

## MIRA INFORM REPORT

<b>Report No. :</b>	532794
<b>Report Date :</b>	03.10.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	PRITI GEMS CO., LTD.
<b>Registered Office :</b>	Suite 3110, 31st Floor, Jewelry Trade Center, 919/395 Silom Road, Silom, Bangrak, Bangkok 10500
<b>Country :</b>	Thailand
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	15.05.1990
<b>Com. Reg. No.:</b>	0105533054463
<b>Legal Form :</b>	Private Limited Company
<b>Line of Business :</b>	The subject is engaged in importing and distributing various kinds of cutting diamonds, gemstones and pearls, as well as exporting of Thai cutting diamonds and gemstones.
<b>No. of Employees :</b>	8

**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

<b>Status :</b>	Satisfactory
<b>Payment Behaviour :</b>	Slow but Correct
<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.

**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**

**PRITI GEMS CO., LTD.**

## **COMPANY SUMMARY**

**BUSINESS ADDRESS** : SUITE 3110, 31<sup>st</sup> FLOOR, JEWELRY TRADE CENTER,  
919/395 SILOM ROAD, SILOM, BANGRAK,  
BANGKOK 10500, THAILAND

**TELEPHONE** : [66] 2630-0048-9, 081 646-8341

**FAX** : [66] 2630-0047

**E-MAIL ADDRESS** : pritigem@yahoo.com  
priti@sejalgems.in

**REGISTRATION ADDRESS** : SAME AS BUSINESS ADDRESS

**ESTABLISHED** : 1990

**REGISTRATION / TAX ID NO.** : 0105533054463

**CAPITAL REGISTERED** : BHT. 12,000,000

**CAPITAL PAID-UP** : BHT. 12,000,000

**SHAREHOLDER'S PROPORTION** : THAI : 51.00%  
FOREIGN : 49.00%

**FISCAL YEAR CLOSING DATE** : DECEMBER 31

**LEGAL STATUS** : PRIVATE LIMITED COMPANY

**EXECUTIVE** : MR. CHANDRA KUMAR PUROHIT, INDIAN  
MANAGING DIRECTOR

**NO. OF STAFF** : 8

**LINES OF BUSINESS** : DIAMONDS AND GEMSTONES  
TRADING

### **CORPORATE PROFILE**

**OPERATING TREND** : STABLE

**PRESENT SITUATION** : OPERATING NORMALLY

**REPUTATION** : GOOD WITH NORMAL BUSINESS ENGAGEMENT

**MANAGEMENT STANDARD** : MANAGEMENT WITH GOOD PERFORMANCE

## HISTORY

The subject was established on May 15, 1990 as a private limited company under the registered name PRITI GEMS CO., LTD., by Thai and foreign groups, with the objective to be engaged in diamonds and gemstones trading business. It currently employs 8 staff.

The subject's registered address is Suite 3110, 31<sup>st</sup> Floor, Jewelry Trade Center, 919/395 Silom Rd., Silom, Bangrak, Bangkok 10500, and this is the subject's current operation address.

## THE BOARD OF DIRECTORS

<u>Name</u>	<u>Nationality</u>	<u>Age</u>
Mr. Chandra Kumar Purohit	Indian	47
Mr. Krupesh Mahendrakumar Shah	Indian	26

## AUTHORIZED PERSON

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

## MANAGEMENT

**Mr. Chandra Kumar Purohit** is the Managing Director.  
He is Indian nationality with the age of 47 years old.

## BUSINESS OPERATIONS

The subject is engaged in importing and distributing various kinds of cutting diamonds, gemstones and pearls, as well as exporting of Thai cutting diamonds and gemstones.

## PURCHASE

Thai cutting diamonds are purchased from local suppliers.

## IMPORT

Diamonds and gemstones are imported from India, Japan, Republic of China, Hong Kong, Belgium and South Africa.

## MAJOR SUPPLIER

Sejal Gems Pvt. Ltd. : India

## **SALES**

The imported products are sold locally to wholesalers and jewelry manufacturers.

## **EXPORT**

Diamonds and gemstones are exported and re-exported to India, Hong Kong, U.S.A., Singapore, United Arab Emirates [Dubai] and many countries in 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 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 L/C at sight or T/T.  
Exports are against T/T.

## **BANKING**

### **Bangkok Bank Public Company Limited**

[Head Office : 333 Silom Rd., Silom, Bangrak, Bangkok]

## **EMPLOYMENT**

The subject currently employs 8 staff.

