

## MIRA INFORM REPORT

Report No. :	518230
Report Date :	04.07.2018

### IDENTIFICATION DETAILS

Name :	WORLD ELECTRIC (THAILAND) LTD.
Registered Office :	236 Moo 2, T. Nongchark, A. Banbung, Chonburi 20170
Country :	Thailand
Financials (as on) :	31.03.2017
Date of Incorporation :	07.01.1988
Com. Reg. No.:	0105531001583
Legal Form :	Private Limited Company
Line of Business :	The subject's activity is a contract manufacturer of home electric appliances and electronic products such as television set, audio, digital AV, computer's monitor, print circuit boards, box built and etc., as well as plastic injection service under OEM customer's brands i.e. "JVC", "HITACHI", "PANASONIC", "DOSHISHA", "PIONEER", "SHARP" and etc.
No. of Employees :	2,200

### RATING & COMMENTS

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

MIRA's Rating :	A
-----------------	---

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	Slow but correct
Litigation :	Clear

### NOTES :

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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**

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

**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**

WORLD ELECTRIC (THAILAND) LTD.

## **SUMMARY**

**ADDRESS** : 236 MOO 2, T. NONGCHARK, A. BANBUNG,  
CHONBURI 20170, THAILAND  
**TELEPHONE** : [66] 38 444-000  
**FAX** : [66] 38 443-915-6  
**E-MAIL ADDRESS** : s\_tsuchida@korat-denki.co.th  
**REGISTRATION ADDRESS** : SAME AS BUSINESS ADDRESS  
**ESTABLISHED** : 1988  
**REGISTRATON / TAX ID NO.** : 0105531001583  
**CAPITAL REGISTERED** : BHT. 921,000,000  
**CAPITAL PAID-UP** : BHT. 921,000,000  
**SHAREHOLDER'S PROPORTION** : FOREIGN : 100%  
**FISCAL YEAR CLOSING DATE** : MARCH 31  
**LEGAL STATUS** : PRIVATE LIMITED COMPANY  
**EXECUTIVE** : MR. MASAHIRO NISHINGUCHI, JAPANESE  
PRESIDENT  
**NO. OF STAFF** : 2,200  
**LINES OF BUSINESS** : HOME ELECTRIC APPLIANCES  
MANUFACTURER, DISTRIBUTOR AND EXPORTER

## **CORPORATE PROFILE**

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

## **HISTORY**

The subject was established on January 7, 1988 as a private limited company under the registered name WORLD ELECTRIC (THAILAND) LTD., by foreign group, in order to provide manufacturing service of home electric appliances and electronic products with the promotional privilege granted by the Board of Investment It currently employs approximately 2,200 staff.

At present, the subject is a wholly owned subsidiary of General Capital Management Limited in British Virgin Islands.

The subject's registered address is 236 Moo 2, T. Nongchark, A. Banbung,

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Chonburi 20170, and this is the subject's current operation address.

#### **THE BOARD OF DIRECTORS**

<u>Name</u>	<u>Nationality</u>	<u>Age</u>
Mr. Masahiro Nishiguchi	Japanese	-
Mr. Hirofumi Ichikawa	Japanese	-

#### **AUTHORIZED PERSON**

One of the above directors can sign on behalf of the subject with company's affixed.

#### **MANAGEMENT**

**Mr. Masahiro Nishiguchi** is the President.  
He is Japanese nationality.

**Mr. Hirofumi Ichikawa** is the Vice President.  
He is Japanese nationality.

**Mr. Jakapong Prapakornsakul** is the Administration Manager.  
He is Thai nationality.

#### **BUSINESS OPERATIONS**

The subject's activity is a contract manufacturer of home electric appliances and electronic products such as television set, audio, digital AV, computer's monitor, print circuit boards, box built and etc., as well as plastic injection service under OEM customer's brands i.e. "JVC", "HITACHI", "PANASONIC", "DOSHISHA", "PIONEER", "SHARP" and etc.

#### **PURCHASE**

Raw materials and components such as integrated circuit, transformer and others are purchased from both domestic and overseas suppliers in Singapore, Japan, Hong Kong, Republic of China, U.S.A., and Taiwan.

