

MIRA INFORM REPORT

Report No. :	531187
Report Date :	25.09.2018

IDENTIFICATION DETAILS

Name :	SAMARTH DIAMOND
Registered Office :	EC 7029, G Block, Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra
Tel. No.:	91-22-23641590
Country :	India
Financials (as on) :	31.03.2017
Year of Establishment :	1987
Capital Investment :	INR 424.448 Million
IEC No.: [Import-Export Code No.]	0310014646
TIN No.:	27880789917
GSTN : [Goods & Service Tax Registration No.]	27ABBFS6229H1Z2
PAN No.: [Permanent Account No.]	ABBFS6229H
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 :	3400 (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
A	Acceptable Risk	Business dealings permissible with moderate risk of default

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Maximum Credit Limit :	USD 1200000
Status :	Satisfactory
Payment Behaviour :	Slow but correct
Litigation :	Clear
Comments :	<p>Subject is a partnership firm established in the year 1987. It is engaged as a manufacturer and exporter of diamonds</p> <p>For the financial year 2017, the concern has achieved a topline growth its revenue as compared to previous year along with average profit margin during the year.</p> <p>Rating takes into consideration, satisfactory financial risk profile of the concern marked by adequate capital base and strong debt protection</p> <p>However, these rating strength gets partially offset due to exposure to intense competition and adverse exchange rate movements in diamond industry.</p> <p>Payments seems to be slow but correct.</p> <p>In view of aforesaid, the company can be considered for business dealings at usual trade term 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

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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 2.09.2018.

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 :	Ms. Yogita
Designation :	Accountant
Contact No.:	91-22-23641590
Date :	20.09.2018

LOCATIONS

Registered Office :	EC 7029, G Block, Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (East)), Mumbai-400051, Maharashtra, India
Tel. No.:	91-22-23641590
Mobile No.:	91-9167210151 (Mr. Dashrath M. Patel)
Fax No.:	91-22-23641590
E-Mail :	info@samarthdiamond.com
Website :	http://www.samarthdiamond.com
Location :	Rented
Locality :	Commercial
Factory :	Rushikesh Market, Opposite Nutan High School, Visnagar – 384315, Mehsana, Gujarat, India
Tel. No.:	91-2765-222611/ 220974

PARTNERS

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Name :	Mr. Dashrath M. Patel
Designation :	Partner
Date of Birth/Age :	5 Years
Qualification :	B.E. Civil
Experience :	31 Years
Name :	Mr. Dinesh M. Patel
Designation :	Partner
Date of Birth/Age :	52 Years
Qualification :	Graduate
Experience :	29 Years
Name :	Mr. Govind M. Patel
Designation :	Partner
Date of Birth/Age :	50 Years
Qualification :	BSC. MBA
Experience :	27 Years
Name :	Mr. Himanshu Patel
Designation :	Partner
Name :	Mr. Prashant Patel
Designation :	Partner
Name :	Rohan Exports Private Limited
Designation :	Partner

KEY EXECUTIVE

Name :	Ms. Yogita
Designation :	Accountant

BUSINESS DETAILS

Line of Business :	Manufacturer and Exporter of Diamonds. (Confirmed by Management)
Products/ Services :	Diamonds
Brand Names :	Not Available
Agencies Held :	Not Available
Exports :	
Products :	Polished Diamond
Countries :	<ul style="list-style-type: none"> • Belgium • Dubai

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	• Hong Kong
Imports :	
Products :	Rough Diamond
Countries :	• Belgium • Dubai
Terms :	
Selling :	Cheque and Credit [30, 60 Days]
Purchasing :	Cheque and Credit [30, 60 Days]

GENERAL INFORMATION

Suppliers :	Reference:	Dia Rough N.V. Belgium
	Name of the Person (Designation):	--
	Contact Number:	--
	Since how long known:	--
	Maximum limit dealt:	--
	Experience:	--
	Remark	--
Customers :	Wholesalers, Retailers and End Users	
	Reference:	Sterlite Diamonds
	Name of the Person (Designation):	--
	Contact Number:	--
	Since how long known:	--
	Maximum limit dealt:	--
	Experience:	--
Remark	--	
No. of Employees :	3400 (Approximately)	
Bankers :	Bank Name:	Bank of India
	Branch:	Opera House, Hemes Road, Mama Paramanand Road (Branch), Mumbai, Maharashtra, India
	Person Name (with Designation):	---
	Contact Number:	91-22-23694891 [Ringing]
	Name of Account Holder:	---
	Account Number:	---
	Account Since (Date/ Year of A/c Opening):	---

	Average Balance Maintained (Optional):	---
	Credit Facilities Enjoyed (CC/OD/Term Loan):	---
	Account Operation:	---
	Remarks: Bank Holiday	

