

MIRA INFORM REPORT

Report No. :	519507
Report Date :	13.07.2018

IDENTIFICATION DETAILS

Name :	BELGA DIAM CO. LTD.
Registered Office :	9 th Floor, Gems Tower, 1249/90 Charoenkrung Road, Suriyawongse, Bangrak, Bangkok 10500,
Country :	Thailand
Financials (as on) :	31.12.2017
Date of Incorporation :	26.01.1988
Com. Reg. No.:	0105531005864
Legal Form :	Private Limited Company
Line of Business :	Subject is engaged in importing and distributing jewelry material supplies, mainly fancy diamonds, eight-cut diamonds, brilliant and polished diamonds with various sizes, as well as gemstones for jewelry production.
No. of Employees :	2

RATING & COMMENTS

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

MIRA's Rating : B

Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	Slow but Correct
Litigation :	Clear

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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)
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

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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 AND ADDRESS

BELGA DIAM CO., LTD.

SUMMARY

BUSINESS ADDRESS : 9th FLOOR, GEMS TOWER,
1249/90 CHAROENKRUNG ROAD, SURIYAWONGSE,
BANGRAK, BANGKOK 10500, THAILAND
TELEPHONE : [66] 2234-4622, 2234-6281, 081 811-9746
FAX : [66] 2237-1435
E-MAIL ADDRESS : belga_bkk@yahoo.com
REGISTRATION ADDRESS : SAME AS BUSINESS ADDRESS
ESTABLISHED : 1988
REGISTRATION / TAX ID NO. : 0105531005864
CAPITAL REGISTERED : BHT. 17,000,000
CAPITAL PAID-UP : BHT. 17,000,000
SHAREHOLDER'S PROPORTION : THAI : 51.00%
INDIAN : 49.00%
FISCAL YEAR CLOSING DATE : DECEMBER 31
LEGAL STATUS : PRIVATE LIMITED COMPANY
EXECUTIVE : MR. RAMESH HIRALAL MEHTA, INDIAN
MANAGING DIRECTOR
NO. OF STAFF : 2
LINES OF BUSINESS : DIAMOND AND GEMSTONES
IMPORTER, DISTRIBUTOR AND EXPORTER

CORPORATE PROFILE

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

HISTORY

The subject was established on January 26, 1988 as a private limited company under the registered name BELGA DIAM CO., LTD., by Thai and Indian groups, with the objective to be engaged in jewelry trading business. It currently employs 2 staff.

The subject's registered address was initially at Room 76, Executive House, 410/76 Surawong Rd., Siphaya, Bangrak, Bangkok 10500.

On June 13, 1989, it was relocated to 293/32 Surawong Rd., Suriyawongse, Bangrak, Bangkok 10500.

On June 9, 1994, it was moved to 16th Floor, Bangkok Gems & Jewellery Trade Center, 322/31 Surawong Rd., Siphaya, Bangrak, Bangkok 10500.

In October 2001, it was finally relocated to 9th Floor, Gems Tower, 1249/90 Charoenkrung Rd., Suriyawongse, Bangrak, Bangkok 10500, and this is the subject's current operation address.

THE BOARD OF DIRECTOR

<u>Name</u>	<u>Nationality</u>	<u>Age</u>
Mr. Ramesh Hiralal Mehta	Indian	55
Mrs. Manju Ramesh Mehta	Indian	-

AUTHORIZED PERSON

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

MANAGEMENT

Mr. Ramesh Hiralal Mehta is the Managing Director. He is Indian nationality with the age of 55 years old.

BUSINESS OPERATIONS

The subject is engaged in importing and distributing jewelry material supplies, mainly fancy diamonds, eight-cut diamonds, brilliant and polished diamonds with various sizes, as well as gemstones for jewelry production.

The subject is also exporter of diamonds, gemstones and Thai jewelry products.

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IMPORT

The jewelry material supplies are imported from India, Belgium, Republic of China, Pakistan and Hong Kong.

MAJOR SUPPLIER

Little Star Co., Ltd. : Hong Kong

SALES [LOCAL]

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

EXPORT

Local diamonds, gemstones and jewelry products are exported to Hong Kong, India, Republic of China and Europe.

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 according.

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

Bangkok Bank Public Company Limited

[Silom Branch, 300 Silom Road, Suriyawongse, Bangrak, Bangkok]

EMPLOYMENT

The subject employs 2 staff.