## **LOCATION DETAILS**

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

**COMMENT**

Most of Thai manufacturers in the jewelry industry are original equipment manufacturers (OEM) which supply products to international buyers. Consequently, Thai jewelry producers were encouraged by the government to improve the products in term of brand, design, quality and technology processing, including cutting diamond.

The subject's products currently play a significant role in supplying advance and technology of cutting diamond from Thai manufacture into international markets.

The subject's operating performance in 2017 was satisfactory. Despite a decrease in sales or service income in 2017 comparing to the previous year, it obtained higher net profit. Generally, the jewelry industry would continue to encounter a slow growth from sluggish economy locally and globally. Nevertheless, the subject's business remains strong and profitable.

**FINANCIAL INFORMATION**

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

On October 17, 1996, the capital was increased to Bht. 12,000,000 divided into 120,000 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>
<b>Primdiam Co., Ltd.</b> Nationality: Thai Address : 31 <sup>st</sup> Floor, Jewelry Trade Center, 919/395 Silom Rd., Silom, Bangrak, Bangkok	61,200	51.00
<b>Mr. Chandra Kumar Purohit</b> Nationality: Indian Address : 31 <sup>st</sup> Floor, Jewelry Trade Center, 919/395 Silom Rd., Silom, Bangrak, Bangkok	36,000	30.00
<b>Sejal Gems International DMCC</b> Nationality: U.A.E. Address : Dubai, United Arab Emirates	22,800	19.00

**Total Shareholders : 3**

**Share Structure [as at April 30, 2018]**

<u>Nationality</u>	<u>Shareholders</u>	<u>No. of Share</u>	<u>% Shares</u>
Thai	1	61,200	51.00
Foreign	2	58,800	49.00

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**Total** **3** **120,000** **100.00**

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

Mr. Worasit Srirungkijawad No. 9950

**FINANCIALS**

**BALANCE SHEET [BAHT]**

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

**ASSETS**

<b>Current Assets</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Cash and Cash Equivalents	165,854.58	68,133.58	133,114.17
Trade Accounts and Other Receivable	52,789,290.57	68,728,395.50	53,700,815.27
Short-term Loans	-	1,089,300.00	-
Inventories	124,105,863.25	139,727,436.84	146,246,008.01
<b>Total Current Assets</b>	<b>177,061,008.40</b>	<b>209,613,265.92</b>	<b>200,079,937.45</b>
Property, Plant and Equipment	4,750,330.83	4,875,388.49	136,438.43
Other Non-current Assets	15,146.73	15,146.73	15,146.73
<b>Total Assets</b>	<b>181,826,485.96</b>	<b>214,503,801.14</b>	<b>200,231,522.61</b>

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

<b>Current Liabilities</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Bank Overdraft from Financial Institutions	9,071,551.55	5,555,784.85	7,943,929.21
Trade Accounts and Other Payable	81,111,809.92	140,074,728.51	129,397,152.44
Current Portion of Long-term Liabilities	1,608,000.00	1,608,000.00	1,608,000.00
Short-term Loans	10,985,342.20	-	-
Accrued Income Tax	2,331,068.98	1,061,112.27	102,572.30
<b>Total Current Liabilities</b>	<b>105,107,772.65</b>	<b>148,299,625.63</b>	<b>139,051,653.95</b>
Long-term Loan	3,045,251.06	4,653,251.06	6,258,000.00
<b>Total Liabilities</b>	<b>108,153,023.71</b>	<b>152,952,876.69</b>	<b>145,309,653.95</b>

**Shareholders' Equity**

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Share capital : Baht 100 par value authorized and issued share capital 120,000 shares	12,000,000.00	12,000,000.00	12,000,000.00
Capital Paid	12,000,000.00	12,000,000.00	12,000,000.00
Retained Earning Unappropriated [Deficit]	61,673,462.25	49,550,924.45	42,924,868.66
<b>Total Shareholders' Equity</b>	<b>73,673,462.25</b>	<b>61,550,924.45</b>	<b>54,921,868.66</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>181,826,485.96</b>	<b>214,503,801.14</b>	<b>200,231,522.61</b>

