

## MIRA INFORM REPORT

Report No. :	534057
Report Date :	11.10.2018

### IDENTIFICATION DETAILS

Name :	ANSABRO GEM CO., LTD
Registered Office :	23 <sup>rd</sup> Floor, Room B, Gems Tower, 1249/173 Charoenkrung Road, Suriyawongse, Bangrak, Bangkok 10500
Country :	Thailand
Financials (as on) :	31.07.2017
Date of Incorporation :	16.08.1993
Com. Reg. No.:	0105536092781
Legal Form :	Private Limited Company
Line of Business :	Subject is engaged in importing, distributing and re-exporting various kinds of gemstones, precious and semi-precious stones, as well as exporting of local products for jewelry production industry.
No. of Employees :	2

### RATING & COMMENTS

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

MIRA's Rating :	B
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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

### NOTES :

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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**

ANSABRO GEM CO., LTD.

## **SUMMARY**

BUSINESS ADDRESS : 23<sup>rd</sup> FLOOR, ROOM B, GEMS TOWER, 1249/173  
CHAROENKRUNG ROAD, SURIYAWONGSE, BANGRAK, BANGKOK 10500, THAILAND  
TELEPHONE : [66] 2238-3512, 081 647-8266  
FAX : [66] 2267-4679  
E-MAIL ADDRESS : ansabrogembkk@yahoo.com  
REGISTRATION ADDRESS : SAME AS BUSINESS ADDRESS  
ESTABLISHED : 1993  
REGISTRATION / TAX ID NO. : 0105536092781  
CAPITAL REGISTERED : BHT. 6,000,000  
CAPITAL PAID-UP : BHT. 6,000,000  
SHAREHOLDER'S PROPORTION : THAI : 51.00%  
INDIAN : 49.00%  
FISCAL YEAR CLOSING DATE : JULY 31  
LEGAL STATUS : PRIVATE LIMITED COMPANY  
EXECUTIVE : MR. ABDUL WAJID ANSARI, INDIAN  
MANAGING DIRECTOR  
  
NO. OF STAFF : 2  
LINES OF BUSINESS : GEMSTONES, PRECIOUS AND SEMI-PRECIOUS  
STONES  
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 August 16, 1993 as a private limited company under the registered name ANSABRO GEM CO., LTD., by Thai and Indian groups, with the business objective to import, distribute and export gemstones, precious and semi-precious stones. It currently employs 2 staff.

The subject's registered address is 23<sup>rd</sup> Floor, Room B, Gems Tower, 1249/173 Charoenkrung Road, Suriyawongse, Bangrak, Bangkok 10500, and this is the subject's current operation address.

## **THE BOARD OF DIRECTOR**

Name	Nationality	Age
Mr. Abdul Wajid Ansari	Indian	38
Mr. Abdul Wahid Ansari	Indian	29
Mr. Rafi Quddin Ansari	Indian	49

## **AUTHORIZED PERSON**

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

## **MANAGEMENT**

Mr. Abdul Wajid Ansari 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 gemstones, precious and semi-precious stones, as well as exporting of local products for jewelry production industry.

## **PURCHASE**

The products are purchased from both domestic and overseas suppliers in India and Sri Lanka.

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## **SALES [LOCAL]**

The products are sold locally to wholesalers, manufacturers and end-users.

## **EXPORT**

The products are also exported and re-exported to Republic of China.

## **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**

Bangkok Bank Public Company Limited

## **EMPLOYMENT**

The subject currently employs 2 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 as of July 31, 2017 was slowdown from a decrease in sales or service income and a net loss comparing to the previous year, mainly due to slow growth and slow recovery of jewelry industry. Nevertheless, it operates a moderate business with sufficient capital.

## **FINANCIAL INFORMATION**

The capital was registered at Bht. 2,000,000 divided into 20,000 shares of Bht. 100 each with fully paid.

The capital was increased later as follows:

Bht. 4,000,000 on September 10, 1996  
Bht. 6,000,000 on January 31, 2001

The latest registered capital was increased to Bht. 6,000,000 divided into 60,000 shares of Bht. 100 each with fully paid.

