

MIRA INFORM REPORT

Report No. :	525034
Report Date :	16.08.2018

IDENTIFICATION DETAILS

Name :	BANDHAN EXPORTS
Registered Office :	HW-4080 Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (East) Mumbai – 400051, Maharashtra
Mobile No.:	91-9820874264 [Mr. Rashik B Desai]
Country :	India
Financials (as on) :	31.03.2018 (Turnover) 31.03.2017 (Financial)
Year of Establishment :	2007
Capital Investment :	INR 17.604 Million
IEC No.: [Import-Export Code No.]	0306076845
GSTN : [Goods & Service Tax Registration No.]	27AAHFB8229R1ZQ
PAN No.: [Permanent Account No.]	AAHFB8229R
Legal Form :	Partnership Concern with an Unlimited Liability of the Partners
Line of Business :	Manufacturing of Diamonds, Exporter of Polished Diamonds and Importing of Rough Diamonds. [Confirmed by Management]
No. of Employees :	45 [Approximately]

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating : A

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

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Maximum Credit Limit :	USD 50300
Status :	Satisfactory
Payment Behaviour :	Slow
Litigation :	Clear
Comments :	<p>Subject is a partnership concern established in the year 2007. The concern is a manufacturing of diamonds, exporter of polished diamonds and importing of rough diamonds.</p> <p>Mr. Jignesh (Accountant) has claimed that the subject has earned revenue of INR 600 million for the FY 2018.</p> <p>As per the financial records of 2017, the concern has achieved a satisfactory growth of 33.46% in its revenue as compared to the previous year and has reported an average net profit margin 1.13%</p> <p>The fair financial position of the concern is marked by sufficient capital base along with moderate debt balance sheet profile.</p> <p>Payment seems to be slow.</p> <p>In view of aforesaid, the concern can be considered for business dealings at usual trade terms and condition.</p>

NOTES : Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
India	A1	A1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

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EXTERNAL AGENCY RATING

NOT AVAILABLE

RBI DEFAULTERS' LIST STATUS

Subject's name is not enlisted as a defaulter in the publicly available RBI Defaulters' list.

EPF (Employee Provident Fund) DEFAULTERS' LIST STATUS

Subject's name is not enlisted as a defaulter in the publicly available EPF (Employee Provident Fund) Defaulters' list as of 31-03-2018.

BIFR (Board for Industrial & Financial Reconstruction) LISTING STATUS

Subject's name is not listed as a Sick Unit in the publicly available BIFR (Board for Industrial & Financial Reconstruction) list as of 16.08.2018.

IBBI (Insolvency and Bankruptcy Board of India) LISTING STATUS

Subject's name is not listed in the publicly available IBBI (Insolvency and Bankruptcy Board of India) list as of report date.

INFORMATION PARTED BY

Name :	Mr. Jignesh
Designation :	Accountant
Contact No.:	91-22-40057916
Date :	13.08.2018

LOCATIONS

Registered Office :	HW-4080 Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (East) Mumbai – 400051, Maharashtra, India
Tel. No.:	91-22-40057916
Mobile No.:	91-9820874264 [Mr. Rashik B Desai]

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Fax No.:	Not Available
E-Mail :	bandhan7916@gmail.com canikunjkotadiya@gmail.com
Location :	Rented
Locality :	Commercial
Factory:	A 101, 1 st Floor, Sunrise Chamber, Kapodra Cross Road, Surat-395006, Gujarat, India
Location :	Owned

PARTNERS

Name :	Mr. Hasmukh V. Kakadia
Designation :	Partner
Address :	35, Tulsi Row House, Yogi Chowk, Surat - 395004, Gujarat, India
Name :	Mr. Rashik Bhimjibhai Desai
Designation :	Partner
Address :	403, Shantivan 3-A, Raheja Township, Malad (East) Mumbai - 400097, Maharashtra, India

KEY EXECUTIVES

Name :	Mr. Jignesh
Designation :	Accountant
Name :	Mr. Pravin
Designation :	Manager

