

MIRA INFORM REPORT

Report No. :	539304
Report Date :	24.11.2018

IDENTIFICATION DETAILS

Name :	DIAMOND CUTTERS LIMITED
Registered Office :	No. 20-24, Moderawila Industrial Estate, Panadura
Country :	Sri Lanka
Date of Incorporation :	21.01.1993
Com. Reg. No.:	PB 856
Legal Form :	Limited Liability Company
Line of Business :	Polish & Diamond Crafting.
No. of Employees :	80

RATING & COMMENTS

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

MIRA's Rating :	C
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Credit Rating	Explanation	Rating Comments
C	Medium High Risk	Business dealings permissible preferably on secured 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.

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ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
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, 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 AND REGISTRATION DETAILS

Company Name	Diamond Cutters Limited		
Former Name of Company (If Any)	N/A		
Legal Form	Limited Liability Company		Lt d
Current Operation States	Active Company		
Registration Number	Previous Reg.	Current Reg.	
	N (PBS) 163	PB 856	
Registration Date	21 st January 1993	13 th January 2009	
Registered Address	No. 20-24, Moderawila Industrial Estate, Panadura		
TIN No.	N/A		
SVAT	N/ A -	N/ A -	

AUDITORS AND SECRETARY

Secretary Nexia Corporate Consultants (Private) Limited
Address No. 181, Nawala Road, Narahenpita

Auditors Ernst and Young [Chartered Accountants]
Address No. 201, De Saram Place, Colombo – 10

BANKERS

Commercial Bank Sampath Bank

DIRECTOR BOARD

As at 18th October 2018

1 Ranjith Barmecha

Designation Director
Nationality India
Passport No. Z 2395642
Address Israel No. 6, Kehelat Riga, Meat Afeka, Tel Aviv, Israel
SL No. 20-24, Moderawila Industrial Estate, Panadura

2 Sanjay Baid

Designation Chairman + Managing Director + Shareholder
Nationality India
Passport No. B0362617
Address India No. 18, Shiva Enclave, Pittampura, Delhi 110 034
SL No. 20-24, Moderawila Industrial Estate, Panadura

3 Mr. Rajendra Dharmapriya

Designation Director Finance
D.O.B. 5th November 1962
Nationality Sri Lanka
NIC 623100049 V
Address No. 80, Templers' Road, Mount Lavinia

4 Sambhav Baid

Designation Director
Nationality India
Passport No. L5853981
Address India No. 18, Shiva Enclave, Pittampura, Delhi 110 034
SL No. 20-24, Moderawila Industrial Estate, Panadura

