

MIRA INFORM REPORT

Report No. :	533501
Report Date :	10.10.2018

IDENTIFICATION DETAILS

Name :	S S DIAMONDS
Registered Office :	507, Shukra Building, Premises CHS Limited, Plot No. 1, Gaushala Lane Dafatary Road, Malad (East), Mumbai-400097, Maharashtra
Tel. No.:	91-22-28829931
Country :	India
Financials (as on) :	31.03.2018
Year of Establishment :	2004
Capital Investment / Paid-up Capital :	INR 56.934 Million
IEC No.: [Import-Export Code No.]	0304087769
PAN No.: [Permanent Account No.]	AAZFS8514Q
GSTN : [Goods & Service Tax Registration No.]	27AAZFS8514Q1ZX
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 :	15 (Approximately)

RATING & COMMENTS

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

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

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Status :	Satisfactory
Payment Behaviour :	Slow but correct
Litigation :	Clear
Comments :	<p>Subject is a partnership concern established in the year 2004.</p> <p>It is engaged in manufacturer and exporter of diamonds.</p> <p>Mt. Arvind (Accountant) has provided information about the subject to us.</p> <p>As per the financials of FY 2018, the concern has achieved revenue growth of 26.90% as compared to the previous year along with an average profit margin of 1.62%.</p> <p>The satisfactory financial risk profile of the company is marked by sufficient capital base along with negligible debt balance sheet profile.</p> <p>The ratings, however, gets constrained by working capital intensive nature of operations, susceptibility to volatile diamond prices and forex movement and intense competition from organized and unorganized players in the industry.</p> <p>Payment seems to be slow but correct.</p> <p>In view of aforesaid, the concern can be considered for business dealings at usual trade terms and conditions.</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 (31.12.2017)	Current Rating (01.04.2018)
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

Rating Agency Name	CRISIL
Rating	Long term, rating = B+
Rating Explanation	Risk prone credit quality and carries very high credit risk
Date	27.12.2017

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 10.10.2018

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.

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INFORMATION PARTED BY

Name :	Mr. Arvind
Designation :	Accountant
Contact No.:	91-9920485073
Date :	05.10.2018

LOCATIONS

Registered Office :	507, Shukra Building, Premises CHS Limited, Plot No. 1, Gaushala Lane, Dafatary Road, Malad (East), Mumbai-400097, Maharashtra, India
Tel. No.:	Not Available
Mobile No.:	91-9920485073 (Mr. Arvind)
Fax No.:	Not Available
	arvindpatel1107@gmail.com
Factory :	Survey No.183, Kakosi Char Rasta, Near National Highway, Siddhpur, Patan, Gujarat, India
Branch Office :	FW 2150, B.K.C Bharat Diamond Bourse, Bandra (East), Mumbai-400051, Maharashtra, India

PARTNERS

Name :	Mr. Dalji Patel
Designation :	Partner
Name :	Mr. Bhikha Patel
Designation :	Partner

KEY EXECUTIVES

Name :	Mr. Arvind
Designation :	Accountant

BUSINESS DETAILS

Line of Business :	Manufacturer and Exporter of Diamonds (Confirmed by management)
Products :	Diamonds
Brand Names :	Not Available

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Agencies Held :	Not Available
Exports :	
Products :	Diamond
Countries :	<ul style="list-style-type: none"> • Belgium • United kingdom • Hong Kong • United States of America
Imports :	
Products :	Raw material
Countries :	<ul style="list-style-type: none"> • Belgium
Terms :	
Selling :	Cash and Credit (30/60 Days)
Purchasing :	Cash and Credit (30/60 Days)

