

MIRA INFORM REPORT

Report No. :	535984
Report Date :	25.10.2018

IDENTIFICATION DETAILS

Name :	RAINBOW MINERAL & CRYSTAL CO., LTD.
Registered Office :	1 st -2 nd Floor, 10 Soi Pramote 3, Mahaesak Road, Suriyawongse, Bangrak, Bangkok 10500
Country :	Thailand
Financials (as on) :	31.12.21017
Date of Incorporation :	27.08.1991
Com. Reg. No.:	0105534080964
Legal Form :	Private Limited Company
Line of Business :	Importer, Distributor and Exporter of Gemstones and Diamonds.
No. of Employees :	20

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

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

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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

RAINBOW MINERAL & CRYSTAL CO., LTD.

SUMMARY

BUSINESS ADDRESS : 1st-2nd FLOOR, 10 SOI PRAMOTE 3,
MAHAESAK ROAD, SURIYAWONGSE,
BANGRAK, BANGKOK 10500, THAILAND

TELEPHONE : [66] 2635-6039-41, 081 808-0851

FAX : [66] 2237-4097

E-MAIL ADDRESS : rmcbkk@rmcgems.com
sales@rmcgems.com

REGISTRATION ADDRESS : SAME AS BUSINESS ADDRESS

ESTABLISHED : 1991

REGISTRATION / TAX ID NO. : 0105534080964

CAPITAL REGISTERED : BHT. 20,000,000

CAPITAL PAID-UP : BHT. 20,000,000

SHAREHOLDER'S PROPORTION : THAI : 52.50%
INDIAN : 47.50%

FISCAL YEAR CLOSING DATE : DECEMBER 31

LEGAL STATUS : PRIVATE LIMITED COMPANY

EXECUTIVE : MR. PANYAEK JAINKIJMANEE, THAI
MANAGING DIRECTOR

NO. OF STAFF : 20

LINES OF BUSINESS : GEMSTONES AND DIAMONDS
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 August 27, 1991 as a private limited company under the registered name RAINBOW MINERAL & CRYSTAL CO., LTD. by Thai and Indian groups, with the business objective to import, distribute and export various kinds of precious and semi-precious stones and diamonds for jewelry production. It currently employs approximately 20 staff.

The subject's registered address is 1st-2nd Floor, 10 Soi Pramote 3, Mahaesak 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. Panyaek Jainkijmanee	Thai	46
Mr. Hanuman Sahay Gujrat	Indian	50
Mr. Praveen Meta	Indian	36

AUTHORIZED PERSON

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

MANAGEMENT

Mr. Panyaek Jainkijmanee is the Managing Director.
He is Thai nationality with the age of 46 years old.

Mr. Hanuman Sahay Gujrat is the Deputy Managing Director.
He is Indian nationality with the age of 50 years old.

BUSINESS OPERATIONS

The subject is engaged in importing, distributing and exporting various kinds of gemstones both precious and semi-precious stones such as topaz, amethyst, tourmaline, garnet, citrine and etc., as well as diamonds for jewelry production industry.

PURCHASE

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

SALES

The products are sold to jewelry manufactures both local and overseas, mainly in India, Hongkong, U.S.A., and Japan.

MAJOR CUSTOMER

RMC Gems Thai Co., Ltd. : Thailand

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.
Exports are against T/T.

BANKING

Bangkok Bank Public Company Limited

EMPLOYMENT

The subject currently employs approximately 20 staff.

LOCATION DETAILS

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

COMMENT

The subject has been firmly established for twenty-seven years as an importer, distributor and exporter of gemstones and diamonds to jewelry manufacturers. The subject's operating performance in 2017 was slowdown from a decrease in both sales or service income and net profit comparing to the previous year, which was mainly caused by a decline in consumption of the precious and semi-precious stones from both local and overseas jewelry manufacturers. Nevertheless, the subject is able to maintain net profit in amidst of unfavourable factors.

