

MIRA INFORM REPORT

Report No. :	545326
Report Date :	15.12.2018

IDENTIFICATION DETAILS

Name :	SANGHVI AND SONS
Registered Office :	E-7070, Center Core, E-Tower, Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra
Tel. No.:	91-22-40773500
Country :	India
Financials (as on) :	31.03.2018
Date of Establishment :	05.04.1981
Capital Investment:	Not Divulged
IEC No.: [Import-Export Code No.]	0388031492
PAN No.: [Permanent Account No.]	AAAFS3192F
GSTN : [Goods & Service Tax Registration No.]	27AAAFS3192F1Z9 – Maharashtra 24AAAFS3192F1ZF – Gujarat
Legal Form :	Partnership Concern with an unlimited liability of the partners
Line of Business :	Manufacturer and Trader of Diamonds and Exporter of Polished Diamonds and also Importing of Rough Diamonds. [Confirmed by Management]
No. of Employees :	150 (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
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A	Acceptable Risk	Business dealings permissible with moderate risk of default
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Status :	Satisfactory
Payment Behaviour :	Slow but correct
Litigation :	Clear
Comments :	<p>Subject is a partnership concern established in the year 1981.</p> <p>It is a manufacturer and trader of diamonds and exporter of polished diamonds and importer of rough diamonds.</p> <p>Mr. Haresh Trivedi (Accounts Manager) has claimed that the concern achieved revenue of INR 4670.000 million for the FY 2017 and INR 4400.000 million for the FY 2018.</p> <p>Rating takes into account the extensive experience of the partners in the cut and polished diamond (CPD) business and its longstanding relationship with customers.</p> <p>Rating gets constrained by the vulnerability of its profitability to volatility in foreign exchange rates because of an export-dominated sales profile; although the risks are mitigated, to an extent, by the natural hedge from import of rough diamonds.</p> <p>Payment 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

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 15.12.2018

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. Haresh Trivedi
Designation :	Accounts Manager
Contact No.:	91-22-40773500
Date :	14.12.2018

LOCATIONS

Registered/ Office :	Corporate	E-7070, Center Core, E-Tower, Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India
Tel. No.:		91-22-40309999/ 40773500
Mobile No.:		91-9892956156 (Mr. Rahul)
Fax No.:		91-22-23630716

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E-Mail :	info@sanghvisons.com accounts@sanghvi.com
Website :	http://www.sanghvisons.com
Location :	Owned
Locality :	Commercial
Factory :	7/4155-58, Sunder Sadan, Suthar Falia, Galemandi, Surat – 395003, Gujarat, India

PARTNERS

Name :	Mr. Mohanlal Sanghavi
Designation :	Partner
Name :	Mr. Dhanesh M. Sanghavi
Designation :	Partner
Name :	Mr. Roshan T. Sanghavi
Designation :	Partner

KEY EXECUTIVES

Name :	Mr. Haresh Trivedi
Designation :	Accounts Manager

BUSINESS DETAILS

Line of Business :	Manufacturer and Trader of Diamonds and Exporter of Polished Diamonds and also Importing of Rough Diamonds. [Confirmed by Management]
Brand Names :	Not Available
Agencies Held :	Not Available
Exports :	
Products :	Polished Diamonds
Countries :	<ul style="list-style-type: none"> • Japan • Bangladesh • United Kingdom • United States of America • Belgium • Hong Kong, etc.
Imports :	

Products :	Rough Diamonds
Countries :	<ul style="list-style-type: none"> • Russia • Belgium
Terms :	
Selling :	NEFT/RTGS
Purchasing :	NEFT/RTGS

GENERAL INFORMATION

Suppliers :	<ul style="list-style-type: none"> • Alrosa <table border="1"> <tr> <td>Reference :</td> <td>DE Beers</td> </tr> <tr> <td>Name of the Person :</td> <td>--</td> </tr> <tr> <td>Contact No.:</td> <td>--</td> </tr> <tr> <td>Since How Long Known :</td> <td>--</td> </tr> <tr> <td>Maximum Limit Dealt :</td> <td>--</td> </tr> <tr> <td>Experience :</td> <td>--</td> </tr> <tr> <td>Remark:</td> <td>--</td> </tr> </table>	Reference :	DE Beers	Name of the Person :	--	Contact No.:	--	Since How Long Known :	--	Maximum Limit Dealt :	--	Experience :	--	Remark:	--
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Maximum Limit Dealt :	--														
Experience :	--														
Remark:	--														
Customers :	End Users <ul style="list-style-type: none"> • Sanghvi Star HK Limited <table border="1"> <tr> <td>Reference :</td> <td>Shivani Gems (Belgium)</td> </tr> <tr> <td>Name of the Person :</td> <td>--</td> </tr> <tr> <td>Contact No.:</td> <td>--</td> </tr> <tr> <td>Since How Long Known :</td> <td>--</td> </tr> <tr> <td>Maximum Limit Dealt :</td> <td>--</td> </tr> <tr> <td>Experience :</td> <td>--</td> </tr> <tr> <td>Remark:</td> <td>--</td> </tr> </table>	Reference :	Shivani Gems (Belgium)	Name of the Person :	--	Contact No.:	--	Since How Long Known :	--	Maximum Limit Dealt :	--	Experience :	--	Remark:	--
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Remark:	--														
No. of Employees :	150 (Approximately)														
Bankers :	<table border="1"> <tr> <td>Banker Name :</td> <td>Bank of Baroda</td> </tr> <tr> <td>Branch :</td> <td>Opera House Branch, Mumbai, Maharashtra, India</td> </tr> <tr> <td>Person Name (With Designation) :</td> <td>--</td> </tr> <tr> <td>Contact Number :</td> <td>91-22-23888701/43409134/35 (Continuously ringing)</td> </tr> <tr> <td>Name of Account Holder :</td> <td>Sanghvi and Sons [Not confirmed with banker]</td> </tr> <tr> <td>Account Number :</td> <td>04090400000004 [Not confirmed with banker]</td> </tr> </table>	Banker Name :	Bank of Baroda	Branch :	Opera House Branch, Mumbai, Maharashtra, India	Person Name (With Designation) :	--	Contact Number :	91-22-23888701/43409134/35 (Continuously ringing)	Name of Account Holder :	Sanghvi and Sons [Not confirmed with banker]	Account Number :	04090400000004 [Not confirmed with banker]		
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	Account Since (Date/Year of Account Opening) :	--
	Average Balance Maintained :	--
	Credit Facilities Enjoyed (CC/OD/Term Loan) :	--
	Account Operation :	--
	Remark :	--

