

## MIRA INFORM REPORT

Report No. :	543200
Report Date :	07.12.2018

### IDENTIFICATION DETAILS

Name :	BLUE STAR GEMS (THAILAND) CO., LTD.
Formerly Known As :	P.A. GEMS CO., LTD
Registered Office :	9 <sup>th</sup> A Floor, Unit 94d, Gems Tower, 1249/94 Charoenkrung Road, Suriyawongse, Bangrak, Bangkok 10500
Country :	Thailand
Financials (as on) :	31.12.2017
Date of Incorporation :	13.03.2001
Com. Reg. No.:	0105544024731
Legal Form :	Private Limited Company
Line of Business :	<ul style="list-style-type: none"> <li>Subject is engaged in importing, distributing and re-exporting various kinds of jewelry products, diamonds, gemstones and precious stones for jewelry production.</li> <li>subject is also exporter of the local products</li> </ul>
No. of Employees :	1

### RATING & COMMENTS

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

Status :	Satisfactory
Payment Behaviour :	Slow but Correct

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<b>Litigation :</b>	Clear
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**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.

**ECGC Country Risk Classification List**

<b>Country Name</b>	<b>Previous Rating (30.06.2018)</b>	<b>Current Rating (30.09.2018)</b>
Thailand	A2	A2

<b>Risk Category</b>	<b>ECGC Classification</b>
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

**THAILAND - ECONOMIC OVERVIEW**

With a relatively well-developed infrastructure, a free-enterprise economy, and generally pro-investment policies, Thailand is highly dependent on international trade, with exports accounting for about two-thirds of GDP. Thailand's exports include electronics, agricultural commodities, automobiles and parts, and processed foods. The industry and service sectors produce about 90% of GDP. The agricultural sector, comprised mostly of small-scale farms, contributes only 10% of GDP but employs about one-third of the labor force. Thailand has attracted an estimated 3.0-4.5 million migrant workers, mostly from neighboring countries.

Over the last few decades, Thailand has reduced poverty substantially. In 2013, the Thai Government implemented a nationwide 300 baht (roughly \$10) per day minimum wage policy and deployed new tax reforms designed to lower rates on middle-income earners.

Thailand's economy is recovering from slow growth during the years since the 2014 coup. Thailand's economic fundamentals are sound, with low inflation, low unemployment, and reasonable public and external debt levels. Tourism and government spending - mostly on infrastructure and short-term stimulus measures - have helped to boost the economy, and The Bank of Thailand has been supportive, with several interest rate reductions.

Over the longer-term, household debt levels, political uncertainty, and an aging population pose risks to growth.

Source : CIA

## **COMPANY NAME**

BLUE STAR GEMS (THAILAND) CO., LTD.  
[ Former : P.A. GEMS CO., LTD.]

## **SUMMARY**

BUSINESS ADDRESS : 9<sup>th</sup> A FLOOR, UNIT 94D, GEMS TOWER,  
1249/94 CHAROENKRUNG ROAD, SURIYAWONGSE,  
BANGRAK, BANGKOK 10500, THAILAND  
TELEPHONE : [66] 2267-4660  
FAX : [66] 2267-4661  
E-MAIL ADDRESS : bsg\_tz@yahoo.com  
REGISTRATION ADDRESS : SAME AS BUSINESS ADDRESS

ESTABLISHED : 2001  
REGISTRATION / TAX ID NO. : 0105544024731  
CAPITAL REGISTERED : BHT. 4,000,000  
CAPITAL PAID-UP : BHT. 4,000,000  
SHARES PROPORTION : THAI : 50.50%  
INDIAN : 49.50%

FISCAL YEAR CLOSING DATE : DECEMBER 31  
LEGAL STATUS : PRIVATE LIMITED COMPANY  
EXECUTIVE : MR. VIJAY CHETAN, INDIAN  
MANAGING DIRECTOR

