

MIRA INFORM REPORT

Report No. :	541534
Report Date :	26.11.2018

IDENTIFICATION DETAILS

Name :	NAVRANG IMPEX
Registered Office :	301-302, Apple Building, Opposite SMC Community Hall, Katargam, Surat-395004, Gujarat
Mobile No.:	91-9925042077 (Mr. Ramjibhai Badhiwala)
Country :	India
Financials (as on) :	31.03.2018
Date of Establishment :	04.01.2005
Capital Investment / Paid-up Capital :	INR 35.185 Million
IEC No.: [Import-Export Code No.]	5205027649
PAN No.: [Permanent Account No.]	AAFFN5132R
GSTN : [Goods & Service Tax Registration No.]	24AAFFN5132R1ZY
Legal Form :	Partnership Concern with an unlimited liability of the partners
Line of Business :	Manufacturer and Exporter of 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

Credit Rating	Explanation	Rating Comments
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A	Acceptable Risk	Business dealings permissible with moderate risk of default
Status :	Satisfactory	
Payment Behaviour :	Slow but correct	
Litigation :	Clear	
Comments :	<p>Subject is a partnership firm established in the year 2005. It is a manufacturer and exporter of diamonds.</p> <p>As per the financial records of 2018, the firm has achieved an average growth of 1.08% in its revenue as compared to the previous year and has reported a low net profit margin of 0.49%.</p> <p>The overall financial position of the firm seems to be satisfactory marked by sufficient capital base along with low debt balance sheet profile.</p> <p>Payment seems to be slow but correct.</p> <p>In view of aforesaid, the subject can be considered for business dealings at usual trade terms and condition.</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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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 26.11.2018

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. Ramjibhai
Designation :	Partner
Contact No.:	91-9925042077
Date:	23.11.2018

LOCATIONS

Registered Office / Factory :	301-302, Apple Building, Opposite SMC Community Hall, Katargam, Surat-395004, Gujarat, India
Tel. No.:	Not Available
Mobile No.:	91-9925042077 (Mr. Ramjibhai Badhiwala)
Fax No.:	Not Available
E-Mail :	navrang007@yahoo.com
Location :	Owned
Locality:	Industrial
Branch Office :	303, Savani Industrial Estate, Behind Gitanjali Petrol Pump, Kohinoor Road, Varachha Road, Surat – 395006, Gujarat, India

PARTNERS

Name :	Mr. Ramjibhai Arajanbhai Badhiwala
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Designation :	Partner
Address :	10, Ahanti Niketan Society, Sumul Dairy Road, Surat-395008, Gujarat, India
Date of Birth/Age :	57 Years
Qualification :	M. Com
Name :	Mr. Rameshbhai Hiralal Viradiya
Designation :	Partner
Address :	6-D, Ashiyana Apartment, Kapadiya Compound, Sumul Dairy Road, Surat-395008, Gujarat, India
Date of Birth/Age :	48 Years
Qualification :	Under Graduate
Name :	Mr. Priyank Rameshbhai Khadela
Designation :	Partner
Address :	90, Naginawadi Society, Sumul Dairy Road, Surat-395003, Gujarat, India
Date of Birth/Age :	27 Years
Qualification :	Under Graduate

BUSINESS DETAILS

Line of Business :	Manufacturer and Exporter of Diamonds. (Confirmed by management)
Products :	Diamond
Brand Names :	Not Available
Agencies Held :	Not Available
Exports :	
Products :	Finished Goods
Countries :	<ul style="list-style-type: none"> • Belgium • Japan • Hong Kong
Imports :	
Products :	Rough Diamond
Countries :	<ul style="list-style-type: none"> • Belgium • Dubai
Terms :	
Selling :	L/C, Cash, Credit (30 / 60 / 90 Days), and Others (RTGS, NEFT)
Purchasing :	L/C, Cash, Credit (30 / 60 / 90 Days), and Others (RTGS, NEFT)

