

## MIRA INFORM REPORT

Report No. :	526545
Report Date :	24.08.2018

### IDENTIFICATION DETAILS

Name :	KOLADIYA BROTHERS
Registered Office :	B-407, Parichay Apartment, Misquitta Nagar, Vidya Mandir Road, Dahisar (East), Mumbai – 400068, Maharashtra
Tel. No.:	91-22-64462694
Country :	India
Financials (as on) :	31.03.2016 [Detailed Financial] 31.03.2018 [Sales Figures]
Date of Incorporation :	11.11.2011
Capital Investment :	INR 29.196 Million
IEC No.: [Import-Export Code No.]	0312054840
PAN No.: [Permanent Account No.]	AALFK7268F
GSTN : [Goods & Service Tax Registration No.]	27AALFK7268F1ZX
Legal Form :	Partnership Concern with an Unlimited Liability of the Partners
Line of Business :	Trader, Processor and Importer of Diamonds (Manufacturing done through Job work). (Confirmed by Management)
No. of Employees :	04 [Approximately]

### RATING & COMMENTS

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

**MIRA's Rating :** A

Credit Rating	Explanation	Rating Comments
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A	Acceptable Risk	Business dealings permissible with moderate risk of default
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<b>Status :</b>	Satisfactory
<b>Payment Behaviour :</b>	Slow but correct
<b>Litigation :</b>	Clear
<b>Comments :</b>	<p>Koladiya Brothers is trader, exporter and importer of diamonds. The concern was started in the year 2011 and is based in Mumbai, Maharashtra. It is an established partnership concern having satisfactory track record.</p> <p>Mr. Sandip Koladiya [Partner] provided information and also claimed that concern has achieved revenue of INR 400.000 million for FY 2017, INR 420.000 Million for FY 2018 and expecting revenue of INR 500.000 for FY 2019.</p> <p>Rating takes into consideration concern's established track record of business along with acceptable revenue profile of the concern.</p> <p>As per available financials of 2016, general financials position of the concern seems to be sound and acceptable for business dealings.</p> <p>However, the rating strength is partially offset by highly competitive diamond industry.</p> <p>Trade relations are reported as fair. Business is active. Payment terms are seems to be slow but correct.</p> <p>The concern can be considered for business dealings at usual trade terms and conditions.</p>

**NOTES :**

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto: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

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Moderately High Risk	C1
High Risk	C2
Very High Risk	D

**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 24.08.2018

**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**

<b>Name :</b>	Mr. Sandip Jagdish Koladiya
<b>Designation :</b>	Partner
<b>Contact No.:</b>	91-9820487934
<b>Date :</b>	23.08.2018

**Given number [91-9820494178] is ringing**

**LOCATIONS**

<b>Registered Warehouse :</b>	<b>Office/</b>	B-407, Parichay Apartment, Misquitta Nagar, Vidya Mandir Road, Dahisar (East), Mumbai – 400068, Maharashtra, India
<b>Tel. No.:</b>		91-22-64462694
<b>Mobile No.:</b>		91-9820487934 (Mr. Sandip Jagdish Koladiya)
<b>Fax No.:</b>		Not Available
<b>E-Mail :</b>		<a href="mailto:koladiyasandip@ymail.com">koladiyasandip@ymail.com</a>
	<b>Location :</b>	Owned
	<b>Locality :</b>	Residential

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**PARTNERS**

<b>Name :</b>	Mr. Jagdish Jerambhai Koladiya
<b>Designation :</b>	Partner
<b>Address :</b>	B-209/210, Rahmadhur Apartment, Devidas Lane, Near Aquriya Club, Borivali (West), Mumbai – 400068, Maharashtra, India
<b>Date of Birth/Age :</b>	01.06.1966
<b>PAN No.:</b>	ALSPK1262H
<b>Name :</b>	Mr. Bharat Jerambhai Koladiya
<b>Designation :</b>	Partner
<b>Address :</b>	B-207, Parichay Apartment, Misquita Nagar, Vidya Mandir Road, Dahisar (East), Mumbai – 400068, Maharashtra, India
<b>Date of Birth/Age :</b>	30.05.1969
<b>PAN No.:</b>	ALSPK1258R
<b>Name :</b>	Mr. Prakash Laljibhai Koladiya
<b>Designation :</b>	Partner
<b>Address :</b>	301, Gayatri Apartment, Vidya Mandir Road, Dahisar (East), Mumbai – 400068, Maharashtra, India
<b>Date of Birth/Age :</b>	01.01.1978
<b>PAN No.:</b>	AFIPK9756J
<b>Name :</b>	Mr. Sandip Jagdish Koladiya
<b>Designation :</b>	Partner
<b>Name :</b>	Mr. Dhaval Bharatbhai Koladiya
<b>Designation :</b>	Partner
<b>Name :</b>	Mr. Amit Laljibhai Koladiya
<b>Designation :</b>	Partner

