

September 21, 2010

**CARE REVISES THE RATING ASSIGNED TO THE LT BANK FACILITIES/  
INSTRUMENTS AND REAFFIRMS THE RATING ASSIGNED TO THE ST BANK  
FACILITIES/INSTRUMENTS OF  
JYOTI STRUCTURES LTD.**

**Ratings**

<b>Facilities/Instruments</b>	<b>Amount (Rs. crore)</b>	<b>Ratings<sup>1</sup></b>	<b>Remarks</b>
Long-term Bank Facilities	3,514.34	<b>'CARE A' (Single A)</b>	Revised from CARE A- [Single A Minus]
Short-term Bank Facilities	760	<b>'PR2+' (PR Two Plus)</b>	Reaffirmed
<b>Total Facilities</b>	<b>4,274.34</b>		
Commercial Paper (CP)*	100	<b>'PR1' (PR One)</b>	Reaffirmed
Non-convertible Debenture (NCD)	125	<b>'CARE A' (Single A)</b>	Revised from CARE A- [Single A Minus]

\* *carved out of working capital limits*

**Rating Rationale**

The revision of the long-term rating of JSL takes into account the growing order book position lending revenue visibility to the company, increased net profit, improved gearing levels and amalgamation of JSL Structures Ltd (JLSL). The ratings continue to derive strength from the healthy growth in total income, experienced management, successful track record spanning around thirty six years, comfortable gearing ratios, strong order book position and the Joint Ventures (JVs) set up by the company in Dubai and South Africa to tap the international market.

However, the ratings continue to be 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.

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

## Company Profile

Jyoti Structures Ltd (JSL) was incorporated in 1974 and is one of the leading players in power transmission, distribution and substation-related Engineering, Procurement and Construction (EPC) projects. JSL Structures Ltd (JSLSL), a subsidiary of the company, was amalgamated with JSL w.e.f April 01, 2009. JSLSL was engaged in the manufacturing of transmission and telecom towers and substation structures.

On a total income of Rs.2013.14 crore, JSL earned a PAT of Rs.91.92 crore in FY10. As per the provisional results for the quarter ended June 2010, JSL earned a PAT of Rs.26.34 crore on a total income of Rs.564.34 crore.

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