LOCATION DETAILS

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

COMMENT

Subject was formed in 1988 as an importer and distributor of diamonds and gemstones, as well as an exporter of diamonds, gemstones and Thai jewelry products. The subject's operating performance in 2017 has seen an improvement with an increase in both sales or service income and net profit comparing to the previous year, resulted by an improvement in consumption of the products.

Generally, the subject's business remains promising and growing moderately.

FINANCIAL INFORMATION

The capital was registered at Bht. 1,000,000 divided into 10,000 shares of Bht. 100 each.

The capital was increased later as following:

Bht. 5,000,000 on July 12, 1991
Bht. 17,000,000 on August 25, 1992

The latest registered capital was increased to Bht. 17,000,000 divided into 170,000 shares of Bht. 100 each with fully paid.

THE SHAREHOLDERS LISTED WERE

[as at April 30, 2018]

<u>NAME</u>	<u>HOLDING</u>	<u>%</u>
Mr. Krane Chintanakochapak Nationality: Thai Address : 550/146 Asoke-Dindaeng Road, Dindaeng, Bangkok	59,500	35.00
Mr. Ramesh Hiralal Mehta Nationality: Indian Address : 57/12 Rama 4 Road, Thungmahamek, Sathorn, Bangkok	51,000	30.00
Mrs. Manju Ramesh Mehta Nationality: Indian Address : 57/12 Rama 4 Road, Thungmahamek, Sathorn, Bangkok	32,300	19.00
Mrs. Jira Chintanakochapak Nationality: Thai Address : 550/146 Asoke-Dindaeng Road, Dindaeng, Bangkok	13,600	8.00
Mr. Tanapol Chintanakochapak Nationality: Thai Address : 550/146 Asoke-Dindaeng Road, Dindaeng, Bangkok	13,600	8.00

Total Shareholders : 5

SHARE STRUCTURE

[as at April 30, 2018]

<u>Nationality</u>	<u>Shareholders</u>	<u>No. of Share</u>	<u>% Shares</u>
Thai	3	86,700	51.00
Foreign - Indian	2	83,300	49.00
Total	5	170,000	100.00

NAME OF AUDITOR & CERTIFIED PUBLIC ACCOUNTANT NO. :

Mr. Ronakorn Rerksanthitwong No. 4645

BALANCE SHEET [BAHT]

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

	<u>ASSETS</u>		
Current Assets	2017	2016	2015
Cash and Cash Equivalents	352,330.12	2,481,108.33	390,318.80
Trade Accounts and Other Receivable	27,378,461.59	21,871,867.30	25,248,916.55
Inventories	38,943,591.70	48,851,742.33	41,878,621.45
Other Current Assets	220,493.57	261,556.04	266,890.65
Total Current Assets	66,894,876.98	73,466,274.00	67,784,747.45
Property, Plant and Equipment	766,104.94	1,101,612.61	1,372,280.15
Other Non-current Assets	17,366.00	17,366.00	17,366.00
Total Assets	67,678,347.92	74,585,252.61	69,174,393.60

LIABILITIES & SHAREHOLDERS' EQUITY [BAHT]

Current Liabilities	2017	2016	2015
Bank Overdraft and Short-term Loan from Financial Institutions	19,964,961.84	19,938,195.11	16,978,860.01
Trade Accounts and Other Payable	20,183,947.47	29,278,772.86	26,722,235.85
Current Portion of Long-term Liabilities	275,125.20	275,125.20	275,125.20
Short-term Loan	1,700,000.00	-	400,000.00
Accrued Income Tax	-	-	86,737.32
Other Current Liabilities	142,324.37	96,838.44	39,143.67
Total Current Liabilities	42,266,358.88	49,588,931.61	44,502,102.05
Provision for Employee Benefits	677,803.00	618,073.00	573,727.00
Provision for Long-term Liabilities	22,927.10	-	-
Other Non-current Liabilities	-	320,979.40	573,177.50
Total Liabilities	42,967,088.98	50,527,984.01	45,649,006.55
Shareholders' Equity			
Share capital : Baht 100 par value authorized, issued and fully paid share capital 170,000 shares	17,000,000.00	17,000,000.00	17,000,000.00

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Capital Paid	17,000,000.00	17,000,000.00	17,000,000.00
Retained Earning - Unappropriated	7,711,258.94	7,057,268.60	6,525,387.05
Total Shareholders' Equity	24,711,258.94	24,057,268.60	23,525,387.05
Total Liabilities and Shareholders' Equity	67,678,347.92	74,585,252.61	69,174,393.60

