

MIRA INFORM REPORT

Report No. :	520155
Report Date :	25.07.2018

IDENTIFICATION DETAILS

Name :	RELIANCE DIAMOND TOOLS (PVT) LTD
Registered Office :	C/O, South Asia Granite and Marble (PVT) LTD Bepz, Walgama, P.O, Malwana, Biyagama
Country :	Sri Lanka
Date of Incorporation :	05.12.2003
Com. Reg. No.:	PV 20947
Legal Form :	Private Limited Liability Company
Line of Business :	Manufacture and exporter of Diamond Tools
No. of Employees :	200

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

Status :	Moderate
Payment Behaviour :	Unknown
Litigation :	Clear

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

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Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Sri Lanka	A2	A2

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

SRI LANKA - ECONOMIC OVERVIEW

Sri Lanka is attempting to sustain economic growth while maintaining macroeconomic stability under the IMF program it began in 2016. The government's high debt payments and bloated civil service, which have contributed to historically high budget deficits, remain a concern. Government debt is about 79% of GDP and remains among the highest of the emerging markets. In the coming years, Sri Lanka will need to balance its elevated debt repayment schedule with its need to maintain adequate foreign exchange reserves.

In May 2016, Sri Lanka regained its preferential trade status under the European Union's Generalized System of Preferences Plus (GSP+), enabling many of its firms to export products, including its top export garments, tax free to the EU. In 2017, Parliament passed a new Inland Revenue Act in an effort to increase tax collection and broaden the tax base in response to recommendations made under its IMF program. In November 2017, the Financial Action Task Force on money laundering and terrorist financing listed Sri Lanka as non-compliant, but reported subsequently that Sri Lanka had made good progress in implementing an action plan to address deficiencies.

Tourism has experienced strong growth in the years since the resolution of the government's 26-year conflict with the Liberation Tigers of Tamil Eelam. In 2017, the government promulgated plans to transform the country into a knowledge-based, export-oriented Indian Ocean hub by 2025.

Source : CIA

BASIC INFORMATION

- a. Name of Subject of Inquiry : RELIANCE DIAMOND TOOLS (PVT) LTD
b. Legal Form & Status : Private Limited Liability Company (In Operation)
c. Managing Director /CEO : Kollareddy Soumya (Ms) (Indian)
d. Primary Line of Business : Manufacture and exporter of Diamond Tools
e. Place of Business & Factory : Plot No. 92, 93 & 94
Biyagama Export Processing Zone (BEPZ)
Phase-I, Biyagama,
Malwana,
SriLanka

Tel. No: (00 94 11) 246 5867
Fax No: (00 94 11) 246 5868 / 481 9370

E Mail: sales@reliancediamondtools.com

- f. No. of Employees : Approximately 200

COMPANY DETAILS

- Registration and Shareholder Details

- a. Registration No : **N (PVS) 35976**
Date of Registration : **05th December 2003**
- b. Re-registration No : **PV 20947**
Date of Re-registration : **22nd March 2011**
- c. Registered Address : **C/O, South Asia Granite and Marble (PVT) LTD Bepz, Walgama, P.O., Malwana, Biyagama.**
- d. Board of Directors : **Kollareddy Soumya (Indian) (Ms)** **Managing Director**
As At **Deepak Kukreti (New Zealand)** **Director**
15th March 2018 **Ranganayakamma Kollareddy (Ms) (Indian)** **Director**
- e. Issued Share Capital : **Rs. 40,000,020.00**
Number of Shares : **4,000,002**
- f. Nominal Value of Share : **Not declared/disclosed vide Companies Act #7 of 2007**
- g. Share Holders : **Share Holders** **No. of Shares**
As At **Kollareddy Raghava Reddy (Indian)** **01**
15th March 2018 **Kollareddy Soumya (Indian)** **01**
Midwest Granite (Pvt) Ltd – (Incorporated in India) **2,350,000**

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	Southasia Granite and Marble (Pvt) Ltd	1,650,000
h. SVAT No.	SVAT004798	
Reg. Date	25th August 2011	
i. TIN No.	114359769	
j. Auditors	: Weerasinghe and Company, 1E-2/1, De Fonseka Place, Col. 04.	
k. Company Secretaries	: IMS Corporate Services (Pvt) Ltd, #291/2, Havelock Road, Colombo 6.	
l. Bankers	: Not Disclosed/ Not available	

FINANCIAL DETAILS

- Most recent available Financial Information

The company has declined to provide information on its finances without the identity of the client.