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. 7,000,000 on September 17, 1992

Bht. 11,000,000 on November 25, 1997

Bht. 20,000,000 on December 7, 2001

The latest registered capital was increased to Bht. 20,000,000 divided into 200,000 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. Panyaek Jainkijmanee Nationality: Thai Address : 6 Soi Pramote 3, Mahaesak Road,	45,000	22.50

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PAGE NO. : 8

Suriyawongse, Bangrak, Bangkok		
Mr. Hanuman Sahay Gujrat	30,000	15.00
Nationality: Indian		
Address : 6 Soi Pramote 3, Mahaesak Road, Suriyawongse, Bangrak, Bangkok		
Mr. Himanshu Bardia	30,000	15.00
Nationality: Indian		
Address : 10 Soi Pramote 3, Mahaesak Road, Suriyawongse, Bangrak, Bangkok		
Mr. Praveen Meta	20,000	10.00
Nationality: Indian		
Address : 10 Soi Pramote 3, Mahaesak Road, Suriyawongse, Bangrak, Bangkok		
Mr. Praveen Prakash Makana	15,000	7.50
Nationality: Indian		
Address : 10 Soi Pramote 3, Mahaesak Road, Suriyawongse, Bangrak, Bangkok		
Ms. Premrudee Aramparat	15,000	7.50
Nationality: Thai		
Address : 451/123 Soi Intamara 47, Dindaeng, Bangkok		
Mrs. Nawachat Pranpacharaporn	15,000	7.50
Nationality: Thai		
Address : 10/190 Moo 2, T. Klongklua, A. Pakkred, Nonthaburi		
Mrs. Suwannee Klankaew	15,000	7.50
Nationality: Thai		
Address : 87/10 Trok Waddongmullek, Banchanglor, Bangkoknoi, Bangkok		
Ms. Thanomjit Kaewkamhom	15,000	7.50
Nationality: Thai		
Address : 58/25 Moo 1, T. Wadchalar, A. Bangkruay, Nonthaburi		

Total Shareholders : 9

SHARE STRUCTURE

[as at April 30, 2018]

Nationality	Shareholders	No. of Share	% Shares
Thai	5	105,000	52.50
Foreign - Indian	4	95,000	47.50
Total	9	200,000	100.00

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

Mrs. Cherdchay Tortrakul No. 0468

BALANCE SHEET [BAHT]

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

ASSETS

Current Assets	2017	2016	2015
Cash and Cash Equivalents	16,777,777.03	193,122.94	172,807.07
Trade Accounts and Other Receivable	34,853,471.89	60,371,220.56	55,250,551.24
Inventories	193,169,756.92	200,898,411.00	146,314,700.75
Other Current Assets	-	-	515,945.95
Total Current Assets	244,801,005.84	261,462,754.50	202,254,005.01
Long-term Loans	300,000.00	-	-
Property, Plant and Equipment	12,679,625.40	13,372,176.54	13,974,243.11
Other Non-current Assets	91,618.18	91,618.18	88,618.18
Total Assets	257,872,249.42	274,926,549.22	216,316,866.30

LIABILITIES & SHAREHOLDERS' EQUITY [BAHT]

Current Liabilities	2017	2016	2015
Bank Overdraft and Short-term Loan from Financial Institutions	31,733,907.03	32,631,149.60	32,205,766.50
Trade Accounts and Other Payable	164,792,870.65	185,865,204.94	134,489,724.90
Current Portion of Long-term Liabilities	290,400.00	427,200.00	142,800.00
Other Current Liabilities	781,119.46	1,023,469.69	1,231,303.27
Total Current Liabilities	197,598,297.14	219,947,024.23	168,069,594.67
Long-term Loan	840,863.70	1,035,594.10	1,360,237.36
Estimated Liabilities from Employee Benefits	500,000.00	500,000.00	500,000.00
Other Non-current Liabilities	-	-	136,800.00

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RAINBOW MINERAL & CRYSTAL CO., LTD. - 535984

PAGE NO. : 10

Total Liabilities	198,939,160.84	221,482,618.33	170,066,632.03
Shareholders' Equity			
Share capital : Baht 100 par value authorized, issued and fully paid share capital 200,000 shares	20,000,000.00	20,000,000.00	20,000,000.00
Capital Paid	20,000,000.00	20,000,000.00	20,000,000.00
Retained Earning - Unappropriated [Deficit]	38,933,088.58	33,443,930.89	26,250,234.27
Total Shareholders' Equity	58,933,088.58	53,443,930.89	46,250,234.27
Total Liabilities and Shareholders' Equity	257,872,249.42	274,926,549.22	216,316,866.30