NO. OF STAFF : 1  
LINES OF BUSINESS : DIAMONDS, GEMSTONES, PRECIOUS STONES  
AND JEWELRY PRODUCTS  
IMPORTER, DISTRIBUTOR AND EXPORTER

## **CORPORATE PROFILE**

OPERATING TREND : STABLE  
PRESENT SITUATION : OPERATING NORMALLY  
REPUTATION : FAIR WITH NORMAL BUSINESS ENGAGEMENT  
MANAGEMENT STANDARD : MANAGEMENT WITH FAIR PERFORMANCE

## **HISTORY**

The subject was established on March 13, 2001 as a private limited company under the originally registered name "P.A. Gems Co., Ltd.", by Thai and Indian groups.

On May 25, 2005, the subject's registered name was changed to BLUE STAR GEMS (THAILAND) CO., LTD. Its business objective is engaged in jewelry trading. The subject currently employs 1 staff.

The subject's registered address is 9<sup>th</sup> A Floor, Unit 94D, Gems Tower, 1249/94 Charoenkrung Road, Suriyawongse, Bangrak, Bangkok 10500, and this is the subject's current operation address.

## **THE BOARD OF DIRECTOR**

Name	Nationality	Age
Mr. Vijay Chetan	Indian	38

## **AUTHORIZED PERSON**

The above director signs on behalf of the subject with company's affixed.

## **MANAGEMENT**

Mr. Vijay Chetan is the Managing Director.  
He is Indian nationality with the age of 38 years old.

## **BUSINESS OPERATIONS**

The subject is engaged in importing, distributing and re-exporting various kinds of jewelry products, diamonds, gemstones and precious stones for jewelry production.

The subject is also exporter of the local products.

## **PURCHASE**

The products are purchased from suppliers both domestic and overseas in

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Republic of China and India.

## **SALES**

The products are sold locally by wholesale to traders, manufacturers and end-users.

## **EXPORT**

The products are exported and re-exported to Hong Kong, India, Japan and U.S.A.

## **SUBSIDIARY AND AFFILIATED COMPANY**

The subject is not found to have any subsidiary or affiliated company here in Thailand.

## **LITIGATION**

### *Bankruptcy and Receivership*

There are no litigation on bankruptcy and receivership cases filed against the subject found at Legal Execution Department for the past five years.

### *Others*

There are no legal suits filed against the subject for the past two years.

## **CREDIT**

Sales are by cash or on the credits term of 30-60 days.

Local bills are paid by cash or on the credits term of 30-60 days.

Imports are by T/T.

Exports are against T/T.

## **BANKING**

Kasikornbank Public Company Limited  
United Overseas Bank (Thai) Public Company Limited

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## ***EMPLOYMENT***

The subject currently employs 1 staff.

## ***LOCATION DETAILS***

The premise is rented for administrative office at the heading address. Premise is located in a prime commercial area.

## ***COMMENT***

The subject's operating performance in 2017 was satisfactory with an increase in both sales or service income and net profit comparing to the previous year. This was mainly caused by effective expansion in overseas countries particularly in India and Japan in the past year which drove higher sales or service income. Generally, the subject operates a moderate business and remains profitable.

Note:

Refer to your order on BLUE STAR GEMS CO., LTD., please be informed that the correct registered name of the company is BLUE STAR GEMS (THAILAND) CO., LTD.

## ***FINANCIAL INFORMATION***

The capital was registered at Bht. 4,000,000 divided into 40,000 shares of Bht. 100 each with fully paid.

