

MIRA INFORM REPORT

Report No. :	527042
Report Date :	28.08.2018

IDENTIFICATION DETAILS

Name :	GODHANI IMPEX
Registered Office :	EC-4060, Bharat Diamod Bourse, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra
Tel. No.:	91-22-23696730 / 31 / 33
Country :	India
Financials (as on) :	31.03.2018 (Turnover) 31.03.2017 (Financials)
Year of Establishment:	2005
Capital Investment / Paid-up Capital :	INR 262.185 Million
IEC No.:	0304091201
TIN No.:	27640355877
PAN No.:	AAFFG9714L
[Permanent Account No.]	
GSTIN :	27AAFFG9714L1ZZ
Legal Form :	Partnership Concern with an Unlimited Liability of the Partners
Line of Business :	Manufacturing of Rough and Raw Diamonds and Exporter of Polished Diamonds. [Confirmed by management]
No. of Employees :	475 (Approximately)

RATING & COMMENTS

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

MIRA's Rating : A

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

Status :	Satisfactory
Payment Behaviour :	Slow but Correct
Litigation :	Clear
Comments :	<p>Subject is a partnership concern established in the year 2005.</p> <p>It is a manufacturer of rough and raw diamonds and exporter of polished diamonds.</p> <p>Mr. M.D. Sakhre (Accounts Manager) has achieved revenue of INR 850.000 Million for the FY 2018.</p> <p>For the financial year 2017, the concern reported dip in its revenue by 10.94% as compared to the previous year along with a low profit margin of 0.88%.</p> <p>Rating takes into consideration the subject's healthy capital base along with negligible debt balance sheet profile and adequate cash balances.</p> <p>Payments seems to be slow but correct.</p> <p>In view of aforesaid, 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 while quoting report number, name and date.

ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2017)	Current Rating (30.09.2017)
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

EXTERNAL AGENCY RATING

Rating Agency Name	CARE RATING
Rating	Long Term Borrowing (Issues Not Cooperating) = BB+
Rating Explanation	Moderate risk of default
Date	19.06.2018

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 31-03-2016.

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 28.08.2018.

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. M. D. Sakhre
Designation :	Accounts Manager
Contact No.:	91-22-23696730
Date :	28.08.2018

LOCATIONS

Registered Office :	EC-4060, Bharat Diamod Bourse, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India
Tel. No.:	91-22-23696730 / 31 / 33
Fax No.:	91-22-23696733
E-Mail :	godhaniimpex@rediffmail.com godhaniimpex@gmail.com
Area :	890 sq. ft.
Location :	Rented
Locality :	Commercial
Factory :	1/B, Zariwala Compound, Near Khirana Hospital, Behind Sumul Diary, Vasta Devird, Kartargam Road, Surat – 395004, Gujarat, India

PARTNERS

Name :	Mr. Anil Godhani
Designation :	Partner
Name :	Mr. Manoj Godhani
Designation :	Partner
Name :	Mr. Hitesh Godhani
Designation :	Partner

KEY EXECUTIVES

Name :	Mr. M. D. Sakhre
Designation :	Accounts Manager

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BUSINESS DETAILS

Line of Business :	Manufacturing of Rough and Raw Diamonds and Exporter of Polished Diamonds. [Confirmed by management]
Products :	<ul style="list-style-type: none"> • Diamonds • Polished Diamonds
Brand Names :	Not Divulged
Agencies Held :	Not Divulged
Exports :	
Products :	Polished Diamond
Countries :	<ul style="list-style-type: none"> • Hong Kong • China • USA • Israel • UAE
Imports :	
Products :	Rough Diamond
Countries :	<ul style="list-style-type: none"> • Belgium • Dubai
Terms :	
Selling :	Cash, L/C, Cheque and Credit (30/60 days)
Purchasing :	Cash, L/C, Cheque and Credit (30/60 days)