GENERAL INFORMATION

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Suppliers :	Reference :	Vishal NV, Belgium
	Name of the Person :	--
	Contact No.:	--
	Since How Long Known :	--
	Maximum Limit Dealt :	--
	Experience :	--
	Remark :	--
	<ul style="list-style-type: none"> Swintu Diam, Belgium 	
Customers :	Wholesalers, Retailers and End users	
	Reference :	Dia Jewels, Belgium
	Name of the Person :	--
	Contact No.:	--
	Since How Long Known :	--
	Maximum Limit Dealt :	--
	Experience :	--
Remark :	--	
No. of Employees :	150 (Approximately)	
Bankers :	Banker Name :	IndusInd Bank Limited
	Branch :	G-4, Mangaldeep Complex, Hira Bagh Circle, Varachha Road, Surat – 395006, Gujarat, India
	Person Name (With Designation) :	
	Contact Number :	91-261-2574383
	Name of Account Holder :	--
	Account Number :	--
	Account Since (Date/Year of Account Opening) :	--
	Average Balance Maintained :	--
	Credit Facilities Enjoyed (CC/OD/Term Loan) :	Current Account
	Account Operation :	--
	Remark :	Denied to provide any feed back
	Banker Name :	Corporation Bank
	Branch Address :	Uppar First Floor, Rockford Business Centre, Ring Road, Udhana, Surat – 394210, Gujarat, India
	Person Name :	--
	Contact No.:	91-261-2631453 (Continuously Ringing)
	Name of Account Holder	--

	Account Number	--
	Account Since (Date/Year of Account Opening)	--
	Average Balance Maintained (If Possible)	--
	Credit Facilities Enjoyed (If any)	Cash Credit INR 270.000Million (Not confirmed from bank)
	Account Operation	--
	Remarks (If any)	--

Auditors :	
Name :	HNCP and Company Chartered Accountants
Address :	Surat, Gujarat, India
Collaborators :	Not Available
Membership :	Not Available
Sister Concern :	Not Available

CAPITAL STRUCTURE

AS ON 31.03.2018

Capital Investment :	
Owned :	INR 35.185 Million
Borrowed :	--
Total :	INR 35.185 Million

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FINANCIAL DATA
[all figures are INR Million]

ABRIDGED BALANCE SHEET

SOURCES OF FUNDS	31.03.2018	31.03.2017	31.03.2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Partners Capital	35.185	30.073	24.957
(b) Reserves & Surplus	0.000	0.000	0.000
Total Shareholders' Funds (1) + (2)	35.185	30.073	24.957
(3) Non-Current Liabilities			
(a) long-term borrowings	34.900	30.182	14.431
(b) Deferred tax liabilities (Net)	0.000	0.000	0.000
(c) Other long term liabilities	0.000	0.000	0.000
(d) long-term provisions	0.000	0.000	0.000
Total Non-current Liabilities (3)	34.900	30.182	14.431
(4) Current Liabilities			
(a) Short term borrowings	0.000	0.000	0.147
(b) Trade payables	353.181	306.927	277.441
(c) Other current liabilities	0.900	14.261	0.000
(d) Short-term provisions	5.513	0.173	2.273
Total Current Liabilities (4)	359.594	321.361	279.861
TOTAL	429.679	381.616	319.249
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	26.559	24.534	23.161
(ii) Intangible Assets	0.000	0.000	0.000
(iii) Capital work-in-progress	0.000	0.000	0.000
(iv) Intangible assets under development	0.000	0.000	0.000
(b) Non-current Investments	0.000	0.000	0.000
(c) Deferred tax assets (net)	0.000	0.000	0.000
(d) Long-term Loan and Advances	0.123	0.123	0.123
(e) Other Non-current assets	0.000	0.000	0.000
Total Non-Current Assets	26.682	24.657	23.284
(2) Current assets			
(a) Current investments	0.000	0.000	0.000
(b) Inventories	316.130	235.529	255.963
(c) Trade receivables	78.970	113.987	33.771

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(d) Cash and cash equivalents	2.719	3.423	2.760
(e) Short-term loans and advances	0.229	1.780	0.000
(f) Other current assets	4.949	2.240	3.471
Total Current Assets	402.997	356.959	295.965
TOTAL	429.679	381.616	319.249