Auditors :	
Name :	Ramesh Rajni and Company Chartered Accountants
Address :	Mumbai, Maharashtra, India
Collaborators :	Not Available
Membership :	Not Available
Sister Concern :	<ul style="list-style-type: none"> T Sanghvi Exports

CAPITAL STRUCTURE

Capital Investment :	
Owned :	Not Divulged
Borrowed :	Not Divulged
Total :	Not Divulged

FINANCIAL DATA
[all figures are INR Million]

Particulars	31.03.2018	31.03.2017	31.03.2016
Sales Turnover (Approximately)	4400.000	4670.000	2700.000
	(Due to less order)	(Due to business expansion)	

Expected Sales (2018-2019): INR 5000.000 Million

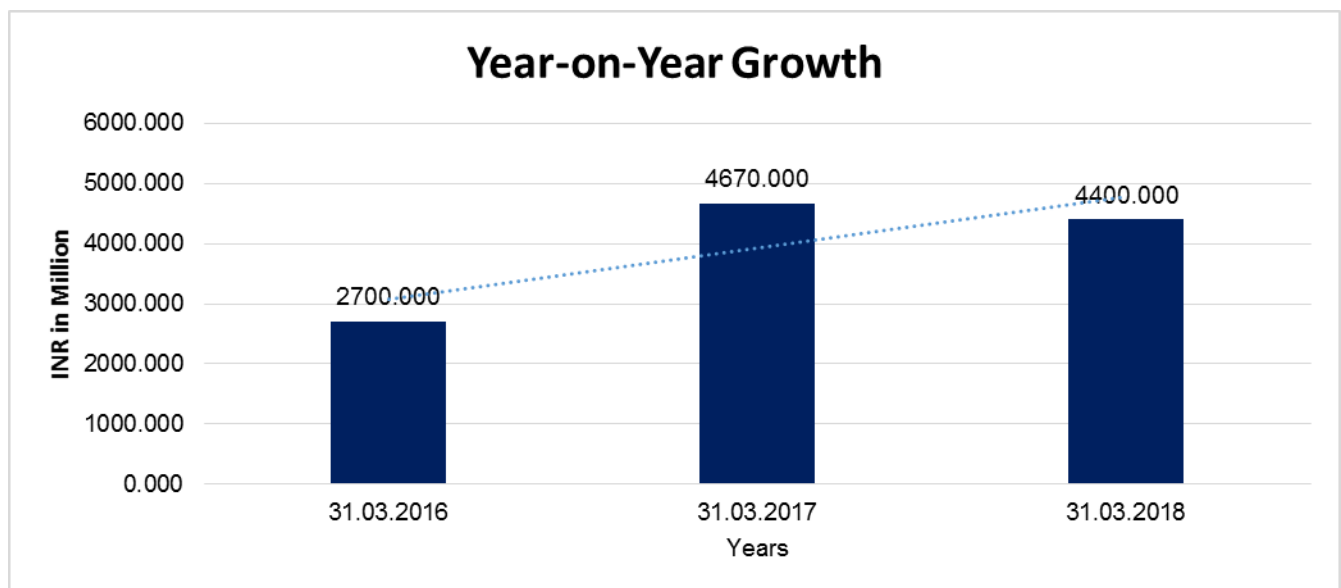
The above information has been parted by Mr. Haresh Trivedi (Accounts Manager)

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

FINANCIAL ANALYSIS
[all figures are 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 Turnover (Approximately)	2700.000	4670.000	4400.000
		72.963	(5.782)



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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	Yes
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	No
25	Last accounts filed at ROC, if applicable	Yes
26	Turnover of firm for last three years	Yes
27	Reasons for variation <> 20%	Yes
28	Estimation for coming financial year	Yes
29	Profitability for last three years	No
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 –

Gem and 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 71.92
UK Pound	1	INR 90.53
Euro	1	INR 81.34

INFORMATION DETAILS

Information Gathered by :	RSL
Analysis Done by :	PRY
Report Prepared by :	KVT

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	YES
--AFFILIATION	YES/NO	YES
--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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