Auditors :	
Name :	Mr. Nikesh R. Shah Chartered Accountant
Memberships :	Not Available
Collaborators :	Not Available
Associates/Subsidiaries :	Not Available

CAPITAL STRUCTURE

AS ON 31.03.2017

PARTICULARS	AMOUNT
Partners' capital accounts	424.448

FINANCIAL DATA
[all figures are in INR Million]

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

ABRIDGED BALANCE SHEET

SOURCES OF FUNDS	31.03.2017	31.03.2016	31.03.2015
SHAREHOLDERS FUNDS			
1] Partner Capital Account	424.448	377.670	229.023
2] Reserves & Surplus	0.000	0.000	0.000
NETWORTH	424.448	377.670	229.023
LOAN FUNDS			
1] Secured Loans			
2] Unsecured Loans			
TOTAL BORROWING	314.929	247.734	73.889
DEFERRED TAX LIABILITIES	12.137	7.423	0.647
TOTAL	751.514	632.827	303.559
APPLICATION OF FUNDS			
FIXED ASSETS [Net Block]	219.140	198.374	111.423
Capital work-in-progress	0.000	0.000	0.000
INVESTMENT	5.163	3.913	0.900
DEFERREX TAX ASSETS	0.000	0.000	0.000
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	756.710	978.939	745.914
Sundry Debtors	778.693	292.433	138.743
Cash & Bank Balances	38.301	37.941	21.309
Other Current Assets	5.306	1.421	1.886
Loans & Advances	47.836	43.427	35.667
Total Current Assets	1626.846	1354.161	943.519
Less : CURRENT LIABILITIES & PROVISIONS			
Sundry Creditors	983.953	871.427	715.377
Other Current Liabilities			
Provisions	115.682	52.194	36.906
Total Current Liabilities	1099.635	923.621	752.283
Net Current Assets	527.211	430.540	191.236
MISCELLANEOUS EXPENSES	0.000	0.000	0.000

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TOTAL	751.514	632.827	303.559
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PROFIT & LOSS ACCOUNT

	PARTICULARS	31.03.2017	31.03.2016	31.03.2015
	SALES			
	Income	4061.854	2692.057	2525.824
	Other Income	2.624	5.713	2.537
	TOTAL	4064.478	2697.770	2528.361
Less	EXPENSES			
	Cost of Materials Consumed	3736.361	2474.166	2378.332
	Purchases of Stock-in-Trade			
	Sale and administrative expenses	73.394	67.548	51.175
	Taxes paid	41.283	17.524	15.090
	Remuneration to partner	21.200	17.000	10.000
	TOTAL	3872.238	2576.238	2454.597
	PROFIT/ (LOSS) BEFORE INTEREST DEPRECIATION AND AMORTISATION	192.240	121.532	73.764
Less	FINANCIAL EXPENSES	76.772	54.798	26.299
	PROFIT / (LOSS) BEFORE, DEPRECIATION AND AMORTISATION	115.468	66.734	47.465
Less/ Add	DEPRECIATION/ AMORTISATION	37.472	34.493	18.607
	NET PROFIT/ (LOSS)	77.996	32.241	28.858

KEY RATIOS

EFFICIENCY RATIOS

PARTICULARS	31.03.2017	31.03.2016	31.03.2015
Average Collection Days (Sundry Debtors / Income * 365 Days)	69.97	39.65	20.05
Account Receivables Turnover (Income / Sundry Debtors)	5.22	9.21	18.21
Average Payment Days	0.00	0.00	0.00

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(Sundry Creditors / Purchases * 365 Days)			
Inventory Turnover (Operating Income / Inventories)	0.25	0.12	0.10
Asset Turnover (Operating Income / Net Fixed Assets)	0.88	0.61	0.66

LEVERAGE RATIOS

PARTICULARS	31.03.2017	31.03.2016	31.03.2015
Debt Ratio ((Borrowing + Current Liabilities) / Total Assets)	0.76	0.75	0.78
Debt Equity Ratio (Total Liability / Networth)	0.74	0.66	0.32
Current Liabilities to Networth (Current Liabilities / Net Worth)	2.59	2.45	3.28
Fixed Assets to Networth (Net Fixed Assets / Networth)	0.52	0.53	0.49
Interest Coverage Ratio (PBIT / Financial Charges)	2.50	2.22	2.80

PROFITABILITY RATIOS

PARTICULARS		31.03.2017	31.03.2016	31.03.2015
Net Profit Margin ((PAT / Sales) * 100)	%	1.92	1.20	1.14
Return on Total Assets ((PAT / Total Assets) * 100)	%	4.21	2.07	2.73
Return on Investment (ROI) ((PAT / Networth) * 100)	%	18.38	8.54	12.60