## **THE SHAREHOLDERS LISTED WERE**

[as at August 29, 2018]

NAME	HOLDING	%
Mr. Abdul Wajid Ansari Nationality: Indian Address : 1249/173 Charoenkrung Road, Suriyawongse, Bangrak, Bangkok	15,000	25.00
Mr. Yutthana Buatin	10,200	17.00

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Nationality: Thai Address : 199 Moo 16, T. Suathao, A. Chiangyuen, Mahasarakam			
Mrs. Busaba Ruenpitak	10,200	17.00	
Nationality: Thai Address : 521 Somdej Phrapinklao Road, Bangyikhan, Bangplad, Bangkok			
Mr. Chalik Khamchalee	10,200	17.00	
Nationality: Thai Address : 396/1 Moo 12, T. Khamyai, A. Muang, Ubon Ratchathani			
Mr. Abdul Wahid Ansari	8,400	14.00	
Nationality: Indian Address : 1249/173 Charoenkrung Road, Suriyawongse, Bangrak, Bangkok			
Mr. Rafi Quddin Ansari	6,000	10.00	
Nationality: Indian Address : 1249/173 Charoenkrung Road, Suriyawongse, Bangrak, Bangkok			

Total Shareholders : 6

Share Structure [as at August 29, 2018]

Nationality	Shareholders	No. of Share	% Shares
Thai	3	30,600	51.00
Foreign - Indian	3	29,400	49.00
Total	6	60,000	100.00

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

Mr. Piyapong Udom No. 10629

## **BALANCE SHEET [BAHT]**

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

### ASSETS

Current Assets	2017	2016	2015
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Cash and Cash Equivalents	232,829.58	305,710.04	91,393.01
Trade Accounts and Other Receivable	1,953,330.74	567,935.43	936,856.50
Inventories	7,860,265.15	8,631,075.90	10,618,510.22
Other Current Assets	69,414.56	-	-
<b>Total Current Assets</b>	<b>10,115,840.03</b>	<b>9,504,721.37</b>	<b>11,646,759.73</b>
Property, Plant and Equipment	2,707.05	4,246.35	5,785.65
<b>Total Assets</b>	<b>10,118,547.08</b>	<b>9,508,967.72</b>	<b>11,652,545.38</b>

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

Current Liabilities	2017	2016	2015
Trade Accounts and Other Payable	369,347.63	289,825.85	679,923.46
Accrued Income Tax	25,600.14	33,343.11	39,730.95
<b>Total Current Liabilities</b>	<b>394,947.77</b>	<b>323,168.96</b>	<b>719,654.41</b>
Long-term Loan	5,300,000.00	4,750,000.00	6,750,000.00
<b>Total Liabilities</b>	<b>5,694,947.77</b>	<b>5,073,168.96</b>	<b>7,469,654.41</b>
Shareholders' Equity			
Share capital : Baht 100 par value authorized, and issued share capital 60,000 shares	6,000,000.00	6,000,000.00	6,000,000.00
Capital Paid	6,000,000.00	6,000,000.00	6,000,000.00
Retained Earning -Unappropriated [Deficit]	[1,576,400.69]	[1,564,201.24]	[1,817,109.03]
<b>Total Shareholders' Equity</b>	<b>4,423,599.31</b>	<b>4,435,798.76</b>	<b>4,182,890.97</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>10,118,547.08</b>	<b>9,508,967.72</b>	<b>11,652,545.38</b>

**PROFIT & LOSS ACCOUNT**

Revenue	2017	2016	2015
Sales or Services Income	9,371,690.53	10,489,376.73	11,592,580.59
Other Income	1.41	38,031.91	230,252.53
<b>Total Revenues</b>	<b>9,371,691.94</b>	<b>10,527,408.64</b>	<b>11,822,833.12</b>

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Expenses

Cost of Goods Sold or Services	6,408,100.65	7,269,349.60	8,397,004.06
Selling Expenses	-	90,000.00	527,051.84
Administrative Expenses	2,879,403.13	2,842,380.14	2,829,242.99
Other Expenses	30,214.67	-	-
<b>Total Expenses</b>	<b>9,317,718.45</b>	<b>10,201,729.74</b>	<b>11,753,298.89</b>
Profit /[Loss] before Financial Cost and Income Tax	53,973.49	325,678.90	69,534.23
Financial Cost	[10,572.80]	[9,428.00]	[11,235.40]
Profit /[Loss] before Income Tax	43,400.69	316,250.90	58,298.83
Income Tax	[55,600.14]	[63,343.11]	[69,730.95]
<b>Net Profit / [Loss]</b>	<b>[12,199.45]</b>	<b>252,907.79</b>	<b>[11,432.12]</b>