## ***THE SHAREHOLDERS LISTED WERE***

[as at April 30, 2018]

NAME	HOLDING	%
Mr. Vijay Chetan Nationality: Indian Address : Jaipur, India	13,200	33.00
Ms. Jyodi Vijayvargiya Nationality: Indian Address : Jaipur, India	6,600	16.50

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Ms. Somruthai Anuphan Nationality: Thai Address : 2 Moo 6, T. Dongkanthai, A. Kamkhuenkaew, Yasothon	6,200	15.50
Mr. Surat Mongdarn Nationality: Thai Address : 46/3 T. Borplub, A. Muang, Nakornpathom	5,000	12.50
Ms. Prayoonsri Boonsarn Nationality: Thai Address : 2 Moo 6, T. Dongkanthai, A. Kamkhuenkaew, Yasothon	5,000	12.50
Mr. Chitpol Satprasit Nationality: Thai Address : 1 Soi 4, Phrabath Road, T. Phrabath, A. Muang, Lampang	4,000	10.00

Total Shareholders : 6

Share Structure [as at April 30, 2018]

Nationality	Shareholders	No. of Share	% Shares
Thai	4	20,200	50.50
Foreign - Indian	2	19,800	49.50
Total	6	40,000	100.00

NAME OF AUDITOR & CERTIFIED PUBLIC ACCOUNTANT NO. :

Mr. Sangchai Uranpanichkul No. 4649

BULE STAR GEMS (THAILAND) CO., LTD.

***BALANCE SHEET [BAHT]***

The latest financial figures published as at December 31, 2017, 2016 and 2015 were:

**ASSETS**

Current Assets	2017	2016 [Adjusted]	2015
Cash and Cash Equivalents	1,810,994.98	2,312,304.44	227,522.66
Trade Accounts and Other Receivable	19,373,418.97	12,038,638.36	15,391,911.92
Inventories	27,441,025.79	21,745,271.29	17,315,417.93

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Total Current Assets	48,625,439.74	36,096,214.09	32,934,82.51
Property, Plant and Equipment	5,027.89	7,762.44	11,166.36
Other Non-current Assets	10,000.00	10,000.00	10,000.00
Total Assets	48,640,467.63	36,113,976.53	32,956,018.87

**LIABILITIES & SHAREHOLDERS' EQUITY [BAHT]**

Current Liabilities	2017	2016 [Adjusted]	2015
Trade Accounts and Other Payable	33,691,181.73	23,997,968.30	22,176,747.70
Accrued Expenses	700,000.00	-	-
Accrued Income Tax	271,057.00	-	57,029.42
Total Current Liabilities	34,662,238.73	23,997,968.30	22,233,777.12
Total Liabilities	34,662,238.73	23,997,968.30	22,233,777.12

**Shareholders' Equity**

Share capital : Baht 100 par value authorized and issued share capital 40,000 shares	4,000,000.00	4,000,000.00	4,000,000.00
Capital Paid	4,000,000.00	4,000,000.00	4,000,000.00
Retained Earning Unappropriated [Deficit]	9,978,228.90	8,116,008.23	6,722,241.75
Total Shareholders' Equity	13,978,228.90	12,116,008.23	10,722,241.75
Total Liabilities and Shareholders' Equity	48,640,467.63	36,113,976.53	32,956,018.87

**PROFIT & LOSS ACCOUNT**

Revenue	2017	2016 [Adjusted]	2015
Sales or Services Income	46,247,935.34	20,245,855.75	18,016,825.47
Other Income	2,714,349.91	82,765.33	114,718.92
Total Revenues	48,962,285.25	20,328,621.08	18,131,544.39
Expenses			
Cost of Goods Sold or Services	41,593,490.49	16,147,549.92	13,659,102.33

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Selling Expenses	3,748,261.38	1,846,533.58	1,842,874.52
Administrative Expenses	1,287,255.71	940,771.10	1,477,894.17
Total Expenses	46,629,007.58	18,934,854.60	16,979,871.02
Profit / [Loss] before Income Tax	2,333,277.67	1,393,766.48	1,151,673.37
Income Tax	[471,057.00]	-	[87,029.42]
Net Profit / [Loss]	1,862,220.67	1,393,766.48	1,064,643.95

BLUE STAR GEMS (THAILAND) CO., LTD.