#### **MAJOR SUPPLIERS**

Otake Trading Corporation	: Japan
Korat Denki Co., Ltd.	: Thailand
Orion Electric Co., Ltd.	: Japan
Western Digital Technologies Inc.	: U.S.A.

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

## **EXPORT [COUNTRIES]**

The products are served to customers both locally and overseas in Japan, Canada, U.S.A., United Kingdom, Singapore, Indonesia and Brazil.

## **SUBSIDIARY AND AFFILIATED COMPANY**

### **Korat Denki Co., Ltd.**

Business Type: Manufacturer of electronic parts for home electric appliances

## **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 according to 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 L/C at sight & T/T.  
Exports are against T/T.

## **BANKING**

### **Krung Thai Bank Public Company Limited**

[Silom Branch : Silom Rd., Silom, Bangrak, Bangkok 10500]

### **Kasikornbank Public Company Limited**

[Silom Branch : Silom Rd., Silom, Bangrak, Bangkok 10500]

### **Bank of Tokyo-Mitsubishi UFJ Ltd.**

[Bangkok Branch : 54 North Sathorn Rd., Silom, Bangrak, Bangkok 10500]

## **EMPLOYMENT**

The subject employs approximately 2,200 staff. [office staff and factory workers]

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

## **LOCATION DETAILS**

The premise is owned for administrative office and factory on 242,900 square meters at the heading address. Premise is located in provincial, in the Eastern region.

Bangkok office :

2<sup>nd</sup> Floor., C.C.T. Tower, 109 Surawong Rd., Suriyawongse, Bangrak, Bangkok 10500

Other Factories:

352/6 Moo 8, T. Surasak, A. Sriracha, Chonburi 20110

149 Moo 2, T. Takiantia, A. Banglamung, Chonburi 20150

155 Moo 5, T. Bangsamak, A. Bangpakong, Chachoengsao 24180

## **Note:**

Refer to your given the subject's name "Western Digital Technologies Inc.", please be informed that the correct subject's name should be "World Electric (Thailand) Ltd." However, "Western Digital Technologies Inc." is one of the major suppliers of "World Electric (Thailand) Ltd."

Moreover, please be informed that the correct address is "236 Moo 2, T. Nongchark, A. Banbung, Chonburi 20170" not "26 Moo 2, T. Nongchark, A. Banbung, Chonburi 20170" as shown in your order.

## **COMMENT**

The subject's operating performance as of March 31, 2017 was slowdown from a decrease in sales & assembly service income and a higher net loss comparing to the previous year. It obtained retained earning (deficit) in 2017 as well. The subject inevitably encounters a slow growth.

## **FINANCIAL INFORMATION**

The capital was registered at Bht. 134 million, divided into 1,340,000 shares of Bht. 100 each.

The capital was increased later as followings:

Bht. 264,000,000 on September 15, 1989

Bht. 366,000,000 on July 6, 1990

Bht. 420,000,000 on August 30, 1990

Bht. 723,000,000 on September 27, 1991

Bht. 921,000,000 on December 4, 1991

The latest registered capital was increased to Bht. 921 million, divided into 9,210,000 shares of Bht. 100 each with fully paid.

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

THE SHAREHOLDERS LISTED WERE : [as at September 8, 2017]

<u>NAME</u>	<u>HOLDING</u>	<u>%</u>
<b>General Capital Management Limited</b> Nationality: BVI Address : 263 Main Street, Road Town, Tortola, British Virgin Islands	9,209,995	100.00
<b>Mr. Yasuo Yamamoto</b> Nationality: Japanese Address : Japan	3	-
<b>Mr. Tsutomu Mikami</b> Nationality: Japanese Address : Japan	2	-

**Total shareholders : 3**

**Share Structure** [as at September 8, 2017]

<u>Nationality</u>	<u>Shareholders</u>	<u>No. of Share</u>	<u>% Shares</u>
Thai	-	-	-
Foreign	3	9,210,000	100.00
<b>Total</b>	<b>3</b>	<b>9,210,000</b>	<b>100.00</b>

