

## MIRA INFORM REPORT

<b>Report No. :</b>	537409
<b>Report Date :</b>	31.10.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	THAI-KOBE WELDING CO., LTD.
<b>Registered Office :</b>	500 Moo 4, Soi 1, Bangpoo Industrial Estate, Sukhumvit Road, T. Praeksa, A. Muang, Samutprakarn 10280
<b>Country :</b>	Thailand
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	23.01.1968
<b>Com. Reg. No.:</b>	0105511000409
<b>Legal Form :</b>	Private Limited Company
<b>Line of Business :</b>	The subject is engaged in manufacturing, distributing and exporting wide range of welding electrodes and supplies with various types such as "LB-52", "B-14", "LB-52-18", "TGS-308", "308L" and others, under its own brand "KOBELCO".
<b>No. of Employees :</b>	300

### 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+	Low Risk	Business dealings permissible with low risk of default

<b>Status :</b>	Good
<b>Payment Behaviour :</b>	Regular
<b>Litigation :</b>	Clear

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**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 (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**

THAI-KOBE WELDING CO., LTD.

## **SUMMARY**

**BUSINESS ADDRESS** : 500 MOO 4, SOI 1, BANGPOO INDUSTRIAL  
ESTATE, SUKHUMVIT ROAD, T. PRAEKSA, A. MUANG,  
SAMUTPRAKARN 10280, THAILAND

**TELEPHONE** : [66] 2324-0588-91, 2709-3660

**FAX** : [66] 2324-0797

**E-MAIL ADDRESS** : [marketing@thaikobe.com](mailto:marketing@thaikobe.com)

**REGISTRATION ADDRESS** : SAME AS BUSINESS ADDRESS

**ESTABLISHED** : 1968

**REGISTRATION/ TAX ID NO.** : 0105511000409

**CAPITAL REGISTERED** : BHT. 24,500,000

**CAPITAL PAID-UP** : BHT. 24,500,000

**SHAREHOLDER'S PROPORTION** : THAI : 51.02%  
JAPANESE : 48.98%

**FISCAL YEAR CLOSING DATE** : DECEMBER 31

**LEGAL STATUS** : PRIVATE LIMITED COMPANY

**EXECUTIVE** : MR. YOSHIYUKI HASEGAWA, JAPANESE  
PRESIDENT

**NO. OF STAFF** : 300

**LINES OF BUSINESS** : WELDING ELECTRODES  
MANUFACTURER, DISTRIBUTOR AND EXPORTER

## **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 January 23, 1968 as a private limited company under the registered name THAI-KOBE WELDING CO., LTD., by Thai and Japanese investors, with the business objective to manufacture welding equipments and supplies to both domestic and oversea markets. It currently employs approximately 300 staff.

It is also an affiliated company of Kobe Steel Ltd., in Japan.

It achieved various international awards as follows:

- American Bureau of Shipping (ABS), USA
- Thai Industrial Standards Institute (TISI), Thailand
- Nippon Kaiji Kyokai (NKK), Japan
- Lloyds Register of Shipping (LR), UK
- Bureau of Veritas (BV), France

The subject's registered address is 500 Moo 4, Soi 1, Bangpoo Industrial Estate, Sukhumvit Rd., T. Praeksa, A. Muang, Samutprakarn 10280, and this is the subject's current operation address.

#### **THE BOARD OF DIRECTOR**

<u>Name</u>		<u>Nationality</u>	<u>Age</u>
Mr. Katsuyuki Sako		Japanese	52
Mr. Masatomo Mizoshita		Japanese	49
Mr. Methae Jirabovonvisut		Thai	62
Mr. Toshihiko Hama		Japanese	47
Mr. Ryo Yamada		Japanese	50
Mr. Yoshiyuki Hasegawa	[x]	Japanese	50
Mr. Nipatpan Nutavej	[x]	Thai	57
Ms. Duangduen Jirabovonvisut		Thai	70
Mr. Kenichi Orita	[x]	Japanese	48

#### **AUTHORIZED PERSON**

Any of the mentioned directors [x] can sign on behalf of the subject with company's affixed.

