

MIRA INFORM REPORT

Report No. :	535206
Report Date :	19.10.2018

IDENTIFICATION DETAILS

Name :	SHABI GEMS CO., LTD.
Registered Office :	1 st Floor, Room M1, Bis Building, 119 Mahesak Road, Suriyawongse, Bangrak, Bangkok 10500
Country :	Thailand
Financials (as on) :	31.10.2017
Date of Incorporation :	13.11.2015
Com. Reg. No.:	0105558181183
Legal Form :	Private Limited Company
Line of Business :	Importer and Distributor of Gemstones, Precious and Semi-Precious Stones
No. of Employees :	1

RATING & COMMENTS

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

MIRA's Rating :	C
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Credit Rating	Explanation	Rating Comments
C	Medium High Risk	Business dealings permissible preferably on secured basis

Status :	Moderate
Payment Behaviour :	Slow
Litigation :	Clear

NOTES:

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Any query related to this report can be made on e-mail: while quoting report number, name and date.

ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
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

SHABI GEMS CO., LTD.

SUMMARY

BUSINESS ADDRESS : 1st FLOOR, ROOM M1, BIS BUILDING,
119 MAHESAK ROAD, SURIYAWONGSE,
BANGRAK, BANGKOK 10500, THAILAND

TELEPHONE : [66] 2234-3700-1

FAX : [66] 2234-3700

E-MAIL ADDRESS : -

REGISTRATION ADDRESS : SAME AS BUSINESS ADDRESS

ESTABLISHED : 2015

REGISTRATION/TAX ID NO. : 0105558181183

CAPITAL REGISTERED : BHT. 4,000,000

CAPITAL PAID-UP : BHT. 2,000,000

SHAREHOLDER'S PROPORTION : THAI : 51.00%
INDIAN : 49.00%

FISCAL YEAR CLOSING DATE : OCTOBER 31

LEGAL STATUS : PRIVATE LIMITED COMPANY

EXECUTIVE : MR. TASVEER ABBAS, INIDAN
MANAGING DIRECTOR

NO. OF STAFF : 1

LINES OF BUSINESS : GEMSTONES, PRECIOUS AND
SEMI-PRECIOUS STONES
IMPORTER AND DISTRIBUTOR

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 November 13, 2015 as a private limited company under the registered name SHABI GEMS CO., LTD., by Thai and Indian groups, with the business objective to import and distribute various kinds of gemstones, precious and semi-precious stones for jewelry industry. It currently employs 1 staff.

The subject's registered address was initially located at 293/30 Soi Kamjai Eiamsuree, Surawong Road, Suriyawongse, Bangrak, Bangkok 10500.

On June 14, 2016, its registered address was relocated to 1st Floor, Room M1, BIS Building, 119 Mahesak Road, 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. Tasveer Abbas	Indian	44

AUTHORIZED PERSON

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

MANAGEMENT

Mr. Tasveer Abbas is the Managing Director.
He is Indian nationality with the age of 44 years old.

BUSINESS OPERATIONS

The subject is engaged in importing and distributing various kinds of gemstones, precious and semi-precious stones for jewelry industry.

PURCHASE

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

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SALES

100% of the products is sold locally to wholesalers, retailers, manufacturers and end-users.

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 T/T.

BANKING

Bangkok Bank Public Company Limited

EMPLOYMENT

The subject currently employs 1 staff.

LOCATION DETAILS

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

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COMMENT

The subject's operating performance as of October 31, 2017 was slowdown from a drastic decrease in sales or service income and higher net loss comparing to the previous year. However, the subject has increased its registered capital to Bht. 4,000,000 in 2018, this would more or less assist on the company's financial liquidity flow and normal operation.

FINANCIAL INFORMATION

The capital was registered at Bht. 2,000,000 divided into 2,000 shares of Bht. 1,000 each with fully paid.

On March 14, 2018, the registered capital was increased to Bht. 4,000,000 divided into 4,000 shares of Bht. 1,000 each, with a current capital paid-up at Bht. 2,000,000.

THE SHAREHOLDERS LISTED WERE

[as at February 28, 2018] at Bht. 2,000,000 of capitalization.