**NAME OF AUDITOR & CERTIFIED PUBLIC ACCOUNTANT NO.:**

Mr. Vichien Kingmontri No. 3977

**BALANCE SHEET [BAHT]**

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

**ASSETS**

<u>Current Assets</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Cash and Cash Equivalents	132,704,468	187,556,084	370,075,472
Short-term Investments	5,896,460	8,165,664	8,046,178
Trade Accounts and Other Receivable	3,221,818,073	2,508,142,067	1,200,916,322
Inventories	365,362,430	378,657,464	393,152,974
Other Current Assets	4,720,818	18,838,585	18,201,135
<b>Total Current Assets</b>	<b>3,730,502,249</b>	<b>3,101,359,864</b>	<b>1,990,392,081</b>

Trade Accounts Receivable and

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**WORLD ELECTRIC (THAILAND) LTD. - 518230**

**PAGE NO. : 9**

Other Long-term Loans	358,935,041	427,691,717	442,136,512
Investment Property	185,773	219,821	253,870
Property, Plant and Equipment	272,267,657	245,989,705	218,533,787
Computer Programme	8,205,130	6,116,022	4,556,653
Other Non-current Assets	34,262,225	29,565,910	26,077,047
<b>Total Assets</b>	<b>4,404,358,075</b>	<b>3,810,943,039</b>	<b>2,681,949,950</b>

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

<b>Current Liabilities</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Trade Accounts and Other Payable	3,451,005,152	2,745,865,737	1,712,514,274
Other Current Liabilities	893,342	1,059,550	1,111,319
<b>Total Current Liabilities</b>	<b>3,451,898,494</b>	<b>2,746,925,287</b>	<b>1,713,625,593</b>
Provision for Employee Benefits	44,918,760	47,396,035	50,403,986
<b>Total Liabilities</b>	<b>3,496,817,254</b>	<b>2,794,321,322</b>	<b>1,764,029,579</b>
<b>Shareholders' Equity</b>			
Share capital : Baht 100 par value authorized and issued share capital 9,210,000 shares	921,000,000	921,000,000	921,000,000
Capital Paid	921,000,000	921,000,000	921,000,000
Retained Earning Unappropriated [Deficit]	[13,459,179]	95,621,717	[3,079,629]
<b>Total Shareholders' Equity</b>	<b>907,540,821</b>	<b>1,016,621,717</b>	<b>917,920,371</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>4,404,358,075</b>	<b>3,810,943,039</b>	<b>2,681,949,950</b>

**PROFIT & LOSS ACCOUNT**

<b>Revenue</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Revenue from Sales and Assembly	3,298,379,775	3,804,221,647	2,828,361,812
Gain on Exchange Rate	23,112,477	[16,101,928]	27,933,458
Other Income	15,839,298	11,436,234	84,440,162
<b>Total Revenues</b>	<b>3,337,331,550</b>	<b>3,799,555,953</b>	<b>2,940,735,432</b>

**Expenses**

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**WORLD ELECTRIC (THAILAND) LTD. - 518230**

**PAGE NO. : 10**

Cost of Goods Sold and Assembly	3,244,413,714	3,585,108,200	2,815,271,816
Selling Expenses	33,831,380	90,675,795	77,214,553
Administrative Expenses	168,167,352	25,070,612	120,186,893
Loss on Amortization of Bad Debts	-	-	1,670,090,075
<b>Total Expenses</b>	<b>3,446,412,446</b>	<b>3,700,854,607</b>	<b>4,682,763,337</b>
<b>Net Profit / [Loss]</b>	<b>[109,080,896]</b>	<b>98,701,346</b>	<b>[1,742,027,905]</b>