BUSINESS DETAILS

Line of Business :	Manufacturing of Diamonds, Exporter of Polished Diamonds and Importing of Rough Diamonds. [Confirmed by Management]
Products/ Services :	Diamonds
Brand Names :	Not Available
Agencies Held :	Not Available
Exports :	
Products :	Polished Diamonds
Countries :	<ul style="list-style-type: none"> • United States of America • Israel

	• Hong Kong
Imports :	
Products :	Rough Diamonds
Countries :	<ul style="list-style-type: none"> • Belgium • Israel • United Arab Emirates • Dubai • Hong Kong
Terms :	
Selling :	Other (NEFT/RTGS)
Purchasing :	Other (NEFT/RTGS)

GENERAL INFORMATION

Suppliers :	Reference:	Rozy Blue, Belgium
	Name of the Person (Designation):	---
	Contact Number:	---
	Since how long known:	---
	Maximum limit dealt:	---
	Experience:	---
	Remark	---
Customers :	Wholesalers, Retailers and End Users	
	Reference:	Dimexon
	Name of the Person (Designation):	---
	Contact Number:	---
	Since how long known:	---
	Maximum limit dealt:	---
	Experience:	---
Remark	---	
No. of Employees :	45 [Approximately]	
Bankers :	Bank Name:	IndusInd Bank Limited
	Branch:	BKC, Bandra [East], Mumbai-400051, Mharashtra, India
	Person Name (with Designation):	--
	Contact Number:	91-22-33923940
	Name of Account Holder:	--

	Account Number:	--	
	Account Since (Date/ Year of A/c Opening):	--	
	Average Balance Maintained (Optional):	--	
	Credit Facilities Enjoyed (CC/OD/Term Loan):	--	
	Account Operation:	--	
	Remarks:	Management non cooperative	
Facilities :	SECURED LOANS	31.03.2017	31.03.2016
		INR In Million	INR In Million
	SECURED BORROWINGS		
	Loan from Bank		
	Indusind Bank	0.000	10.164
	Citi Bank loan	6.641	0.000
	RBL bank loan	10.810	0.000
	RBL bank loan	14.175	0.000
	Total	31.626	10.164

Auditors :	
Name :	Ramesh Rajani and Company LLP Chartered Accountants
Address :	B.K.C., Bandra (East), Mumbai – 400051, Maharashtra, India
Memberships :	Not Available
Collaborators :	Not Available
Associates/Subsidiaries :	Not Available

CAPITAL STRUCTURE

AS ON: 31.03.2017

PARTNERS CAPITAL ACCOUNT	Amount in Million
Fixed Account	0.030
Current Account	17.574
Total	17.604

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FINANCIAL DATA
[all figures are in INR Million]

ABRIDGED BALANCE SHEET

SOURCES OF FUNDS	31.03.2017	31.03.2016	31.03.2015
SHAREHOLDERS FUNDS			
1] Capital Account	17.604	9.769	6.519
2] Reserves & Surplus	0.000	0.000	0.000
3] (Accumulated Losses)	0.000	0.000	0.000
NETWORTH	17.604	9.769	6.519
LOAN FUNDS			
1] Secured Loans	31.626	10.164	}
2] Unsecured Loans	4.300	2.000	
TOTAL BORROWING	35.926	12.164	14.616
DEFERRED TAX LIABILITIES	0.000	0.000	0.000
TOTAL	53.530	21.933	21.135
APPLICATION OF FUNDS			
FIXED ASSETS [Net Block]	5.234	5.395	5.819
Capital work-in-progress	0.000	0.000	0.000
INVESTMENT	0.000	0.000	0.000
DEFERRED TAX ASSETS	0.326	0.326	0.326
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	140.010	61.960	87.450
Sundry Debtors	68.938	28.033	5.239
Cash & Bank Balances	4.956	2.829	2.347
Other Current Assets	0.401	0.156	0.009
Loans & Advances	4.007	3.207	1.775
Total Current Assets	218.312	96.185	96.820
Less : CURRENT LIABILITIES & PROVISIONS			
Sundry Creditors	167.567	79.733	81.830
Other Current Liabilities	2.754	0.000	0.000
Provisions	0.021	0.240	0.000
Total Current Liabilities	170.342	79.973	81.830
Net Current Assets	47.970	16.212	14.990
MISCELLANEOUS EXPENSES	0.000	0.000	0.000
TOTAL	53.530	21.933	21.135