<u>NAME</u>	<u>HOLDING</u>	<u>%</u>
Mr. Tasveer Abbas Nationality: Indian Address : 141 Soi Putha-osothe, Charoenkrung Road, Suriyawongse, Bangrak, Bangkok	980	49.00
Mrs. Lakkana Hayat Nationality: Thai Address : 127 Moo 6, T. Nongyai, A. Ponethong, Roi-ed	520	26.00
Ms. Jaiyiddah Asma Hayat Nationality: Thai Address : 97/28 Soi Onnuch 17, Yak 18, Suanluang, Bangkok	500	25.00

Total Shareholders : 3

SHARE STRUCTURE

[as at February 28, 2018]

<u>Nationality</u>	<u>Shareholders</u>	<u>No. of Share</u>	<u>% Shares</u>
Thai	2	1,020	51.00
Foreign - Indian	1	980	49.00

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Total 3 2,000 100.00

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

Mr. Narit Kanchanajul No. 4970

BALANCE SHEET [BAHT]

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

ASSETS

Current Assets	2017	2016
Cash and Cash Equivalents	40,219.32	67,399.19
Short-term Loans	800,000.00	1,600,000.00
Other Current Assets	1,983.97	2,147.95
Total Current Assets	842,203.29	1,669,547.14
Total Assets	842,203.29	1,669,547.14

LIABILITIES & SHAREHOLDERS' EQUITY [BAHT]

Current Liabilities	2017	2016
Other Current Liabilities	29,501.20	24,358.40
Total Current Liabilities	29,501.20	24,358.40
Total Liabilities	29,501.20	24,358.40
Shareholders' Equity		
Share capital : Baht 1,000 par value authorized and issued share capital 2,000 shares	2,000,000.00	2,000,000.00
Capital Paid	2,000,000.00	2,000,000.00
Retained Earning - Unappropriated [Deficit]	[1,187,297.91]	[354,811.26]

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Total Shareholders' Equity	812,702.09	1,645,188.74
Total Liabilities and Shareholders' Equity	842,203.29	1,669,547.14

PROFIT & LOSS ACCOUNT

Revenue	2017	2016
Sales or Services Income	718,568.96	1,634,624.03
Other Income	1,073.97	2,147.95
Total Revenues	719,642.93	1,636,771.98
Expenses		
Cost of Goods Sold or Services	529,922.09	1,106,742.58
Administrative Expenses	1,022,207.49	884,840.66
Total Expenses	1,552,129.58	1,991,583.24
Profit / [Loss] before Financial Cost & Income Tax	[832,486.65]	[354,811.26]
Financial Cost	-	-
Profit / [Loss] before Income Tax	[832,486.65]	[354,811.26]
Income Tax	-	-
Net Profit / [Loss]	[832,486.65]	[354,811.26]