**PROFIT & LOSS ACCOUNT**

Revenue	2017	2016	2015
Sales or Services Income	324,680,258.41	391,947,413.83	272,821,726.50
Other Income	12,130,792.74	4,314,673.99	199,805.99
<b>Total Revenues</b>	<b>336,811,051.15</b>	<b>396,262,087.82</b>	<b>273,021,532.49</b>
<b>Expenses</b>			
Cost of Goods Sold or Services	310,187,753.75	372,373,112.40	255,283,573.49
Selling Expenses	858,514.10	805,802.40	747,860.00
Administrative Expenses	9,542,714.29	11,127,277.58	9,833,015.59
Other Expenses	201,738.11	2,709,055.16	6,377,161.96
<b>Total Expenses</b>	<b>320,790,720.25</b>	<b>387,015,247.54</b>	<b>272,241,611.04</b>
Profit / [Loss] before Financial Cost and Income Tax	16,020,330.90	9,246,840.28	779,921.45
Financial Costs	[816,724.12]	[857,922.22]	[619,786.93]
Profit / [Loss] before Income Tax	15,203,606.78	8,388,918.06	160,134.52
Income Tax	[3,081,068.98]	[1,759,862.27]	[102,572.30]
<b>Net Profit / [Loss]</b>	<b>12,122,537.80</b>	<b>6,629,055.79</b>	<b>57,562.22</b>

**FINANCIAL ANALYSIS**

ITEM	UNIT	2017	2016	2015
<b>LIQUIDITY RATIO</b>				
CURRENT RATIO	TIMES	1.68	1.41	1.44
QUICK RATIO	TIMES	0.50	0.47	0.39

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**ACTIVITY RATIO**

FIXED ASSETS TURNOVER	TIMES	68.35	80.39	1,999.60
TOTAL ASSETS TURNOVER	TIMES	1.79	1.83	1.36
INVENTORY CONVERSION PERIOD	DAYS	146.04	136.96	209.10
INVENTORY TURNOVER	TIMES	2.50	2.66	1.75
RECEIVABLES CONVERSION PERIOD	DAYS	59.34	64.00	71.84
RECEIVABLES TURNOVER	TIMES	6.15	5.70	5.08
PAYABLES CONVERSION PERIOD	DAYS	95.44	137.30	185.01
CASH CONVERSION CYCLE	DAYS	109.94	63.66	95.93

**PROFITABILITY RATIO**

COST OF GOODS SOLD	%	95.54	95.01	93.57
SELLING & ADMINISTRATION INTEREST	%	3.20	3.04	3.88
GROSS PROFIT MARGIN	%	0.25	0.22	0.23
NET PROFIT MARGIN BEFORE EX. ITEM	%	8.20	6.09	6.50
NET PROFIT MARGIN	%	4.93	2.36	0.29
RETURN ON EQUITY	%	3.73	1.69	0.02
RETURN ON ASSET	%	16.45	10.77	0.10
EARNING PER SHARE	BAHT	6.67	3.09	0.03
		101.02	55.24	0.48