**BUSINESS DETAILS**

<b>Line of Business :</b>	Trader, Processor and Importer of Diamonds (Manufacturing done through Job work). (Confirmed by Management)
<b>Products/ Services :</b>	Diamonds
<b>Brand Names :</b>	Not Available
<b>Agencies Held :</b>	Not Available
<b>Exports :</b>	

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<b>Products :</b>	Diamonds
<b>Countries :</b>	Hong Kong
<b>Imports :</b>	
<b>Products :</b>	Rough Diamonds
<b>Countries :</b>	<ul style="list-style-type: none"> <li>• Belgium</li> <li>• Dubai</li> </ul>
<b>Terms :</b>	
<b>Selling :</b>	Cash, Cheque and Credit [30 Days]
<b>Purchasing :</b>	Cash, Cheque and Credit [30 Days]

**GENERAL INFORMATION**

<b>Suppliers :</b>	<b>Reference:</b>	Shah Imexport BVBA
	<b>Name of the Person (Designation):</b>	--
	<b>Contact Number:</b>	--
	<b>Since how long known:</b>	--
	<b>Maximum limit dealt:</b>	--
	<b>Experience:</b>	--
	<b>Remark</b>	--
<b>Customers :</b>	Wholesalers, Retailers and End Users	
	<b>Reference:</b>	V. K. Diamond, India
	<b>Name of the Person (Designation):</b>	--
	<b>Contact Number:</b>	--
	<b>Since how long known:</b>	--
	<b>Maximum limit dealt:</b>	--
	<b>Experience:</b>	--
<b>Remark</b>	--	
<b>No. of Employees :</b>	04 [Approximately]	
<b>Bankers :</b>	<b>Bank Name:</b>	IndusInd Bank Limited
	<b>Branch:</b>	No. C-2, G Block, West Core Area, Ground Floor, Tower No. 3, Bharat Diamond Bourse, BKC, Bandra (East), Mumbai - 400051, Maharashtra, India
	<b>Person Name (with Designation):</b>	--
	<b>Contact Number:</b>	91-22-26754141 [Ringling]

	<b>Name of Account Holder:</b>	--
	<b>Account Number:</b>	--
	<b>Account Since (Date/ Year of A/c Opening):</b>	--
	<b>Average Balance Maintained (Optional):</b>	--
	<b>Credit Facilities Enjoyed (CC/OD/Term Loan):</b>	--
	<b>Account Operation:</b>	--
	<b>Remarks:</b>	--

<b>Facilities :</b>	<b>SECURED LOANS</b>	<b>31.03.2016 (INR In Million)</b>
	<b>From Banks</b>	
	HDFC Bank Car Loan	0.640
	Less: Principal Paid	(0.440)
	<b>Total</b>	<b>0.200</b>

<b>Auditors :</b>	
<b>Name :</b>	Mr. Subhash K. Shukla Chartered Accountant
<b>Memberships :</b>	Not Available
<b>Collaborators :</b>	Not Available
<b>Associates/Subsidiaries :</b>	Not Available

**CAPITAL STRUCTURE**

**AS ON 31.03.2016**

<b>Particulars</b>	<b>Amount in Million</b>
Partner's Fixed Capital Account	0.030
Partner's Current Account	29.166
<b>Total</b>	<b>29.196</b>

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**FINANCIAL ANALYSIS**  
*[all figures are in INR Million]*

<b>PARTICULARS</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
Sales Turnover (Approximately)	420.000	400.000

Expected Sales (2018-2019): INR 500.000 Million [Due to business growth]

The above information has been parted by Mr. Sandip Koladiya [Partner]