GENERAL INFORMATION

Suppliers :	Reference :	Gajanand Exp Limited – Hong Kong
	Name of the Person :	--
	Contact No.:	--
	Since How Long Known :	--
	Maximum Limit Dealt :	--
	Experience :	--
	Remark:	--
	<ul style="list-style-type: none"> • Racon Jewell Company Limited, Bangkok • Jeniad, Hong Kong 	
Customers :	Wholesalers, Retailer, End Users	

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	Reference :	Gemasia BVBA – Belgium
	Name of the Person :	--
	Contact No.:	--
	Since How Long Known :	--
	Maximum Limit Dealt :	--
	Experience :	--
	Remark:	--
<ul style="list-style-type: none"> • Dian Company, Dubai • Dian Company, Belgium • Diarough NV, Belgium • Asian Star DMCC, Dubai 		
No. of Employees :	475 (Approximately)	
Bankers :	Bank Name	State Bank of India
	Branch	Bharat Diamond Bourse, BLCC, Mumbai – 400051, Maharashtra, India
	Person Name (With Designation)	--
	Contact Number	91-22-26752300
	Name of Account Holder	--
	Account Number	--
	Account Since (Date/Year of Account Opening)	--
	Average Balance Maintained (If Possible)	--
	Credit Facilities Enjoyed (If any)	--
	Account Operation	--
Remarks (If any)	Ringing	

Auditors :	
Name 1 :	J.K. Chokshi Chartered Accountant
Name 2 :	Rashmin Mehta and Company Chartered Accountants
Membership No.:	039574
Memberships :	Not Available
Collaborators :	Not Available

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Sister Concern:	Not Available
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CAPITAL STRUCTURE

As on 31.03.2017

Particulars	INR In Million
Partner's Capital	262.185
Total	262.185

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FINANCIAL DATA
[all figures are in INR Million]

ABRIDGED BALANCE SHEET

SOURCES OF FUNDS		31.03.2017	31.03.2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Partner's Capital		262.185	313.858
(b) Reserves & Surplus		0.000	0.000
(c) Money received against share warrants		0.000	0.000
(2) Share Application money pending allotment		0.000	0.000
Total Shareholders' Funds (1) + (2)		262.185	313.858
(3) Non-Current Liabilities			
(a) long-term borrowings		62.471	0.674
(b) Deferred tax liabilities (Net)		0.000	0.000
(c) Other long term liabilities		0.000	0.000
(d) long-term provisions		0.000	0.000
Total Non-current Liabilities (3)		62.471	0.674
(4) Current Liabilities			
(a) Short term borrowings		91.085	157.490
(b) Trade payables		190.483	68.393
(c) Other current liabilities		1.648	0.117
(d) Short-term provisions		12.494	16.670
Total Current Liabilities (4)		295.710	242.670
TOTAL		620.366	557.202
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets		27.550	31.766
(ii) Intangible Assets		0.000	0.000
(iii) Capital work-in-progress		0.000	0.000
(iv) Intangible assets under development		0.000	0.000
(b) Non-current Investments		0.025	0.025
(c) Deferred tax assets (net)		0.160	0.206

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(d) Long-term Loan and Advances		2.172	2.336
(e) Other Non-current assets		0.000	0.000
Total Non-Current Assets		29.907	34.333
(2) Current assets			
(a) Current investments		0.000	0.000
(b) Inventories		297.495	195.671
(c) Trade receivables		250.628	295.349
(d) Cash and cash equivalents		11.745	9.792
(e) Short-term loans and advances		30.591	22.057
(f) Other current assets		0.000	0.000
Total Current Assets		590.459	522.869
TOTAL		620.366	557.202