**LEVERAGE RATIO**

DEBT RATIO	TIMES	0.59	0.71	0.73
DEBT TO EQUITY RATIO	TIMES	1.47	2.48	2.65
TIME INTEREST EARNED	TIMES	19.62	10.78	1.26

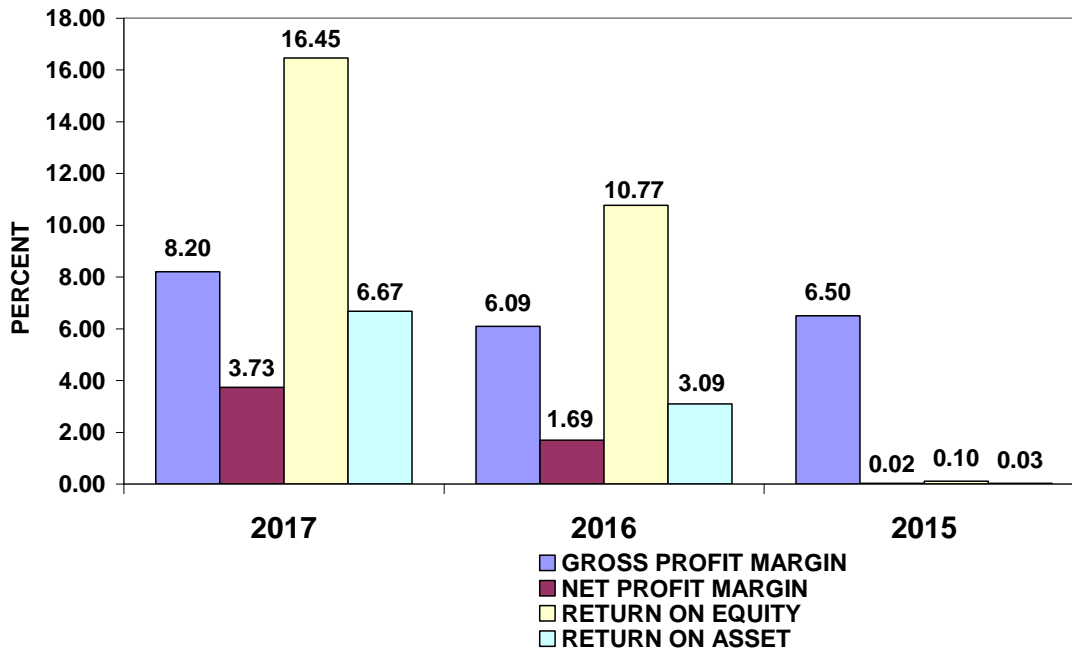
**ANNUAL GROWTH**

SALES GROWTH	%	(17.16)	43.66
OPERATING PROFIT	%	73.25	1,085.61
NET PROFIT	%	82.87	11,416.33
FIXED ASSETS	%	(2.57)	3,473.32
TOTAL ASSETS	%	(15.23)	7.13

**ANNUAL GROWTH : ACCEPTABLE**

An annual sales growth is -17.16%. Sales Income has decreased from THB 391,947,413.83 in 2016 to THB 324,680,258.41 in 2017. While net profit has increased from THB 6,629,055.79 in 2016 to THB 12,122,537.80 in 2017. And total assets has decreased from THB 214,503,801.14 in 2016 to THB 181,826,485.96 in 2017.

**PROFITABILITY : EXCELLENT**



**PROFITABILITY RATIO**

Gross Profit Margin	8.20	Impressive	Industrial Average	0.84
Net Profit Margin	3.73	Impressive	Industrial Average	0.10
Return on Assets	6.67	Impressive	Industrial Average	1.89
Return on Equity	16.45	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 8.2%. 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 3.73%, 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 6.67%, 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

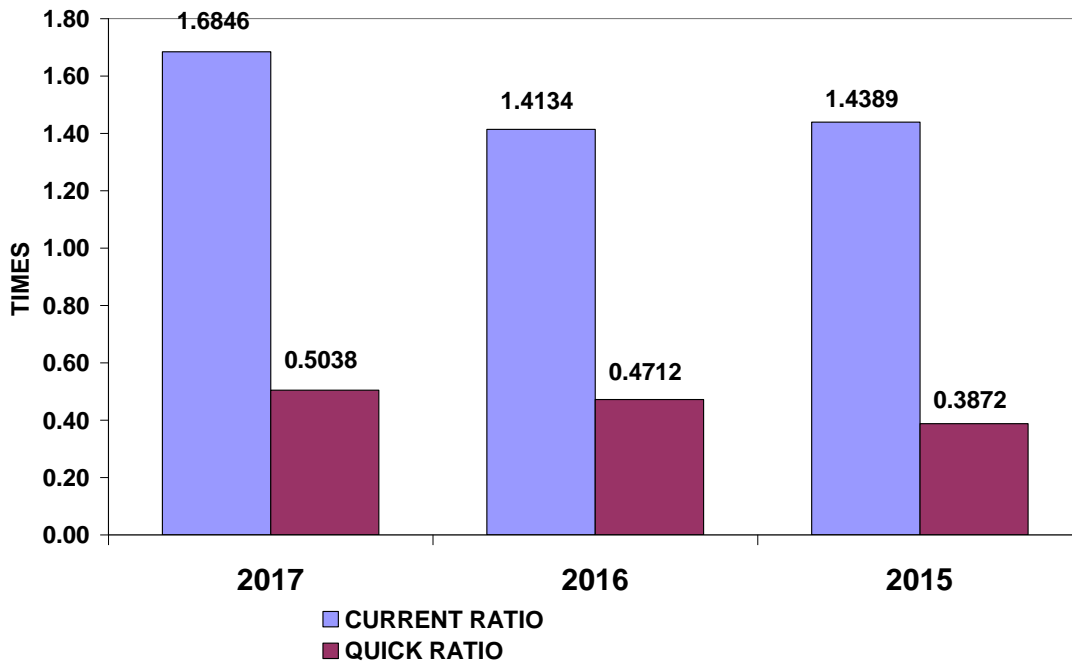
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ratio is 16.45%, higher figure when compared with those of its average competitors in the same industry, indicated that business was an efficient profit in a dominant position within its industry.