GENERAL INFORMATION

Suppliers :	<ul style="list-style-type: none"> • IDRP • Dia Rough Diamond • Dia Laxon ME 																				
Customers :	Wholesalers, Retailers and Manufacturer <ul style="list-style-type: none"> • Shree Diamond, Mumbai • Labdi Diamond 																				
No. of Employees :	15 (Approximately)																				
Bankers :	<table border="1"> <tr> <td>Banker Name :</td> <td>HDFC Bank Limited</td> </tr> <tr> <td>Branch Address :</td> <td>Marve Road, Malad (West), Mumbai, Maharashtra, India</td> </tr> <tr> <td>Facilities :</td> <td>--</td> </tr> <tr> <td>Person Name :</td> <td>--</td> </tr> <tr> <td>Contact No.:</td> <td>91-22-30751912 (Continuously Ringing)</td> </tr> <tr> <td>Name of Account Holder</td> <td>--</td> </tr> <tr> <td>Account Number</td> <td>--</td> </tr> <tr> <td>Account Since (Date/Year of Account Opening)</td> <td>--</td> </tr> <tr> <td>Average Balance Maintained (If Possible)</td> <td>--</td> </tr> <tr> <td>Credit Facilities Enjoyed (If any)</td> <td>--</td> </tr> </table>	Banker Name :	HDFC Bank Limited	Branch Address :	Marve Road, Malad (West), Mumbai, Maharashtra, India	Facilities :	--	Person Name :	--	Contact No.:	91-22-30751912 (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)	--
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Average Balance Maintained (If Possible)	--																				
Credit Facilities Enjoyed (If any)	--																				

	Account Operation	--	
	Remarks (If any)	--	

Auditors :	
Name :	Sandeep N. Shah and Associates Chartered Accountants
Address :	3rd Floor, R No.307, 31, Keshavji Naik Road, Mumbai – 400009, Maharashtra, India
Membership No.:	42670
Collaborators :	Not Available
Membership :	Not Available
Sister Concern :	--

CAPITAL STRUCTURE

AS ON 31.03.2018

Particular	(INR in million)
Partners' capital	56.934
Total	56.934

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FINANCIAL DATA
[all figures are INR Million]

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

ABRIDGED BALANCE SHEET

SOURCES OF FUNDS	31.03.2018	31.03.2017	31.03.2016
EQUITY AND LIABILITIES			
1] Partners' Capital	56.934	46.387	36.519
2] Reserves & Surplus	0.000	0.000	0.000
3] (Accumulated Losses)	0.000	0.000	0.000
NETWORTH	56.934	46.387	36.519
LOAN FUNDS			
1] Secured Loans	38.876	56.252	25.432
2] Unsecured Loans	0.222	0.200	0.000
TOTAL BORROWING	39.098	56.452	25.432
DEFERRED TAX LIABILITIES	0.000	0.000	0.000
TOTAL	96.032	102.839	61.951
APPLICATION OF FUNDS			
FIXED ASSETS [Net Block]	6.455	5.297	5.984
Capital work-in-progress	0.000	0.000	0.000
INVESTMENT	0.000	0.000	0.000
DEFERRED TAX ASSETS	0.000	0.000	0.000
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	62.780	109.742	92.301
Sundry Debtors	88.315	88.884	74.915
Cash & Bank Balances	0.863	12.250	0.857
Other Current Assets	0.000	0.000	0.000
Loans & Advances	25.026	47.016	24.418
Total Current Assets	176.984	257.892	192.491
Less : CURRENT LIABILITIES & PROVISIONS			
Sundry Creditors	87.407	160.350	136.524
Other Current Liabilities			
Provisions			
Total Current Liabilities	87.407	160.350	136.524
Net Current Assets	89.577	97.542	55.967

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MISCELLANEOUS EXPENSES	0.000	0.000	0.000
TOTAL	96.032	102.839	61.951