**FINANCIAL ANALYSIS**

ITEM	UNIT	2017	2016	2015
<b>LIQUIDITY RATIO</b>				
CURRENT RATIO	TIMES	25.61	29.41	16.18
QUICK RATIO	TIMES	5.54	2.70	1.43
<b>ACTIVITY RATIO</b>				
FIXED ASSETS TURNOVER	TIMES	3,461.96	2,470.21	2,003.68
TOTAL ASSETS TURNOVER	TIMES	0.93	1.10	0.99
INVENTORY CONVERSION PERIOD	DAYS	447.71	433.37	461.56
INVENTORY TURNOVER	TIMES	0.82	0.84	0.79
RECEIVABLES CONVERSION PERIOD	DAYS	76.08	19.76	29.50
RECEIVABLES TURNOVER	TIMES	4.80	18.47	12.37
PAYABLES CONVERSION PERIOD	DAYS	21.04	14.55	29.55
CASH CONVERSION CYCLE	DAYS	502.75	438.58	461.51
<b>PROFITABILITY RATIO</b>				
COST OF GOODS SOLD	%	68.38	69.30	72.43
SELLING & ADMINISTRATION	%	30.72	27.96	28.95
INTEREST	%	0.11	0.09	0.10
GROSS PROFIT MARGIN	%	31.62	31.06	29.55
NET PROFIT MARGIN BEFORE EX. ITEM	%	0.58	3.10	0.60
NET PROFIT MARGIN	%	(0.13)	2.41	(0.10)
RETURN ON EQUITY	%	(0.28)	5.70	(0.27)
RETURN ON ASSET	%	(0.12)	2.66	(0.10)
EARNING PER SHARE	BAHT	(0.20)	4.22	(0.19)

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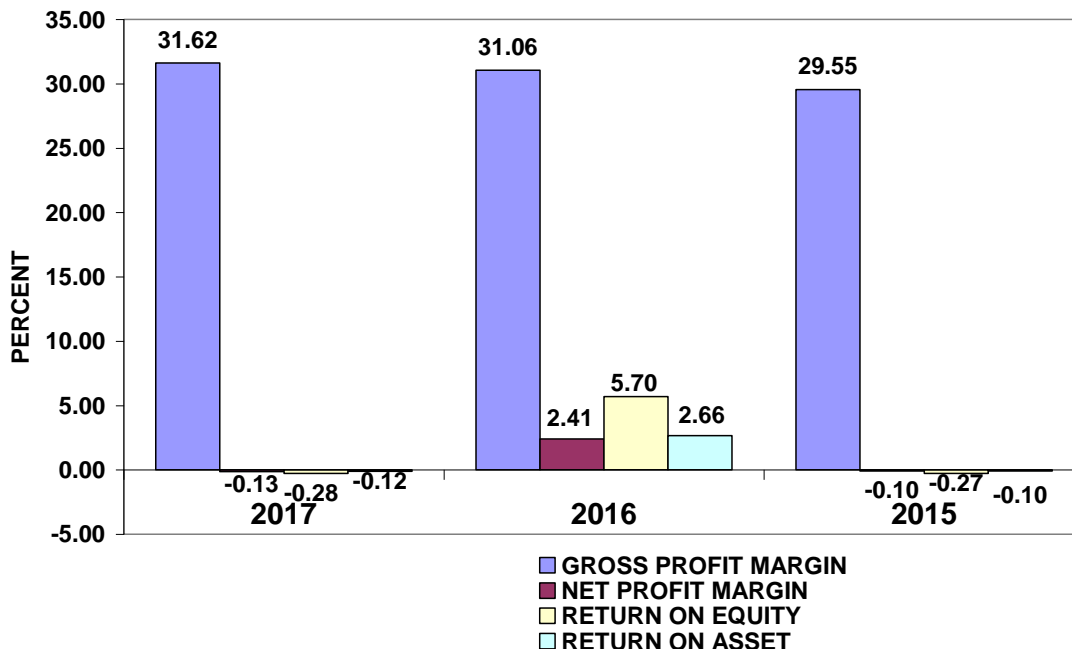
LEVERAGE RATIO				
DEBT RATIO	TIMES	0.56	0.53	0.64
DEBT TO EQUITY RATIO	TIMES	1.29	1.14	1.79
TIME INTEREST EARNED	TIMES	5.10	34.54	6.19

