

## MIRA INFORM REPORT

<b>Report No. :</b>	532920
<b>Report Date :</b>	02.10.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	ARJAV DIAMONDS NV
<b>Registered Office :</b>	Schupstraat 18 2018 Antwerpen
<b>Country :</b>	Belgium
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	22.07.1981
<b>Com. Reg. No.:</b>	421848545
<b>Legal Form :</b>	Public limited company
<b>Line of Business :</b>	Wholesale of diamonds and other precious stones
<b>No. of Employees :</b>	12 (2017)

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Status :</b>	Satisfactory
<b>Payment Behaviour :</b>	Slow but Correct
<b>Litigation :</b>	Clear

#### NOTES :

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto:infodept@mirainform.com) while quoting report number, name and date.

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**ECGC Country Risk Classification List**

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Belgium	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

**BELGIUM - ECONOMIC OVERVIEW**

Belgium's central geographic location and highly developed transport network have helped develop a well-diversified economy, with a broad mix of transport, services, manufacturing, and high tech. Service and high-tech industries are concentrated in the northern Flanders region while the southern region of Wallonia is home to industries like coal and steel manufacturing. Belgium is completely reliant on foreign sources of fossil fuels, and the planned closure of its seven nuclear plants by 2025 should increase its dependence on foreign energy. Its role as a regional logistical hub makes its economy vulnerable to shifts in foreign demand, particularly with EU trading partners. Roughly three-quarters of Belgium's trade is with other EU countries, and the port of Zeebrugge conducts almost half its trade with the United Kingdom alone, leaving Belgium's economy vulnerable to the outcome of negotiations on the UK's exit from the EU.

Belgium's GDP grew by 1.7% in 2017 and the budget deficit was 1.5% of GDP. Unemployment stood at 7.3%, however the unemployment rate is lower in Flanders than Wallonia, 4.4% compared to 9.4%, because of industrial differences between the regions. The economy largely recovered from the March 2016 terrorist attacks that mainly impacted the Brussels region tourist and hospitality industry. Prime Minister Charles MICHEL's center-right government has pledged to further reduce the deficit in response to EU pressure to decrease Belgium's high public debt of about 104% of GDP, but such efforts would also dampen economic growth. In addition to restrained public spending, low wage growth and higher inflation promise to curtail a more robust recovery in private consumption.

The government has pledged to pursue a reform program to improve Belgium's competitiveness, including changes to labor market rules and welfare benefits. These changes have generally made Belgian wages more competitive regionally, but have raised tensions with trade unions, which have called for extended strikes. In 2017, Belgium approved a tax reform plan to ease corporate rates from 33% to 29% by 2018 and down to 25% by 2020. The tax plan also included benefits for innovation and SMEs, intended to spur competitiveness and private investment.

Source : CIA

## **COMPANY NAME AND ADDRESS**

Company name	ARJAV DIAMONDS NV
Trading name	ARJAV DIAMONDS
Registered address	SCHUPSTRAAT 18 2018 ANTWERPEN
Correspondence address	SCHUPSTRAAT 18 2018 ANTWERPEN
Telephone number	+3232322066
Email address	info@arjavidiamonds.com
Website	http://www.arjavidiamonds.com/

## **REGISTRATION**

Registration number	421848545
VAT-number	BE.0421.848.545
Status	active
Establishment date	22/07/1981
Legal form	Public limited company
Subscribed share capital	€ 151,919,040

## **ACTIVITIES**

Wholesale of diamonds and other precious stones

## **RELATIONS**

Shareholders	Unknown
Structure	Subsidiaries: -LUMINIS STAR NV -ARJAV DIAMONDS INDIA PVT LTD SOC.ETR. E....

## **MANAGEMENT**

Name	Arjav Mehta
Position	Managing Director
Start Date	01/04/2008
Position	Director
Start Date	01/04/2008
Name	Ashit Mehta
Position	Managing Director
Start Date	27/06/1996
Position	Director

## **EMPLOYEES**

Date	31/12/2017
	12

## **BANK**

ABN AMRO
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## **PAYMENTS**

Total number of Invoices available	10
Total number of Invoices paid within or up to 30 days after the due date	10
Total number of Invoices paid more than 30 days after the due date	0
Total number of Invoices currently outstanding where the due date has not yet been reached	0
Total number of Invoices currently outstanding beyond the due date	0