PROFIT & LOSS ACCOUNT

	PARTICULARS	31.03.2018	31.03.2017	31.03.2016
	SALES			
	Income	582.314	458.875	336.756
	Other Income	3.696	1.422	1.300
	TOTAL	586.010	460.297	338.056
Less	EXPENSES			
	Cost of Materials Consumed	557.321	432.965	317.350
	Clearing & forwarding expenses	0.690	0.531	0.278
	Conveyance Charges	0.024	0.000	0.000
	Donation expenses	0.031	0.000	0.000
	Electricity Expenses	1.100	1.050	0.947
	office premises rent and maintenance	0.447	0.520	0.372
	Staff Salary	4.376	3.838	3.344
	Car Insurance Premium	0.012	0.013	0.014
	Jewelers Block Policy Premium	0.091	0.109	0.124
	Brokerage / Commission	1.856	1.031	0.321
	Professional Fees	0.176	0.071	0.062
	Telephone Expenses	0.011	0.020	0.040
	Tax Audit Fees	0.030	0.035	0.029
	Other Expenses	1.410	0.977	1.098
	Interest to partners	3.607	3.491	3.045
	Remuneration to partners	1.200	1.200	1.200
	Bad Debts	0.000	0.000	2.056
	Interest to PTRC	0.000	0.000	0.003
	TOTAL	572.382	445.851	330.283
	PROFIT/ (LOSS) BEFORE INTEREST, DEPRECIATION AND AMORTISATION	13.628	14.446	7.773
Less	FINANCIAL EXPENSES	3.237	4.218	2.973
	PROFIT / (LOSS) BEFORE, DEPRECIATION AND AMORTISATION	10.391	10.228	4.800
Less/ Add	DEPRECIATION/ AMORTISATION	0.976	0.835	0.959

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	NET PROFIT/ (LOSS)	9.415	9.393	3.841

KEY RATIOS

EFFICIENCY RATIOS

PARTICULARS	31.03.2018	31.03.2017	31.03.2016
Average Collection Days (Sundry Debtors / Income * 365 Days)	55.36	70.70	81.20
Account Receivables Turnover (Income / Sundry Debtors)	6.59	5.16	4.50
Average Payment Days (Sundry Creditors / Purchases * 365 Days)	57.24	135.18	157.02
Inventory Turnover (Operating Income / Inventories)	0.22	0.13	0.08
Asset Turnover (Operating Income / Net Fixed Assets)	2.11	2.73	1.30

LEVERAGE RATIOS

PARTICULARS	31.03.2018	31.03.2017	31.03.2016
Debt Ratio ((Borrowing + Current Liabilities) / Total Assets)	0.69	0.82	0.82
Debt Equity Ratio (Total Liability / Networth)	0.69	1.22	0.70
Current Liabilities to Networth (Current Liabilities / Net Worth)	1.54	3.46	3.74
Fixed Assets to Networth (Net Fixed Assets / Networth)	0.11	0.11	0.16
Interest Coverage Ratio (PBIT / Financial Charges)	4.21	3.42	2.61

PROFITABILITY RATIOS

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PARTICULARS		31.03.2018	31.03.2017	31.03.2016
Net Profit Margin ((PAT / Sales) * 100)	%	1.62	2.05	1.14
Return on Total Assets ((PAT / Total Assets) * 100)	%	5.13	3.57	1.94
Return on Investment (ROI) ((PAT / Networth) * 100)	%	16.54	20.25	10.52

SOLVENCY RATIOS

PARTICULARS	31.03.2018	31.03.2017	31.03.2016
Current Ratio (Current Assets / Current Liabilities)	2.02	1.61	1.41
Quick Ratio ((Current Assets – Inventories) / Current Liabilities)	1.30	0.92	0.73
G-Score Ratio Financial (Networth / Total Assets)	0.31	0.18	0.18
G-Score Ratio Debt (Debts / Equity Capital)	0.69	1.22	0.70
G-Score Ratio Liquidity (Total Current Assets / Total Current Liabilities)	2.02	1.61	1.41

