

MIRA INFORM REPORT

Report No. :	542166
Report Date :	04.12.2018

IDENTIFICATION DETAILS

Name :	KOTHARI DIAM
Registered Office :	Shop No. 105, World Diamond Center Building, Haripura, Near Railway Station, Surat - 395003, Gujarat
Mobile No.:	91- 9925248050 (Mr. Shalin Anup Shah)
Country :	India
Financials (as on) :	31.03.2018 (Sales Turnover) 31.03.2017 (Detailed Financials)
Date of Establishment:	27.02.2012
Capital Investment :	INR 3.210 Million (As on 31.03.2017)
IEC No.: [Import-Export Code No.]	5211032713
PAN No.: [Permanent Account No.]	CBKPS0699J
GSTN : [Goods & Service Tax Registration No.]	24CBKPS0699J1Z1
Legal Form :	Sole Proprietary Concern
Line of Business :	Trader of Diamonds such as Loose Diamonds, Rock Diamonds and Importing of Rough Diamonds. (Confirmed by Management)
No. of Employees :	05 (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>Kothari Diam is a trader of diamonds such as loose diamonds, rock diamonds and importing of rough diamonds. The concern was started in the year 2012 and is based in Surat, Gujarat. It is an established proprietary concern having satisfactory track.</p> <p>Mr. Shalin Anup Shah (Proprietor) provided information and has claimed that the concern has achieved revenue of INR 250.000 Million for the FY 2018 (revenue figure could not be verified).</p> <p>As per the financial records of 2017, the concern has achieved revenue of INR 243.430 Million but has reported low profit margin at 0.40%.</p> <p>The rating takes into consideration the satisfactory financial profile of the concern marked by comfortable capital base along with negligible debt balance sheet profile.</p> <p>However, these rating strength are partially offset by highly competitive diamond industry.</p> <p>Business is active. Payment terms are 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 (30.06.2018)	Current Rating (30.09.2018)
India	A1	A1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2

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Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

EXTERNAL AGENCY RATING

Rating Agency Name	Not Available
Rating	Not Available
Rating Explanation	Not Available
Date	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 04.12.2018

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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. Shalin Anup Shah
Designation :	Proprietor
Contact No.:	91-9925248050
Date :	28.11.2018

LOCATIONS

Registered Office :	Shop No. 105, World Diamond Center Building, Haripura, Near Railway Station, Surat - 395003, Gujarat, India
Tel. No.:	Not Available
Mobile No.:	91- 9925248050 (Mr. Shalin Anup Shah)
Fax No.:	Not Available
E-Mail :	kotharidiamond@yahoo.com kotharidiamond@gmail.com
Location :	Owned
Locality :	Commercial

SOLE PROPRIETOR

Name :	Mr. Shalin Anup Shah
Designation :	Proprietor
PAN No.:	CBKPS0699J

BUSINESS DETAILS

Line of Business :	Trader of Diamonds such as Loose Diamonds, Rock Diamonds and Importing of Rough Diamonds. (Confirmed by Management)
Products :	<ul style="list-style-type: none"> • Loose Diamonds • Rock Diamonds
Brand Names :	Not Available
Agencies Held :	Not Available

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Exports :	Not Available
Imports :	
Products :	Rough Diamonds
Countries :	Belgium
Terms :	
Selling :	Cash, Cheque, Credit (30/ 60 Days) and Others (RTGS/ NEFT)
Purchasing :	Cash, Cheque, Credit (30/ 60 Days) and Others (RTGS/ NEFT)

GENERAL INFORMATION

Suppliers :	Reference :	Not Divulged
	Name of the Person :	--
	Contact No.:	--
	Since How Long Known :	--
	Maximum Limit Dealt :	--
	Experience :	--
	Remark:	--
Customers :	Wholesalers, Retailers and End Users	
	Reference :	Not Divulged
	Name of the Person :	--
	Contact No.:	--
	Since How Long Known :	--
	Maximum Limit Dealt :	--
	Experience :	--
Remark:	--	
No. of Employees :	05 (Approximately)	
Bankers :	Bank Name	Axis Bank Limited
	Branch	Ghod Dod Road, Surat, Gujarat, India
	Person Name (With Designation)	--
	Contact Number	91-261-4082300
	Name of Account Holder	--
	Account Number	915020039000036 (Confirmed by management)
	Account Since (Date/Year of Account Opening)	--
	Average Balance Maintained (If Possible)	--
	Credit Facilities Enjoyed (If any)	Current A/c

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	Account Operation	--
	Remarks (If any)	Denied to provide any feedback

Auditors :	
Name :	A R Kothari and Company Chartered Accountants
Address :	Surat, Gujarat, India
Membership No.:	157739
Memberships :	Not Available
Collaborators :	Not Available
Sister Concern:	Not Available