ANNUAL GROWTH			
SALES GROWTH	%	(10.66)	(9.52)
OPERATING PROFIT	%	(83.43)	368.37
NET PROFIT	%	(104.82)	2,312.26
FIXED ASSETS	%	(36.25)	(26.61)
TOTAL ASSETS	%	6.41	(18.40)

**ANNUAL GROWTH : RISKY**

An annual sales growth is -10.66%. Sales Income has decreased from THB 10,489,376.73 in 2016 to THB 9,371,690.53 in 2017. While net profit has decreased from THB 252,907.79 in 2016 to THB -12,199.45 in 2017. And total assets has increased from THB 9,508,967.72 in 2016 to THB 10,118,547.08 in 2017.

**PROFITABILITY : ACCEPTABLE**



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**PROFITABILITY RATIO**

Gross Profit Margin	31.62	Impressive	Industrial Average	0.84
Net Profit Margin	(0.13)	Deteriorated	Industrial Average	0.10
Return on Assets	(0.12)	Deteriorated	Industrial Average	1.89
Return on Equity	(0.28)	Deteriorated	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 31.62%. 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. The company's figure is -0.13%. When compared with the industry average, the ratio of the company was lower.

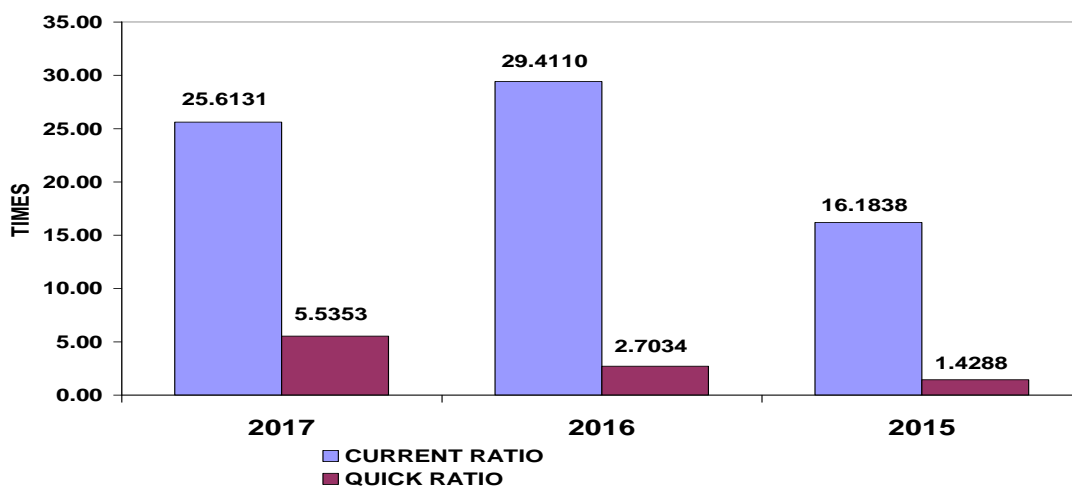
Return on Assets measures how efficiently profits are being generated from the assets employed in the business when compared with the ratios of firms in a similar business. A low ratio in comparison with industry averages indicates an inefficient use of business assets. When compared with the industry average, it was lower, the company's figure is -0.12%.

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 -0.28%.

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

Return on Assets                      Uptrend  
 Return on Equity                    Uptrend

**LIQUIDITY : SATISFACTORY**



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**LIQUIDITY RATIO**

Current Ratio	25.61	Impressive	Industrial Average	1.65
Quick Ratio	5.54			
Cash Conversion Cycle	502.75			

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 25.61 times in 2017, decrease from 29.41 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.