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

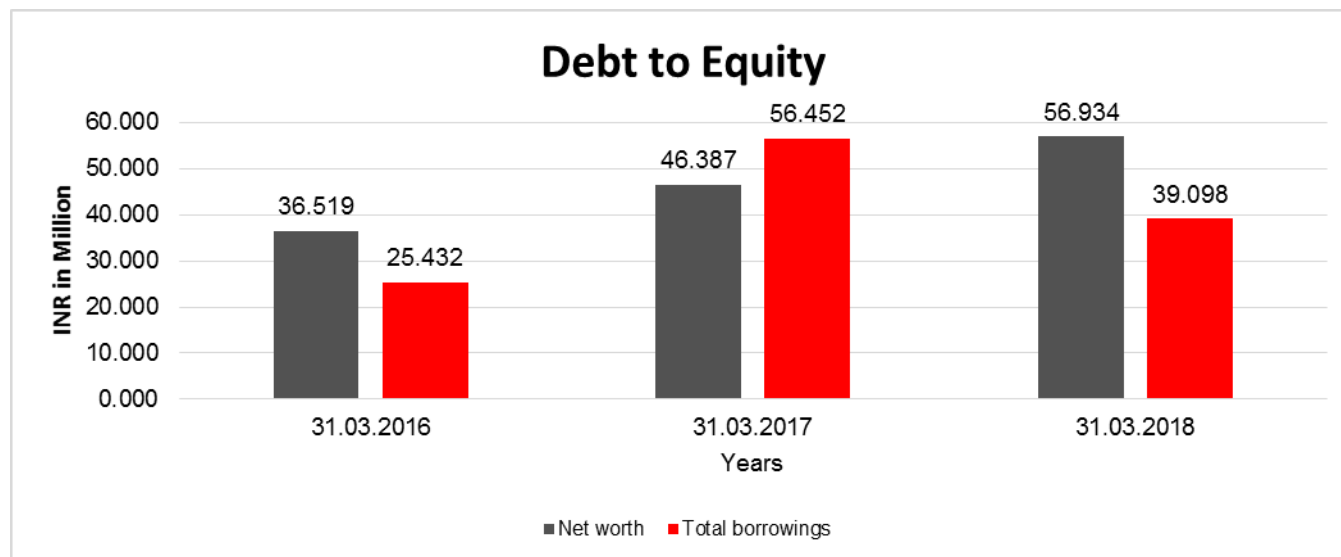
FINANCIAL ANALYSIS
[all figures are INR Million]

DEBT/EQUITY RATIO

Particular	31.03.2016	31.03.2017	31.03.2018
	INR In Million	INR In Million	INR In Million
Partners' Capital	36.519	46.387	56.934
Reserves & Surplus	0.000	0.000	0.000
Net worth	36.519	46.387	56.934
Secured Loan	25.432	56.252	38.876
Unsecured Loan	0.000	0.200	0.222

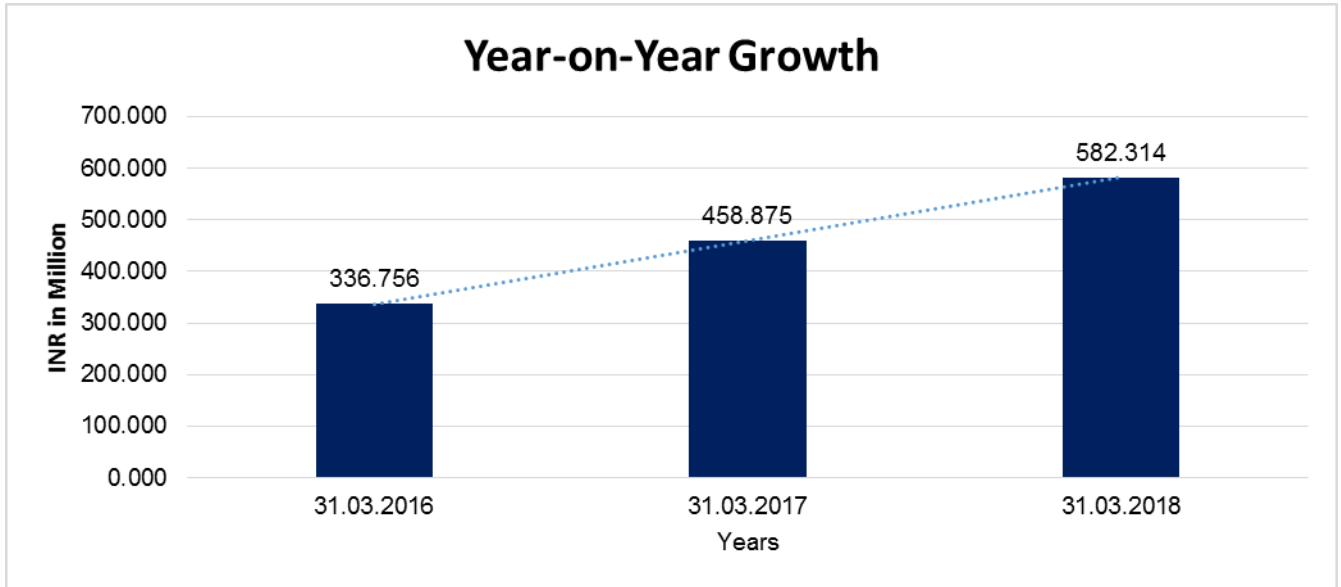
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	Total borrowings	25.432	56.452	39.098
Debt/Equity ratio		0.696	1.217	0.687