FINANCIAL ANALYSIS

ITEM	UNIT	2017	2016	2015
<b>LIQUIDITY RATIO</b>				
CURRENT RATIO	TIMES	1.40	1.50	1.48
QUICK RATIO	TIMES	0.61	0.60	0.70
<b>ACTIVITY RATIO</b>				
FIXED ASSETS TURNOVER	TIMES	9,198.28	2,608.18	1,613.49
TOTAL ASSETS TURNOVER	TIMES	0.95	0.56	0.55
INVENTORY CONVERSION PERIOD	DAYS	240.81	491.53	462.70
INVENTORY TURNOVER	TIMES	1.52	0.74	0.79
RECEIVABLES CONVERSION PERIOD	DAYS	152.90	217.04	311.82
RECEIVABLES TURNOVER	TIMES	2.39	1.68	1.17
PAYABLES CONVERSION PERIOD	DAYS	295.65	542.45	592.61
CASH CONVERSION CYCLE	DAYS	98.05	166.12	181.92
<b>PROFITABILITY RATIO</b>				
COST OF GOODS SOLD	%	89.94	79.76	75.81
SELLING & ADMINISTRATION INTEREST	%	10.89	13.77	18.43
GROSS PROFIT MARGIN	%	-	-	-
NET PROFIT MARGIN BEFORE EX. ITEM	%	15.93	20.65	24.82
NET PROFIT MARGIN	%	5.05	6.88	6.39
RETURN ON EQUITY	%	4.03	6.88	5.91
RETURN ON ASSET	%	13.32	11.50	9.93
EARNING PER SHARE	BAHT	3.83	3.86	3.23
		46.56	34.84	26.62
<b>LEVERAGE RATIO</b>				
DEBT RATIO	TIMES	0.71	0.66	0.67
DEBT TO EQUITY RATIO	TIMES	2.48	1.98	2.07
TIME INTEREST EARNED	TIMES	-	-	-
<b>ANNUAL GROWTH</b>				
SALES GROWTH	%	128.43	12.37	
OPERATING PROFIT	%	67.41	21.02	

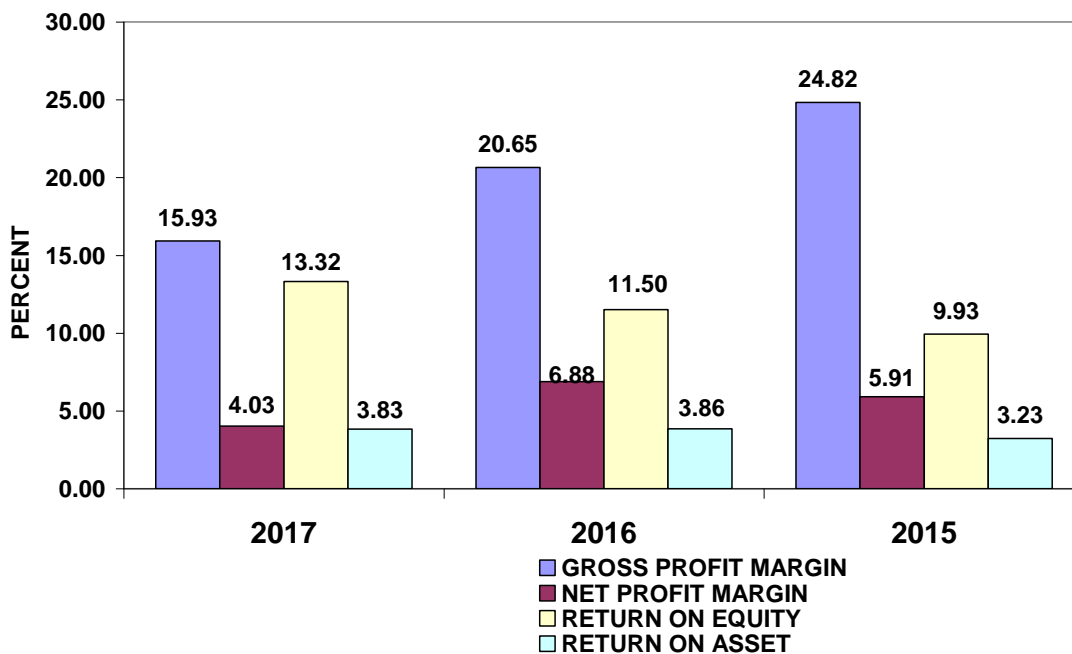
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NET PROFIT	%	33.61	30.91
FIXED ASSETS	%	(35.23)	(30.48)
TOTAL ASSETS	%	34.69	9.58