**FINANCIAL ANALYSIS**

ITEM	UNIT	2017	2016	2015
<b>LIQUIDITY RATIO</b>				
CURRENT RATIO	TIMES	1.08	1.13	1.16
QUICK RATIO	TIMES	0.97	0.98	0.92
<b>ACTIVITY RATIO</b>				
FIXED ASSETS TURNOVER	TIMES	12.11	15.46	12.94
TOTAL ASSETS TURNOVER	TIMES	0.75	1.00	1.05
INVENTORY CONVERSION PERIOD	DAYS	41.10	38.55	50.97
INVENTORY TURNOVER	TIMES	8.88	9.47	7.16
RECEIVABLES CONVERSION PERIOD	DAYS	356.53	240.65	154.98
RECEIVABLES TURNOVER	TIMES	1.02	1.52	2.36
PAYABLES CONVERSION PERIOD	DAYS	388.24	279.56	222.03
CASH CONVERSION CYCLE	DAYS	9.39	(0.36)	(16.08)
<b>PROFITABILITY RATIO</b>				
COST OF GOODS SOLD	%	98.36	94.24	99.54
SELLING & ADMINISTRATION	%	6.12	3.04	6.98
INTEREST	%	-	-	-
GROSS PROFIT MARGIN	%	2.82	5.64	4.44
NET PROFIT MARGIN BEFORE EX. ITEM	%	(3.31)	2.59	(61.59)
NET PROFIT MARGIN	%	(3.31)	2.59	(61.59)
RETURN ON EQUITY	%	(12.02)	9.71	(189.78)
RETURN ON ASSET	%	(2.48)	2.59	(64.95)
EARNING PER SHARE	BAHT	(11.84)	10.72	(189.15)
<b>LEVERAGE RATIO</b>				
DEBT RATIO	TIMES	0.79	0.73	0.66
DEBT TO EQUITY RATIO	TIMES	3.85	2.75	1.92
TIME INTEREST EARNED	TIMES	-	-	-
<b>ANNUAL GROWTH</b>				
SALES GROWTH	%	(13.30)	34.50	
OPERATING PROFIT	%	(210.52)	(105.67)	
NET PROFIT	%	(210.52)	105.67	

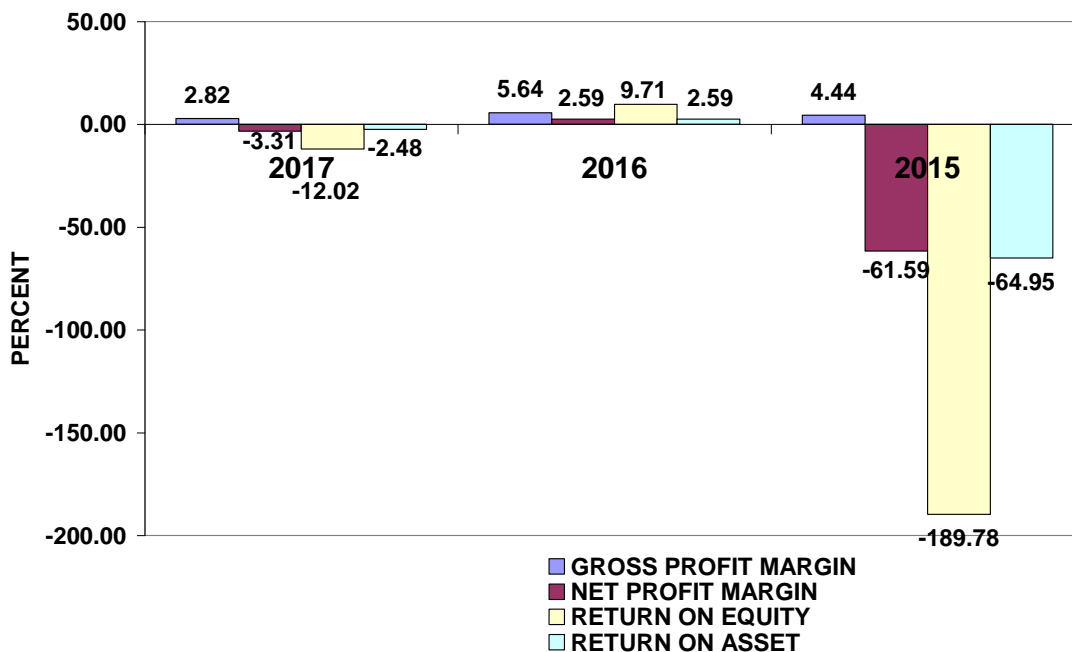
**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

FIXED ASSETS	%	10.68	12.56
TOTAL ASSETS	%	15.57	42.10

**ANNUAL GROWTH : ACCEPTABLE**

An annual sales growth is -13.3%. Sales Income has decreased from THB 3,804,221,647.00 in 2016 to THB 3,298,379,775.00 in 2017. While net profit has decreased from THB 98,701,346.00 in 2016 to THB -109,080,896.00 in 2017. And total assets has increased from THB 3,810,943,039.00 in 2016 to THB 4,404,358,075.00 in 2017.