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

**ABRIDGED BALANCE SHEET**

<b>SOURCES OF FUNDS</b>	<b>31.03.2016</b>
<b>SHAREHOLDERS FUNDS</b>	
1] Partners Fixed Capital Account	0.030
2] Partners Current Account	29.166
<b>NETWORTH</b>	<b>29.196</b>
<b>LOAN FUNDS</b>	
1] Secured Loans	0.200
2] Unsecured Loans	31.083
<b>TOTAL BORROWING</b>	<b>31.283</b>
<b>DEFERRED TAX LIABILITIES</b>	0.000
<b>TOTAL</b>	<b>60.479</b>
<b>APPLICATION OF FUNDS</b>	
<b>FIXED ASSETS [Net Block]</b>	1.306
Capital work-in-progress	0.000
<b>INVESTMENT</b>	0.000
<b>DEFERREX TAX ASSETS</b>	0.000
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>	
Inventories	64.197
Sundry Debtors	100.122
Cash & Bank Balances	19.552
Other Current Assets	0.276
Loans & Advances	1.701
<b>Total Current Assets</b>	<b>185.848</b>

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<b>Less : CURRENT LIABILITIES &amp; PROVISIONS</b>			
	Sundry Creditors		124.680
	Current Liabilities		0.000
	Provisions		1.995
	<b>Total Current Liabilities</b>		<b>126.675</b>
	<b>Net Current Assets</b>		<b>59.173</b>
<b>MISCELLANEOUS EXPENSES</b>			
			0.000
	<b>TOTAL</b>		<b>60.479</b>

**PROFIT & LOSS ACCOUNT**

<b>PARTICULARS</b>			<b>31.03.2016</b>
	<b>SALES</b>		
	Sales		418.864
	Other Income		0.002
	<b>TOTAL</b>		<b>418.866</b>
<b>Less</b>	<b>EXPENSES</b>		
	Cost of Goods Sold		385.203
	Labor Charges		20.315
	Import clearing charges		0.000
	Selling, general and Administrative Expenses		2.828
	Remuneration to Partners		0.900
	<b>TOTAL</b>		<b>409.246</b>
	<b>PROFIT BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION</b>		<b>9.620</b>
<b>Less</b>	<b>FINANCIAL EXPENSES</b>		<b>3.126</b>
	<b>PROFIT BEFORE TAX, DEPRECIATION AND AMORTISATION</b>		<b>6.494</b>
<b>Less/ Add</b>	<b>DEPRECIATION/ AMORTISATION</b>		<b>0.230</b>
	<b>PROFIT BEFORE TAX</b>		<b>6.264</b>
<b>Less</b>	<b>TAX</b>		<b>1.995</b>
	<b>PROFIT AFTER TAX</b>		<b>4.269</b>

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**KEY RATIOS**

**EFFICIENCY RATIOS**

<b>PARTICULARS</b>			<b>31.03.2016</b>
Average Collection Days (Sundry Debtors / Income * 365 Days)			87.25
Account Receivables Turnover (Income / Sundry Debtors)			4.18
Average Payment Days (Sundry Creditors / Purchases * 365 Days)			118.14
Inventory Turnover (Operating Income / Inventories)			0.15
Asset Turnover (Operating Income / Net Fixed Assets)			7.37

**LEVERAGE RATIOS**

<b>PARTICULARS</b>			<b>31.03.2016</b>
Debt Ratio ((Borrowing + Current Liabilities) / Total Assets)			0.84
Debt Equity Ratio (Total Liability / Networth)			1.07
Current Liabilities to Networth (Current Liabilities / Net Worth)			5.40
Fixed Assets to Networth (Net Fixed Assets / Networth)			0.04
Interest Coverage Ratio (PBIT / Financial Charges)			3.08

**PROFITABILITY RATIOS**

<b>PARTICULARS</b>			<b>31.03.2016</b>
Net Profit Margin ((PAT / Sales) * 100)	%		1.02
Return on Total Assets ((PAT / Total Assets) * 100)	%		2.28

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Return on Investment (ROI) ((PAT / Networth) * 100)	%			14.62
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**SOLVENCY RATIOS**