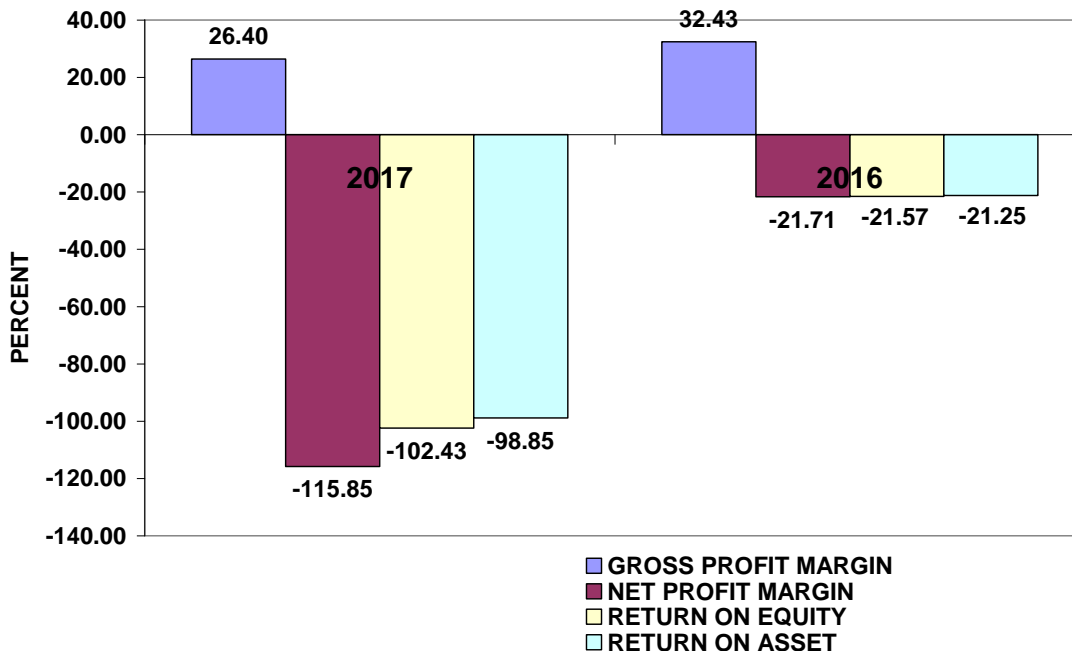
FINANCIAL ANALYSIS

ITEM	UNIT	2017	2016
LIQUIDITY RATIO			
CURRENT RATIO	TIMES	28.55	68.54
QUICK RATIO	TIMES	28.48	68.45
ACTIVITY RATIO			
FIXED ASSETS TURNOVER	TIMES	-	-
TOTAL ASSETS TURNOVER	TIMES	0.85	0.98
INVENTORY CONVERSION PERIOD	DAYS	-	-
INVENTORY TURNOVER	TIMES	-	-
RECEIVABLES CONVERSION PERIOD	DAYS	-	-
RECEIVABLES TURNOVER	TIMES	-	-
PAYABLES CONVERSION PERIOD	DAYS	-	-

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CASH CONVERSION CYCLE	DAYS	-	-
PROFITABILITY RATIO			
COST OF GOODS SOLD	%	73.75	67.71
SELLING & ADMINISTRATION	%	142.26	54.13
INTEREST	%	-	-
GROSS PROFIT MARGIN	%	26.40	32.43
NET PROFIT MARGIN BEFORE EX. ITEM	%	(115.85)	(21.71)
NET PROFIT MARGIN	%	(115.85)	(21.71)
RETURN ON EQUITY	%	(102.43)	(21.57)
RETURN ON ASSET	%	(98.85)	(21.25)
EARNING PER SHARE	BAHT	(416.24)	(177.41)
LEVERAGE RATIO			
DEBT RATIO	TIMES	0.04	0.01
DEBT TO EQUITY RATIO	TIMES	0.04	0.01
TIME INTEREST EARNED	TIMES	-	-
ANNUAL GROWTH			
SALES GROWTH	%	(56.04)	-
OPERATING PROFIT	%	134.63	-
NET PROFIT	%	(134.63)	-
FIXED ASSETS	%	-	-
TOTAL ASSETS	%	(49.55)	-

PROFITABILITY: ACCEPTABLE



PROFITABILITY RATIO

Gross Profit Margin	26.40	Impressive	Industrial Average	0.87
Net Profit Margin	(115.85)	Deteriorated	Industrial Average	0.10
Return on Assets	(98.85)	Deteriorated	Industrial Average	1.85
Return on Equity	(102.43)	Deteriorated	Industrial Average	5.86

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 26.4%. 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 -115.85%. 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 -98.85%.