PROFIT & LOSS ACCOUNT

	PARTICULARS	31.03.2017	31.03.2016
	SALES		
	Income	428.398	481.073
	Other Income	1.961	1.954
	TOTAL	430.359	483.027
Less	EXPENSES		
	Cost of Materials Consumed	351.461	356.445
	Purchases of Stock-in-Trade	22.258	33.867
	Manufacturing Labour Charges	29.650	43.351
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(8.552)	6.508
	Exchange differences (Net) Loss/Gain	(8.581)	(6.814)
	Employees benefits expense	11.070	12.250
	Other expenses	17.446	24.965
	Exceptional Items	(0.026)	(4.783)
	TOTAL	414.726	465.789
	PROFIT/ (LOSS) BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION	15.633	17.238
Less	FINANCIAL EXPENSES	5.353	6.486
	PROFIT / (LOSS) BEFORE TAX, DEPRECIATION AND AMORTISATION	10.280	10.752

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Less	DEPRECIATION/ AMORTISATION		4.715	5.687
	PROFIT/ (LOSS) BEFORE TAX		5.565	5.065
Less	TAX		1.782	1.784
	NET PROFIT/ (LOSS) AFTER TAX		3.783	3.281

Particulars			31.03.2018
Sales Turnover (Approximately)			850.000
			[Due to more order]

The above information has been parted by Mr. M.D. Sakhre (Accounts Manager).

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

KEY RATIOS

EFFICIENCY RATIOS

PARTICULARS		31.03.2017	31.03.2016
Average Collection Days (Sundry Debtors / Income * 365 Days)		213.54	224.09
Account Receivables Turnover (Income / Sundry Debtors)		1.71	1.63
Average Payment Days (Sundry Creditors / Purchases * 365 Days)		186.04	63.96
Inventory Turnover (Operating Income / Inventories)		0.05	0.09
Asset Turnover (Operating Income / Net Fixed Assets)		0.57	0.54

LEVERAGE RATIOS

PARTICULARS		31.03.2017	31.03.2016
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Debt Ratio (Borrowing + Current Liabilities) / Total Assets)		0.58	0.44
Debt Equity Ratio (Total Liability / Networth)		0.59	0.50
Current Liabilities to Networth (Current Liabilities / Net Worth)		1.13	0.77
Fixed Assets to Networth (Net Fixed Assets / Networth)		0.11	0.10
Interest Coverage Ratio (PBIT / Financial Charges)		2.92	2.66

PROFITABILITY RATIOS

PARTICULARS		31.03.2017	31.03.2016
Net Profit Margin ((PAT / Sales) * 100)	%	0.88	0.68
Return on Total Assets ((PAT / Total Assets) * 100)	%	0.61	0.59
Return on Investment (ROI) ((PAT / Networth) * 100)	%	1.44	1.05

SOLVENCY RATIOS

PARTICULARS		31.03.2017	31.03.2016
Current Ratio (Current Assets / Current Liabilities)		2.00	2.15
Quick Ratio ((Current Assets – Inventories) / Current Liabilities)		0.99	1.35
G-Score Ratio Financial (Networth / Total Assets)		0.42	0.56
G-Score Ratio Debt (Debts / Equity Capital)		0.59	0.50
G-Score Ratio Liquidity		2.00	2.15