#### **MANAGEMENT**

**Mr. Yoshiyuki Hasegawa** is the President.  
He is Japanese nationality with the age of 50 years old.

**Mr. Kenichi Orita** is the Chief Financial Officer.  
He is Japanese nationality with the age of 48 years old.

**Mr. Nipatpan Nutavej** is the Vice President/Factory Manager.  
He is Thai nationality with the age of 57 years old.

**Mr. Toshihiko Hama** is the Sales Manager.  
He is Japanese nationality with the age of 47 years old.

**Mr. Yohei Kakihara** is the Marketing General Manager.  
He is Japanese nationality.

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## **BUSINESS OPERATIONS**

The subject is engaged in manufacturing, distributing and exporting wide range of welding electrodes and supplies with various types such as "LB-52", "B-14", "LB-52-18", "TGS-308", "308L" and others, under its own brand "KOBELCO".

## **PRODUCTION CAPACITY**

24,000 tons per annum

## **PURCHASE**

Raw materials are purchased from suppliers both domestic and overseas, mainly in Japan, Republic of China, Australia and Taiwan.

## **MAJOR SUPPLIERS**

Kobe Steel Ltd. : Japan  
Thai Metal Trade Public Company Limited : Thailand

## **SALES**

70% of the products is exported to Japan, Singapore, Korea, Taiwan, India, Vietnam, Indonesia, Hong Kong, Myanmar, Laos, Republic of China, U.S.A., Russia, Malaysia, Cambodia, Philippines, Australia, United Arab Emirates and Europe, the remaining 30% is sold locally.

## **MAJOR CUSTOMERS**

C.C. Supply Co., Ltd. : Thailand  
J & T Welding Supply Co., Ltd. : Thailand  
SPC Welding and Equipment L.P. : Thailand  
Siam Global Group Co., Ltd. : Thailand  
ST Kobe Welding (Malaysia) Sdn. Bhd. : Malaysia  
Kobe Welding of Korea Co., Ltd. : Korea

## **ASSOCIATED COMPANY**

### **Kobe Mig Wire (Thailand) Co., Ltd.**

Business Type : Manufacturer and distributor of solid wire for gas metal

## 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 to 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 employs approximately 300 staff.

## LOCATION DETAILS

The premise is owned for administrative office, factory and warehouse on approximately 12,800 square meters of land at the heading address. Premise is located in industrial area.

### **Bangkok Office:**

10<sup>th</sup> Floor, Sathorn Thani II Building, 92/23 North Sathorn Rd., Silom, Bangrak,  
Bangkok 10500. Tel : [66] 2636-8650-2, Fax : [66] 2636-8653

### **Overseas Representative Office:**

- 105 Vo Thi Sua St., Thong Nhat Ward, Bien Hoa City, Dongnai, Vietnam

## COMMENT

The subject has experienced a strong business growth for decades and performance remained upbeat. However, the subject encountered a slow growth in 2017 from a decrease in both sales or service income and net profit comparing to the previous year. Nevertheless, its business remains strong and profitable.

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**FINANCIAL INFORMATION**

The capital was registered at Bht. 3,500,000 divided into 700 shares of Bht. 5,000 each with fully paid.

On September 8, 1988, the capital was increased to Bht. 24,500,000 divided into 4,900 shares of Bht. 5,000 each with fully paid.