PROFIT & LOSS ACCOUNT

Revenue	2017	2016	2015
Sales or Services Income	299,616,009.04	449,616,190.42	184,597,285.96
Other Income	19,747,426.77	3,908,296.94	738,965.20
Total Revenues	319,363,435.81	453,524,487.36	185,336,251.16
Expenses			
Change in Finished Goods and Work in Process	295,501,433.30	427,003,346.06	157,039,327.96
Employees Expenses	1,374,421.09	1,379,852.31	8,301,261.00
Depreciation and Amortization	13,435,660.09	13,700,137.45	739,174.10
Other Expenses	-	-	13,228,959
Total Expenses	310,311,514.48	442,083,335.82	179,308,722.06
Profit / [Loss] before Financial Cost and Income Tax	9,051,921.33	11,441,151.54	6,027,529.10
Financial Costs	[1,916,040.93]	[1,842,780.89]	[1,608,153.51]
Profit / [Loss] before Income Tax	7,135,880.40	9,598,370.65	4,419,375.59
Income Tax	[1,646,722.71]	[2,404,674.03]	[942,920.85]
Net Profit / [Loss]	5,489,157.69	7,193,696.62	3,476,454.74

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FINANCIAL ANALYSIS

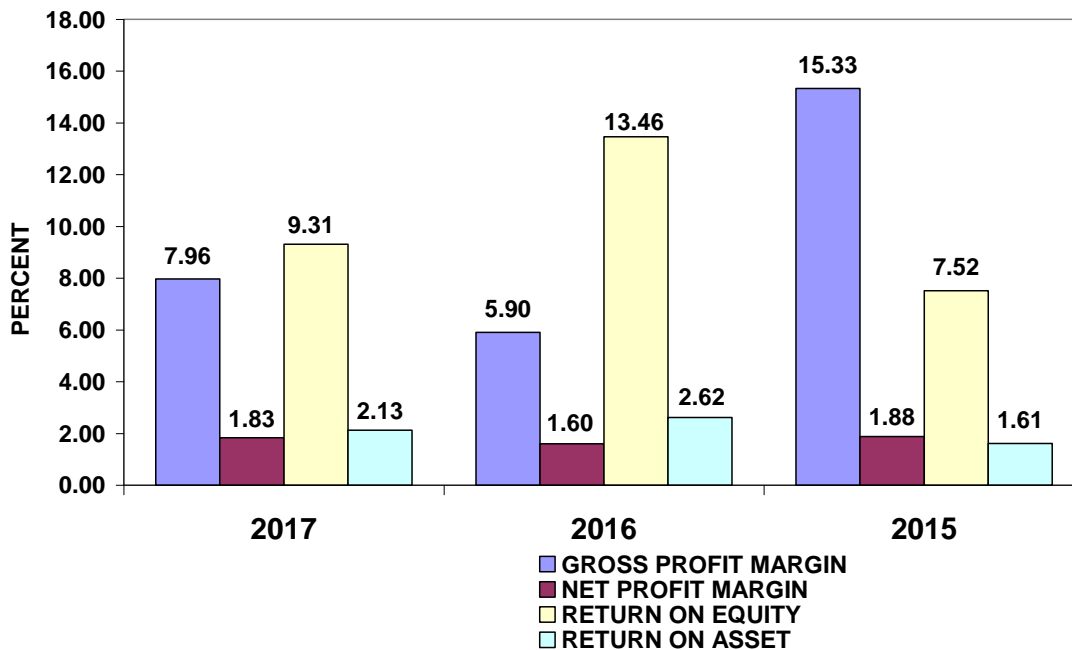
ITEM	UNIT	2017	2016	2015
LIQUIDITY RATIO				
CURRENT RATIO	TIMES	1.24	1.19	1.20
QUICK RATIO	TIMES	0.26	0.28	0.33
ACTIVITY RATIO				
FIXED ASSETS TURNOVER	TIMES	23.63	33.62	13.21
TOTAL ASSETS TURNOVER	TIMES	1.16	1.64	0.85
INVENTORY CONVERSION PERIOD	DAYS	238.60	171.73	340.07
INVENTORY TURNOVER	TIMES	1.53	2.13	1.07
RECEIVABLES CONVERSION PERIOD	DAYS	42.46	49.01	109.25
RECEIVABLES TURNOVER	TIMES	8.60	7.45	3.34
PAYABLES CONVERSION PERIOD	DAYS	203.55	158.88	312.59
CASH CONVERSION CYCLE	DAYS	77.51	61.86	136.73
PROFITABILITY RATIO				
COST OF GOODS SOLD	%	98.63	94.97	85.07
SELLING & ADMINISTRATION INTEREST	%	4.94	3.35	4.90
GROSS PROFIT MARGIN	%	7.96	5.90	15.33
NET PROFIT MARGIN BEFORE EX. ITEM	%	3.02	2.54	3.27
NET PROFIT MARGIN	%	1.83	1.60	1.88
RETURN ON EQUITY	%	9.31	13.46	7.52
RETURN ON ASSET	%	2.13	2.62	1.61
EARNING PER SHARE	BAHT	27.45	35.97	17.38
LEVERAGE RATIO				
DEBT RATIO	TIMES	0.77	0.81	0.79
DEBT TO EQUITY RATIO	TIMES	3.38	4.14	3.68
TIME INTEREST EARNED	TIMES	4.72	6.21	3.75
ANNUAL GROWTH				
SALES GROWTH	%	(33.36)	143.57	
OPERATING PROFIT	%	(20.88)	89.81	
NET PROFIT	%	(23.69)	106.93	
FIXED ASSETS	%	(5.18)	(4.31)	
TOTAL ASSETS	%	(6.20)	27.09	

