

## MIRA INFORM REPORT

Report No. :	535630
Report Date :	23.10.2018

### IDENTIFICATION DETAILS

Name :	BROWN DIAM CO., LTD.
Registered Office :	Room No.514, 44 <sup>th</sup> Floor, Jewelry Trade Center, 919/514 Silom Road, Silom, Bangrak, Bangkok 10500
Country :	Thailand
Financials (as on) :	31.12.2017
Date of Incorporation :	25.01.2010
Com. Reg. No.:	0105553011239
Legal Form :	Private Limited Company
Line of Business :	Importing and distributing various kinds of diamonds for jewelry 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

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**NOTES:**

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**

**BROWN DIAM CO., LTD.**

## **SUMMARY**

**BUSINESS ADDRESS** : ROOM NO. 514, 44<sup>th</sup> FLOOR, JEWELRY TRADE CENTER, 919/514 SILOM ROAD, SILOM, BANGRAK, BANGKOK 10500, THAILAND

**TELEPHONE** : [66] 2630-3000, 082 345-5075, 2266-6212, 084 657-6502, 087 924-9741

**FAX** : [66] 2630-3000

**E-MAIL ADDRESS** : [browndiam@hotmail.com](mailto:browndiam@hotmail.com)  
[browndiam@gmail.com](mailto:browndiam@gmail.com)

**REGISTRATION ADDRESS** : SAME AS BUSINESS ADDRESS

**ESTABLISHED** : 2010

**REGISTRATION / TAX ID NO.** : 0105553011239

**CAPITAL REGISTERED** : BHT. 4,000,000

**CAPITAL PAID-UP** : BHT. 4,000,000

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

**FISCAL YEAR CLOSING DATE** : DECEMBER 31

**LEGAL STATUS** : PRIVATE LIMITED COMPANY

**EXECUTIVE** : MR. ASHWIN KUMAR RAMJIBHAI KAKADIA, INDIAN MANAGING DIRECTOR

**NO. OF STAFF** : 2

**LINES OF BUSINESS** : DIAMONDS  
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 January 25, 2010 as a private limited company under the registered name BROWN DIAM CO., LTD. by Thai and Indian groups. Its business objective is to import and distribute various kinds of diamonds to domestic market. It currently employs 2 staff.

The subject's registered address was initially at Room D, 9<sup>th</sup> Floor, Gem Tower, 1249/87 Charoenkrung Rd., Suriyawongse, Bangrak, Bangkok 10500.

On May 31, 2012, the subject's registered address was relocated to Room No. 514, 44<sup>th</sup> Floor, Jewelry Trade Center, 919/514 Silom Rd., Silom, 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. Ashwin Kumar Ramjibhai Kakadia	Indian	39
Mr. Hardik Vallabhbhai Kakadiya	Indian	31
Mr. Ronak Rameshbhai Patel	Indian	23

## **AUTHORIZED PERSON**

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

## **MANAGEMENT**

**Mr. Ashwin Kumar Ramjibhai Kakadia** is the Managing Director. He is Indian nationality with the age of 39 years old.

## **BUSINESS OPERATIONS**

The subject is engaged in importing and distributing various kinds of diamonds for jewelry industry.

### **PURCHASE**

90% of the products is imported from India, Republic of China, Pakistan and Hong Kong, the remaining 10% is purchased from local suppliers.

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## **SALES**

100% of the products is sold locally by wholesale to manufacturers and traders.

## **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 2 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 operates as an importer and distributor of diamonds. Domestic consumption of jewelry products in the past three years was slowdown from shrinking consumers' spending. Despite a decrease in sales income in 2017 comparing to the previous year, it managed to obtain higher net profit mainly caused by a decrease in selling expenses and financial cost which increased the profit margin. Nevertheless, the subject operates a moderate business in amidst of slow growth of jewelry industry.