## REMARKS

Auditor: RSM Interaudit

## FINANCIALS

Assets									
Annual accounts	31-12-2017	%	31-12-2016	%	31-12-2015	%	31-12-2014	%	31-12-2013
Weeks	52		52		52		52		52
Currency	EUR		EUR		EUR		EUR		EUR
Total fixed assets	65,768,178	-10.92	73,831,363	-5.13	77,826,206	22.56	63,502,519	15.79	54,842,609
Intangible fixed assets	0	-	0	-	0	-	0	-	0
Tangible fixed assets	2,346,665	78.38	1,315,559	-8.20	1,433,125	18.98	1,204,524	10.12	1,093,788
Land & building	2,075,291	77.03	1,172,284	-6.46	1,253,234	19.75	1,046,519	12.05	933,997
Plant & machinery	245,452	82.56	134,450	-14.73	157,669	24.33	126,812	2.41	123,829
Furniture & Vehicles	3,846	-56.42	8,826	-60.28	22,222	-28.76	31,193	-13.26	35,962
Leasing & Other Similar Rights	0	-	0	-	0	-	0	-	0
Other tangible assets	22,076	220760	-10	-	0	-	0	-	0
Financial fixed assets	63,421,513	-12.54	72,515,804	-5.08	76,393,081	22.63	62,297,995	15.91	53,748,821
Total current assets	452,303,614	-14.96	531,852,108	5.35	504,821,699	24.25	406,286,995	0.51	404,236,316
Inventories	269,260,824	4.61	257,384,662	37.19	187,612,448	48.09	126,687,422	-8.19	137,988,669
Raw materials & consumables	0	-	0	-	0	-	0	-	0

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Work in progress	0	-	0	-	0	-	0	-	0
Finished goods	269,260,824	4.61	257,384,662	37.19	187,612,448	48.09	126,687,422	-8.19	137,988,669
Other stocks	0	-	0	-	0	-	0	-	0
Trade debtors	181,308,339	-33.27	271,687,771	-12.34	309,927,738	13.39	273,321,639	4.35	261,938,313
Other amounts receivable	1,019,548	158	394,129	76.10	223,813	62.34	137,865	37.07	100,577
Cash	260,377	-86.05	1,865,982	-71.06	6,446,805	6.99	6,025,422	45.02	4,154,850
Miscellaneous current assets	454,526	-12.52	519,564	-14.95	610,895	432	114,647	112	53,907
<b>Total Assets</b>	<b>518,071,792</b>	<b>-14.46</b>	<b>605,683,472</b>	<b>3.95</b>	<b>582,647,905</b>	<b>24.02</b>	<b>469,789,514</b>	<b>2.33</b>	<b>459,078,925</b>

Liabilities									
Total shareholders equity	155,957,629	18.45	131,665,141	-5.32	139,057,731	22.24	113,760,573	13.95	99,837,062
Issued share capital	151,919,040	145	61,828,015	-5.14	65,178,173	21.42	53,680,743	13.58	47,260,693
Share premium account	0	-	0	-	0	-	0	-	0
Revaluation reserve	0	-	0	-	0	-	0	-	0
Reserves	4,038,589	-94.22	69,837,126	-5.47	73,879,558	22.97	60,079,830	14.27	52,576,369
Provisions for Liabilities & Charges	0	-	0	-	0	-	0	-	0
Deffered taxes	0	-	0	-	0	-	0	-	0
Creditors	126,392,000	-73.34	474,018,330	6.75	444,056,040	24.72	356,028,941	-0.89	359,241,863

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Other long term loans	126,392,000	-12.63	144,661,500	-5.14	152,500,000	21.42	125,599,000	13.58	110,577,750
Other long term liabilities	235,722,163	-	0	-	0	-	0	-	0
Total long term debts	362,114,163	150	144,661,500	-5.14	152,500,000	21.42	125,599,000	13.58	110,577,750
Current portion of long term debt	0	-	0	-	0	-	0	-	0
Financial debts	152,670,341	-13.03	175,548,859	-4.88	184,561,164	11.35	165,755,388	-7.01	178,258,459
Trade creditors	70,662,015	-50.99	144,174,094	46.63	98,327,065	64.95	59,609,362	-4.95	62,715,192
Amounts Payable for Taxes, Remuneration & Social Security	1,097,027	88.76	581,188	31.34	442,505	-73.49	1,668,938	16.77	1,429,206
Miscellaneous current liabilities	11,292,781	24.75	9,052,689	10.06	8,225,306	142	3,396,253	-45.76	6,261,256
Total current liabilities	235,722,164	-28.43	329,356,830	12.97	291,556,040	26.53	230,429,941	-7.33	248,664,113
Total Liabilities	518,071,792	-14.46	605,683,472	3.87	583,113,771	24.12	469,789,514	2.33	459,078,925

Ratio analysis									
TRADING PERFORMANCE									
Profit Before Tax	0.46	475	0.08	-38.46	0.13	44.44	0.09	1.88	-4.79
Return on capital employed	0.43	207	0.14	-51.72	0.29	20.83	0.24	1.80	-13.31