CAPITAL STRUCTURE

As on 31.03.2017

Proprietor's Capital Account	INR 3.210 Million
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FINANCIAL DATA
[all figures are in INR Million]

ABRIDGED BALANCE SHEET

SOURCES OF FUNDS		31.03.2017	31.03.2016
EQUITY AND LIABILITIES			
1] Proprietor's Capital		3.210	2.310
2] Share Application Money		0.000	0.000
3] Reserves & Surplus		0.000	0.000
4] (Accumulated Losses)		0.000	0.000
NETWORTH		3.210	2.310
LOAN FUNDS			
1] Secured Loans		0.000	0.000
2] Unsecured Loans		1.783	1.038
TOTAL BORROWING		1.783	1.038
DEFERRED TAX LIABILITIES		0.000	0.000
TOTAL		4.993	3.348
APPLICATION OF FUNDS			
FIXED ASSETS [Net Block]		0.307	0.362
Capital work-in-progress		0.000	0.000
INVESTMENT		0.833	0.582
DEFERRED TAX ASSETS		0.000	0.000
CURRENT ASSETS, LOANS & ADVANCES			
Inventories		44.594	30.434
Sundry Debtors		65.328	65.942
Cash & Bank Balances		2.090	1.644
Other Current Assets		0.000	0.025
Loans & Advances		1.371	0.856
Total Current Assets		113.383	98.901
Less : CURRENT LIABILITIES & PROVISIONS			
Sundry Creditors		} 109.530	} 96.497
Other Current Liabilities			
Provisions			
Total Current Liabilities		109.530	96.497
Net Current Assets		3.853	2.404
MISCELLANEOUS EXPENSES		0.000	0.000
TOTAL		4.993	3.348

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PROFIT & LOSS ACCOUNT

PARTICULARS		31.03.2017	31.03.2016
SALES			
	Income	243.432	197.945
	Other Income	1.454	0.000
	TOTAL	244.886	197.945
Less	EXPENSES		
	Purchases A/C	247.593	156.109
	Increase/ (Decrease) in Stock	(14.160)	27.128
	Direct Expenses	7.186	9.838
	Administrative Expenses	0.809	0.476
	Commission Paid	0.074	0.000
	-Brokrage Charges		
	Indirect Expenses	1.980	3.045
	Auditor remuneration	0.015	0.010
	TOTAL	243.497	196.606
	PROFIT/ (LOSS) BEFORE INTEREST, DEPRECIATION AND AMORTISATION	1.389	1.339
Less	FINANCIAL EXPENSES	0.372	0.625
	PROFIT / (LOSS) BEFORE DEPRECIATION AND AMORTISATION	1.017	0.714
Less	DEPRECIATION/ AMORTISATION	0.055	0.066
	NET PROFIT/ (LOSS) FOR THE YEAR	0.962	0.648

Particulars	31.03.2018
Sales Turnover (Approximately)	250.000
	(Due to business growth)

The above information has been parted by Mr. Shalin Anup Shah (Proprietor)

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
Average Collection Days (Sundry Debtors / Income * 365 Days)		97.95	121.59
Account Receivables Turnover (Income / Sundry Debtors)		3.73	3.00
Average Payment Days (Sundry Creditors / Purchases * 365 Days)		0.00	0.00
Inventory Turnover (Operating Income / Inventories)		0.03	0.04
Asset Turnover (Operating Income / Net Fixed Assets)		4.52	3.70

LEVERAGE RATIOS

PARTICULARS		31.03.2017	31.03.2016
Debt Ratio (Borrowing + Current Liabilities) / Total Assets)		0.97	0.98
Debt Equity Ratio (Total Liability / Networth)		0.56	0.45
Current Liabilities to Networth (Current Liabilities / Net Worth)		34.68	42.22
Fixed Assets to Networth (Net Fixed Assets / Networth)		0.10	0.16
Interest Coverage Ratio (PBIT / Financial Charges)		3.73	2.14

PROFITABILITY RATIOS

PARTICULARS		31.03.2017	31.03.2016
Net Profit Margin [(PAT / Sales) * 100]	%	0.40	0.33
Return on Total Assets [(PAT / Total Assets) * 100]	%	0.84	0.65

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Return on Investment (ROI) ((PAT / Networth) * 100)	%	29.97	28.05
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SOLVENCY RATIOS

PARTICULARS		31.03.2017	31.03.2016
Current Ratio (Current Assets / Current Liabilities)		1.02	1.01
Quick Ratio ((Current Assets – Inventories) / Current Liabilities)		0.62	0.70
G-Score Ratio Financial (Networth / Total Assets)		0.03	0.02
G-Score Ratio Debt (Debts / Equity Capital)		0.56	0.45
G-Score Ratio Liquidity (Total Current Assets / Total Current Liabilities)		1.02	1.01