## ***FINANCIAL INFORMATION***

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

On April 1, 2010, the capital was increased to Bht. 4,000,000 divided into 40,000 shares of Bht. 100 each with fully paid.

## ***THE SHAREHOLDERS LISTED WERE***

[As at August 15, 2018]

<b><u>NAME</u></b>	<b><u>HOLDING</u></b>	<b><u>%</u></b>
<b>Mr. Ashwin Kumar Ramjibhai Kakadia</b> Nationality: Indian Address : 919/514 Silom Road, Silom, Bangrak, Bangkok	11,600	29.00
<b>Mrs. Maechan Phueiam</b> Nationality: Thai Address : 46 Moo 13, T. Yotaka, A. Bangnampriew, Chachoengsao	6,800	17.00
<b>Mr. Chatree Phueiam</b> Nationality: Thai Address : 46 Moo 13, T. Yotaka, A. Bangnampriew, Chachoengsao	6,800	17.00
<b>Mrs. Busaba Phueiam</b> Nationality: Thai Address : 118 Krungthep-Kreetha Road, Huamark, Bangkapi, Bangkok	6,800	17.00
<b>Mr. Hardik Vallabhbbhai Kakadiya</b> Nationality: Indian Address : 919/514 Silom Road, Silom, Bangrak, Bangkok	6,000	15.00
<b>Mr. Ronak Ramesbhai Patel</b> Nationality: Indian	2,000	5.00

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Address : 919/514 Silom Road, Silom,  
Bangrak, Bangkok

**Total Shareholders : 6**

## **SHARE STRUCTURE**

[As at August 15, 2018]

Nationality	Shareholders	No. of Share	% Shares
Thai	3	20,400	51.00
Foreign - Indian	3	19,600	49.00
<b>Total</b>	<b>6</b>	<b>40,000</b>	<b>100.00</b>

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

Ms. Nattaporn Singsri No. 11812

## **BALANCE SHEET [BAHT]**

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

Current Assets	<u>ASSETS</u>		
	2017	2016	2015
Cash and Cash Equivalent	245,723.11	7,009.53	2,901.06
Trade Accounts and Other Receivable	21,801,218.42	28,588,295.99	27,394,915.52
Short-term Loan	500,000.00	-	-
Inventories	19,726,793.02	24,459,217.97	20,389,594.40
<b>Total Current Assets</b>	<b>42,273,734.55</b>	<b>53,054,523.49</b>	<b>47,787,410.98</b>
Property, Plant and Equipment	3.00	3.00	2,658.25
<b>Total Assets</b>	<b>42,273,737.55</b>	<b>53,054,526.49</b>	<b>47,790,069.23</b>

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

<b>Current Liabilities</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Bank Overdraft and Short-term Loan From Financial Institutions	1,481,522.08	2,222,570.75	1,684,979.41
Trade Accounts and Other Payable	34,798,896.42	41,426,734.63	41,247,602.11
Short-term Loans	-	4,240,000.00	615,000.00
Accrued Income Tax	146,552.31	150,982.95	-
<b>Total Current Liabilities</b>	<b>36,426,970.81</b>	<b>48,040,288.33</b>	<b>43,547,581.52</b>
<b>Total Liabilities</b>	<b>36,426,970.81</b>	<b>48,040,288.33</b>	<b>43,547,581.52</b>
<b>Shareholders' Equity</b>			
Share capital : Baht 100 par value authorized, issued and fully paid share capital 40,000 shares	4,000,000.00	4,000,000.00	4,000,000.00
Capital Paid	4,000,000.00	4,000,000.00	4,000,000.00
Retained Earning - Unappropriated	1,846,766.74	1,014,238.16	242,487.71
<b>Total Shareholders' Equity</b>	<b>5,846,766.74</b>	<b>5,014,238.16</b>	<b>4,242,487.71</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>42,273,737.55</b>	<b>53,054,526.49</b>	<b>47,790,069.23</b>

