

MIRA INFORM REPORT

Report No. :	546096
Report Date :	21.12.2018

IDENTIFICATION DETAILS

Name :	SPARKEL DIAMONDS
Registered Office :	GE-2050, Bharat Diamond Bourse, BKC, Bandra (East), Mumbai -400051, Maharashtra
Tel. No.:	91-22-32571744
Country :	India
Financials (as on) :	31.03.2018
Year of Establishment :	2005
Capital Investment / Paid-up Capital :	INR 5.865 Million
PAN No.: [Permanent Account No.]	ADUPD8176D
GSTN : [Goods & Service Tax Registration No.]	24ADUPD8176D1ZD
Legal Form :	Sole Proprietary Concern
Line of Business :	Manufacturer, Trader and Exporter of Diamonds (Confirmed by management)
No. of Employees :	14 (Approximately)

RATING & COMMENTS

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

MIRA's Rating :	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Maximum Credit Limit :	USD 16700
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Status :	Moderate
Payment Behaviour :	Slow
Litigation :	Clear
Comments :	<p>Subject is a proprietorship firm established in the year 2005. It is a manufacturer, trader and exporter of diamonds.</p> <p>As per the financial of 2018, the firm has achieved a fair growth in its revenue as compared to the previous year and has reported an average net profit margin.</p> <p>Rating is constrained on account of high debt balance sheet profile.</p> <p>Rating is further constrained on account of susceptibility of the subject's margins to movement in foreign currency exchange rates and strong competition from the organized as well as unorganized players in cut and polished diamond industry.</p> <p>Payment seems to be slow.</p> <p>In view of aforesaid, the subject can be considered for business dealings with some caution.</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
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

EXTERNAL AGENCY RATING

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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 21.12.2018

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. Manish
Designation :	Accounts Manager
Contact No.:	91-22-32571744
Date :	19.12.2018

LOCATIONS

Registered Office :	GE-2050, Bharat Diamond Bourse, BKC, Bandra (East), Mumbai -400051, Maharashtra, India
Tel. No.:	91-22-32571744
Mobile No.:	91-9967272952 (Mr. Mital Vardhibhai Doshi)
Fax No.:	91-22-23616612
E-Mail :	mitdoshi@yahoo.com mittal@sparkeldiamonds.com
Website :	http://sparkeldiamonds.com
Location :	Rented
Locality :	Commercial
Corporate office :	216, Shreeji Chambers, Opposite Prasad Chambers, Opera House, Mumbai-

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SPARKEL DIAMONDS - 546096

PAGE NO. : 4

	400004, Maharashtra, India
Tel. No.:	91-22-23666612 / 3257
Fax No.:	91-22-23616612

SOLE PROPRIETOR

Name :	Mr. Mital Vardhibhai Doshi
Designation :	Proprietor
PAN No.:	ADUPD8176D

KEY EXECUTIVES

Name :	Mr. Manish
Designation :	Accounts Manager

BUSINESS DETAILS

Line of Business :	Manufacturer, Trader and Exporter of Diamonds (Confirmed by management)
Brand Names :	Not Available
Agencies Held :	Not Available
Exports :	
Products :	Polished Diamond
Countries :	<ul style="list-style-type: none"> • United States of America • Hong Kong • Korea • Bangkok
Imports :	
Products :	Rough Diamonds
Countries :	<ul style="list-style-type: none"> • Belgium
Terms :	
Selling :	L/C, Cheque, Credit (60/90 Days) and Others (RTGS)
Purchasing :	L/C, Cheque, Credit (60/90 Days) and Others (RTGS)

GENERAL INFORMATION

Suppliers :	Reference :	Not Divulged
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	Name of the Person :	--
	Contact No.:	--
	Since How Long Known :	--
	Maximum Limit Dealt :	--
	Experience :	--
	Remark:	--
Customers :	Manufacturer	
	Reference :	Not Divulged
	Name of the Person :	--
	Contact No.:	--
	Since How Long Known :	--
	Maximum Limit Dealt :	--
	Experience :	--
	Remark:	--
No. of Employees :	14 (Approximately)	
Bankers :	Banker Name :	IndusInd Bank
	Branch :	C2, Bharat Diamond Bourse, BKC, Bandra (East), Mumbai -400051, Maharashtra, India
	Person Name (With Designation) :	--
	Contact Number :	91-22-44066666 (Ringing)
	Name of Account Holder :	--
	Account Number :	--
	Account Since (Date/Year of Account Opening) :	--
	Average Balance Maintained :	--
	Credit Facilities Enjoyed (CC/OD/Term Loan) :	--
	Account Operation :	--
	Remark :	--