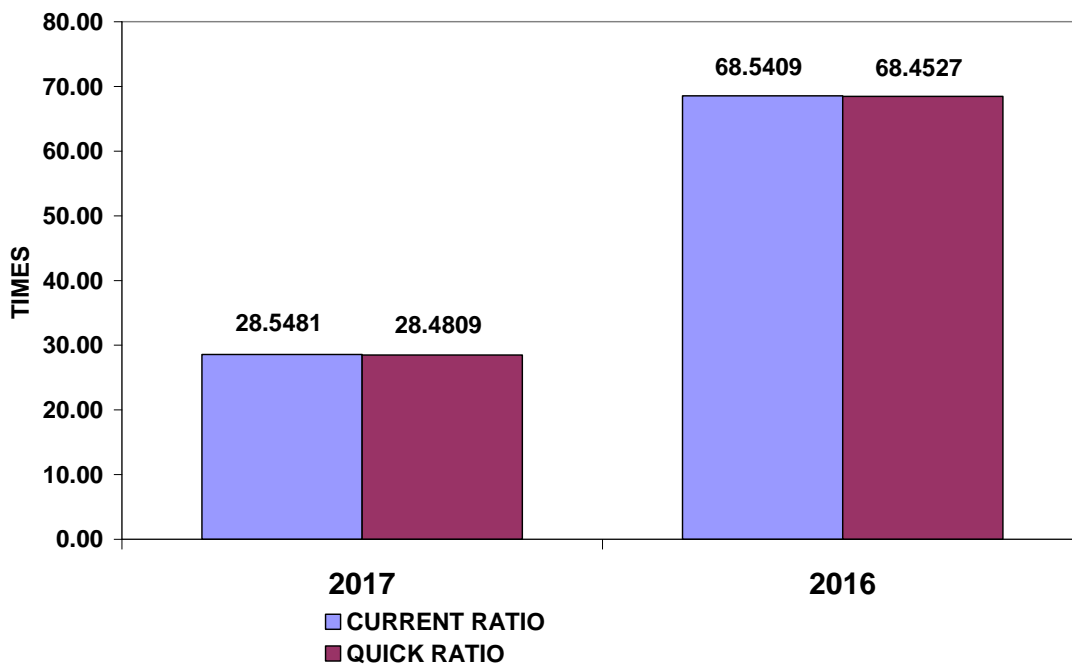
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Return on Equity indicates how profitable a company is by comparing its net income to its average shareholders' equity, ROE measures how much the shareholders earned for their investment in the company. When compared with the industry average, it was lower, the company's figure is -102.43%.

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

Return on Assets Uptrend
 Return on Equity Uptrend

LIQUIDITY : SATISFACTORY



LIQUIDITY RATIO

Current Ratio	28.55	Impressive	Industrial Average	1.65
Quick Ratio	28.48			
Cash Conversion Cycle	-			

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 28.55 times in 2017, decrease from 68.54 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.