**ANNUAL GROWTH : IMPRESSIVE**

An annual sales growth is 128.43%. Sales Income has increased from THB 20,245,855.75 in 2016 to THB 46,247,935.34 in 2017. While net profit has increased from THB 1,393,766.48 in 2016 to THB 1,862,220.67 in 2017. And total assets has increased from THB 36,113,976.53 in 2016 to THB 48,640,467.63 in 2017.

**PROFITABILITY : EXCELLENT**



**PROFITABILITY RATIO**

Gross Profit Margin	15.93	Impressive	Industrial Average	0.84
Net Profit Margin	4.03	Impressive	Industrial Average	0.10
Return on Assets	3.83	Impressive	Industrial Average	1.89
Return on Equity	13.32	Impressive	Industrial Average	5.97

Gross Profit Margin used to assess a firm's financial health by revealing the proportion of money left over from revenues after accounting for the cost of goods sold. Gross profit margin serves as the source for paying additional expenses and future savings. Gross Profit Margin is 15.93%. When compared with the industry average, the ratio of the company was higher, indicated that company was more profitable than the same industry.

Net Profit Margin is the indicator of the company's efficiency in that net profit takes into consideration all expenses of the company. A low profit margin indicates a low margin of safety, higher risk that a decline in sales will erase profits and result in a net loss. Net Profit Margin ratio is 4.03%, higher figure when compared with those of its average competitors in the same industry, indicated that business was an efficient operator in a dominant position within its industry.

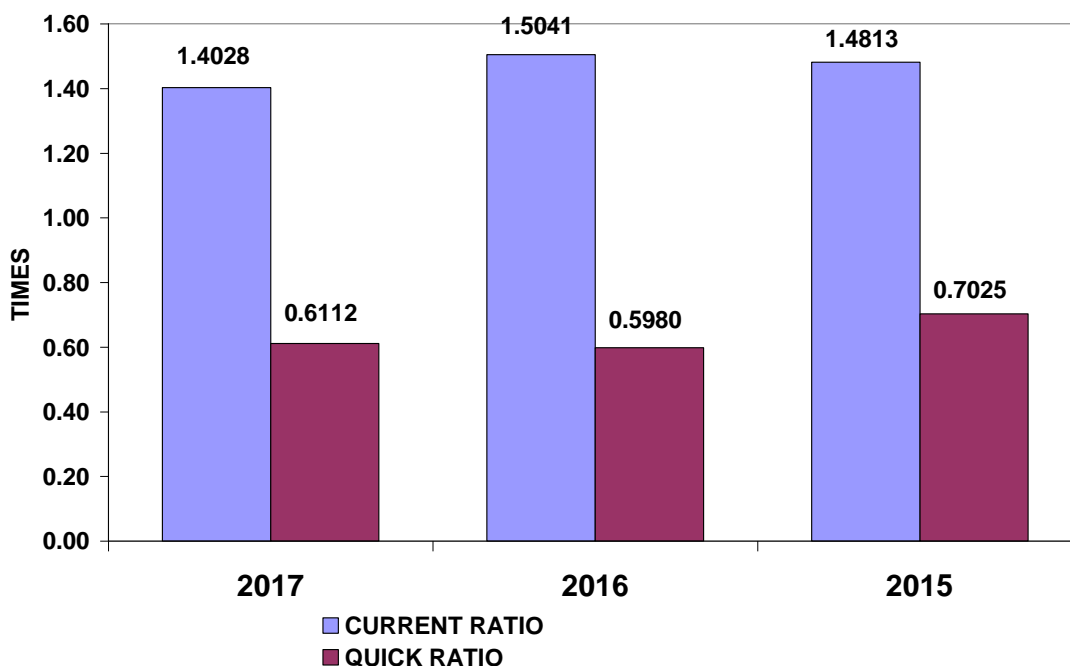
Return on Assets measures how efficiently profits are being generated from the assets employed in the business when compared with the ratios of firms in a similar business. A low ratio in comparison with industry averages indicates an inefficient use of business assets. Return on Assets ratio is 3.83%, higher figure when compared with those of its average competitors in the same industry, indicated that business was an efficient profit in a dominant position within its industry.