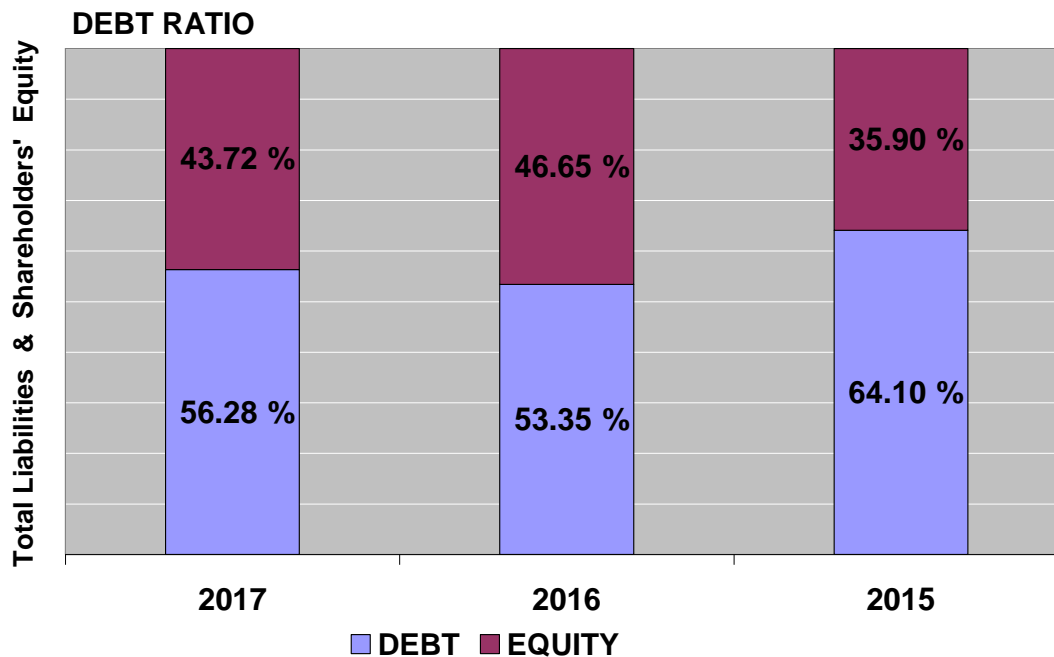
The Quick Ratio is a liquidity indicator that further refines the current ratio by measuring the amount of the most liquid current assets there are to cover current liabilities. The company's figure is 5.54 times in 2017, increase from 2.7 times, although excluding inventory so the company still have good short-term financial strength.

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 503 days.

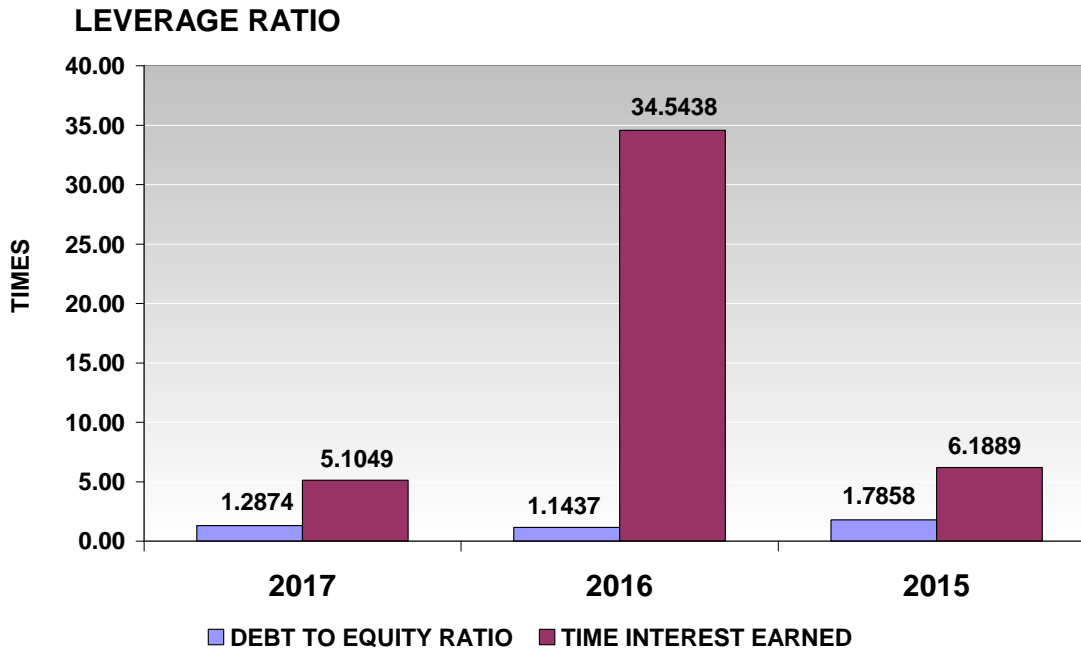
Trend of the average competitors in the same industry for last 5 years

Current Ratio                      Uptrend

**LEVERAGE : IMPRESSIVE**



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**LEVERAGE RATIO**

Debt Ratio	0.56	Impressive	Industrial Average	0.65
Debt to Equity Ratio	1.29	Acceptable	Industrial Average	1.82
Times Interest Earned	5.10	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 5.11 higher than 1, so the company can pay interest expenses on outstanding debt.