Auditors :	Name :	Hardik H Shah and Associates Chartered Accountants
	Membership No.:	137026
Collaborators :	Not Available	
Membership :	Not Available	
Sister Concern :	--	

CAPITAL STRUCTURE

As on 31.03.2018

Capital Investment :	
Owned :	INR 5.865 Million
Borrowed :	
Total :	INR 5.865 Million

FINANCIAL DATA
[all figures are INR Million]

ABRIDGED BALANCE SHEET

SOURCES OF FUNDS		31.03.2018	31.03.2017
EQUITY AND LIABILITIES			
1] Share Capital		5.865	2.767
2] Reserves & Surplus		0.000	0.000
NETWORTH		5.865	2.767
LOAN FUNDS			
1] Secured Loans		32.942	46.606
2] Unsecured Loans		5.195	0.000
TOTAL BORROWING		38.137	46.606
DEFERRED TAX LIABILITIES		0.000	0.000
TOTAL		44.002	49.373
APPLICATION OF FUNDS			
FIXED ASSETS [Net Block]			
Capital work-in-progress		0.000	0.000
INVESTMENT			
DEFERREX TAX ASSETS		0.000	0.000
CURRENT ASSETS, LOANS & ADVANCES			
Cash & Bank Balances		1.549	0.701
Other Current Assets		325.068	476.505
Inventories			
Sundry Debtors			
Loans & Advances			
Total Current Assets		326.617	477.206
Less : CURRENT LIABILITIES & PROVISIONS			
Sundry Creditors		349.969	448.205
Other Current Liabilities		1.268	0.314
Provisions		0.000	0.000
Total Current Liabilities		351.237	448.519
Net Current Assets		(24.620)	28.687
MISCELLANEOUS EXPENSES			
		0.000	0.000
TOTAL		44.002	49.373

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PROFIT & LOSS ACCOUNT

	PARTICULARS		31.03.2018	31.03.2017
	SALES			
	Income		476.383	437.423
	Other Income		8.533	9.952
	TOTAL		484.916	447.375
Less	EXPENSES			
	Cost Of good sold		464.896	431.717
	Agency Charges		0.024	0.000
	BDB Charges		0.026	0.000
	Black Policy Insurance		0.081	0.168
	Brokerage		0.000	0.096
	Commission /Brokerage		7.176	4.018
	Credit Card Expenses		0.028	0.300
	Custom Duty -Import Charges		0.000	0.068
	Electric Expenses		0.139	0.115
	Donation		0.000	0.126
	Export Expenses		0.722	0.450
	Fuel Expenses		0.010	0.038
	Gem And Jewellery		0.006	0.000
	HV AC Charges		0.005	0.085
	Import Expenses		0.094	0.204
	Maintenance Charges		0.352	0.315
	Membership Fees		0.002	0.003
	Motor Car Expenses		0.172	0.163
	Motor Car Insurance Expenses		0.000	0.012
	Office Expenses		0.385	0.066
	Office Rent		0.389	0.389
	Property Tax		0.000	0.011
	Professional Fees		0.415	0.575
	Stamp Duty Charges		0.000	0.003
	Salary		2.479	1.214
	Telephone Expenses		0.039	0.083
	Travelling		0.625	0.906
	TOTAL		478.065	441.125
	PROFIT/ (LOSS) BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION		6.851	6.250
Less	FINANCIAL EXPENSES		1.399	1.558

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	PROFIT / (LOSS) BEFORE TAX, DEPRECIATION AND AMORTISATION		5.452	4.692
Less/ Add	DEPRECIATION/ AMORTISATION		0.626	0.114
	NET PROFIT/ (LOSS)		4.826	4.578

KEY RATIOS

EFFICIENCY RATIOS

PARTICULARS		31.03.2018	31.03.2017
Average Payment Days (Sundry Creditors / Purchases * 365 Days)		274.77	378.94
Asset Turnover (Operating Income / Net Fixed Assets)		0.87	4.91

LEVERAGE RATIOS

PARTICULARS		31.03.2018	31.03.2017
Debt Ratio ((Borrowing + Current Liabilities) / Total Assets)		0.99	0.99
Debt Equity Ratio (Total Liability / Networth)		6.50	16.84
Current Liabilities to Networth (Current Liabilities / Net Worth)		60.77	162.10
Fixed Assets to Networth (Net Fixed Assets / Networth)		1.34	0.46
Interest Coverage Ratio (PBIT / Financial Charges)		4.90	4.01

