalore - 560 025.</b> Tel – 080 2211 7140 Mobile – 98803 60878 E-mail: sundara.vathanan@careratings.com</p>
<p>Mr. Pradeep Kumar Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, <b>Chennai 600 002</b> Tel: 044 2849 7812/2849 0811 Mobile – 98407 54521 E-mail :Pradeep.kumar@careratings.com</p>	<p>Mr. Ashwini Jani Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat Nagar <b>Hyderabad - 500 029</b> Tel – 040 40102030 Mobile – 91766 47599 E-mail: ashwini.jani@careratings.com</p>
<p>Mr. Sukanta Nag Regional Manager 3<sup>rd</sup> Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani <b>Kolkata - 700 071.</b> Tel – 033 2283 1800/1803 Mobile – 98311 70075 E- mail: sukanta.nag@careratings.com</p>	<p>Ms.Swati Agrawal Regional Manager 710 Surya Kiran, 19 K.G. Road, <b>New Delhi - 110 001.</b> Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail :swati.agrawal@careratings.com</p>