



September 20, 2010

ICRA reaffirms A4+ rating to bank facilities of M/s S. R. R. Jewels

ICRA has reaffirmed the A4+ (pronounced A four plus) rating to the Rs. 30 crore¹ fund based facility of M/s S. R. R. Jewels (SRRJ)[†].

The rating is constrained by the weak financial profile of the firm with pressure on margins, high working capital intensity of the business as well as weak coverage indicators. The rating also takes into account the susceptibility of firm's revenue to foreign exchange fluctuation as 100% of its sales are export oriented; its highly concentrated customer base and significant geographical concentration. The rating however favourably factors in the locational advantage of the firm, on account of its presence in SEZ and the repeat business which the firm receives from its established client base.

Company Profile

S.R.R. Jewels was set up on October 1, 2007 as a 100% export oriented unit (EOU) for manufacturing gold and diamond studded jewellery at SEEPZ – SEZ in Mumbai.

The promoters (Mr. Kishoremal Valchand Khimavat and Mr. Bharat K. Jain) started the business on April 22, 2003 under a different name and later changed it to S.R.R. Jewels Pvt. Ltd. On October 1, 2007, a partnership firm, S.R.R. Jewels was formed. This firm bought over the business of S.R.R. Jewels Pvt. Ltd. The current partners of the firm are Mr. Kishoremal Valchand Khimavat and his family.

Recent Results

The company reported a net profit of Rs. 0.22 crore in FY 2010 on an OI of Rs. 78.20 crore, as compared to a net profit of Rs. 3.64 crore on an OI of Rs. 62.08 crore during FY 2009.

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ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

¹100 lakh = 1 crore = 10 million

[†] For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.

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