**PROFITABILITY : RISKY**



**PROFITABILITY RATIO**

Gross Profit Margin	2.82	Deteriorated	Industrial Average	20.13
Net Profit Margin	(3.31)	Deteriorated	Industrial Average	7.12
Return on Assets	(2.48)	Deteriorated	Industrial Average	10.21
Return on Equity	(12.02)	Deteriorated	Industrial Average	14.61

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. The company's figure is 2.82%. When compared with the industry

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

average, the ratio of the company was lower. This indicated that company may have problems with control over its costs.

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. The company's figure is -3.31%. When compared with the industry average, the ratio of the company was lower.

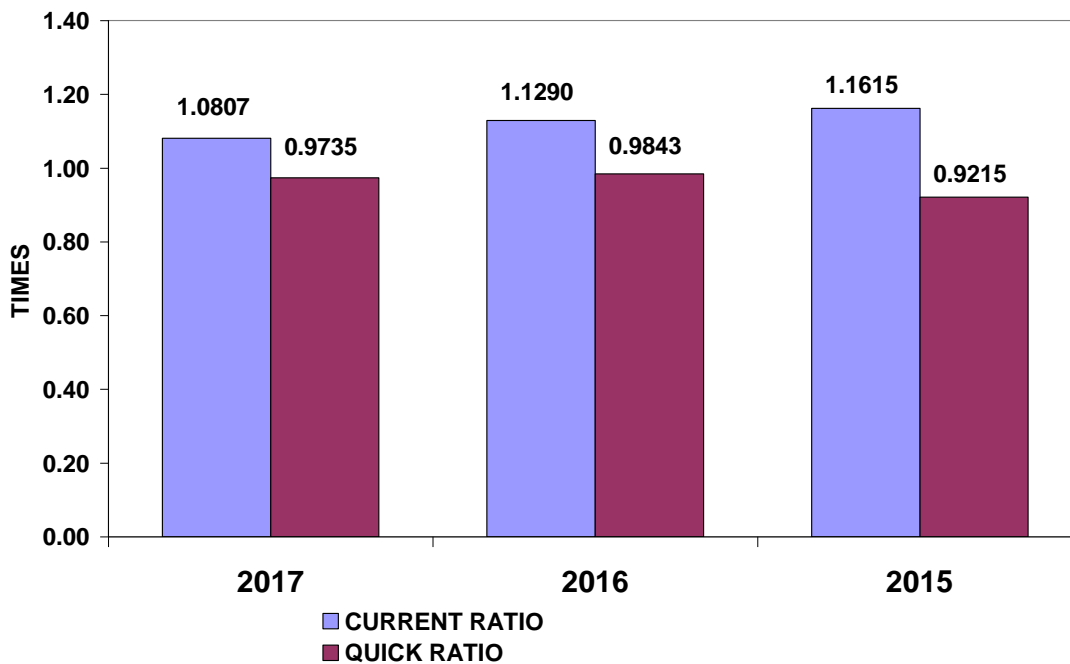
Return on Assets measures how efficiently profits are being generated from the assets employed in the business when compared with the ratios of firms in a similar business. A low ratio in comparison with industry averages indicates an inefficient use of business assets. When compared with the industry average, it was lower, the company's figure is -2.48%.

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. When compared with the industry average, it was lower, the company's figure is -12.02%.

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

Return on Assets                      Uptrend  
Return on Equity                      Uptrend

**LIQUIDITY : ACCEPTABLE**



**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**LIQUIDITY RATIO**

Current Ratio	1.08	Acceptable	Industrial Average	2.57
Quick Ratio	0.97			
Cash Conversion Cycle	9.39			

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 1.08 times in 2017, decrease from 1.13 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.