PROFIT & LOSS ACCOUNT

	PARTICULARS	31.03.2018	31.03.2017	31.03.2016
	SALES			
	Income	705.649	698.078	530.484
	Other Income	9.232	31.804	48.485
	TOTAL	714.881	729.882	578.969
Less	EXPENSES			
	Cost of Materials Consumed	715.889	622.773	599.239
	Manufacturing Charges	51.173	42.349	33.818
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(80.600)	20.433	(86.368)
	Other Administrative Expenses	15.579	32.480	21.223
	TOTAL	702.041	718.035	567.912
	PROFIT/ (LOSS) BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION	12.840	11.847	11.057
Less	FINANCIAL EXPENSES	6.521	5.207	3.591
	PROFIT / (LOSS) BEFORE TAX, DEPRECIATION AND AMORTISATION	6.319	6.640	7.466
Less/ Add	DEPRECIATION/ AMORTISATION	2.836	3.628	3.421
	PROFIT/ (LOSS) BEFORE TAX	3.483	3.012	4.045
Less	TAX	0.000	0.000	0.000
	PROFIT/ (LOSS) AFTER TAX	3.483	3.012	4.045

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KEY RATIOS

EFFICIENCY RATIOS

PARTICULARS	31.03.2018	31.03.2017	31.03.2016
Average Collection Days (Sundry Debtors / Income * 365 Days)	40.85	59.60	23.24
Account Receivables Turnover (Income / Sundry Debtors)	8.94	6.12	15.71
Average Payment Days (Sundry Creditors / Purchases * 365 Days)	180.07	179.89	168.99
Inventory Turnover (Operating Income / Inventories)	0.04	0.05	0.04
Asset Turnover (Operating Income / Net Fixed Assets)	0.48	0.48	0.48

LEVERAGE RATIOS

PARTICULARS	31.03.2018	31.03.2017	31.03.2016
Debt Ratio ((Borrowing + Current Liabilities) / Total Assets)	0.92	0.92	0.92
Debt Equity Ratio (Total Liability / Networth)	0.99	1.00	0.58
Current Liabilities to Networth (Current Liabilities / Net Worth)	10.22	10.69	11.21
Fixed Assets to Networth (Net Fixed Assets / Networth)	0.75	0.82	0.93
Interest Coverage Ratio (PBIT / Financial Charges)	1.97	2.28	3.08

PROFITABILITY RATIOS

PARTICULARS		31.03.2018	31.03.2017	31.03.2016
Net Profit Margin ((PAT / Sales) * 100)	%	0.49	0.43	0.76
Return on Total Assets ((PAT / Total Assets) * 100)	%	0.81	0.79	1.27

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Return on Investment (ROI) ((PAT / Networth) * 100)	%	9.90	10.02	16.21