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

Return on Assets                      Uptrend  
 Return on Equity                    Uptrend

**LIQUIDITY : ACCEPTABLE**



**LIQUIDITY RATIO**

Current Ratio	1.68	Impressive	Industrial Average	1.65
Quick Ratio	0.50			
Cash Conversion Cycle	109.94			

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 1.68 times in 2017, increase from 1.41 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 higher, indicated that company was an efficient operator in a dominant position within its industry.

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 0.5 times in 2017, increase from 0.47 times, then the company has not enough current assets that presumably can be quickly converted to cash for pay financial obligations.

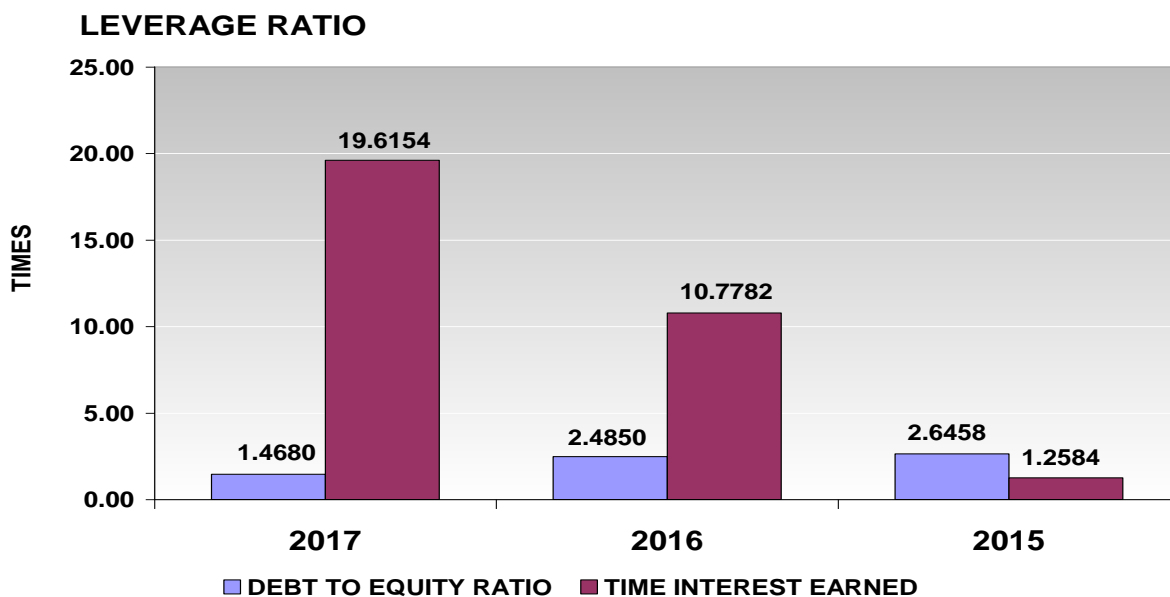
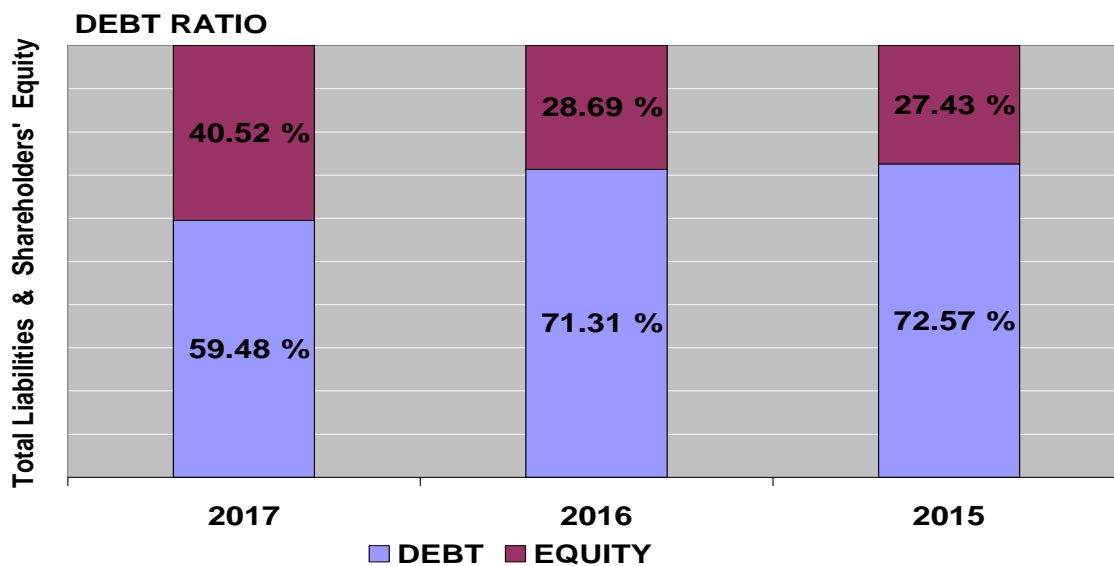
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The Cash Conversion Cycle measures the number of days a company's cash is tied up in the production and sales process of its operations and the benefit from payment terms from its creditors. It meant the company could survive when no cash inflow was received from sale for 110 days.