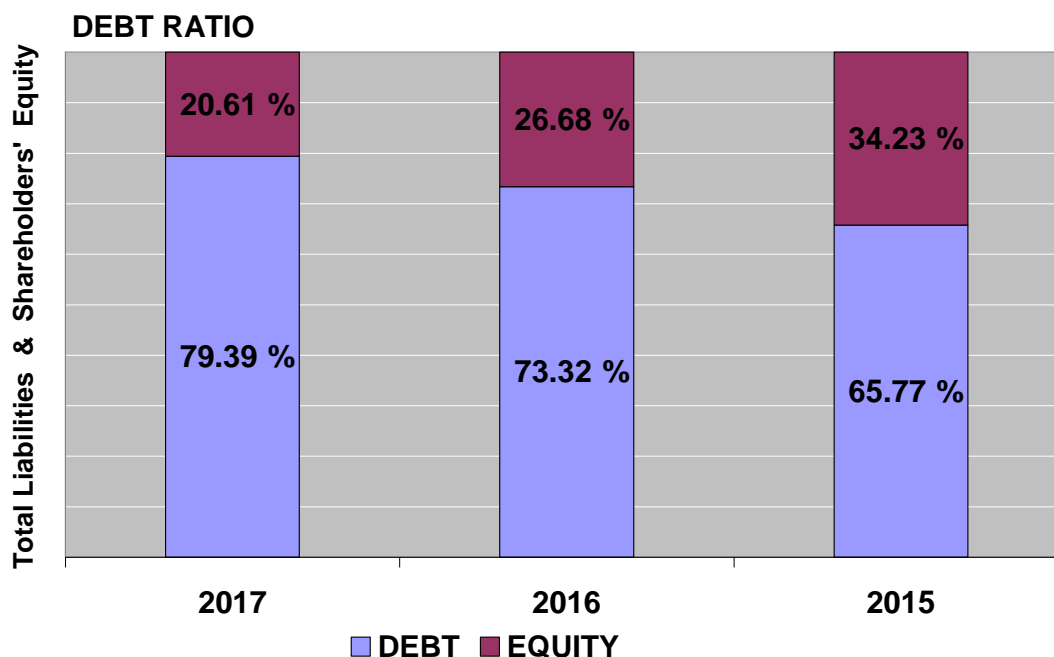
The Quick Ratio is a liquidity indicator that further refines the current ratio by measuring the amount of the most liquid current assets there are to cover current liabilities. The company's figure is 0.97 times in 2017, decrease from 0.98 times, by excluding inventory, the company may have problems meeting current liabilities.

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 10 days.

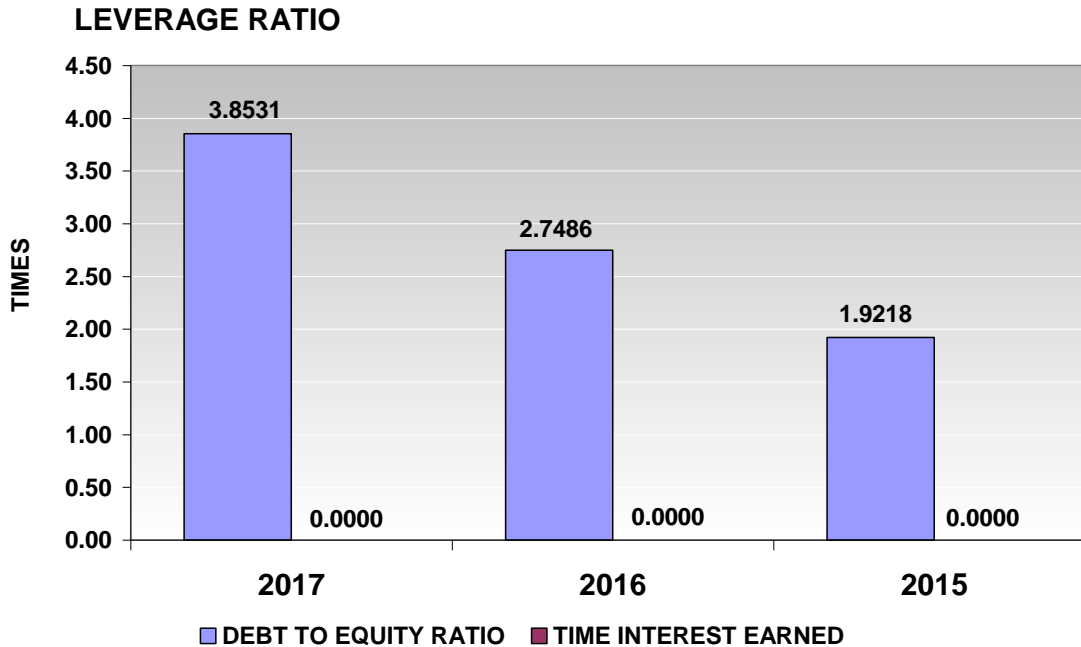
**Trend of the average competitors in the same industry for last 5 years**

Current Ratio            Uptrend

**LEVERAGE : RISKY**



**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.



**LEVERAGE RATIO**

Debt Ratio	0.79	Acceptable	Industrial Average	0.28
Debt to Equity Ratio	3.85	Risky	Industrial Average	0.39
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.