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ANNUAL GROWTH: RISKY

An annual sales growth is -33.36%. Sales Income has decreased from THB 449,616,190.42 in 2016 to THB 299,616,009.04 in 2017. While net profit has decreased from THB 7,193,696.62 in 2016 to THB 5,489,157.69 in 2017. And total assets has decreased from THB 274,926,549.22 in 2016 to THB 257,872,249.42 in 2017.

PROFITABILITY: EXCELLENT



PROFITABILITY RATIO

Gross Profit Margin	7.96	Impressive	Industrial Average	0.84
Net Profit Margin	1.83	Impressive	Industrial Average	0.10
Return on Assets	2.13	Impressive	Industrial Average	1.89
Return on Equity	9.31	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 7.96%. 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 1.83%, 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.

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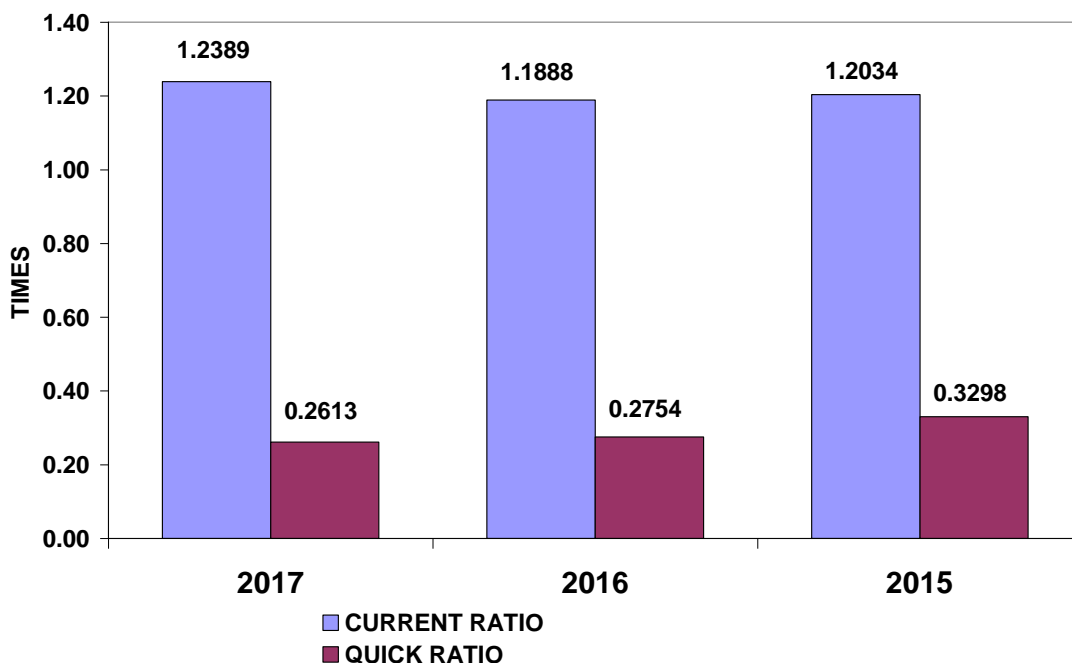
Return on Assets measures how efficiently profits are being generated from the assets employed in the business when compared with the ratios of firms in a similar business. A low ratio in comparison with industry averages indicates an inefficient use of business assets. Return on Assets ratio is 2.13%, 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 9.31%, 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	1.24	Satisfactory	Industrial Average	1.65
Quick Ratio	0.26			
Cash Conversion Cycle	77.51			

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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 1.24 times in 2017, increase from 1.19 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.