**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	0.59	Impressive	Industrial Average	0.65
Debt to Equity Ratio	1.47	Acceptable	Industrial Average	1.82
Times Interest Earned	19.62	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.

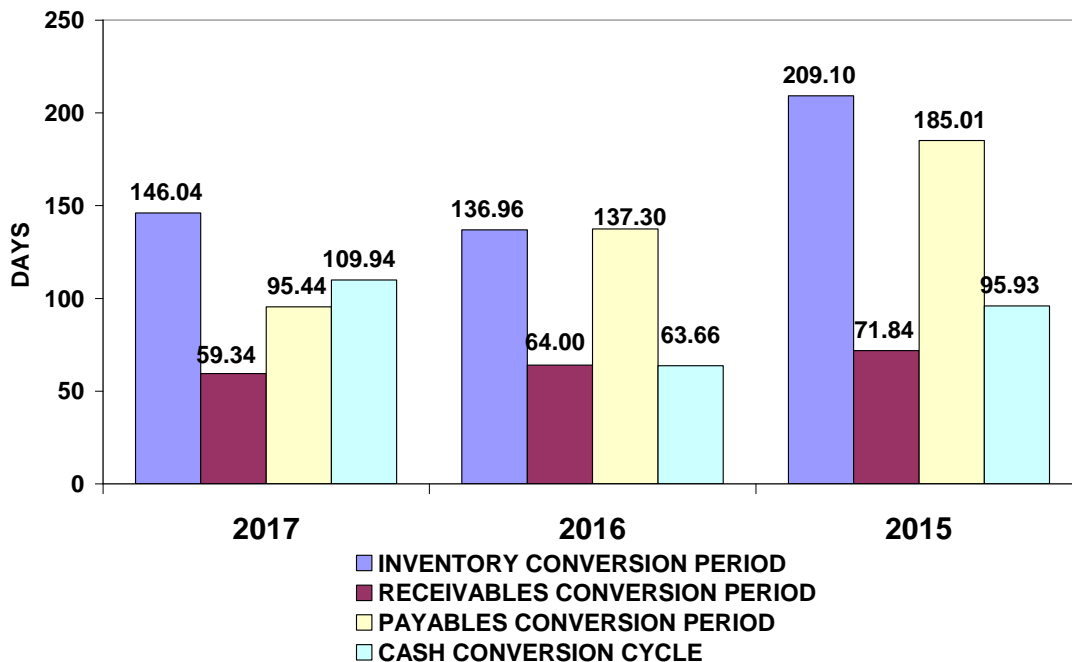
Times Interest Earned measuring a company's ability to meet its debt obligations. Ratio is 19.62 higher than 1, so the company can pay interest expenses on outstanding debt.

Debt Ratio shows the proportion of a company's assets which are financed through debt. The company's figure is 0.59 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	68.35	Impressive	Industrial Average	-
Total Assets Turnover	1.79	Deteriorated	Industrial Average	19.32
Inventory Conversion Period	146.04			
Inventory Turnover	2.50	Deteriorated	Industrial Average	40.96
Receivables Conversion Period	59.34			
Receivables Turnover	6.15	Deteriorated	Industrial Average	49.98
Payables Conversion Period	95.44			

The company's Account Receivable Ratio is calculated as 6.15 and 5.70 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 overtly 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 increased from 137 days at the end of 2016 to 146 days at the end of 2017. This represents a negative trend. And Inventory turnover has decreased from 2.66 times in year 2016 to 2.5 times in year 2017.

The company's Total Asset Turnover is calculated as 1.79 times and 1.83 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 Rupee
US Dollar	1	INR72.80
UK Pound	1	INR 94.88
Euro	1	INR 84.38
THB	1	INR 2.26

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

**INFORMATION DETAILS**

Analysis Done by :	VIVR
Report Prepared by :	KET

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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)