SOLVENCY RATIOS

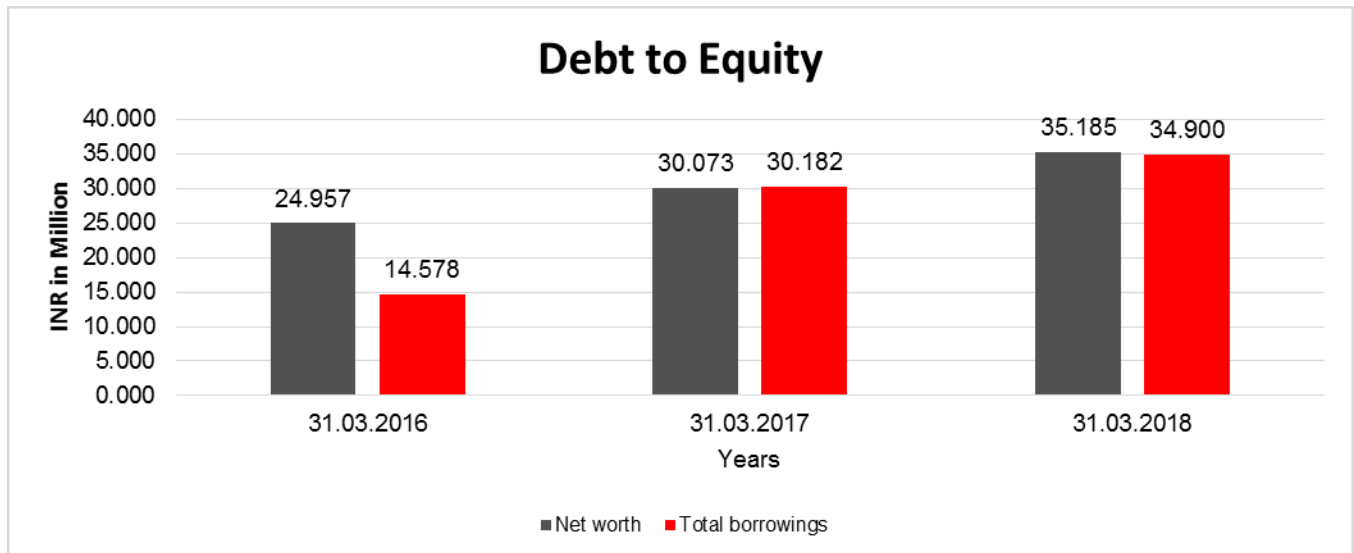
PARTICULARS	31.03.2018	31.03.2017	31.03.2016
Current Ratio (Current Assets / Current Liabilities)	1.12	1.11	1.06
Quick Ratio ((Current Assets – Inventories) / Current Liabilities)	0.24	0.38	0.14
G-Score Ratio Financial (Networth / Total Assets)	0.08	0.08	0.08
G-Score Ratio Debt (Debts / Equity Capital)	0.99	1.00	0.58
G-Score Ratio Liquidity (Total Current Assets / Total Current Liabilities)	1.12	1.11	1.06

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

FINANCIAL ANALYSIS
[all figures are INR Million]