PROFIT & LOSS ACCOUNT

Revenue	2017	2016	2015
Sales or Services Income	51,913,620.71	45,962,637.81	44,787,428.38
Other Income	2,349,744.39	490,593.35	49.58
Total Revenues	54,263,365.10	46,453,231.16	44,787,477.96
Expenses			
Cost of Goods Sold or Services	48,982,163.33	41,585,697.93	39,330,178.14
Selling Expenses	755,020.97	724,706.97	720,672.96
Administrative Expenses	2,772,706.86	2,370,185.72	3,360,002.50
Total Expenses	52,509,891.16	44,680,590.62	43,410,853.60
Profit/[Loss] before Financial Cost & Income Tax	1,753,473.94	1,772,640.54	1,376,624.36
Financial Cost	[888,353.99]	[1,067,402.23]	[649,949.96]
Profit/[Loss] before Income Tax	865,119.95	705,238.31	726,674.40
Income Tax	[211,129.61]	[173,356.76]	[186,737.32]
Net Profit / [Loss]	653,990.34	531,991.55	539,937.08

FINANCIAL ANALYSIS

ITEM	UNIT	2017	2016	2015
LIQUIDITY RATIO				
CURRENT RATIO	TIMES	1.58	1.48	1.52
QUICK RATIO	TIMES	0.66	0.49	0.58
ACTIVITY RATIO				
FIXED ASSETS TURNOVER	TIMES	67.76	41.72	32.64
TOTAL ASSETS TURNOVER	TIMES	0.77	0.62	0.65

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INVENTORY CONVERSION PERIOD	DAYS	290.20	428.77	388.65
INVENTORY TURNOVER	TIMES	1.26	0.85	0.94
RECEIVABLES CONVERSION PERIOD	DAYS	192.50	173.69	205.77
RECEIVABLES TURNOVER	TIMES	1.90	2.10	1.77
PAYABLES CONVERSION PERIOD	DAYS	150.40	256.98	247.99
CASH CONVERSION CYCLE	DAYS	332.29	345.48	346.43

PROFITABILITY RATIO

COST OF GOODS SOLD	%	94.35	90.48	87.82
SELLING & ADMINISTRATION	%	6.80	6.73	9.11
INTEREST	%	1.71	2.32	1.45
GROSS PROFIT MARGIN	%	10.17	10.59	12.18
NET PROFIT MARGIN BEFORE EX. ITEM	%	3.38	3.86	3.07
NET PROFIT MARGIN	%	1.26	1.16	1.21
RETURN ON EQUITY	%	2.65	2.21	2.30
RETURN ON ASSET	%	0.97	0.71	0.78
EARNING PER SHARE	BAHT	3.85	3.13	3.18

LEVERAGE RATIO

DEBT RATIO	TIMES	0.63	0.68	0.66
DEBT TO EQUITY RATIO	TIMES	1.74	2.10	1.94
TIME INTEREST EARNED	TIMES	1.97	1.66	2.12

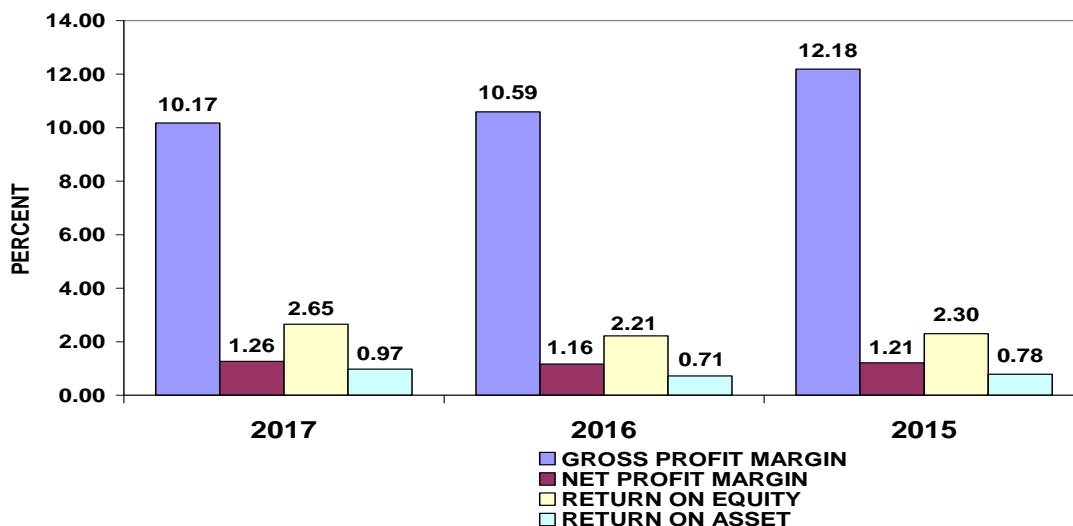
ANNUAL GROWTH

SALES GROWTH	%	12.95	2.62
OPERATING PROFIT	%	(1.08)	28.77
NET PROFIT	%	22.93	(1.47)
FIXED ASSETS	%	(30.46)	(19.72)
TOTAL ASSETS	%	(9.26)	7.82