Note: Based on the corporate laws of Sri Lanka, legal entities which are Private Company with Limited Liability is not required to make public disclosure of their annual financials. Therefore no financials are available for this entity

CURRENT INVESTIGATION



RELIANCE DIAMOND TOOLS
High Quality Products

• History.

The Subject Company **RELIANCE DIAMOND TOOLS (PVT) LTD** is a Private Limited Liability Company incorporated on **05th December 2003** under registration number **N (PVS) 35976**, and then the company was re-registered on **22nd March 2011** under registration number **PV 20947**

Reliance Diamond Tools Private Limited, Colombo is a subsidiary of **Midwest group India** and **Southasia Granite and Marble (Pvt) Ltd.**

• Location.

The Subject Company is located at the client given address **Plot #, 92, 93 and 94 Biyagama Export Processing Zone (BEPZ) Phase- I, Biyagama. Subject is a Board of Investment (BOI) approved company.**

Reliance Diamond Tools Private Limited, Colombo Company is established in 2004, as one of sister concern of Midwest Group headed by Sri K Raghava Reddy, Chairman & Managing Director of Midwest group of companies.

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Reliance Diamond Tools (RDT) is located at Biyagama, Sri Lanka, which is 30 Kilometres away from Colombo. **Reliance Diamond Tools** is diamond tool developers, manufacturer and suppliers of products for quarrying industries and processing industries in India as well as overseas. RDT have complete automated manufacturing unit which are imported from company in manufacturing of powder metallurgy equipments. RDT can manufactures and sells a complete range of diamond tools necessary for processing natural stone from its extraction in the quarry, through slabbing, sawing, processing and surfacing, up to final polishing. The products encompasses diamond wire saws, diamond blades, segments for all kind of saws and other diamond tool products they developed based on customer's requirement

Subject is a Board of Investment Sri Lanka (BOI) approved company.

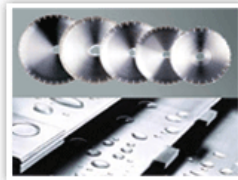
• **Operations Details.**

General

The subject company primary line of business is **Manufacture and exporter of Diamond Tools.**

Products

Diamond Wires & Beads, Circular saw, Mutli-Wire



Export Countries

India, China, Korea, Europe

No of Employees

Approximately 200

DIRECTOR'S DETAILS

01)

Name Kollareddy Soumya
PP Number F1664871
Nationality Indian
Gender Female
Address BEPZ, Walgama P.O, Malwana, Biyagama

02)

Name Deepak Kukreti
PP Number EA 445787
Nationality New Zealand
Gender Male
Address BEPZ, Walgama P.O, Malwana, Biyagama

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03)

Name Ranganayakamma Kollareddy
PP Number Z 1865554
Nationality Indian
Gender Female
Address BEPZ, Walgama P.O, Malwana, Biyagama

Note: Directors are foreigners and gender/residence address details not available.

• **Trade references**

Board of Investment, Sri Lanka (BOI)
Export Promotion Board (EDB)

The products are only for export foreign countries including India and not available for Local market. Hence no local customers

• **Summery**

Since no financial information has been forthcoming from the company, it is not possible to comment on the merits or otherwise of the company.

No computerised data bases exist to make checks whether the partners or the company has any legal action or lawsuit initiated against any of them but informal (but not in-depth) checks do not indicate any such cases in the public knowledge

INFORMATION DENIED

Management Non Co-Operative (Tel No.: 00 94 11 - 246 5867)

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.05
UK Pound	1	INR 90.30
Euro	1	INR 80.54
LKR	1	INR 0.43

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Information Gathered by :	SAV
Analysis Done by :	VIV
Report Prepared by :	KET

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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)