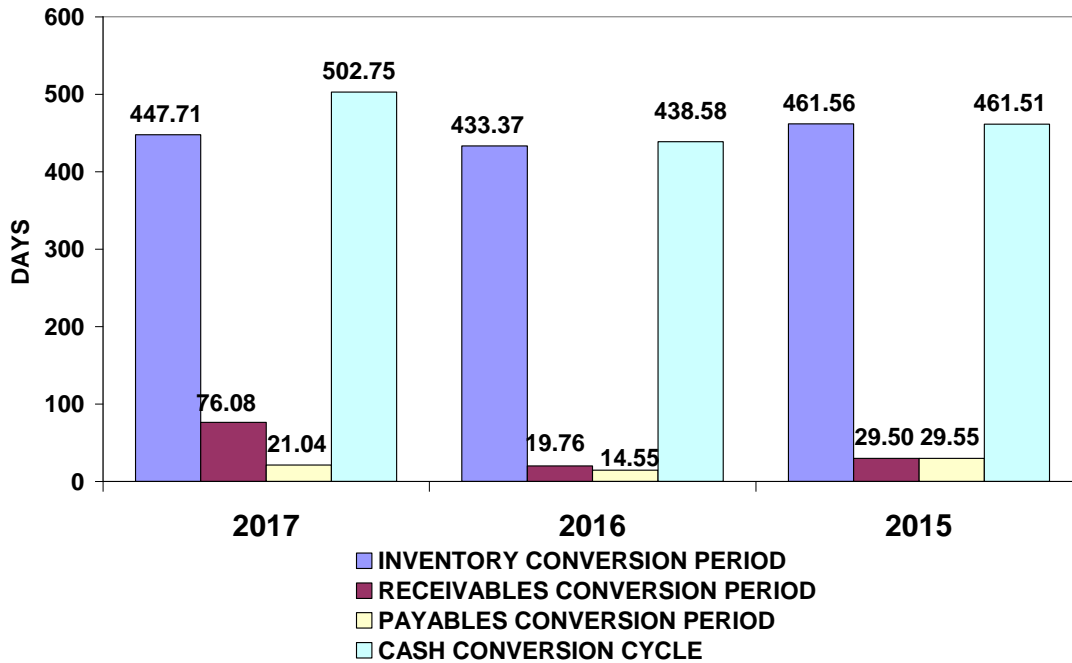
Debt Ratio shows the proportion of a company's assets which are financed through debt. The company's figure is 0.56 greater than 0.5, most of the company's assets are financed through debt.

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

Debt Ratio	Downtrend
Times Interest Earned	Stable

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ACTIVITY : ACCEPTABLE



**ACTIVITY RATIO**

Fixed Assets Turnover	3,461.96	Impressive	Industrial Average	-
Total Assets Turnover	0.93	Deteriorated	Industrial Average	19.32
Inventory Conversion Period	447.71			
Inventory Turnover	0.82	Deteriorated	Industrial Average	40.96
Receivables Conversion Period	76.08			
Receivables Turnover	4.80	Deteriorated	Industrial Average	49.98
Payables Conversion Period	21.04			

The company's Account Receivable Ratio is calculated as 4.80 and 18.47 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 433 days at the end of 2016 to 448 days at the end of 2017. This represents a negative trend. And Inventory turnover has decreased from 0.84 times in year 2016 to 0.82 times in year 2017.

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The company's Total Asset Turnover is calculated as 0.93 times and 1.1 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	Downtrend
Inventory Turnover	Downtrend
Receivables Turnover	Downtrend

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 74.13
UK Pound	1	INR 97.62
Euro	1	INR 85.26
THB	1	INR 2.27

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

**INFORMATION DETAILS**

Analysis Done by :	PRI
Report Prepared by :	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)