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PROFIT & LOSS ACCOUNT

	PARTICULARS	31.03.2017	31.03.2016	31.03.2015
	SALES			
	Sales	327.995	245.761	176.954
	Other Income	3.725	0.168	0.000
	TOTAL	331.720	245.929	176.954
Less	EXPENSES			
	Cost of Goods Sold	292.369	218.717	162.601
	Labour Charges	17.819	14.261	7.137
	Import Duty	0.696	0.000	0.000
	Sale and Administration Expenses	12.875	6.338	3.516
	Income Tax	1.472	1.260	0.867
	Salary Partners	2.000	2.000	0.200
	TOTAL	327.231	242.576	174.321
	PROFIT BEFORE DEPRECIATION AND AMORTISATION	4.489	3.353	2.633
Less	DEPRECIATION/ AMORTISATION	0.786	0.726	0.740
	NET PROFIT/ (LOSS)	3.703	2.627	1.893

Particulars			31.03.2018
Sales Turnover (Approximately)			600.000
			(Due to business growth)

Expected Sales (2018-2019): INR 600.000 Million

The above information has been parted by Mr. Jignesh (Accountant)

Note : Sole Proprietary and Partnership concerns are exempted from filing their financials with the Government Authorities or Registry Records.

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KEY RATIOS

EFFICIENCY RATIOS

PARTICULARS	31.03.2017	31.03.2016	31.03.2015
Average Collection Days (Sundry Debtors / Income * 365 Days)	46.72	41.63	10.81
Account Receivables Turnover (Income / Sundry Debtors)	4.76	8.77	33.78
Average Payment Days (Sundry Creditors / Purchases * 365 Days)	209.19	133.06	183.69

LEVERAGE RATIOS

PARTICULARS	31.03.2017	31.03.2016	31.03.2015
Debt Ratio (Borrowing + Current Liabilities) / Total Assets	0.92	0.90	0.94
Debt Equity Ratio (Total Liability / Networth)	2.04	1.25	2.24
Current Liabilities to Networth (Current Liabilities / Net Worth)	9.92	8.19	12.55
Fixed Assets to Networth (Net Fixed Assets / Networth)	0.30	0.55	0.89

PROFITABILITY RATIOS

PARTICULARS		31.03.2017	31.03.2016	31.03.2015
Net Profit Margin ((PAT / Sales) * 100)	%	1.13	1.07	1.07
Return on Total Assets ((PAT / Total Assets) * 100)	%	1.65	2.58	1.84
Return on Investment (ROI) ((PAT / Networth) * 100)	%	21.03	26.89	29.04

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SOLVENCY RATIOS

PARTICULARS	31.03.2017	31.03.2016	31.03.2015
Current Ratio (Current Assets / Current Liabilities)	1.25	1.17	1.18
Quick Ratio (Current Assets – Inventories) / Current Liabilities)	0.45	0.42	0.11
G-Score Ratio Financial (Networth / Total Assets)	0.08	0.10	0.06
G-Score Ratio Debt (Debts / Equity Capital)	2.04	1.25	2.24
G-Score Ratio Liquidity (Total Current Assets / Total Current Liabilities)	1.25	1.17	1.18