Return on Equity indicates how profitable a company is by comparing its net income to its average shareholders' equity, ROE measures how much the shareholders earned for their investment in the company. Return on Equity ratio is 13.32%, higher figure when compared with those of its average competitors in the same industry, indicated that business was an efficient profit in a dominant position within its industry.

Trend of the average competitors in the same industry for last 5 years

Return on Assets                      Uptrend  
 Return on Equity                    Uptrend

LIQUIDITY : RISKY



LIQUIDITY RATIO

Current Ratio                      1.40                      Satisfactory                      Industrial Average                      1.65

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Quick Ratio                               0.61  
Cash Conversion Cycle               98.05

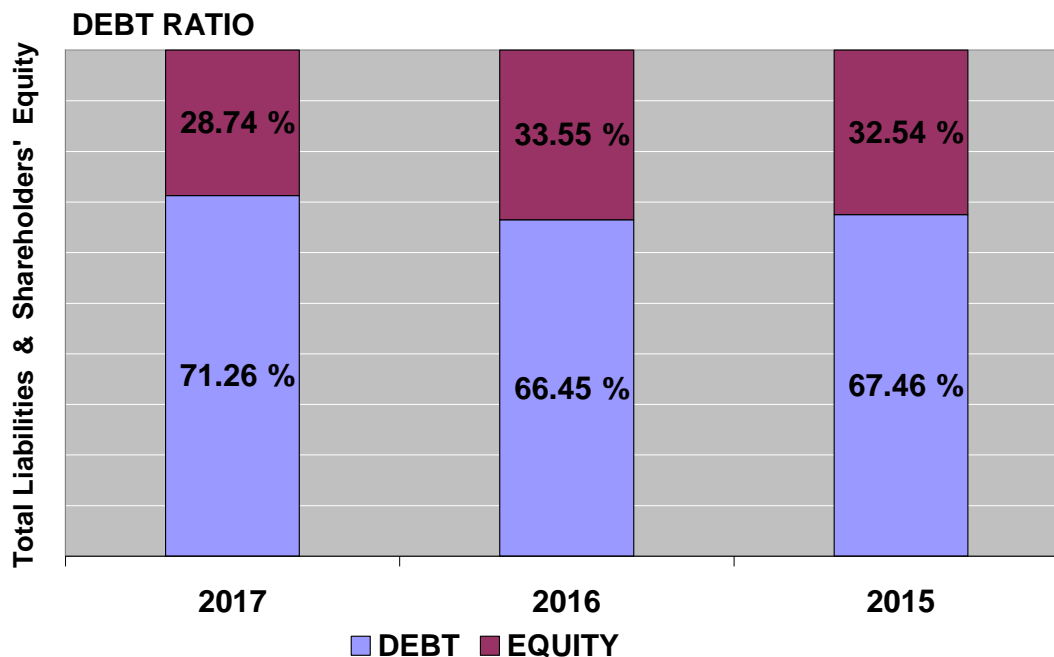
The Current Ratio is to ascertain whether a company's short-term assets are readily available to pay off its short-term liabilities. The company's figure is 1.4 times in 2017, decrease from 1.5 times, then it is generally considered to have good short-term financial strength. When compared with the industry average, the ratio of the company was lower.

