

## MIRA INFORM REPORT

<b>Report No. :</b>	530824
<b>Report Date :</b>	27.09.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	DIALIT LTD.
<b>Registered Office :</b>	P.O. Box 1908 (5811801), 6 Hamachtesh Street, Industrial Zone, Holon 5881003
<b>Country :</b>	Israel
<b>Financials (as on) :</b>	2017 [Summarized]
<b>Date of Incorporation :</b>	1967
<b>Legal Form :</b>	Sole Proprietorship
<b>Line of Business :</b>	Developers, Manufacturers, Exporters and Marketers of Computerized Automatic Systems and Machinery for the Diamond Industry.
<b>No. of Employees :</b>	30

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	<b>A</b>
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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>	No Complaints
<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)
Israel	B1	B1

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

## ISRAEL - ECONOMIC OVERVIEW

Israel has a technologically advanced free market economy. Cut diamonds, high-technology equipment, and pharmaceuticals are among its leading exports. Its major imports include crude oil, grains, raw materials, and military equipment. Israel usually posts sizable trade deficits, which are offset by tourism and other service exports, as well as significant foreign investment inflows.

Between 2004 and 2013, growth averaged nearly 5% per year, led by exports. The global financial crisis of 2008-09 spurred a brief recession in Israel, but the country entered the crisis with solid fundamentals, following years of prudent fiscal policy and a resilient banking sector. Israel's economy also weathered the 2011 Arab Spring because strong trade ties outside the Middle East insulated the economy from spillover effects.

Slowing domestic and international demand and decreased investment resulting from Israel's uncertain security situation reduced GDP growth to an average of roughly 2.8% per year during the period 2014-17. Natural gas fields discovered off Israel's coast since 2009 have brightened Israel's energy security outlook. The Tamar and Leviathan fields were some of the world's largest offshore natural gas finds in the last decade. Political and regulatory issues have delayed the development of the massive Leviathan field, but production from Tamar provided a 0.8% boost to Israel's GDP in 2013 and a 0.3% boost in 2014. One of the most carbon intense OECD countries, Israel generates about 57% of its power from coal and only 2.6% from renewable sources.

Income inequality and high housing and commodity prices continue to be a concern for many Israelis. Israel's income inequality and poverty rates are among the highest of OECD countries, and there is a broad perception among the public that a small number of "tycoons" have a cartel-like grip over the major parts of the economy. Government officials have called for reforms to boost the housing supply and to increase competition in the banking sector to address these public grievances. Despite calls for reforms, the restricted housing supply continues to impact younger Israelis seeking to purchase homes. Tariffs and non-tariff barriers, coupled with guaranteed prices and customs tariffs for farmers kept food prices high in 2016. Private consumption is expected to drive growth through 2018, with consumers benefitting from low inflation and a strong currency.

In the long term, Israel faces structural issues including low labor participation rates for its fastest growing social segments - the ultraorthodox and Arab-Israeli communities. Also, Israel's progressive, globally competitive, knowledge-based technology sector employs only about 8% of the workforce, with the rest mostly employed in manufacturing and services - sectors which face downward wage pressures from global competition. Expenditures on educational institutions remain low compared to most other OECD countries with similar GDP per capita.

Source : CIA

## **COMPANY NAME & ADDRESS**

### **DIALIT LTD.**

Telephone 972 3 559 51 91  
Fax 972 3 559 51 39  
Email: [info@dialitsystems.com](mailto:info@dialitsystems.com)  
P.O. Box 1908 (5811801)  
6 Hamachtsh Street  
Industrial Zone  
Holon 5881003 Israel

## **HISTORY & LEGAL FORMATION**

Originally established as a sole proprietorship in 1967.

Converted into a private limited company and registered as such as per file No. 51-061322-7 on the 28.06.1972.

## **SHARE CAPITAL**

Authorized share capital NIS 30,000.00 divided into -  
10 management shares (1 share issued),  
2,999,990 ordinary shares (2,204 shares issued), all of NIS 0.01 each,  
of which shares amounting to NIS 22.05 were issued.

## **SHAREHOLDERS**

1. Zvi Porat, 1 management share and 84.9% of ordinary shares issued,
2. ZITVAR TRUSTEES LTD., 9.4% of ordinary shares issued, on behalf of an investor,
3. Yaakov Widovsky, CPA, 5.7%, on behalf of 2 individuals.

## **SOLE DIRECTOR**

Zvi Porat, General Manager, born 1944.

## **BUSINESS**

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Developers, manufacturers, exporters and marketers of computerized automatic systems and machinery for the diamond industry.

95% of sales are export, to USA, China, India, Russia, South Africa, Botswana, Namibia, Angola, Zimbabwe and more.

Operating from premises owned by Zvi Porat, on an area of 4,500 sq. meters (1,500 sq. meters built), in 6 Hamachtesh Street, Industrial Zone, Holon, and from DIALIT SERVICES subsidiary's branches in Mumbai and Surat in India.

Website: [www.dialitsystems.com](http://www.dialitsystems.com)

Having 30 employees (same as in 2017).

## **MEANS**

Subject's financial data not forthcoming.

Subject holds no stock, work is based on orders.

Property owned by Zvi Porat, in 6 Hamachtesh Street, Industrial Zone, Holon (where subject is operating from) is valued at US\$ 5,000,000.

There are 6 charges for unlimited and limited amounts (for the total sum of NIS hundred thousand) registered on the company's assets (financial assets, fixed assets and equipment), in favor of Bank Hapoalim Ltd., Bank of Jerusalem Ltd., The First International Bank of Israel Ltd. and a company.

## **REVENUES**

2015 sales claimed to be NIS 12,000,000, 95% were for export.

2016 sales claimed to be NIS 15,000,000, 95% were for export.

2017 sales claimed to be NIS 15,000,000, 95% were for export.

Projected 2018 sales are NIS 15,000,000, 95% for export.

## **OTHER COMPANIES**

DIALIT SERVICES PVT., 100%, India, servicing subject's goods in India.

Zvi Porat also has holdings in:

COMMIT ADVANCED SYSTEMS LTD.,

COMMIT MANAGEMENT SOLUTIONS LTD.

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## **BANKERS**

Bank Leumi Le'Israel Ltd., Hacharoshet Business Branch (No. 651), Holon.  
Bank Hapoalim Ltd., Kiryat Arie Branch (No. 688), Petach Tikva.  
The First International Bank of Israel Bank Ltd., Rishon Le-Zion Branch (No. 032), Rishon Le-Zion.

## **CHARACTER AND REPUTATION**

Nothing unfavorable learned.

Subject's General Manager refused to disclose financial data.

This is a very veteran business.

## **SUMMARY**

Good for trade engagements.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.72
UK Pound	1	INR 95.77
Euro	1	INR 85.54
ILS	1	INR 20.14

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	PRA
<b>Report Prepared by :</b>	TPT

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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)