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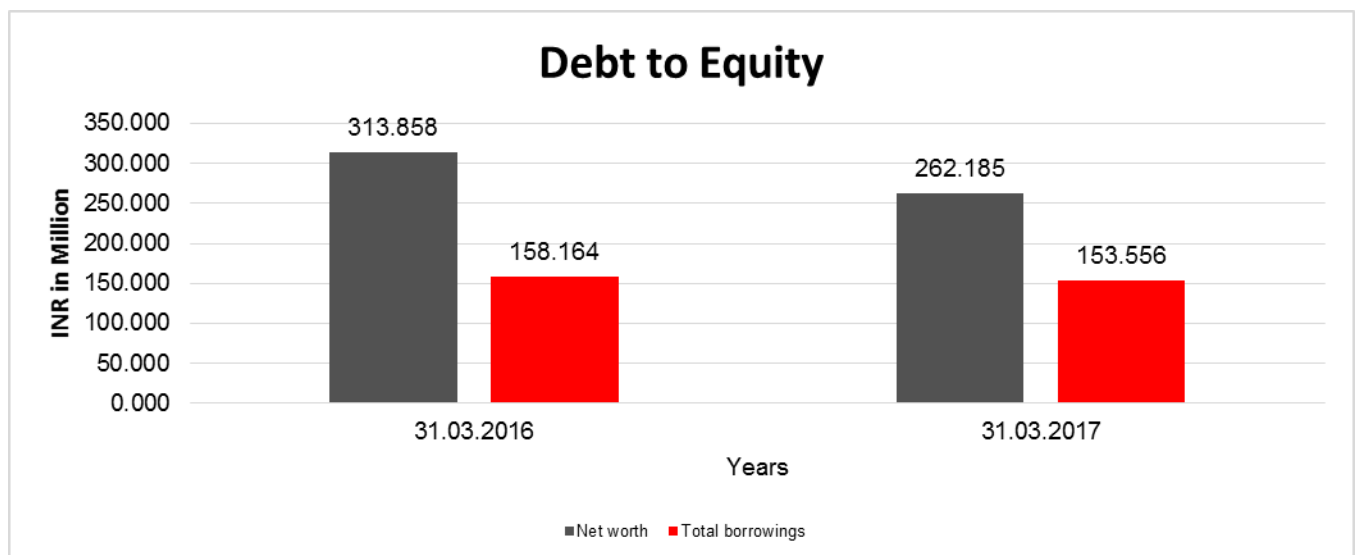
(Total Current Assets / Total Current Liabilities)

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	31.03.2016	31.03.2017
	INR In Million	INR In Million
Share Capital	313.858	262.185
Reserves & Surplus	0.000	0.000
Share Application money pending allotment	0.000	0.000
Net worth	313.858	262.185
long-term borrowings	0.674	62.471
Short term borrowings	157.490	91.085
Total borrowings	158.164	153.556
Debt/Equity ratio	0.504	0.586