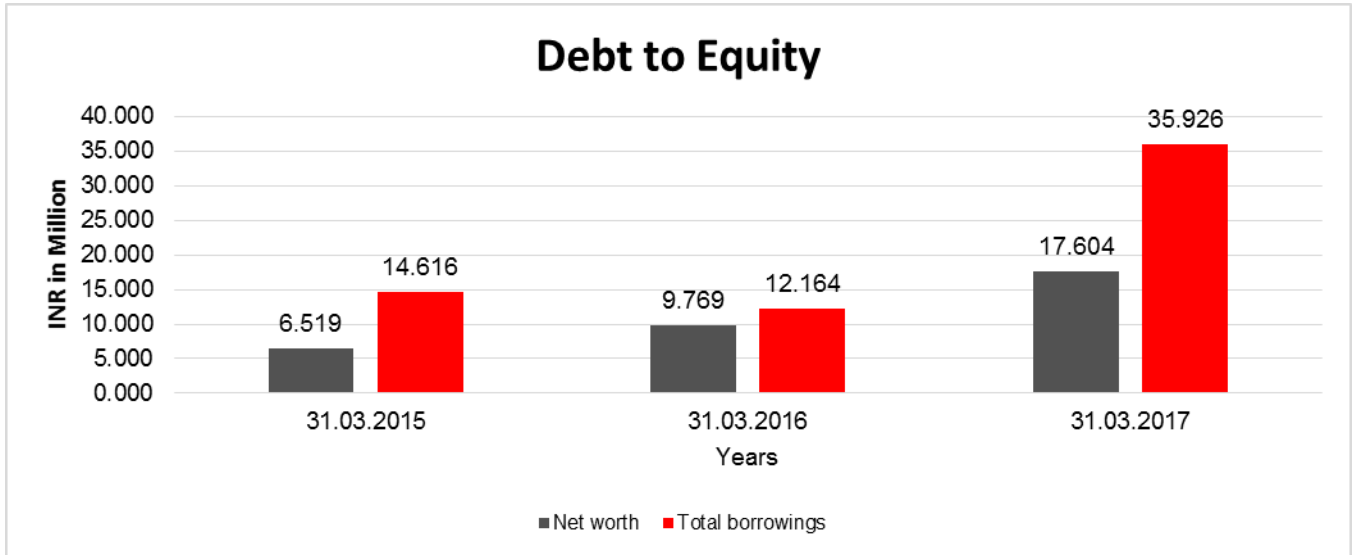
Total Liability = Short-term Debt + Long-term Debt + Current Maturities of Long-term debts

FINANCIAL ANALYSIS
[all figures are in INR Million]

DEBT EQUITY RATIO

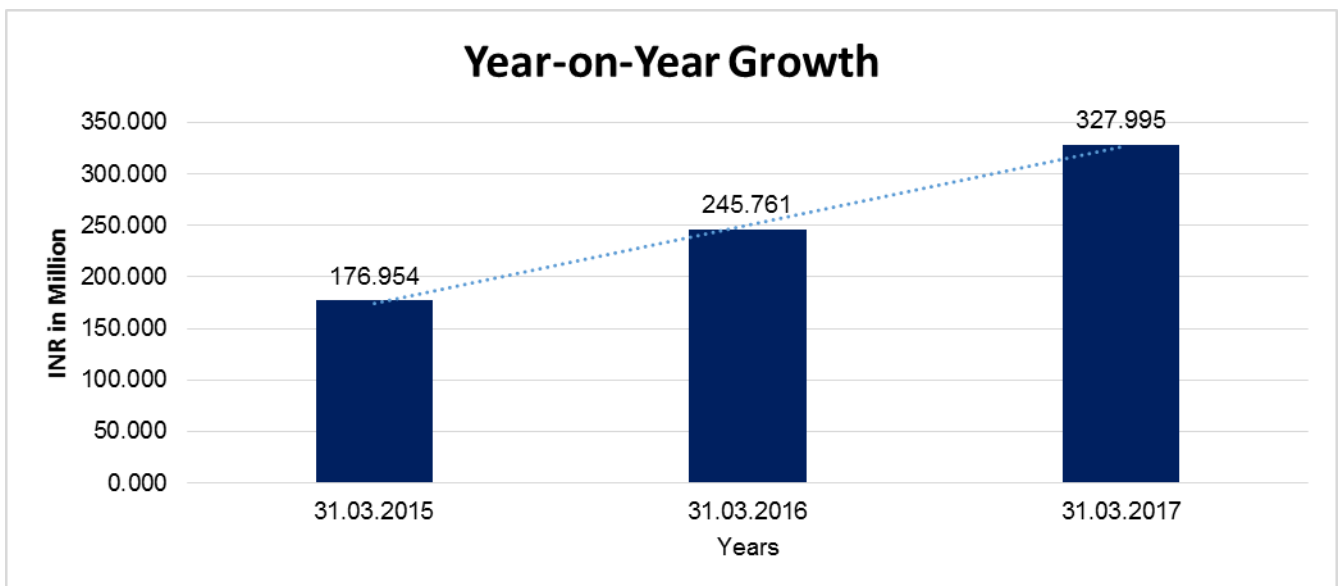
Particular	31.03.2015 INR In Million	31.03.2016 INR In Million	31.03.2017 INR In Million
Partner's Capital	6.519	9.769	17.604
Reserves & Surplus	0.000	0.000	0.000
Net worth	6.519	9.769	17.604
Secured borrowings	0.000	10.164	31.626
Unsecured borrowings	0.000	2.000	4.300
Total borrowings	14.616	12.164	35.926
Debt/Equity ratio	2.242	1.245	2.041