PROFITABILITY RATIOS

PARTICULARS		31.03.2018	31.03.2017
Net Profit Margin ((PAT / Sales) * 100)	%	1.01	1.05
Return on Total Assets ((PAT / Total Assets) * 100)	%	1.22	0.92

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Return on Investment (ROI) ((PAT / Networth) * 100)	%	82.28	165.45
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SOLVENCY RATIOS

PARTICULARS		31.03.2018	31.03.2017
Current Ratio (Current Assets / Current Liabilities)		1.09	1.11
G-Score Ratio Financial (Networth / Total Assets)		0.01	0.01
G-Score Ratio Debt (Debts / Equity Capital)		6.50	16.84
G-Score Ratio Liquidity (Total Current Assets / Total Current Liabilities)		1.09	1.11

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

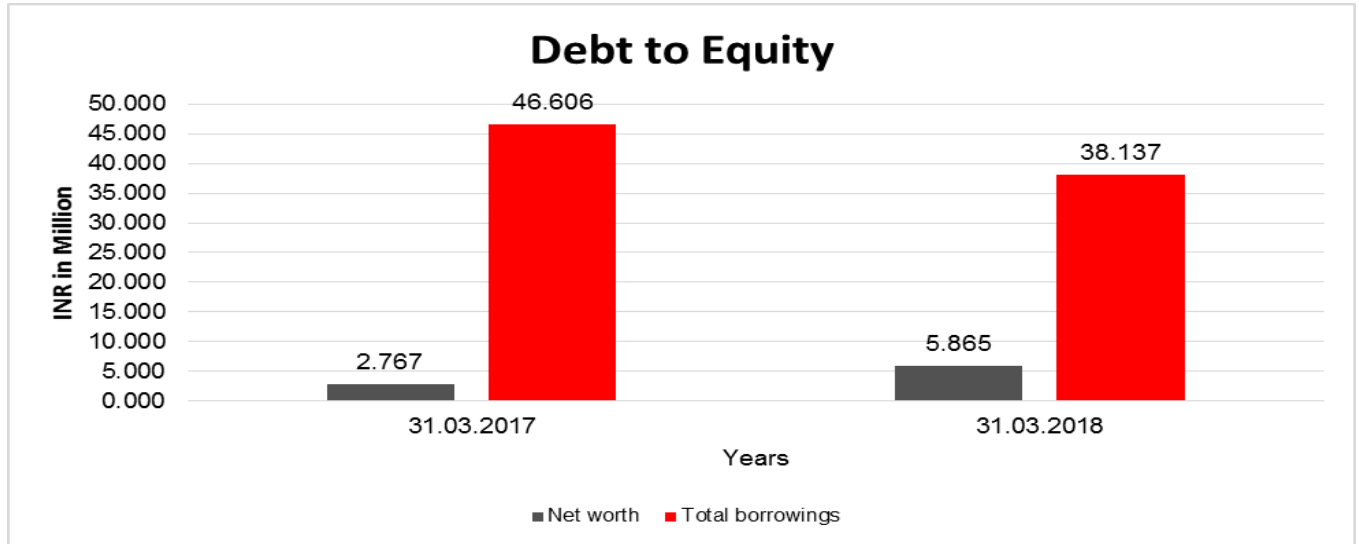
Note: Sole Proprietary and Partnership concerns are exempted from filing their financials with the Government Authorities or Registry Records.

FINANCIAL ANALYSIS
[all figures are in INR Million]