***PROFIT & LOSS ACCOUNT***

<b>Revenue</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Sales or Services Income	41,455,442.26	58,728,220.20	65,204,618.50
Other Income	3,539,557.77	204,160.00	-
<b>Total Revenues</b>	<b>44,995,000.03</b>	<b>58,932,380.20</b>	<b>65,204,618.50</b>
<b>Expenses</b>			
Cost of Goods Sold or Services	40,966,597.52	54,657,683.04	60,859,283.04
Selling Expenses	164,776.36	477,299.08	274,969.91
Administrative Expenses	2,670,268.43	2,598,238.50	2,224,391.74
Other Expenses	-	-	1,981,149.81
<b>Total Expenses</b>	<b>43,801,642.31</b>	<b>57,733,220.62</b>	<b>65,339,794.50</b>

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Profit / [Loss] before Financial Cost and Income Tax	1,193,357.72	1,199,159.58	[135,176.00]
Financial Cost	[148,276.83]	[223,426.18]	[248,585.58]
Profit / [Loss] before Income Tax	1,045,080.89	975,733.40	[383,761.58]
Income Tax	[212,552.31]	[203,982.95]	-
<b>Net Profit / [Loss]</b>	<b>832,528.58</b>	<b>771,750.45</b>	<b>[383,761.58]</b>

## **FINANCIAL ANALYSIS**

ITEM	UNIT	2017	2016	2015
<b>LIQUIDITY RATIO</b>				
CURRENT RATIO	TIMES	1.16	1.10	1.10
QUICK RATIO	TIMES	0.62	0.60	0.63
<b>ACTIVITY RATIO</b>				
FIXED ASSETS TURNOVER	TIMES	13,818,480.75	19,576,073.40	24,529.15
TOTAL ASSETS TURNOVER	TIMES	0.98	1.11	1.36
INVENTORY CONVERSION PERIOD	DAYS	175.76	163.34	122.29
INVENTORY TURNOVER	TIMES	2.08	2.23	2.98
RECEIVABLES CONVERSION PERIOD	DAYS	191.95	177.68	153.35
RECEIVABLES TURNOVER	TIMES	1.90	2.05	2.38
PAYABLES CONVERSION PERIOD	DAYS	310.05	276.64	247.38
CASH CONVERSION CYCLE	DAYS	57.66	64.37	28.26
<b>PROFITABILITY RATIO</b>				
COST OF GOODS SOLD	%	98.82	93.07	93.34
SELLING & ADMINISTRATION INTEREST	%	6.84	5.24	3.83
GROSS PROFIT MARGIN	%	0.36	0.38	0.38
NET PROFIT MARGIN BEFORE EX. ITEM	%	9.72	7.28	6.66
NET PROFIT MARGIN	%	2.88	2.04	(0.21)
RETURN ON EQUITY	%	2.01	1.31	(0.59)
RETURN ON ASSET	%	14.24	15.39	(9.05)
EARNING PER SHARE	BAHT	1.97	1.45	(0.80)
		20.81	19.29	(9.59)
<b>LEVERAGE RATIO</b>				
DEBT RATIO	TIMES	0.86	0.91	0.91
DEBT TO EQUITY RATIO	TIMES	6.23	9.58	10.26
TIME INTEREST EARNED	TIMES	8.05	5.37	(0.54)
<b>ANNUAL GROWTH</b>				
SALES GROWTH	%	(29.41)	(9.93)	
OPERATING PROFIT	%	(0.48)	(987.11)	
NET PROFIT	%	7.88	301.10	