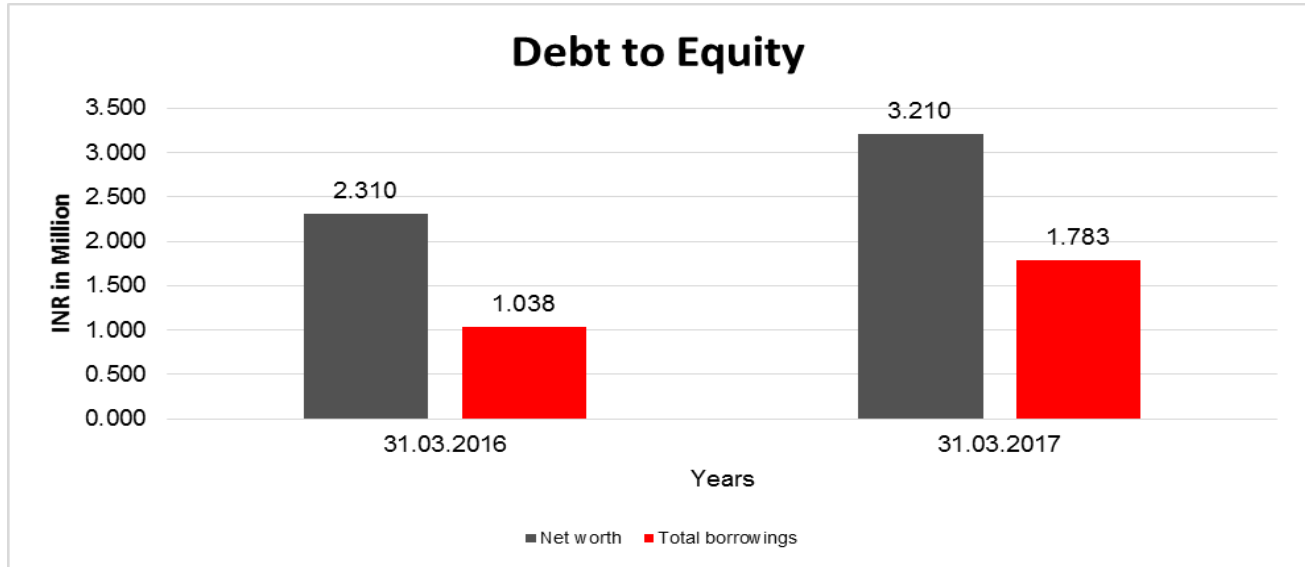
Total Liability = Short-term Debt + Long-term Debt + Current Maturities of Long-term debts

FINANCIAL ANALYSIS
[all figures are in INR Million]

DEBTS EUIY RATIO

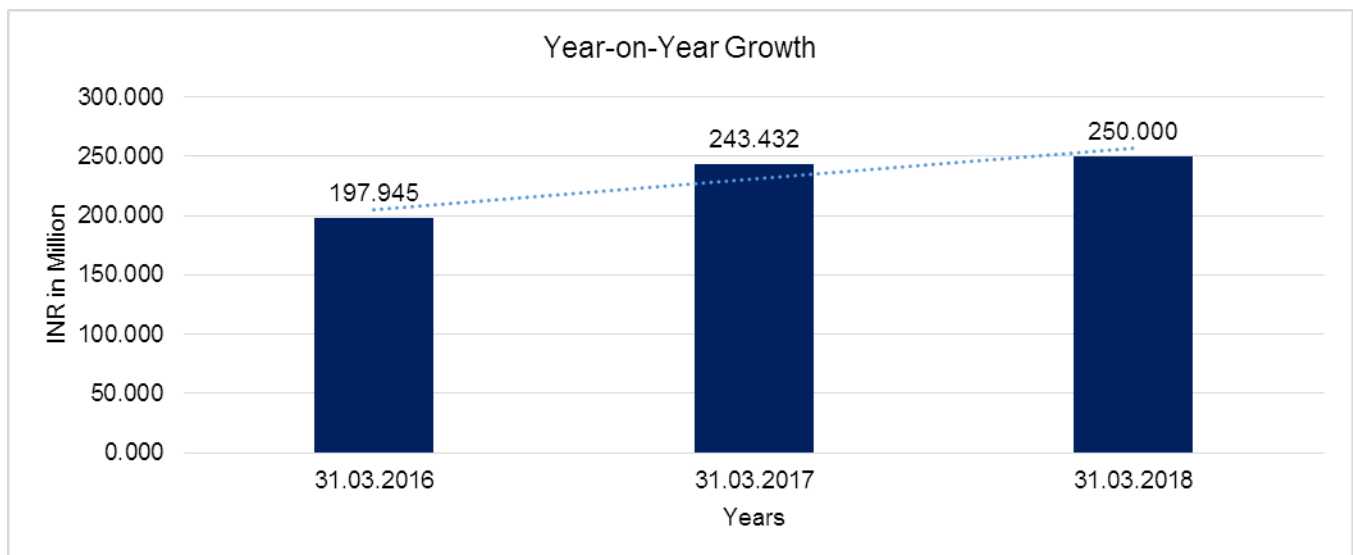
Particular		31.03.2016 INR In Million	31.03.2017 INR In Million
Proprietor's Capital		2.310	3.210
Reserves & Surplus		0.000	0.000
Net worth		2.310	3.210
Secured borrowings		0.000	0.000
Unsecured borrowings		1.038	1.783
Total borrowings		1.038	1.783
Debt/Equity ratio		0.449	0.555