ANNUAL GROWTH : ACCEPTABLE

An annual sales growth is 12.95%. Sales Income has increased from THB 45,962,637.81 in 2016 to THB 51,913,620.71 in 2017. While net profit has increased from THB 531,991.55 in 2016 to THB 653,990.34 in 2017. And total assets has decreased from THB 74,585,252.61 in 2016 to THB 67,678,347.92 in 2017.

PROFITABILITY : IMPRESSIVE



PROFITABILITY RATIO

Gross Profit Margin	10.17	Impressive	Industrial Average	0.62
Net Profit Margin	1.26	Impressive	Industrial Average	0.06
Return on Assets	0.97	Satisfactory	Industrial Average	1.54
Return on Equity	2.65	Satisfactory	Industrial Average	4.84

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 10.17%. 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 1.26%, 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. When compared with the industry average, it was lower, the company's figure is 0.97%.

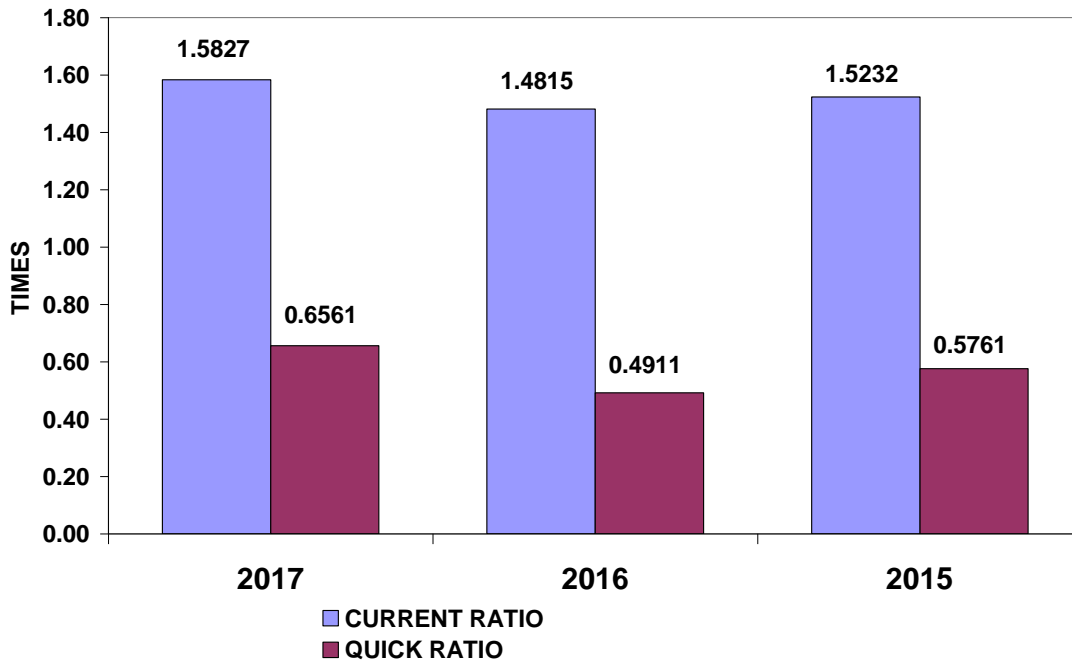
Return on Equity indicates how profitable a company is by comparing its net income to its average shareholders' equity, ROE measures how much the shareholders earned for their investment in the company. When compared with the industry average, it was lower, the company's figure is 2.65%.

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

Return on Assets	Downtrend
Return on Equity	Downtrend

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LIQUIDITY : RISKY



LIQUIDITY RATIO

Current Ratio	1.58	Satisfactory	Industrial Average	1.79
Quick Ratio	0.66			
Cash Conversion Cycle	332.29			

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 1.58 times in 2017, increase from 1.48 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 0.66 times in 2017, increase from 0.49 times, then the company has not enough current assets that presumably can be quickly converted to cash for pay financial obligations.