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YEAR-ON-YEAR GROWTH

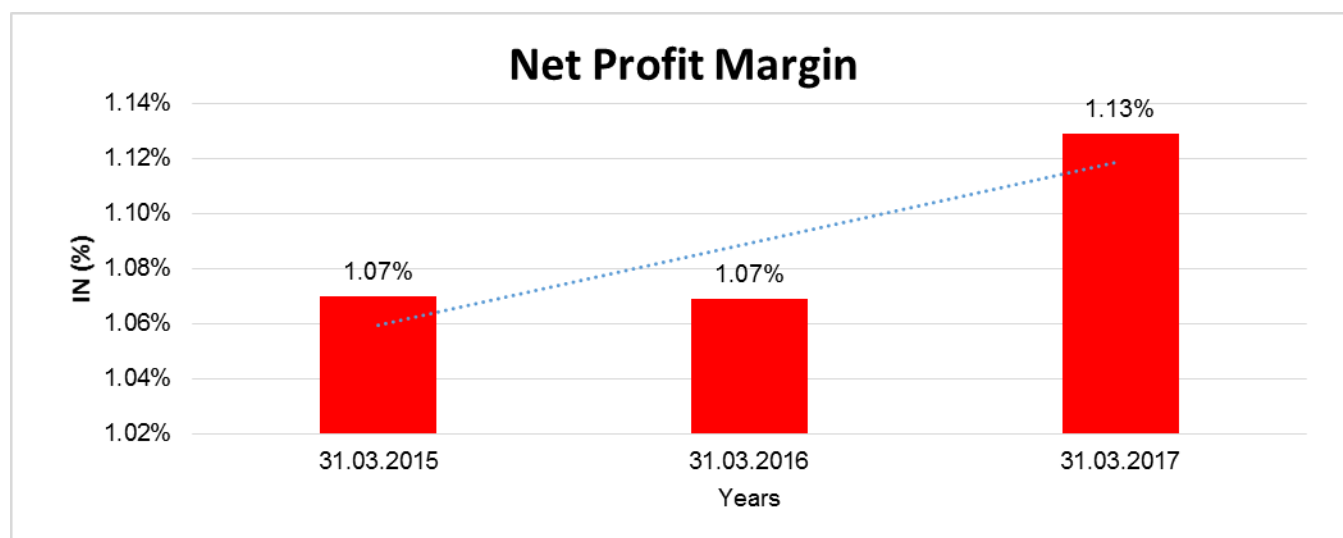
Year on Year Growth	31.03.2015	31.03.2016	31.03.2017
	INR In Million	INR In Million	INR In Million
Sales	176.954	245.761	327.995
		38.884	33.461