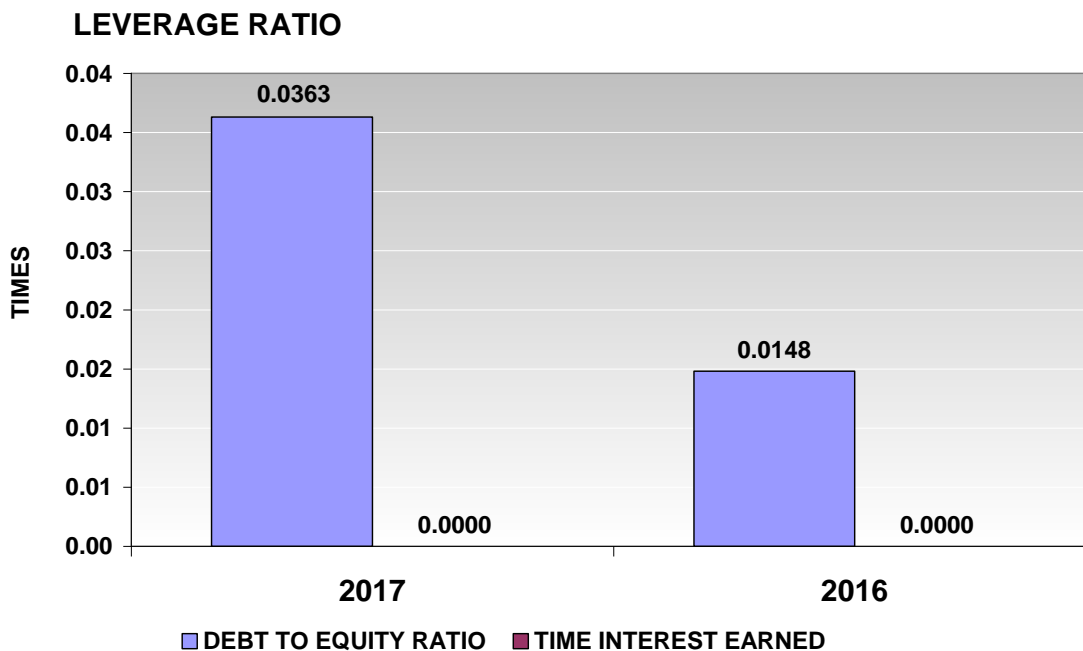
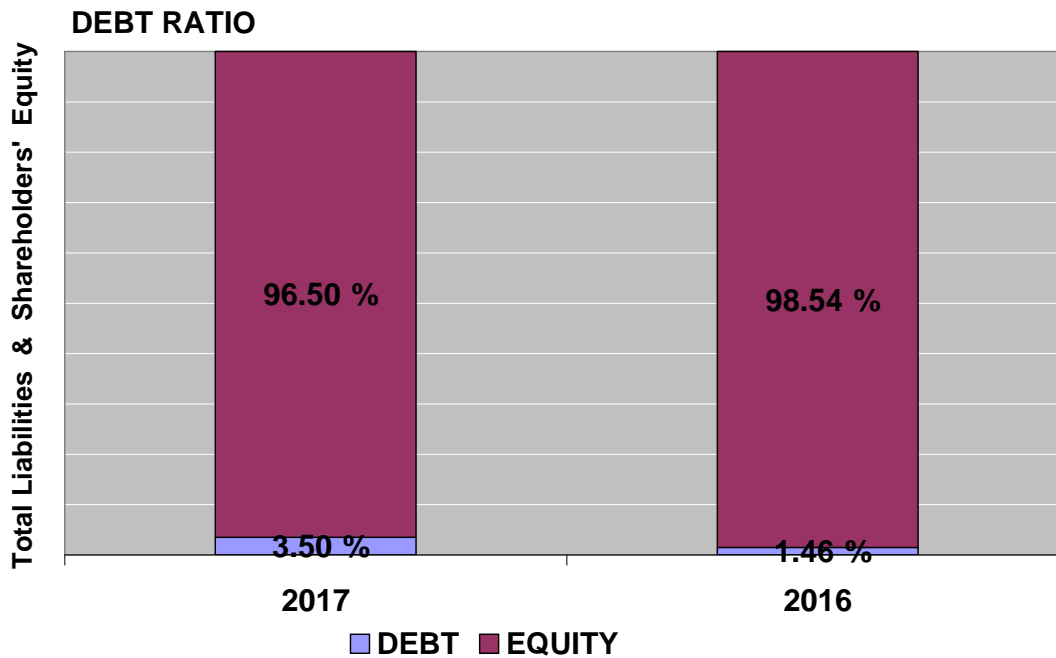
The Quick Ratio is a liquidity indicator that further refines the current ratio by measuring the amount of the most liquid current assets there are to cover current liabilities. The company's figure is 28.48 times in 2017, decrease from 68.45 times, although excluding inventory so the company still have good short-term financial strength.

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

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Current Ratio Uptrend

LEVERAGE : EXCELLENT



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LEVERAGE RATIO

Debt Ratio	0.04	Impressive	Industrial Average	0.65
Debt to Equity Ratio	0.04	Impressive	Industrial Average	1.83
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 lower the percentage means that the company is using less leverage and has a stronger equity position.

Debt Ratio shows the proportion of a company's assets which are financed through debt. The company's figure is 0.04 less than 0.5, most of the company's assets are financed through equity.

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

Debt Ratio	Downtrend
Times Interest Earned	Stable

ACTIVITY : RISKY

ACTIVITY RATIO

Fixed Assets Turnover	-		Industrial Average	-
Total Assets Turnover	0.85	Deteriorated	Industrial Average	18.90
Inventory Conversion Period	-			
Inventory Turnover	-		Industrial Average	40.02
Receivables Conversion Period	-			
Receivables Turnover	-		Industrial Average	48.91
Payables Conversion Period	-			

The company's Total Asset Turnover is calculated as 0.85 times and 0.98 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 73.48
UK Pound	1	INR 96.87
Euro	1	INR 84.98
Thai Baht	1	INR 2.25

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	NIT

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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)