SOLVENCY RATIOS

PARTICULARS	31.03.2017	31.03.2016	31.03.2015
Current Ratio (Current Assets / Current Liabilities)	1.48	1.47	1.26
Quick Ratio	0.80	0.41	0.26

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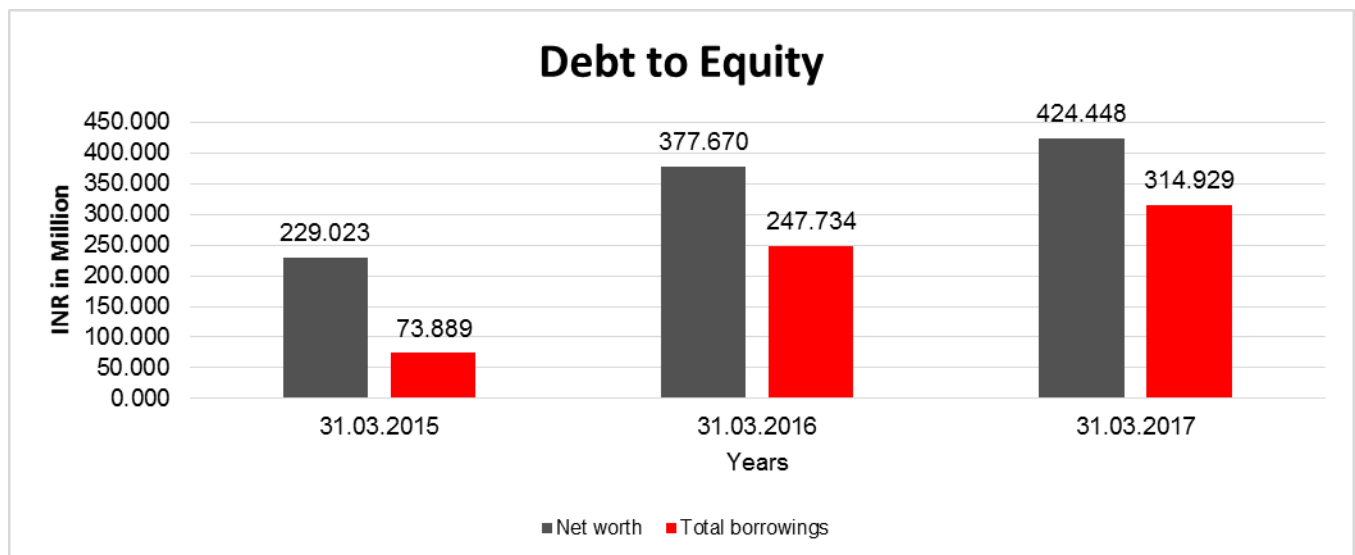
((Current Assets – Inventories) / Current Liabilities)			
G-Score Ratio Financial (Networth / Total Assets)	0.23	0.24	0.22
G-Score Ratio Debt (Debts / Equity Capital)	0.74	0.66	0.32
G-Score Ratio Liquidity (Total Current Assets / Total Current Liabilities)	1.48	1.47	1.26

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

FINANCIAL ANALYSIS
[all figures are in INR Million]

DEBT EQUITY RATIO

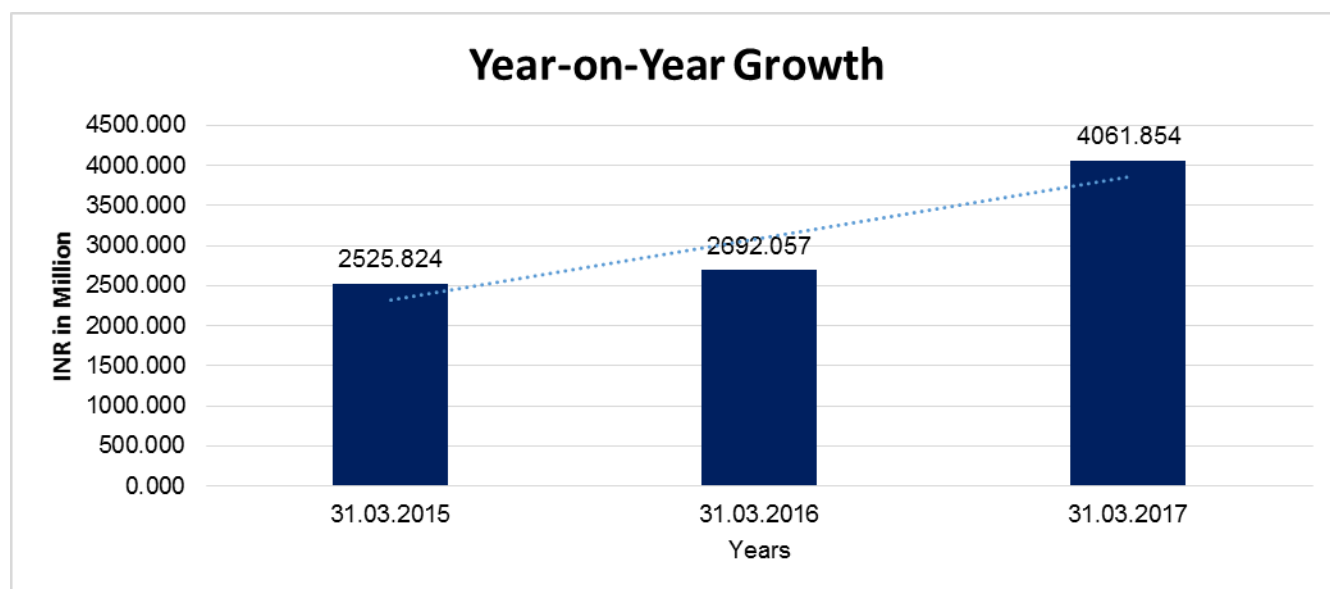
Particular	31.03.2015	31.03.2016	31.03.2017
	INR In Million	INR In Million	INR In Million
Partners' Capital Accounts	229.023	377.670	424.448
Reserves & Surplus	0.000	0.000	0.000
Net worth	229.023	377.670	424.448
Loans	73.889	247.734	314.929
Total borrowings	73.889	247.734	314.929
Debt/Equity ratio	0.323	0.656	0.742