**MAIN SHAREHOLDERS : [as at April 24, 2018]**

<b><u>NAME</u></b>	<b><u>HOLDING</u></b>	<b><u>%</u></b>
<b>Kobe Steel Ltd.</b> Nationality: Japanese Address : 9-12 Kita-Shinagawa, 5-Zumi, Shinagawa, Tokyo, Japan	1,996	40.73
<b>Kanematsu Corporation</b> Nationality: Japanese Address : 1-2-1 Shibaura, Minato-ku, Tokyo, Japan	404	8.24
<b>Thai-Kobe Welding M&amp;D Co., Ltd.</b> Nationality: Thai Address : 500 Moo 4, Sukhumvit Road, T. Praeksa, A. Muang, Samutprakarn	390	7.96
<b>TES E&amp;M Service Co., Ltd.</b> Nationality: Thai Address : 1126/2 New Petchburi Road, Makkasan, Rajthewi, Bangkok	390	7.96
<b>Wattana Intertrade Co., Ltd.</b> Nationality: Thai Address : 52 Silom Road, Suriyawongse, Bangrak, Bangkok	236	4.82
<b>Mr. Thepthai Jirabovonvisut</b> Nationality: Thai Address : 9 Moo 8, Petchkasem Road, Nongkangplu, Nongkaem, Bangkok	155	3.16
<b>Mr. Mathee Jirabovonvisut</b> Nationality: Thai Address : 121 Chakrawad Road, Samphantawong, Bangkok	122	2.49
<b>Mr. Metha Jirabovonvisut</b> Nationality: Thai Address : 40 Soi Soonvijai 14, New Petchburi Road, Bangkapi, Huaykwang, Bangkok	120	2.45
<b>Mr. Maitree Jirabovonvisut</b> Nationality: Thai Address : 40 Soi Soonvijai 14, New Petchburi Road, Bangkapi, Huaykwang, Bangkok	120	2.45

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<b>Mr. Peerapol Jirabovonvisut</b>	120	2.45
Nationality: Thai		
Address : 40 Soi Soonvijai 14, New Petchburi Road, Bangkapi, Huaykwang, Bangkok		
<b>Mr. Sonchai Jirabovonvisut</b>	120	2.45
Nationality: Thai		
Address : 40 Soi Soonvijai 14, New Petchburi Road, Bangkapi, Huaykwang, Bangkok		
<b>Others</b>	727	14.84
<b>Total Shareholders : 20</b>		

**Share Structure [as at April 24, 2018]**

Nationality	Shareholders	No. of Share	% Shares
Thai	18	2,500	51.02
Foreign - Japanese	2	2,400	48.98
<b>Total</b>	<b>20</b>	<b>4,900</b>	<b>100.00</b>

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

Mr. Krit Chatchavalwong No. 5016

**BALANCE SHEET [BAHT]**

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

**ASSETS**

Current Assets	2017	2016	2015
Cash and Cash Equivalent	152,444,471	372,465,348	639,632,690
Short-term Investment	200,000,000	200,000,000	300,000,000
Trade Accounts and Other Receivable	313,295,657	289,255,399	311,055,933
Short-term Lending to Related Company	2,064,636,834	1,505,272,880	638,904,420
Inventories	323,506,189	319,982,455	293,805,503
Other Current Assets	344,944	137,663	2,948,837
<b>Total Current Assets</b>	<b>3,054,228,095</b>	<b>2,687,113,745</b>	<b>2,186,347,383</b>
Investment in Subsidiaries	5,600,000	5,600,000	5,600,000
Other Long-term Investment	33,760,390	33,960,390	33,960,390
Long-term Loan to Related Company	52,023,360	114,108,160	172,431,840
Property, Plant and Equipment	175,839,485	177,727,858	186,554,393
Intangible Assets	771,154	955,593	541,116

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Other Non-current Assets	1,190,234	922,277	1,306,173
<b>Total Assets</b>	<b>3,323,412,718</b>	<b>3,020,388,023</b>	<b>2,586,741,295</b>