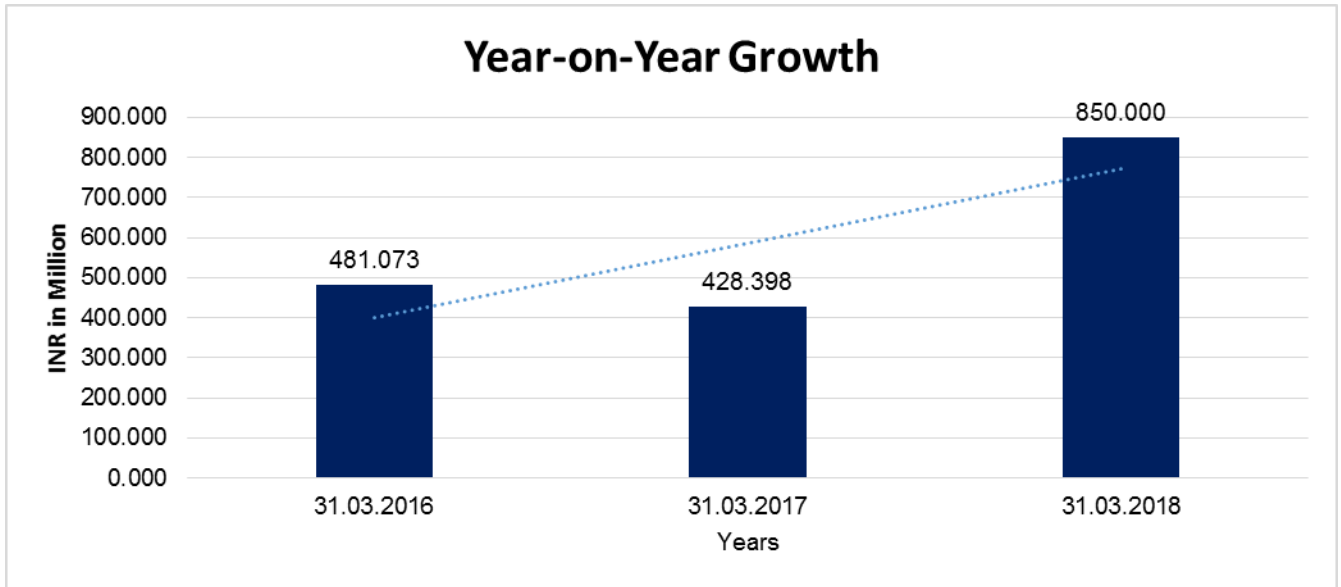


YEAR-ON-YEAR GROWTH

Year on Year Growth	31.03.2016	31.03.2017	31.03.2018
	INR In Million	INR In Million	INR In Million
Sales	481.073	428.398	850.000

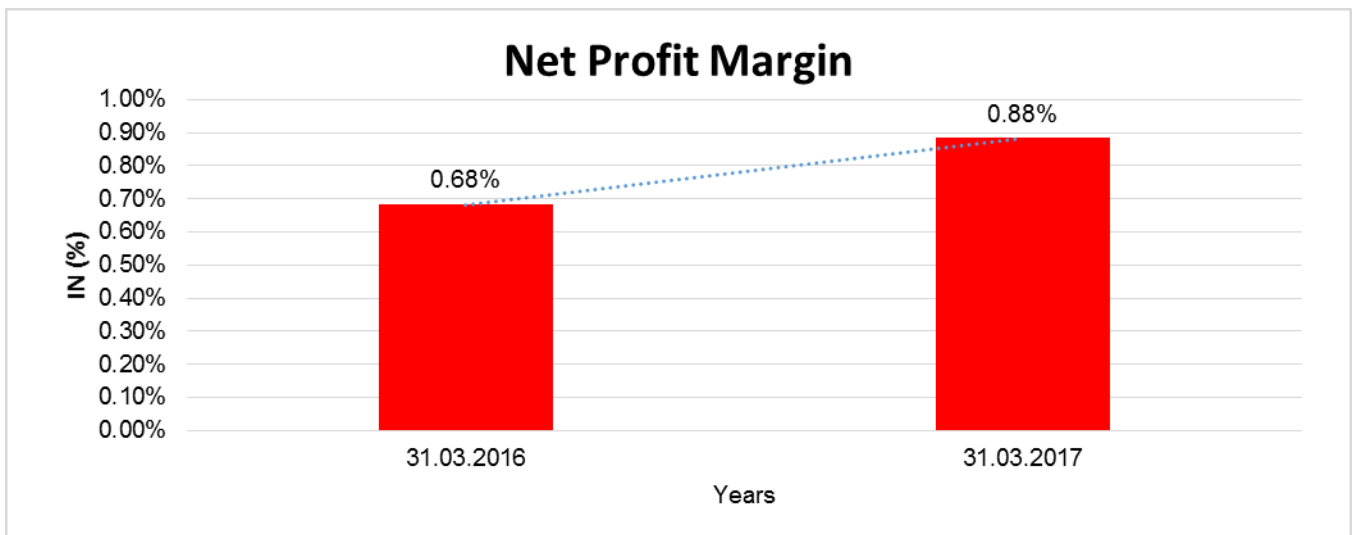
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		(10.949)	98.414
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NET PROFIT MARGIN

Net Profit Margin	31.03.2016	31.03.2017
	INR In Million	INR In Million
Sales	481.073	428.398
Profit	3.281	3.783
	0.68%	0.88%



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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	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	No
29	Profitability for last three years	No
30	Major shareholders, if available	No
31	External Agency Rating, if available	Yes
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 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 70.04
UK Pound	1	INR 89.95
Euro	1	INR 81.30

INFORMATION DETAILS

Information Gathered by :	SPR
Analysis Done by :	PRI
Report Prepared by :	JYO

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	NO
--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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