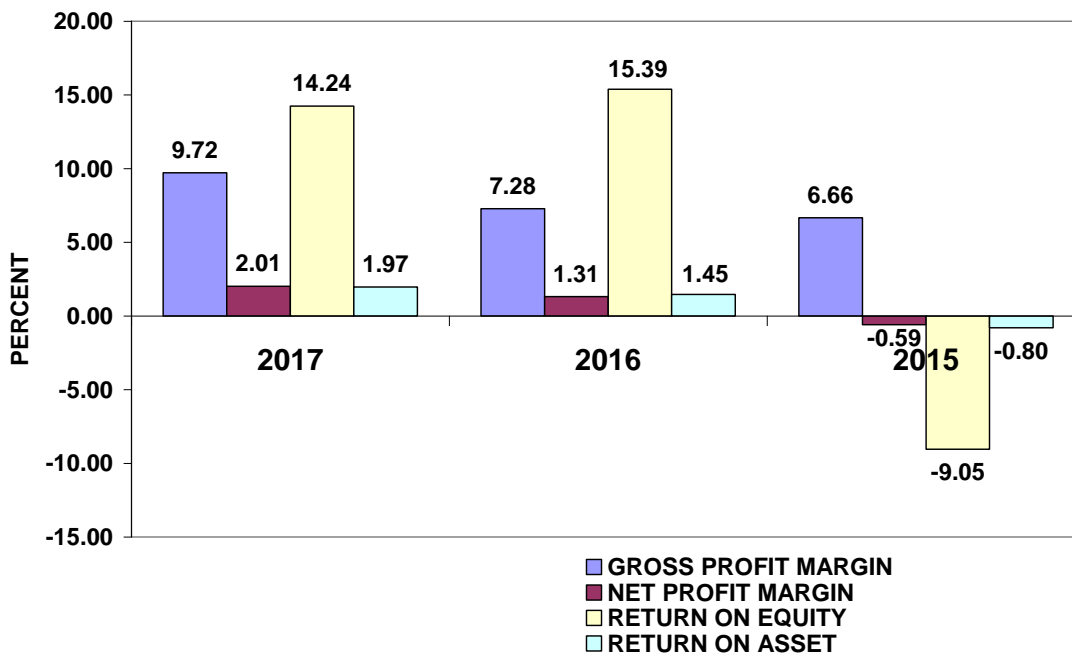
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FIXED ASSETS	%	-	(99.89)
TOTAL ASSETS	%	(20.32)	11.02

**ANNUAL GROWTH : RISKY**

An annual sales growth is -29.41%. Sales Income has decreased from THB 58,728,220.20 in 2016 to THB 41,455,442.26 in 2017. While net profit has increased from THB 771,750.45 in 2016 to THB 832,528.58 in 2017. And total assets has decreased from THB 53,054,526.49 in 2016 to THB 42,273,737.55 in 2017.

**PROFITABILITY : EXCELLENT**



**PROFITABILITY RATIO**

Gross Profit Margin	9.72	Impressive	Industrial Average	2.13
Net Profit Margin	2.01	Impressive	Industrial Average	0.49
Return on Assets	1.97	Impressive	Industrial Average	1.80
Return on Equity	14.24	Impressive	Industrial Average	3.54

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 9.72%. 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 2.01%, 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.