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NET PROFIT MARGIN

Net Profit Margin	31.03.2015	31.03.2016	31.03.2017
	INR In Million	INR In Million	INR In Million
Sales	176.954	245.761	327.995
Profit/ (Loss)	1.893	2.627	3.703
	1.07%	1.07%	1.13%



LOCAL AGENCY FURTHER INFORMATION

Sr. No.	Check list by info agents	Available in Report (Yes/No)
1	Year of establishment	Yes
2	Constitution of the entity -Incorporation details	Yes
3	Locality of the entity	Yes
4	Premises details	Yes
5	Buyer visit details	--
6	Contact numbers	Yes
7	Name of the person contacted	Yes
8	Designation of contact person	Yes
9	Promoter's background	No
10	Date of Birth of Proprietor / Partners / Directors	No
11	Pan Card No. of Proprietor / Partners	No
12	Voter Id Card No. of Proprietor / Partners	No
13	Type of business	Yes
14	Line of Business	Yes
15	Export/import details (if applicable)	Yes
16	No. of employees	Yes
17	Details of sister concerns	No
18	Major suppliers	Yes
19	Major customers	Yes
20	Banking Details	Yes
21	Banking facility details	No
22	Conduct of the banking account	Yes
23	Financials, if provided	Yes
24	Capital in the business	Yes
25	Last accounts filed at ROC, if applicable	No
26	Turnover of firm for last four years	Yes
27	Reasons for variation <> 20%	Yes
28	Estimation for coming financial year	Yes
29	Profitability for last three years	Yes
30	Major shareholders, if available	No
31	External Agency Rating, if available	No
32	Litigations that the firm/promoter involved in	--
33	Market information	--
34	Payments terms	Yes
35	Negative Reporting by Auditors in the Annual Report	No

Note: Registered office address of the company is shifted from "Plot No. 19, Flat No. 403, 4th Floor, Wing 3A, Shantivan Society, Raheja Township Road, Malad (East), Mumbai – 400097, Maharashtra, India to the present address.

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UNSECURED LOANS:

Particulars	31.03.2017 INR In Million	31.03.2016 INR In Million
Navin Sethi	1.800	2.000
Muljibhai Dhameliya	2.500	0.000
Total	4.300	2.000

DIAMOND INDUSTRY – INDIA

- From time immemorial, India is well known in the world as the birthplace for diamonds. It is difficult to trace the origin of diamonds but history says that in the remote past, diamonds were mined only in India. Diamond production in India can be traced back to almost 8th Century B.C. India, in fact, remained undisputed leader till 18th Century when Brazilian fields were discovered in 1725 followed by emergence of S. Africa, Russia and Australia.
- The achievement of the Indian diamond industry was possible only due to combination of the manufacturing skills of the Indian workforce and the untiring and unflagging efforts of the Indian diamantaires, supported by progressive Government policies.
- The area of study of family owned diamond businesses derives its importance from the huge conglomerate of family run organizations which operate in the diamond industry since many generations.
- Some of the basic traits of family run business enterprises include spirit of entrepreneurship, mutual trust lowers transaction costs, small, nimble and quick to react, information as a source of advantage and philanthropy.
- Family owned diamond businesses need to improve on many fronts including higher standard of corporate governance, long-term performance – focused strategies, modern management and technology.
- Utmost caution is to be exercised while dealing with some medium and large diamond traders which are usually engaged in fictitious import – export, inter-company transactions, financially assisted by banks. In the process, several public sector banks lost several hundred million rupees. They mostly diverted borrowed money for diamond business into real estate and capital markets.
- Excerpts from Times of India dated 30th October 2010 is as under –
- Gem & Jewellery Export Promotion Council in its statistical data has shown the export of polished diamonds to have increase by 28 % in February 2013. Compared to \$ 1.4 bn worth of polished diamond export in February, 2012, India exported \$ 1.84 billion worth of polished diamonds in February 2013. A senior executive of GJEPC said, “Export of cut and polished diamonds started falling month-wise after the imposition of 2 % of import duty on the polished diamonds. But February, 2013 has given a new ray of hope to the industry as the export of polished diamonds has actually increased by 28 %. It means the industry is on the track of recovery and round tripping of diamonds has stopped completely.” Demand has started coming from the US, the UK, Japan and China. India’s polished diamond export is expected to cross \$ 21 bn in 2013-14.
- The banking sector has started exercising restraint while following prudent risk management norms when lending money to gems and jewellery sector. This follows the implementation of Basel III accord – a global voluntary regulatory standard on bank capital adequacy, stress testing and market liquidity.

