

September 2, 2010

CARE REAFFIRMS THE RATING ASSIGNED TO THE ST BANK FACILITIES AND WITHDRAWS THE RATING ASSIGNED TO THE LT BANK FACILITIES OF JEWEL ART**Rating Assigned**

Facilities	Amount (` crore)	Rating ¹	Remarks
Long-term Bank Facilities	Nil	-	Withdrawn [^]
Short-term Bank Facilities	25.75*	'PR3' [PR Three]	Reaffirmed

** reduced from Long term & Short term facilities of ` 50.15 crore**[^] withdrawn because of no outstanding Long term facility*

The rating assigned by CARE is based on the capital deployed by the partners 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 short-term rating continues to derive strength from the high profitability margins of JA and lower reliance on borrowed funds.

The rating is further strengthened by the ability of JA to smoothly switch to the UAE market in times of crisis in the USA & UK markets.

However, the rating is constrained by the withdrawal of Asian Star Co. Ltd. from the partnership and inherent risks attached with the partnership firms.

Further, ability of JA to compete with large number of players in organised and unorganised sectors and maintain sales and profitability levels is the key rating sensitivity.

Company Profile

JA, a partnership firm, is engaged in the manufacturing and export of diamond-studded gold, platinum and silver jewellery. The firm supplies around 30% of the total sales to high-margin virtual retailers.

The partnership structure of JA changed w.e.f. October 1, 2009 and Asian Star Co. Ltd. (ASCL) along with three other partners withdrew from the partnership. JA continues to be a partnership firm and the rest three partners have entered into an equal profit sharing agreement.

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

During FY09, the firm earned a PAT of ` 26.04 crore (adjusted for amortization of goodwill of ` 26.82 crore) on a total income of ` 143.11 crore. In nine months ended December 31, 2009, the firm posted total income of ` 58.93 crore and earned a PAT of ` 11.01 crore.

Analyst Contact

Name: Ms. Aarti Mhatre

Tel # 022 6754 3440

Email: aarti.dogra@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.

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 Pralhadnagar 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>