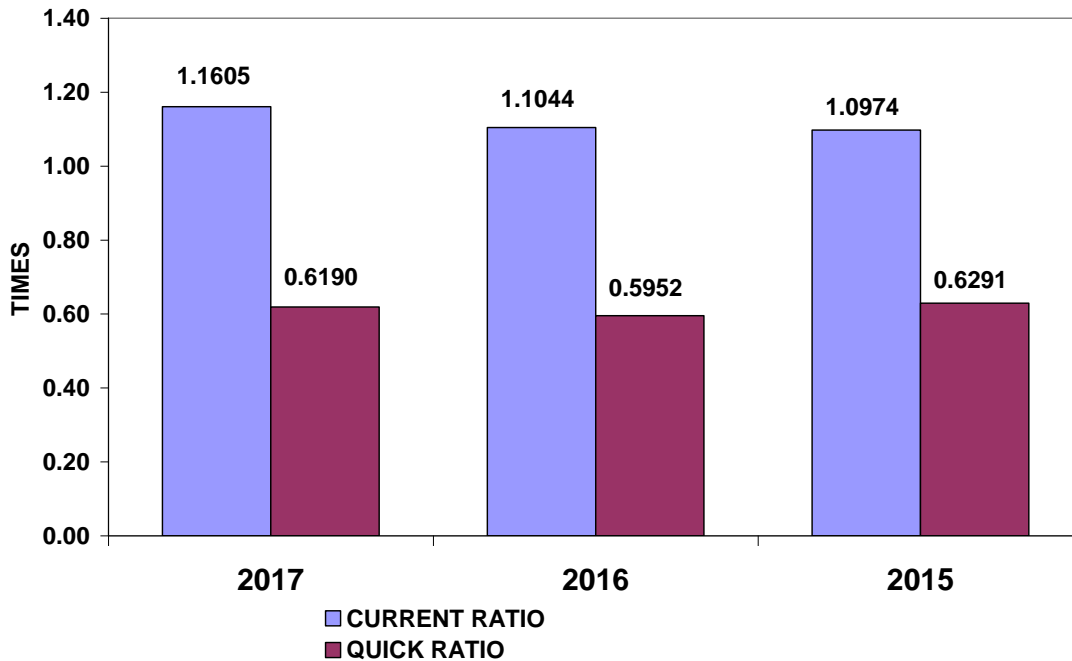
Return on Assets measures how efficiently profits are being generated from the assets employed in the business when compared with the ratios of firms in a similar business. A low ratio in comparison with industry averages indicates an inefficient use of business assets. Return on Assets ratio is 1.97%, 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 ratio is 14.24%, 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	1.16	Satisfactory	Industrial Average	1.97
Quick Ratio	0.62			
Cash Conversion Cycle	57.66			

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 1.16 times in 2017, increase from 1.1 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 0.62 times in 2017, increase from 0.6 times, then the company has not enough current assets that presumably can be quickly converted to cash for pay financial obligations.