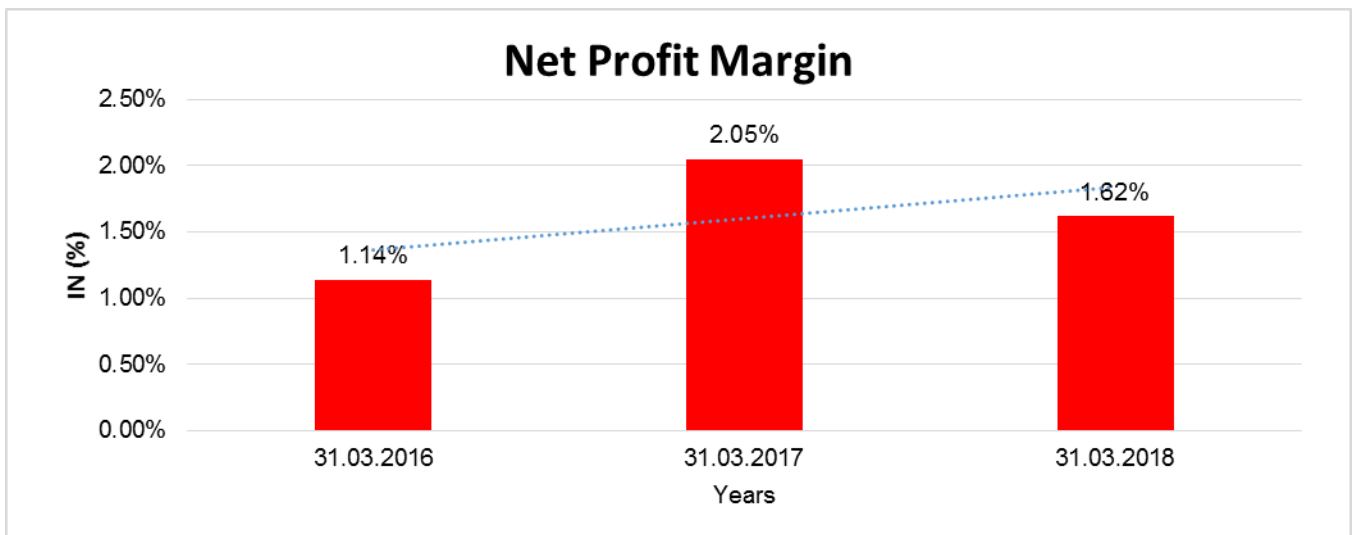
YEAR ON YEAR GROWTH

Year on Year Growth	31.03.2016	31.03.2017	31.03.2018
	INR In Million	INR In Million	INR In Million
Sales	336.756	458.875	582.314
		36.263	26.900



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	336.756	458.875	582.314
Profit	3.841	9.393	9.415
	1.14%	2.05%	1.62%



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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	No
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	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	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 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	Yes
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 73.75
UK Pound	1	INR 95.39
Euro	1	INR 84.63

INFORMATION DETAILS

Information Gathered by :	SHW
Analysis Done by :	AKY
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	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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