The Quick Ratio is a liquidity indicator that further refines the current ratio by measuring the amount of the most liquid current assets there are to cover current liabilities. The company's figure is 0.61 times in 2017, increase from 0.6 times, then the company has not enough current assets that presumably can be quickly converted to cash for pay financial obligations.

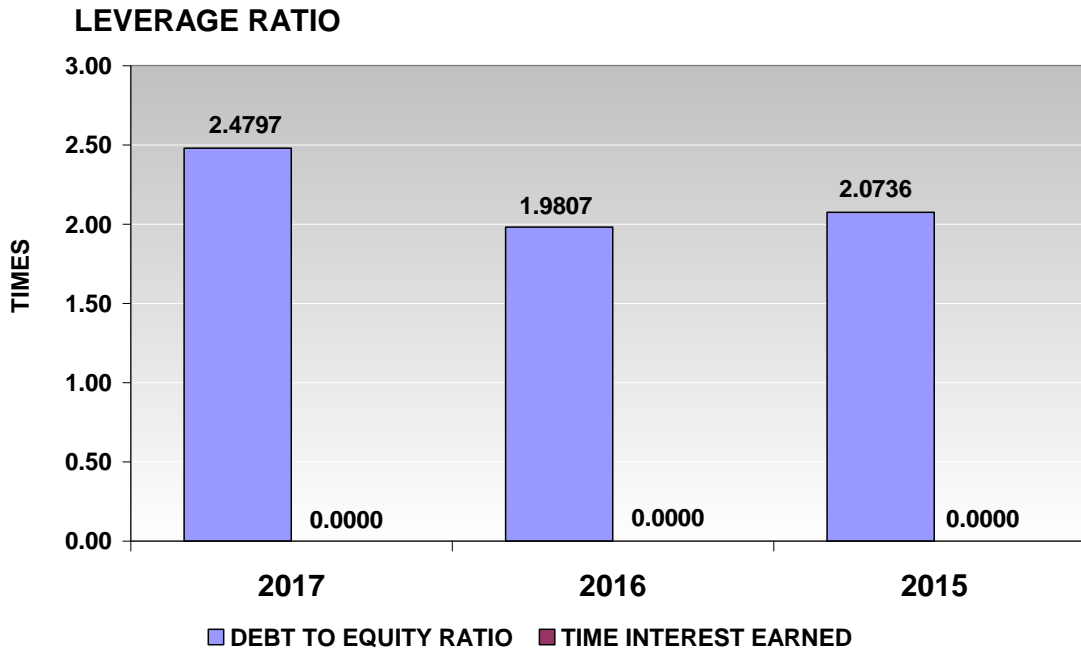
The Cash Conversion Cycle measures the number of days a company's cash is tied up in the production and sales process of its operations and the benefit from payment terms from its creditors. It meant the company could survive when no cash inflow was received from sale for 99 days.

Trend of the average competitors in the same industry for last 5 years  
Current Ratio                               Uptrend

LEVERAGE : RISKY



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**LEVERAGE RATIO**

Debt Ratio	0.71	Acceptable	Industrial Average	0.65
Debt to Equity Ratio	2.48	Risky	Industrial Average	1.82
Times Interest Earned	-		Industrial Average	-