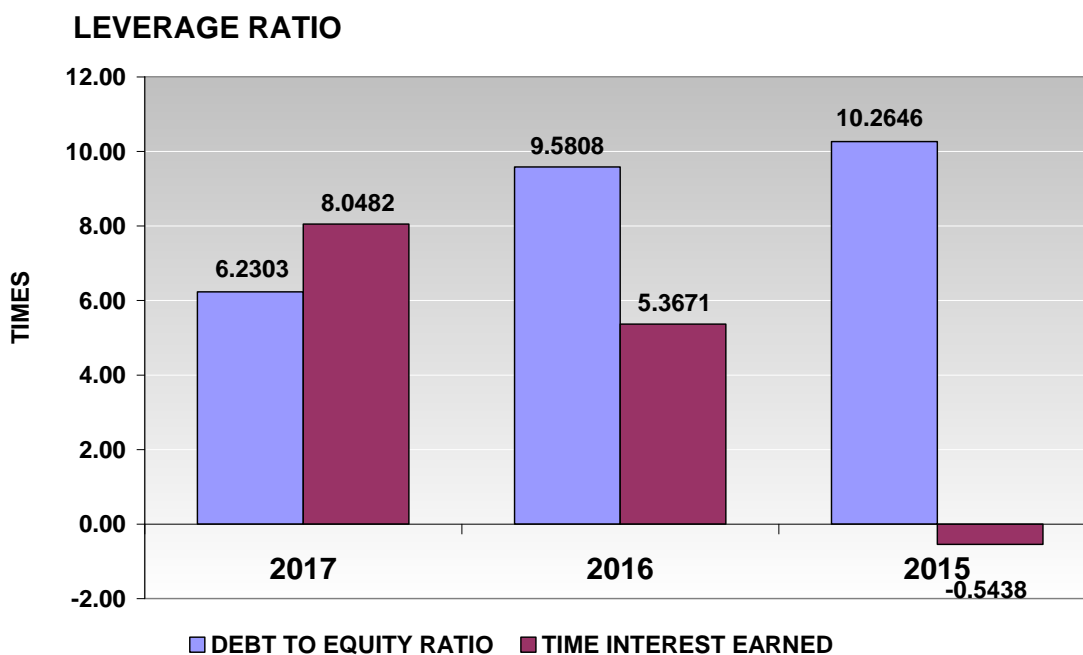
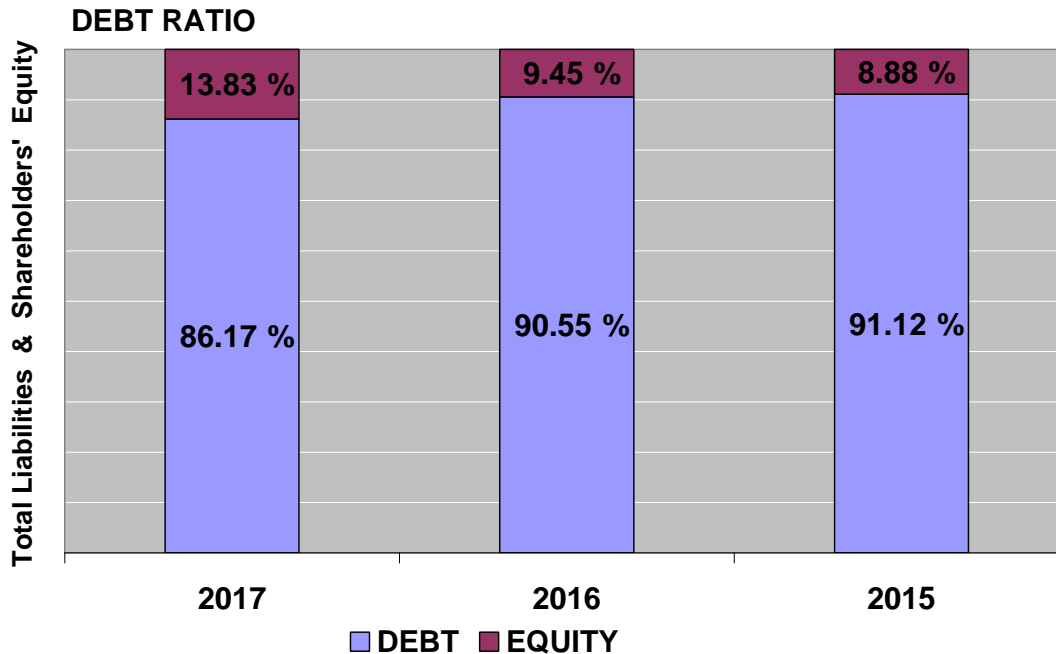
The Cash Conversion Cycle measures the number of days a company's cash is tied up in the production and sales process of its operations and the benefit from payment terms from its creditors. It meant the company could survive when no cash inflow was received from sale for 58 days.

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

Current Ratio                      Downtrend

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**LEVERAGE : ACCEPTABLE**



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**ACTIVITY RATIO**

Fixed Assets Turnover	13,818,480.75	Impressive	Industrial Average	-
Total Assets Turnover	0.98	Acceptable	Industrial Average	3.71
Inventory Conversion Period	175.76			
Inventory Turnover	2.08	Acceptable	Industrial Average	6.73
Receivables Conversion Period	191.95			
Receivables Turnover	1.90	Deteriorated	Industrial Average	18.17
Payables Conversion Period	310.05			

The company's Account Receivable Ratio is calculated as 1.90 and 2.05 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 163 days at the end of 2016 to 176 days at the end of 2017. This represents a negative trend. And Inventory turnover has decreased from 2.23 times in year 2016 to 2.08 times in year 2017.

The company's Total Asset Turnover is calculated as 0.98 times and 1.11 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 73.30
UK Pound	1	INR 95.93
Euro	1	INR 84.57
Thai Baht	1	INR 2.24

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	NIY
<b>Report Prepared by :</b>	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)