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Return on total assets employed	0.43	514	0.07	-50.0	0.14	16.67	0.12	1.97	-6.10
Return on net assets employed	1.43	376	0.30	-50.0	0.60	17.65	0.51	1.82	-28.06
Sales / net working capital	2.26	-11.02	2.54	-14.48	2.97	-20.80	3.75	-0.27	3.76
Stock turnover ratio	55.08	9.96	50.09	69.05	29.63	54.40	19.19	-18.72	23.61
Creditor days	54.40	-48.16	104.94	81.37	57.86	72.92	33.46	-11.88	37.97
Debtor days	135.37	-29.85	192.98	8.02	178.65	18.23	151.11	-7.61	163.56
<b>SHORT TERM STABILITY</b>									
Current ratio	1.92	19.25	1.61	-6.94	1.73	-1.70	1.76	7.98	1.63
Liquidity ratio / acid ratio	0.78	-6.02	0.83	-23.85	1.09	-9.92	1.21	13.08	1.07
Current debt ratio	1.51	-39.60	2.50	19.05	2.10	3.45	2.03	-18.47	2.49
Cashflow	1,437,153	487	244,698	-52.69	517,247	28.41	402,795	-99	43,600,809
Net worth	155,957,629	18.45	131,665,141	-5.32	139,057,731	22.24	113,760,573	13.95	99,837,062
<b>LONG TERM STABILITY</b>									
Gearing	178.93	-26.43	243.20	0.33	242.39	-5.36	256.11	-11.48	289.31
Equity in percentage	30.10	38.45	21.74	-8.92	23.87	-1.45	24.22	11.36	21.75
Total debt ratio	2.32	-35.56	3.60	12.85	3.19	1.92	3.13	-13.06	3.60

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Working capital	216,581,450	6.96	202,495,278	-5.05	213,265,659	21.27	175,857,054	13.04	155,572,203
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<b>Profit &amp; loss</b>									
Operating Income	488,940,073	-4.86	513,895,681	-18.85	633,234,757	-4.09	660,217,993	12.94	584,572,121
Turnover	488,868,989	-4.87	513,872,353	-18.85	633,219,417	-4.09	660,188,405	12.94	584,534,677
Total operating expenses	474,078,582	-5.46	501,461,662	-19.15	620,239,110	-4.61	650,211,413	7.87	602,800,773
Gross Operating Margin	-	-	-	-	0	-	-	-	-
Operating Charges	474,153,339	-5.45	501,459,154	-19.15	620,254,450	-4.61	650,241,001	7.86	602,838,217
Employee costs	590,100	-4.12	615,473	3.52	594,562	4.61	568,370	25.41	453,215
Wages and salary	-	-	-	-	447,259	5.55	423,750	24.22	341,118
Employee pension costs	-	-	-	-	0	-	-	-	-
Social security contributions	-	-	-	-	150,364	14.65	131,153	27.12	103,170
Other employee costs	590,100	-4.12	615,473	20106	-3,061	-122	13,466	50.85	8,927
Director remuneration	-	-	-	-	222,615	2.65	216,863	12.29	193,128
Amortization and depreciation	132,714	177	47,800	-6.97	51,381	23.86	41,483	16.48	35,613
Operating result	14,790,407	19.17	12,410,691	-4.39	12,980,307	30.10	9,976,992	54.62	-18,266,096

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Total financial income	254,753	-70.49	863,376	-62.40	2,296,354	-8.11	2,499,131	2268	105,527
Total financial expenses	12,804,882	-0.77	12,904,686	-10.61	14,435,795	21.36	11,895,374	20.71	9,854,208
Results on ordinary operations before taxation	2,236,605	465	395,216	-53.00	840,866	44.79	580,748	2.07	-28,014,777
Extraordinary Income	3,673	-	-	-	0	-	-	-	72,957,664
Extraordinary Charges	-	-	25,835	-	0	-	-	-	-
Extraordinary items	3,673	14.22	-25,835	-	0	-	0	-100	72,957,664
Results for the Year Before Taxation	2,240,278	506	369,381	-56.07	840,866	44.79	580,748	-98.71	44,942,886
Taxation	935,839	442	172,483	-54.00	375,000	70.89	219,437	-84.07	1,377,690
Results on ordinary operations after taxation	1,300,766	484	222,733	-52.19	465,866	28.94	361,311	1.23	-29,392,467
Net result	1,304,439	562	196,898	-57.74	465,866	28.94	361,312	-99	43,565,196
Profit (Loss) for the Year to be appropriated	1,304,439	562	196,898	-57.74	465,866	28.94	361,312	-99	43,565,196
Dividends	-	-	-	-	0	-	-	-	-

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.80
UK Pound	1	INR 94.88
Euro	1	INR 84.38
Euro	1	INR 84.66

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

**INFORMATION DETAILS**

Analysis Done by :	PRI
Report Prepared by :	TRU

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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)

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