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YEAR-ON-YEAR GROWTH

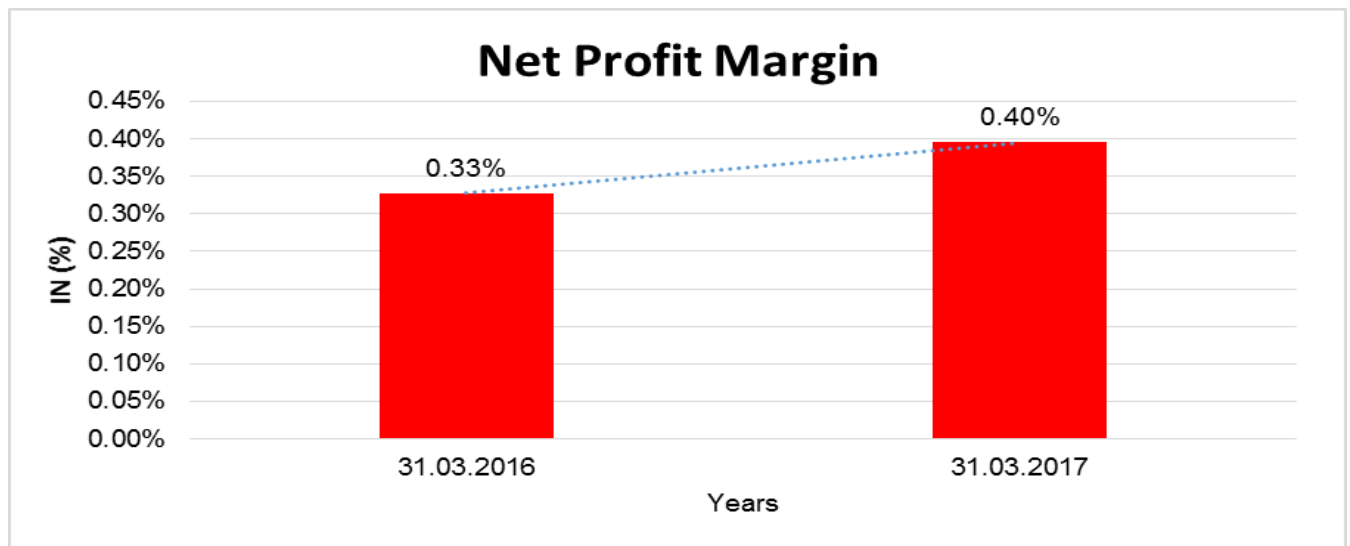
Year on Year Growth	31.03.2016 (INR In Million)	31.03.2017 (INR In Million)	31.03.2018 (INR In Million)
Sales	197.945	243.432	250.000 (Approximately)
		22.980	2.698



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NET PROFIT MARGIN

Net Profit Margin	31.03.2016	31.03.2017
	INR In Million	INR In Million
Sales	197.945	243.432
Profit/ (Loss)	0.648	0.962
	0.33%	0.40%



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	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	Yes
12	Voter Id Card No. of Proprietor / Partners	No
13	Type of business	Yes
14	Line of Business	Yes

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15	Export/import details (if applicable)	Yes
16	No. of employees	Yes
17	Details of sister concerns	No
18	Major suppliers	No
19	Major customers	No
20	Banking Details	Yes
21	Banking facility details	No
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%	Yes
28	Estimation for coming financial year	No
29	Profitability for last two 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

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 –

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- 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 70.40
UK Pound	1	INR 89.73
Euro	1	INR 80.09

INFORMATION DETAILS

Information Gathered by :	SHL
Analysis Done by :	DIV
Report Prepared by :	SUD

SCORE FACTORS

DEMERIT POINTS		
--BANK CHARGES	YES/NO	NO
--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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