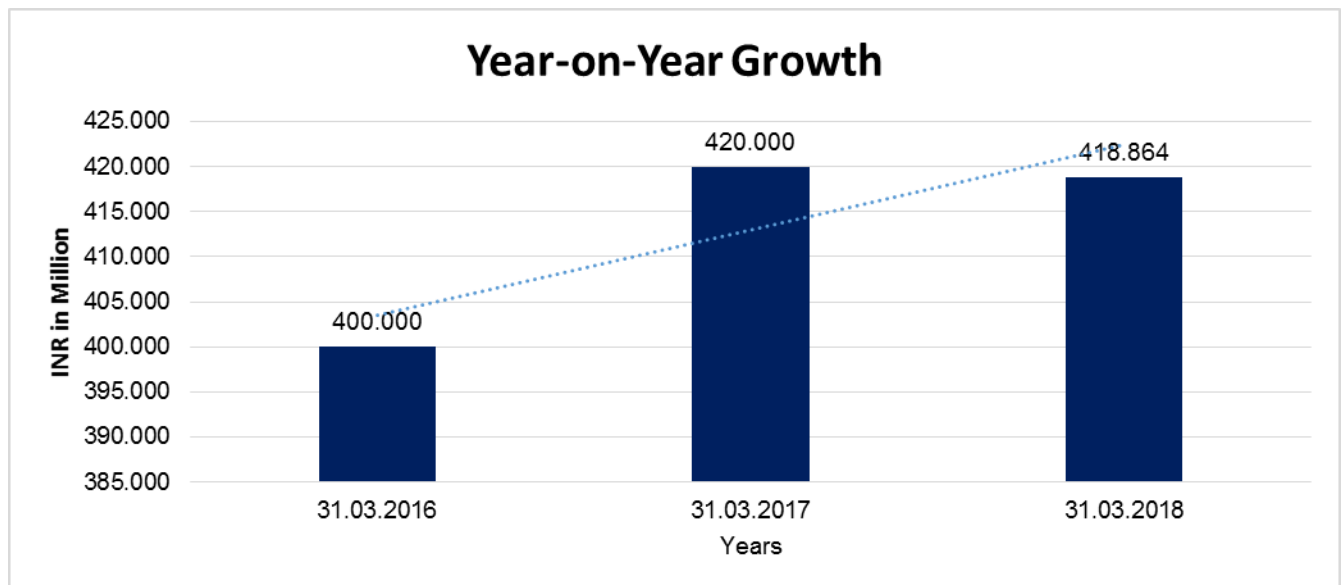
PARTICULARS				31.03.2016
Current Ratio (Current Assets / Current Liabilities)				1.18
Quick Ratio ((Current Assets – Inventories) / Current Liabilities)				0.77
G-Score Ratio Financial (Networth / Total Assets)				0.16
G-Score Ratio Debt (Debts / Equity Capital)				1.07
G-Score Ratio Liquidity (Total Current Assets / Total Current Liabilities)				1.18

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

**FINANCIAL ANALYSIS**  
*[all figures are in INR Million]*

**YEAR-ON-YEAR GROWTH**

Year on Year Growth	31.03.2016	31.03.2017	31.03.2018
	INR In Million	INR In Million	INR In Million
Sales	400.000	420.000	418.864
		<b>5.000</b>	<b>-0.270</b>



**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	No
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	Yes
10	Date of Birth of Proprietor / Partners / Directors	Yes
11	Pan Card No. of Proprietor / Partners	Yes
12	Voter Id Card No. of Proprietor / Partners	No

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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	Yes
22	Conduct of the banking account	--
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 three years	Yes
27	Reasons for variation <> 20%	--
28	Estimation for coming financial year	Yes
29	Profitability for last one year	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

#### **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 8<sup>th</sup> Century B.C. India, in fact, remained undisputed leader till 18<sup>th</sup> 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.

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- Excerpts from Times of India dated 30<sup>th</sup> 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.

**UNSECURED LOANS**

PARTICULARS	31.03.2016 (INR In Million)
Amarganga Exports	24.426
Amit Koladiya	3.550
Vasantkumar Govind	3.107
<b>Total</b>	<b>31.083</b>

**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	Indian Rupees
US Dollar	1	INR 70.07
UK Pound	1	INR 90.26
Euro	1	INR 81.05

**INFORMATION DETAILS**

<b>Information Gathered by :</b>	SHR
<b>Analysis Done by :</b>	DIV
<b>Report Prepared by :</b>	RUP

**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 to be considered as unfavourable.

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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