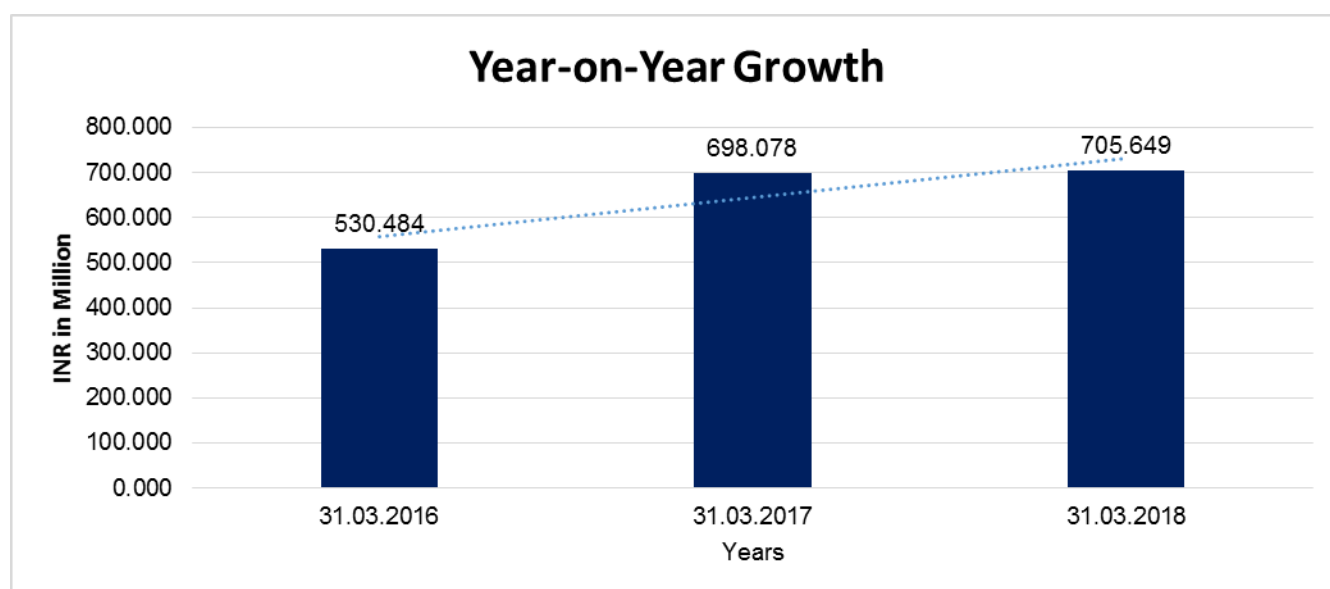
DEBT EQUITY RATIO

Particular	31.03.2016	31.03.2017	31.03.2018
	INR In Million	INR In Million	INR In Million
Capital Account	24.957	30.073	35.185
Reserves & Surplus	0.000	0.000	0.000
Net worth	24.957	30.073	35.185
long-term borrowings	14.431	30.182	34.900
Short term borrowings	0.147	0.000	0.000
Total borrowings	14.578	30.182	34.900
Debt/Equity ratio	0.584	1.004	0.992



YEAR-ON-YEAR GROWTH

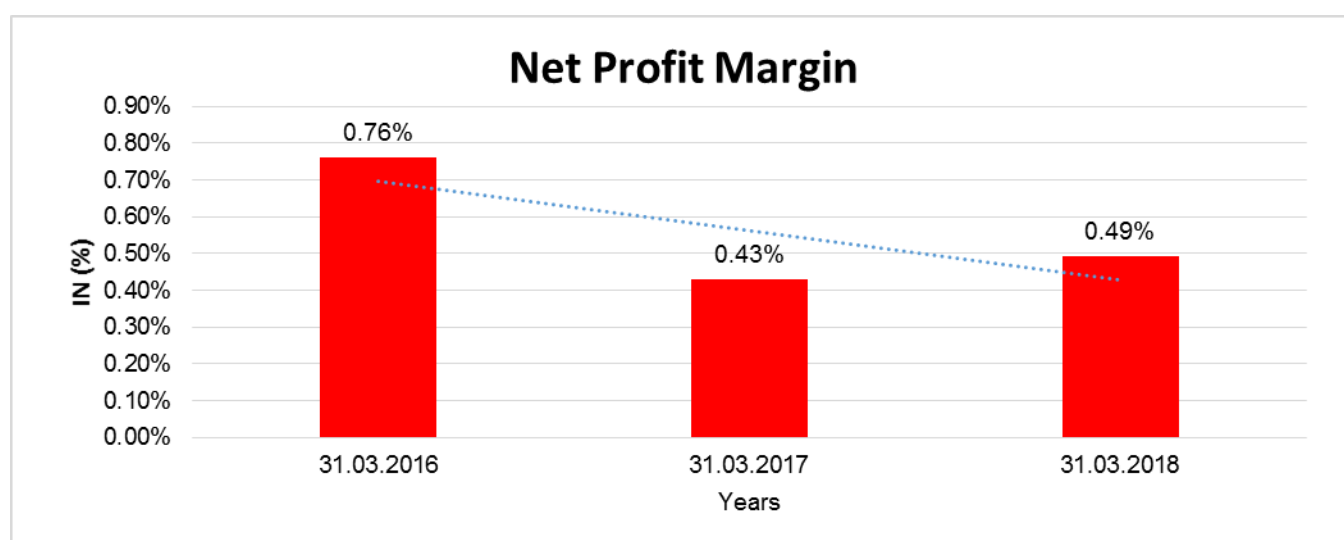
Year on Year Growth	31.03.2016	31.03.2017	31.03.2018
	INR In Million	INR In Million	INR In Million
Sales	530.484	698.078	705.649
		31.593	1.085



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NET PROFIT MARGIN

Net Profit Margin	31.03.2016	31.03.2017	31.03.2018
	INR In Million	INR In Million	INR In Million
Sales	530.484	698.078	705.649
Profit/(Loss)	4.045	3.012	3.483
	0.76%	0.43%	0.49%



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	Yes
10	Date of Birth of Proprietor / Partners / Directors	Yes
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	No
18	Major suppliers	Yes
19	Major customers	Yes
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%	--
28	Estimation for coming financial year	No
29	Profitability for last three 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 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 71.18
UK Pound	1	INR 91.04
Euro	1	INR 81.19

INFORMATION DETAILS

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

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	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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