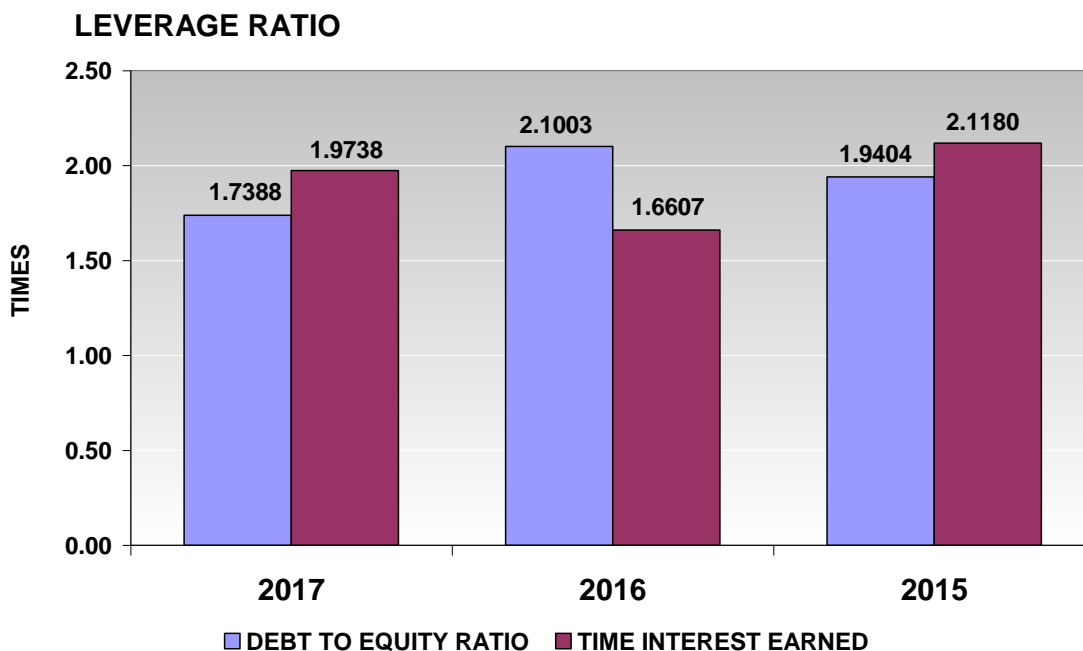
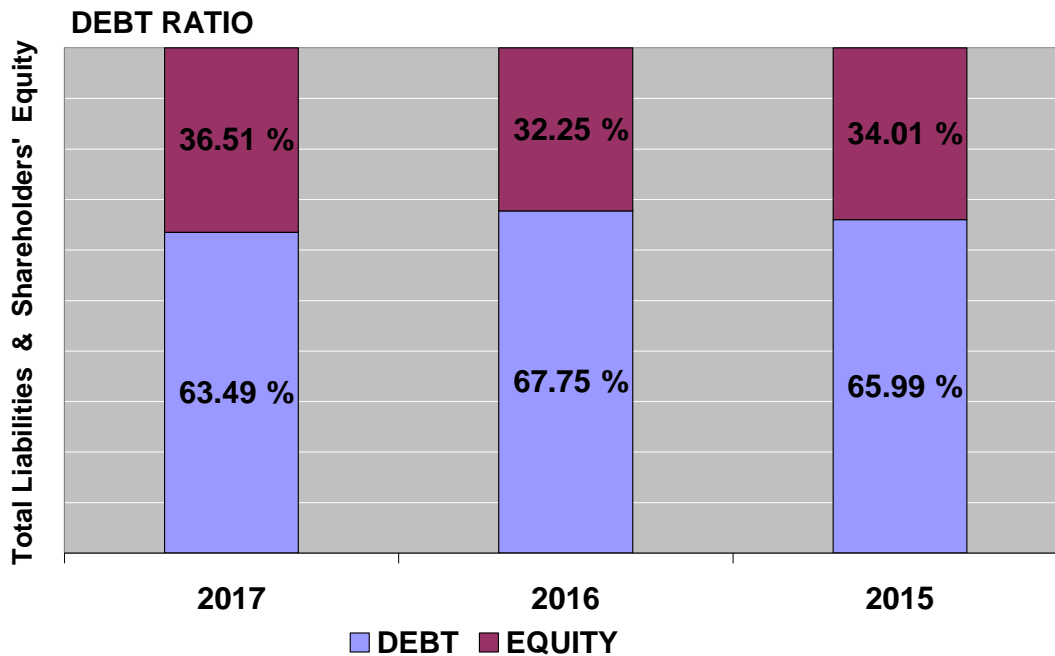
The Cash Conversion Cycle measures the number of days a company's cash is tied up in the production and sales process of its operations and the benefit from payment terms from its creditors. It meant the company could survive when no cash inflow was received from sale for 333 days.

