

July 29, 2010

**CARE ASSIGNS 'PR4+' RATING TO THE BANK FACILITIES OF
EASTERN EXPORTS****Ratings Assigned**

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Short-term Bank Facilities	7.10	PR4+ [PR Four (Plus)]	Assigned
Total Facilities	7.10		

The rating assigned by CARE is based on the capital deployed by the partners and the financial strength of Eastern Exports (EE) at present. The rating may undergo a change in case of withdrawal of capital or of the unsecured loans brought in by the partners in addition to changes in the financial performance and other relevant factors.

Rating Rationale

The rating is constrained by the relatively small scale of operations, declining revenue trend in the past and highly leveraged capital structure. The rating also factors in the geographical and client concentration of revenues to the US and the ensuing foreign exchange risks. The rating takes into account the partners experience in the carpet business, established presence in the international market and minimal term-debt.

Going forward, the ability of EE to profitably scale-up its operations coupled with the improvement in the capital structure shall be the key rating sensitivities.

Profile

Eastern Exports (EE) was incorporated in 1980 and is engaged in the manufacture & export of carpets & rugs. The product range includes hand-tufted carpets, hand-knotted carpets, rugs and druggets. EE operates as a partnership with four partners. The firm has been accorded the status of 'One Star Export House' by the Ministry of Commerce and Industry, Government of India.

For the year ended March 31, 2009, EE had total operational income of Rs.21.33 cr with PBILDT and net loss of Rs.1.77 cr and Rs.0.99 cr, respectively. During FY10 (provisional), the firm posted operational income of Rs.18.47 cr with PAT of Rs.0.70 cr.

Analyst Contact

Name: Kapil Sachdeva

Tel # 011-23716199

Email: kapil.sachdeva@careratings.com

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries /regulators or others are welcome to write to 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.

¹Complete definition of the ratings assigned are available at www.careratings.com and in other CARE publications

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

4th 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 Praladnagar Corporate Road, Satellite, Ahmedabad - 380 015. 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, Bangalore - 560 025. 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, Chennai 600 002 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 Hyderabad - 500 029 Tel – 040 40102030 Mobile – 91766 47599 E-mail: ashwini.jani@careratings.com</p>
<p>Mr. Sukanta Nag Regional Manager 3rd Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani Kolkata - 700 071. 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, New Delhi - 110 001. Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail : swati.agrawal@careratings.com</p>