

November 30, 2010

CARE REAFFIRMS THE 'CARE BBB' AND 'PR3' RATINGS ASSIGNED TO THE BANK FACILITIES OF ORIENT CRAFT LIMITED**Ratings**

Facilities/Instruments	Amount (Rs. crore)	Ratings¹	Remarks
Long-term Bank Facilities	651.16 (enhanced from Rs.582.52 crore)	'CARE BBB' (Triple B)	Reaffirmed
Long-term/Short-term Bank Facilities	125.00 (enhanced from Rs.109.00 crore)	'PR3' (PR Three)	Reaffirmed
Total Facilities	776.16		

Rating Rationale

The ratings continue to take into account OCL's established track record as a leading Indian ready-made garment manufacturer and exporter, experienced promoters and established relationship with reputed global clientele. The ratings also consider easing of the liquidity position and improvement in profitability indicators. However the ratings are constrained by OCL's capital structure which continues to be highly leveraged, the ongoing capex and investment plans, moderate debt service coverage indicators in the medium term, elongated operating cycle and exposure to foreign exchange fluctuation risk.

Going forward, the ability to sustain a healthy order book position and improve gearing would be the key rating sensitivities.

Company Profile

Orient Craft Limited (OCL) was promoted by Mr. Sudhir Dhingra and Mr. K.K. Kohli in February 1978. It is in the business of manufacturing woven and knitted garments and home furnishings, and exports its products to leading international fashion houses and retail chains, predominantly in the United States and Europe.

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

On a total operating income of Rs.956 crore, OCL earned PAT of Rs.20 crore during FY10. During Q1FY11, OCL earned net sales of Rs.225 crore and PBT of Rs.7.55 crore.

Analyst Contact

Name: Jyotsna Gadgil

Tel: 011-23716199

Mobile: 9811552926

Email: jyotsna.gadgil@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. P N Sathees Kumar

Executive Vice President – Marketing
Mobile: +91-9820416004
mail:sathees.kumar@careratings.com

Mr. Ankur Sachdeva

Vice President – Marketing (SME)
Mobile: +91-9819698985
E-mail: ankur.sachdeva@careratings.com

Mr. Vivek Palan

Manager – Banking & Finance
Mobile: +91-98206 06406
E-mail:vivek.palan@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 Place No. 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>