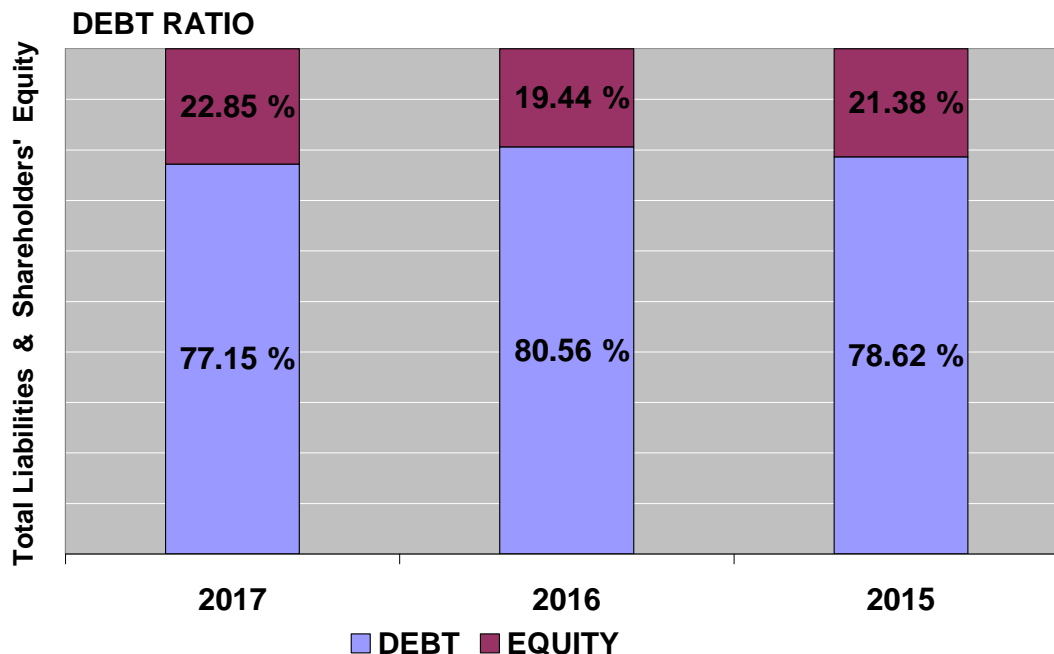
The Quick Ratio is a liquidity indicator that further refines the current ratio by measuring the amount of the most liquid current assets there are to cover current liabilities. The company's figure is 0.26 times in 2017, decrease from 0.28 times, then the company has not enough current assets that presumably 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 78 days.

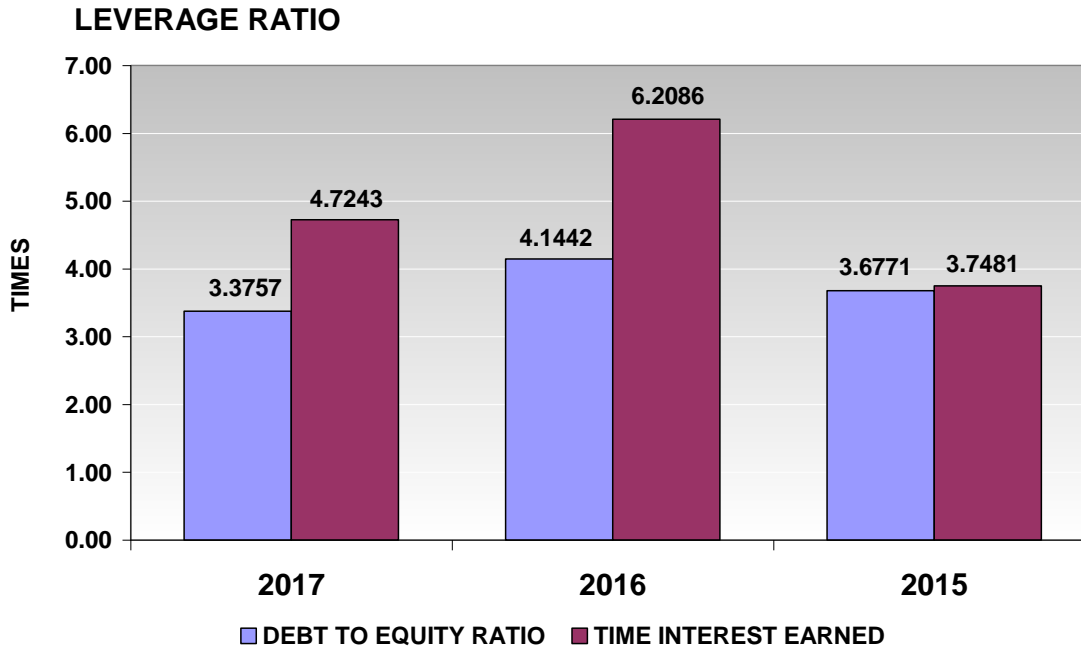
Trend of the average competitors in the same industry for last 5 years