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

Current Ratio Uptrend

LEVERAGE : IMPRESSIVE



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LEVERAGE RATIO

Debt Ratio	0.63	Impressive	Industrial Average	0.64
Debt to Equity Ratio	1.74	Acceptable	Industrial Average	1.79
Times Interest Earned	1.97	Impressive	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.

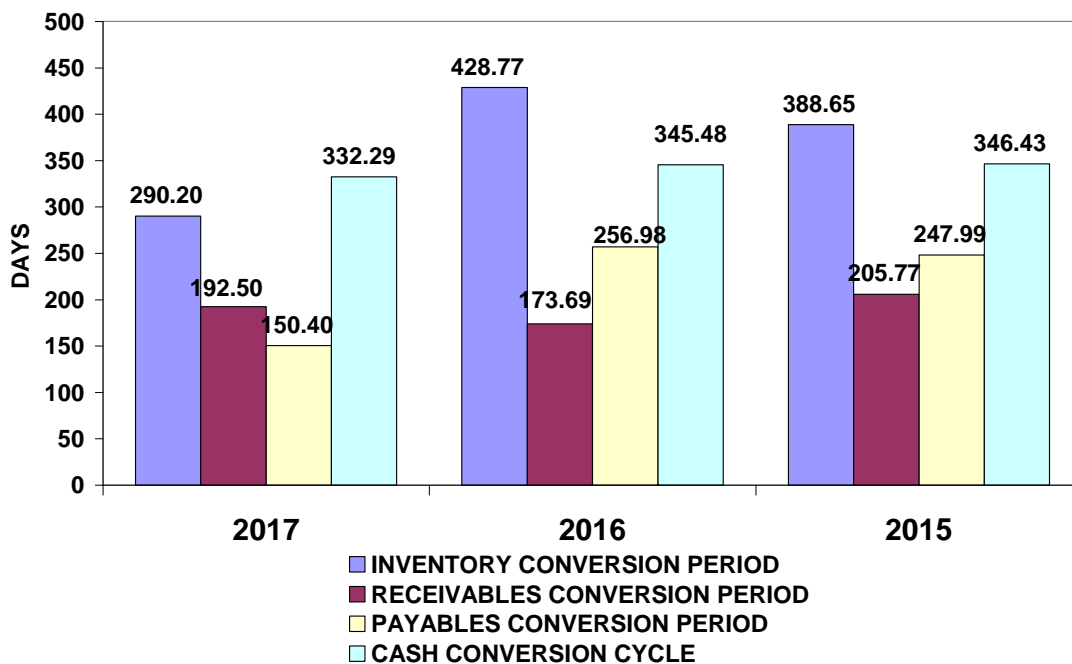
Times Interest Earned measuring a company's ability to meet its debt obligations. Ratio is 1.98 higher than 1, so the company can pay interest expenses on outstanding debt.

Debt Ratio shows the proportion of a company's assets which are financed through debt. The company's figure is 0.63 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



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ACTIVITY RATIO

Fixed Assets Turnover	67.76	Impressive	Industrial Average	-
Total Assets Turnover	0.77	Deteriorated	Industrial Average	23.79
Inventory Conversion Period	290.20			
Inventory Turnover	1.26	Deteriorated	Industrial Average	54.65
Receivables Conversion Period	192.50			
Receivables Turnover	1.90	Deteriorated	Industrial Average	58.96
Payables Conversion Period	150.40			

The company's Account Receivable Ratio is calculated as 1.90 and 2.10 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 decreased from 429 days at the end of 2016 to 290 days at the end of 2017. This represents a positive trend. And Inventory turnover has increased from 0.85 times in year 2016 to 1.26 times in year 2017.

The company's Total Asset Turnover is calculated as 0.77 times and 0.62 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 68.63
UK Pound	1	INR 90.67
Euro	1	INR 80.17
THB	1	INR 2.05

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

INFORMATION DETAILS

Analysis Done by :	PRI
Report Prepared by :	POJ

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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)