SHARES AND SHAREHOLDERS

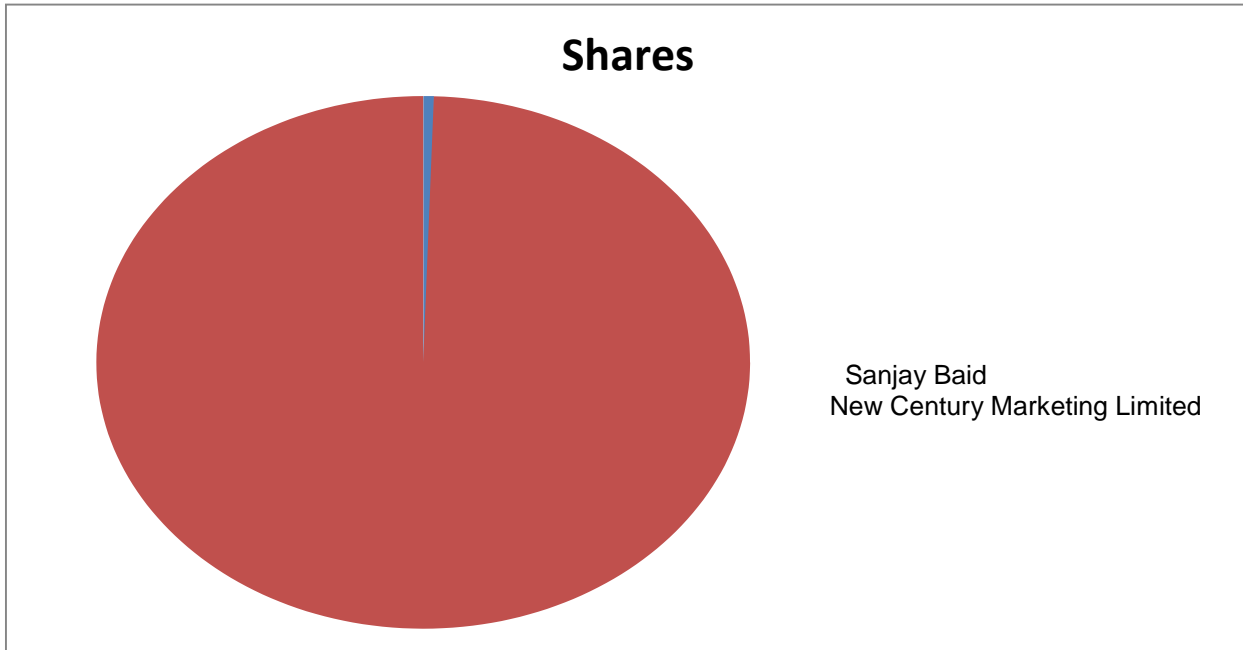
as at 18th October 2018

	Ordinary Shares	Preference Shares
Issued Shares Capital	Rs. 632,987,000.00	Rs. 3,300,000.00
Number of Shares	63,298,700	330,000
Value for Per Share	Not Applicable/Stated Vide Companies Act #7 of 2007	

LISTED SHARE HOLDERS

#	Name of the Shareholder	No. of Shares Owned
1	Sanjay Baid	330,000
2	New Century Marketing Limited	63,298,700
Total	63,628,700	

Share Issued on	Capital	No. of Shares	Shareholder
15th November 2017	99,515,000.00	9,951,500	
17th November 2017	68,742,000.00	6,874,200	New Century Marketing Limited
29th March 2018	260,270,000.00	26,027,000	
30th March 2018	124,160,000.00	12,416,000	
Total	63,298,700	632,987,000.00	



SHAREHOLDERS INFO [COMPANIES]

Shareholders	New Century Marketing Limited
Activity	N/A
Connection	N/A
Address	No. 9FI, Jonsim Place, 228, Queens Road, East Wanchi, Hong – Kong

INVESTIGATION

Diamond Cutters Limited was Incorporated on **21st January 1993** under Registration Number **N (PBS) 163** and then the Company was Re-Registered on **13th January 2009** under Re-Registration Number **PB 856** in Terms of Companies Act #7 of 2007.

Diamond Cutters Limited is a Subsidiary Company of Niru Group

NIRU Group Companies

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- | | | | |
|---|-------------------------|---|---|
| 1 | Diamond Cutters Limited | 2 | NIRU Lanka Exports (Private) Limited
No. 25, Modarawila Industrial Estate, Panadura
Telephone : [00 94 38] 224 6955
Facimile : [00 94 38] 429 1301 |
|---|-------------------------|---|---|

Diamond Cutters Limited States that They Utilize the Israeli Method for Scarify Preparation Utilizing sand Blasting, Lathering and Grinding and Specially Designed for Preparation to Ensure Perfect Smoothness for Faceting.

Precision Cut Unit Utilizes Monitors for Precise Control of Angels and Straightness of Lines for the Baguettes Done for the Swiss Market. In addition, Microscope Checking is utilized for 100% Smoothness and Accuracy of Facets. Rico American Tangs are used by the Unit for the Best Precision When Doing Rounds for the Swiss Market.

ACTIVITIES

Polish & Diamond Crafting.

SERVICES

- 1 Assorting the Roughs
- 2 Polishing of Baguettes, Princess, and Round Brilliants
- 3 Polishing of Precision Cut Shapes of Diamonds for Watch Industry and High-End Jewelry Market
- 4 Diamond Grading and Assorting

COUNTRIES

Exporting
N/A

Importing
Europe & USA

NUMBER OF EMPLOYEES

80 Employees

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AWARDS / CERTIFICATIONS

1 N/A

Diamond Cutters Limited is Head Office | Work Place Situated at No. 20–24, Moderawila Industrial Estate, Panadura

Telephone [00 94 38] 209 1300 | 224 6955

Contact Person [00 94 77] N/A

N/
A

Fax [00 94 38] 209 1301

Email info@diamond.lk

TRADE REFERENCES

- 1 Board of Investment Sri Lanka
- 2 Export Development Board
- 3 Gem & Jewelry Authority of Sri Lanka

COMPANY PREMISES PHOTOGRAPHS

N/A

MEDIA COVERAGE

N/A

MORTGAGE BONDS

Date and Description of Instrument Creating Evidencing the Charge	Amount or Secured	Short Particulars of Property	Name, Address and Description of the Persons Entitled to the Charge.
-	-	-	-

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.18
UK Pound	1	INR 91.04
Euro	1	INR 81.19
LKR	1	INR 0.39

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

INFORMATION DETAILS

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)