Current Ratio Uptrend

LEVERAGE : ACCEPTABLE



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LEVERAGE RATIO

Debt Ratio	0.77	Acceptable	Industrial Average	0.65
Debt to Equity Ratio	3.38	Risky	Industrial Average	1.82
Times Interest Earned	4.72	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.

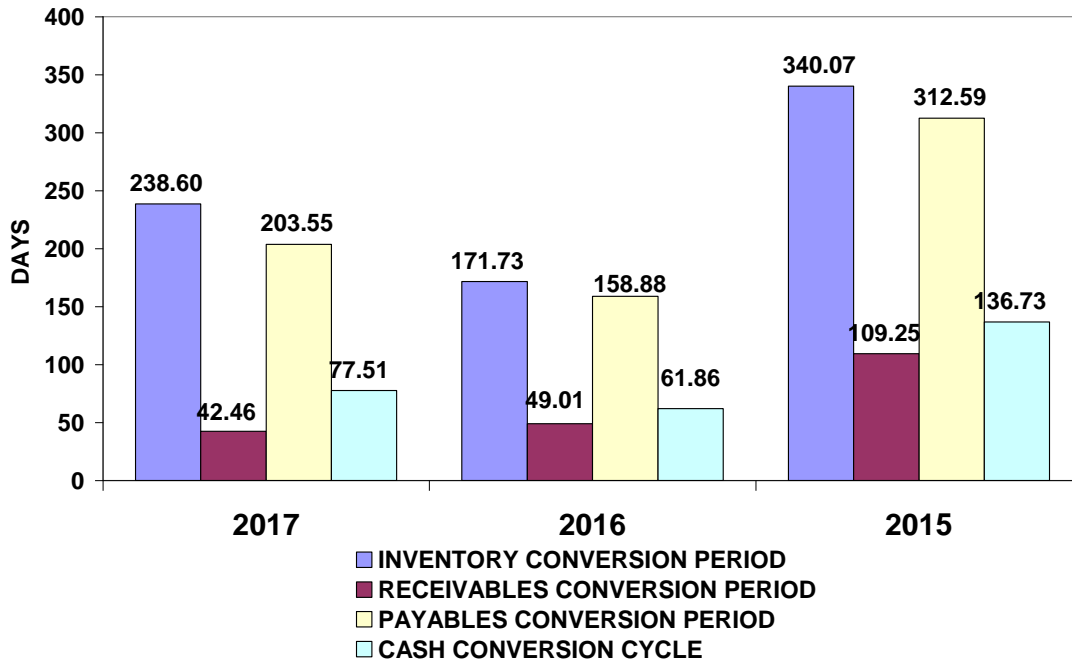
Times Interest Earned measuring a company's ability to meet its debt obligations. Ratio is 4.73 higher than 1, so the company can pay interest expenses on outstanding debt.

Debt Ratio shows the proportion of a company's assets which are financed through debt. The company's figure is 0.77 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



ACTIVITY RATIO

Fixed Assets Turnover	23.63	Impressive	Industrial Average	-
Total Assets Turnover	1.16	Deteriorated	Industrial Average	19.32
Inventory Conversion Period	238.60			
Inventory Turnover	1.53	Deteriorated	Industrial Average	40.96
Receivables Conversion Period	42.46			
Receivables Turnover	8.60	Deteriorated	Industrial Average	49.98
Payables Conversion Period	203.55			

The company's Account Receivable Ratio is calculated as 8.60 and 7.45 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 172 days at the end of 2016 to 239 days at the end of 2017. This represents a negative trend. And Inventory turnover has decreased from 2.13 times in year 2016 to 1.53 times in year 2017.

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The company's Total Asset Turnover is calculated as 1.16 times and 1.64 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 73.26
UK Pound	1	INR 95.05
Euro	1	INR 83.99
Thai Baht	1	INR 2.22

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

INFORMATION DETAILS

Analysis Done by :	NIS
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)