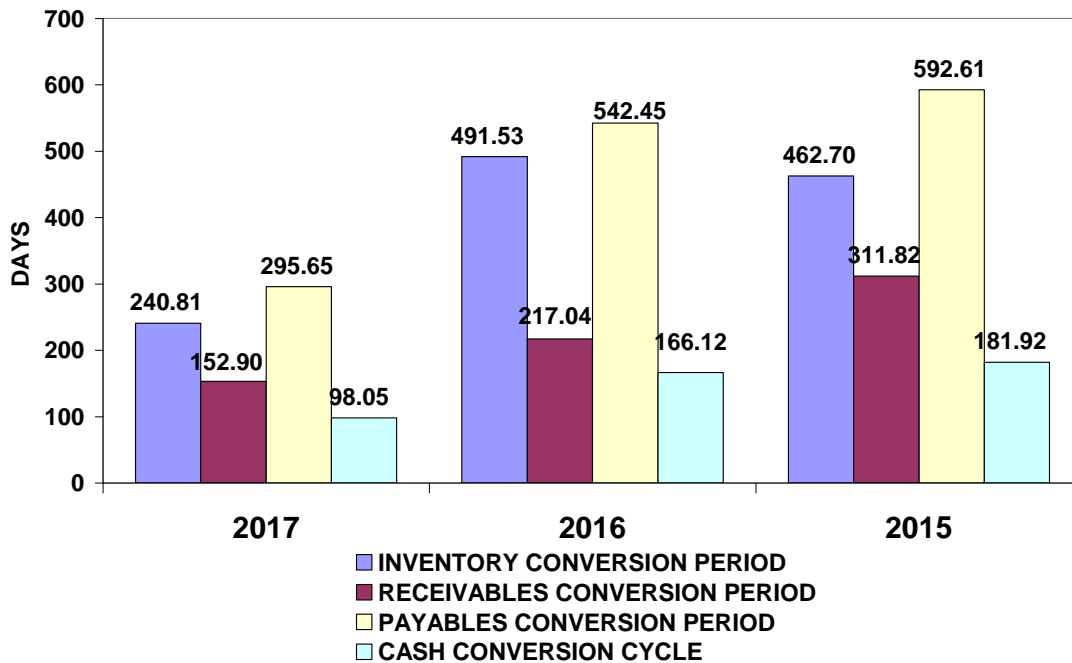
Debt to Equity Ratio a measurement of how much suppliers, lenders, creditors and obligors have committed to the company versus what the shareholders have committed. A higher the percentage means that the company is using less equity and has stronger leverage position.

Debt Ratio shows the proportion of a company's assets which are financed through debt. The company's figure is 0.71 greater than 0.5, most of the company's assets are financed through debt.

Trend of the average competitors in the same industry for last 5 years

Debt Ratio	Downtrend
Times Interest Earned	Stable

**ACTIVITY : ACCEPTABLE**



**ACTIVITY RATIO**

Fixed Assets Turnover	9,198.28	Impressive	Industrial Average	-
Total Assets Turnover	0.95	Deteriorated	Industrial Average	19.32
Inventory Conversion Period	240.81			
Inventory Turnover	1.52	Deteriorated	Industrial Average	40.96
Receivables Conversion Period	152.90			
Receivables Turnover	2.39	Deteriorated	Industrial Average	49.98
Payables Conversion Period	295.65			

The company's Account Receivable Ratio is calculated as 2.39 and 1.68 in 2017 and 2016 respectively. This ratio measures the efficiency of the company in managing its trade debtors to generate revenue. A lower ratio may indicate over extension and collection problems. Conversely, a higher ratio may indicate an overly stringent policy. In this case, the company's A/R ratio in 2017 increased from 2016. This would suggest the company had good performance in the management of its debt collections.

Inventory Turnover in Days Ratio indicates the liquidity of inventory. It estimates the number of days that it will take to sell the current inventory. Inventory is particularly sensitive to change in business activities. The inventory turnover in days has decreased from 492 days at the end of 2016 to 241 days at the end of 2017. This represents a positive trend. And Inventory turnover has increased from 0.74 times in year 2016 to 1.52 times in year 2017.

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The company's Total Asset Turnover is calculated as 0.95 times and 0.56 times in 2017 and 2016 respectively. This ratio is determined by dividing total assets into total sales turnover. The ratio measures the activity of the assets and the ability of the firm to generate sales through the use of the assets.

Trend of the average competitors in the same industry for last 5 years

Fixed Assets Turnover	Stable
Total Assets Turnover	Downtrend
Inventory Turnover	Downtrend
Receivables Turnover	Downtrend

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.04
UK Pound	1	INR 90.30
Euro	1	INR 80.55
THB	1	INR 2.15

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	PRI
<b>Report Prepared by :</b>	DNS

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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)