DEBT EQUITY RATIO

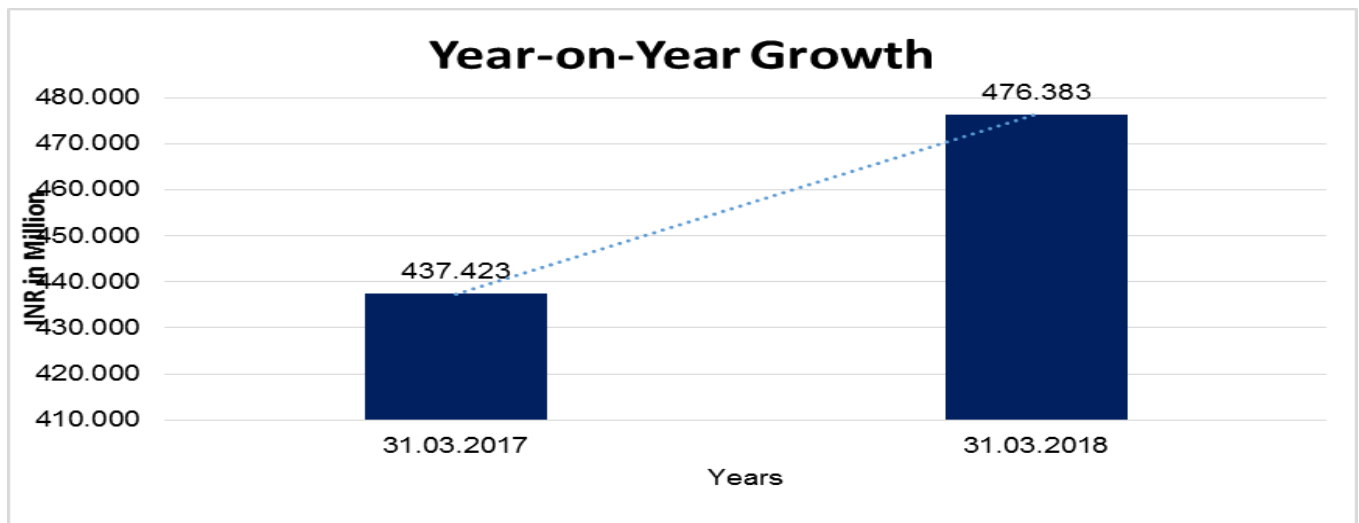
Particular	31.03.2017	31.03.2018
	INR In Million	INR In Million
Capital account	2.767	5.865
Reserves & Surplus	0.000	0.000
Net worth	2.767	5.865
Secured Loan	46.606	32.942
Unsecured Loan	0.000	5.195
Total borrowings	46.606	38.137
Debt/Equity ratio	16.844	6.502

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YEAR-ON-YEAR GROWTH

Year on Year Growth	31.03.2017	31.03.2018
	INR In Million	INR In Million
Sales	437.423	476.383
		8.907

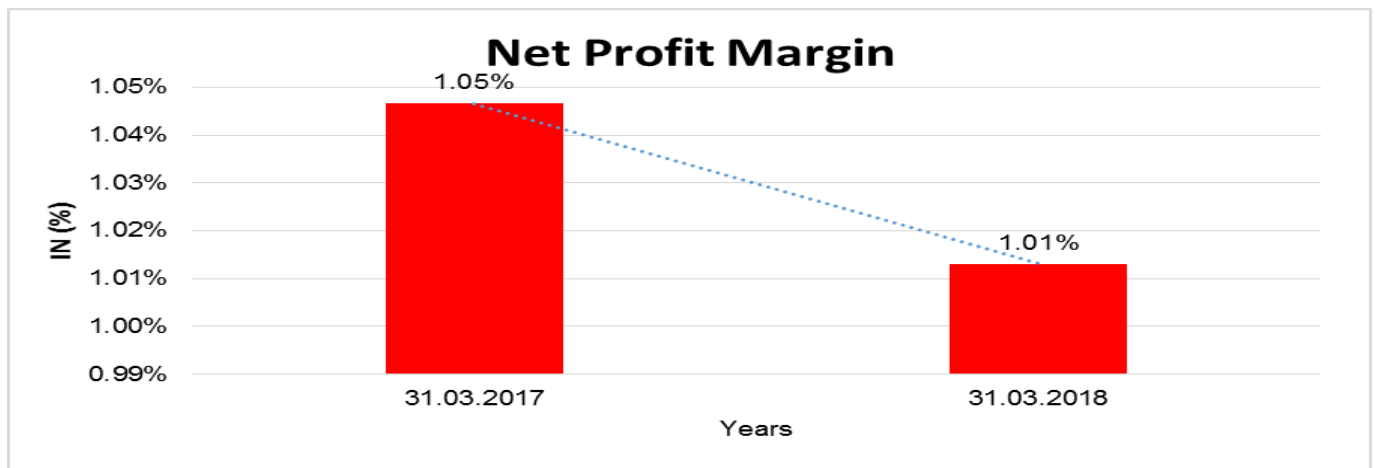


NET PROFIT MARGIN

Net Profit Margin	31.03.2017	31.03.2018

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	INR In Million	INR In Million
Sales	437.423	476.383
Profit	4.578	4.826
	1.05%	1.01%



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
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

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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 two years	Yes
27	Reasons for variation <> 20%	--
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 –
- 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 71.32
UK Pound	1	INR 90.91
Euro	1	INR 81.57

INFORMATION DETAILS

Information Gathered by :	TEJ
Analysis Done by :	NYT
Report Prepared by :	RKI

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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