



September 21, 2010

ICRA assigns A4 ratings to bank facilities of Bella Jewelry Private Limited

ICRA has assigned an A4 (pronounced A four) rating to the Rs. 6.00 Crore¹ bank facilities of Bella Jewelry Private Limited (BJPL)[†].

The rating reflects the company's small scale of operations, low return indicators and a stretched liquidity profile along with a leveraged capital structure arising from the high working capital requirements in the business. Further, the operations remain susceptible to foreign exchange volatility as well as risks of any demand slowdown in the USA. The rating favourably factors in the promoter's experience in gems & jewellery business, fiscal & duty benefits arising from its presence in an export promotional zone and the operational synergies following the group's presence across the value chain.

About the Company

Incorporated in 2004, Bella Jewelry Pvt. Ltd is a part of Johari Group, engaged in the business of manufacturing and export of diamond studded gold jewellery. Dauji & Co, a group concern of BJPL is engaged in export of cut and polished diamonds. BJPL mainly manufactures rings, earrings, pendants and bracelets. By virtue of being located in an export promotional zone (Seepz –Mumbai), BJPL enjoys various fiscal as well as duty benefits provided by the Government of India.

BJPL recorded a net profit of Rs.0.57 Cr on an operating income of Rs. 14.22 Cr for the year ended March 31st, 2009 (Audited figures) and net profit of Rs. 0.96 Cr on an operating income of Rs. 16.34 Cr for the year ending March 31st, 2008.

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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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