CMT REPORT (Corruption, Money Laundering & Terrorism]

The Public Notice information has been collected from various sources including but not limited to: ***The Courts, India Prisons Service, Interpol, etc.***

1] INFORMATION ON DESIGNATED PARTY

No records exist designating subject or any of its beneficial owners, controlling shareholders or senior officers as terrorist or terrorist organization or whom notice had been received that all financial transactions involving their assets have been blocked or convicted, found guilty or against whom a judgement or order had been entered in a proceedings for violating money-laundering, anti-corruption or bribery or international economic or anti-terrorism sanction laws or whose assets were seized, blocked, frozen or ordered forfeited for violation of money laundering or international anti-terrorism laws.

2] Court Declaration :

No records exist to suggest that subject is or was the subject of any formal or informal allegations, prosecutions or other official proceeding for making any prohibited payments or other improper payments to government officials for engaging in prohibited transactions or with designated parties.

3] Asset Declaration :

No records exist to suggest that the property or assets of the subject are derived from criminal conduct or a prohibited transaction.

4] Record on Financial Crime :

Charges or conviction registered against subject: **None**

5] Records on Violation of Anti-Corruption Laws :

Charges or investigation registered against subject: **None**

6] Records on Int'l Anti-Money Laundering Laws/Standards :

Charges or investigation registered against subject: **None**

7] Criminal Records

No available information exist that suggest that subject or any of its principals have been formally charged or convicted by a competent governmental authority for any financial crime or under any formal investigation by a competent government authority for any violation of anti-corruption laws or international anti-money laundering laws or standard.

8] Affiliation with Government :

No record exists to suggest that any director or indirect owners, controlling shareholders, director, officer or employee of the company is a government official or a family member or close business associate of a Government official.

9] Compensation Package :

Our market survey revealed that the amount of compensation sought by the subject is fair and reasonable and comparable to compensation paid to others for similar services.

10] Press Report :

No press reports / filings exists on the subject.

CORPORATE GOVERNANCE

MIRA INFORM as part of its Due Diligence do provide comments on Corporate Governance to identify management and governance. These factors often have been predictive and in some cases have created vulnerabilities to credit deterioration.

Our Governance Assessment focuses principally on the interactions between a company's management, its Board of Directors, Shareholders and other financial stakeholders.

CONTRAVENTION

Subject is not known to have contravened any existing local laws, regulations or policies that prohibit, restrict or otherwise affect the terms and conditions that could be included in the agreement with the subject.

FOREIGN EXCHANGE RATES

Currency	Unit	INR
US Dollar	1	INR 70.18
UK Pound	1	INR 89.26
Euro	1	INR 79.87

INFORMATION DETAILS

Information Gathered by :	AKY
Analysis Done by :	NYT
Report Prepared by :	BHG

SCORE FACTORS

DEMERIT POINTS		
--BANK CHARGES	YES/NO	YES
--LITIGATION	YES/NO	NO
--OTHER ADVERSE INFORMATION	YES/NO	NO
MERIT POINTS		
--SOLE DISTRIBUTORSHIP	YES/NO	NO
--EXPORT ACTIVITIES	YES/NO	YES
--AFFILIATION	YES/NO	NO
--LISTED	YES/NO	NO
--OTHER MERIT FACTORS	YES/NO	YES

RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not be considered as unfavorable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)

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