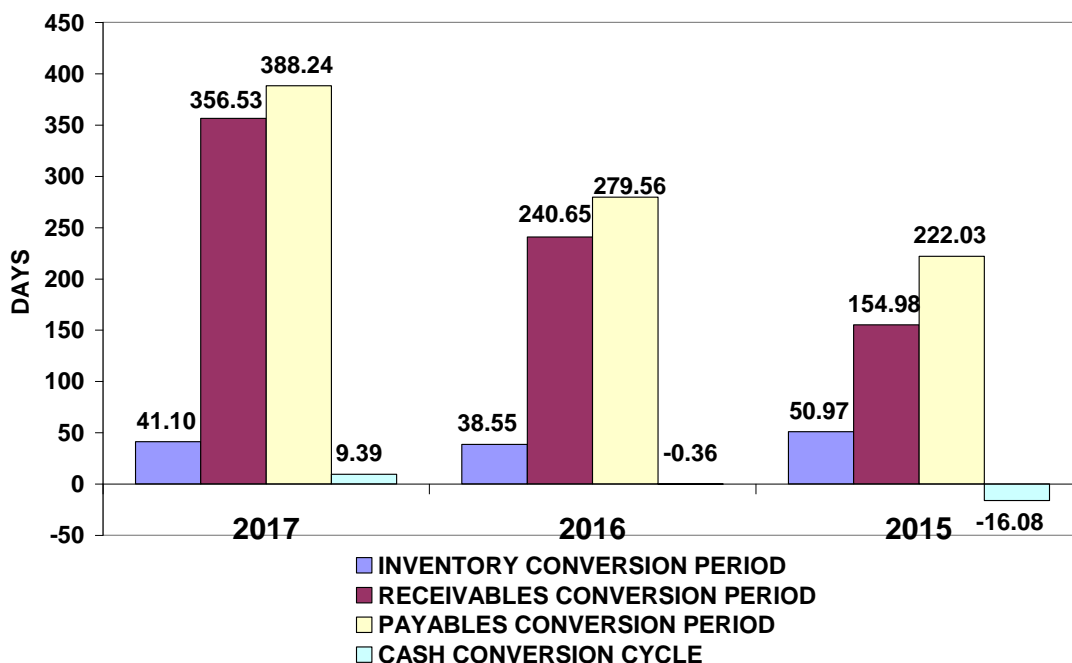
Debt Ratio shows the proportion of a company's assets which are financed through debt. The company's figure is 0.79 greater than 0.5, most of the company's assets are financed through debt.

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

Debt Ratio	Downtrend
Times Interest Earned	Stable

**ACTIVITY : SATISFACTORY**

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.



**ACTIVITY RATIO**

Fixed Assets Turnover	12.11	Impressive	Industrial Average	-
Total Assets Turnover	0.75	Satisfactory	Industrial Average	1.43
Inventory Conversion Period	41.10			
Inventory Turnover	8.88	Satisfactory	Industrial Average	9.85
Receivables Conversion Period	356.53			
Receivables Turnover	1.02	Deteriorated	Industrial Average	7.07
Payables Conversion Period	388.24			

The company's Account Receivable Ratio is calculated as 1.02 and 1.52 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 decreased from 2016. This would suggest the company had deteriorated 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 increased from 39 days at the end of 2016 to 41 days at the end of 2017. This represents a negative trend. And Inventory turnover has decreased from 9.47 times in year 2016 to 8.88 times in year 2017.

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

The company's Total Asset Turnover is calculated as 0.75 times and 1 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	Uptrend
Inventory Turnover	Uptrend
Receivables Turnover	Uptrend

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.53
UK Pound	1	INR 90.52
Euro	1	INR 80.02
Thai Baht	1	INR 2.07

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

**INFORMATION DETAILS**

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

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**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)