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YEAR-ON-YEAR GROWTH

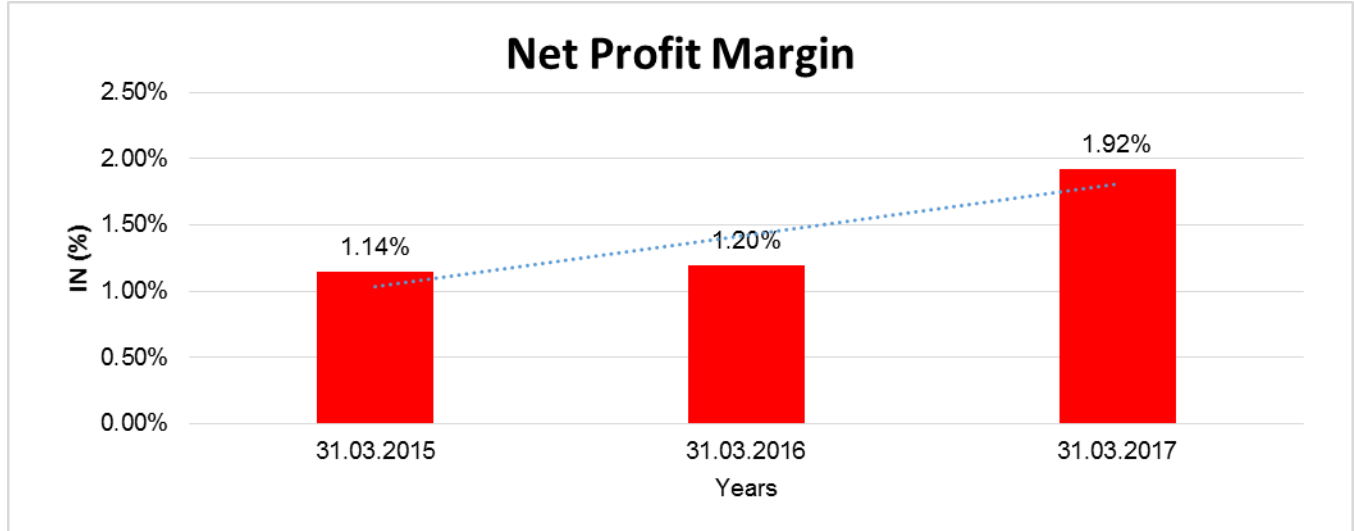
Year on Year Growth	31.03.2015	31.03.2016	31.03.2017
	INR In Million	INR In Million	INR In Million
Sales	2525.824	2692.057	4061.854
		6.581	50.883



NET PROFIT MARGIN

Net Profit Margin	31.03.2015	31.03.2016	31.03.2017
	INR In Million	INR In Million	INR In Million
Sales	2525.824	2692.057	4061.854
Profit	28.858	32.241	77.996
	1.14%	1.20%	1.92%

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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	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	Yes
22	Conduct of the banking account	Yes
23	Financials, if provided	Yes

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24	Capital in the business	Yes
25	Last accounts filed at ROC, if applicable	Yes
26	Turnover of firm for last four years	Yes
27	Reasons for variation <> 20%	--
28	Estimation for coming financial year	Yes
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 & 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	Indian Rupees
US Dollar	1	INR 72.55
UK Pound	1	INR 94.94
Euro	1	INR 84.40

INFORMATION DETAILS

Information Gathered by :	SHRU
Analysis Done by :	VIVIR
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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