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

<b>Current Liabilities</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Trade Accounts and Other Payable	252,299,573	158,130,794	139,048,868
Current Portion of Long-term Liabilities	3,519,703	3,467,892	3,512,727
Accrued Income Tax	22,401,057	53,010,441	51,801,760
Other Current Liabilities	12,636,535	20,325,184	11,007,493
<b>Total Current Liabilities</b>	<b>290,856,868</b>	<b>234,934,311</b>	<b>205,370,848</b>
Provision for Employee Benefits	55,477,562	50,598,784	46,013,676
Other Non-current Liabilities	3,816,358	20,990,486	23,902,210
<b>Total Liabilities</b>	<b>350,150,788</b>	<b>306,523,581</b>	<b>275,286,734</b>
<b>Shareholders' Equity</b>			
Share capital : Baht 5,000 par value authorized, issued and fully paid share capital 4,900 shares	24,500,000	24,500,000	24,500,000
Capital Paid	24,500,000	24,500,000	24,500,000
Premium on Share Capital	1,120,000	1,120,000	1,120,000
Retained Earnings			
Appropriated statutory reserve	2,450,000	2,450,000	2,450,000
Unappropriated	2,945,191,930	2,685,794,442	2,283,384,561
<b>Total Shareholders' Equity</b>	<b>2,973,261,930</b>	<b>2,713,864,442</b>	<b>2,311,454,561</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>3,323,412,718</b>	<b>3,020,388,023</b>	<b>2,586,741,295</b>

**PROFIT & LOSS ACCOUNT**

<b>Revenue</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Sales or Services Income	2,199,736,220	2,279,114,749	2,274,085,482
Other Income	49,829,398	41,398,982	29,387,352
<b>Total Revenues</b>	<b>2,249,565,618</b>	<b>2,320,513,731</b>	<b>2,303,472,834</b>

**Expenses**

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Cost of Goods Sold or Services	1,557,864,762	1,540,882,113	1,600,848,698
Selling Expenses	278,910,011	194,732,346	197,214,972
Administrative Expenses	41,320,162	48,629,404	33,084,777
Other Expense	32	5	1,326,418
<b>Total Expenses</b>	<b>1,878,094,967</b>	<b>1,784,243,868</b>	<b>1,832,474,865</b>
Profit/[Loss] before Financial Cost & Income Tax	371,470,651	536,269,863	470,997,969
Financial Cost	[883,985]	[719,003]	[551,021]
Profit/[Loss] before Income Tax Income Tax	370,586,666 [68,589,178]	535,550,860 [108,640,979]	470,446,948 [98,462,116]
<b>Net Profit / [Loss]</b>	<b>301,997,488</b>	<b>426,909,881</b>	<b>371,984,832</b>

**FINANCIAL ANALYSIS**

ITEM	UNIT	2017	2016	2015
<b>LIQUIDITY RATIO</b>				
CURRENT RATIO	TIMES	10.50	11.44	10.65
QUICK RATIO	TIMES	9.39	10.08	9.20
<b>ACTIVITY RATIO</b>				
FIXED ASSETS TURNOVER	TIMES	12.51	12.82	12.19
TOTAL ASSETS TURNOVER	TIMES	0.66	0.75	0.88
INVENTORY CONVERSION PERIOD	DAYS	75.80	75.80	66.99
INVENTORY TURNOVER	TIMES	4.82	4.82	5.45
RECEIVABLES CONVERSION PERIOD	DAYS	51.98	46.32	49.93
RECEIVABLES TURNOVER	TIMES	7.02	7.88	7.31
PAYABLES CONVERSION PERIOD	DAYS	59.11	37.46	31.70
CASH CONVERSION CYCLE	DAYS	68.67	84.66	85.21
<b>PROFITABILITY RATIO</b>				
COST OF GOODS SOLD	%	70.82	67.61	70.40
SELLING & ADMINISTRATION INTEREST	%	14.56 0.04	10.68 0.03	10.13 0.02
GROSS PROFIT MARGIN	%	31.44	34.21	30.90
NET PROFIT MARGIN BEFORE EX. ITEM	%	16.89	23.53	20.71
NET PROFIT MARGIN	%	13.73	18.73	16.36
RETURN ON EQUITY	%	10.16	15.73	16.09
RETURN ON ASSET	%	9.09	14.13	14.38
EARNING PER SHARE	BAHT	61,632.14	87,124.47	75,915.27

**LEVERAGE RATIO**

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DEBT RATIO	TIMES	0.11	0.10	0.11
DEBT TO EQUITY RATIO	TIMES	0.12	0.11	0.12
TIME INTEREST EARNED	TIMES	420.22	745.85	854.77

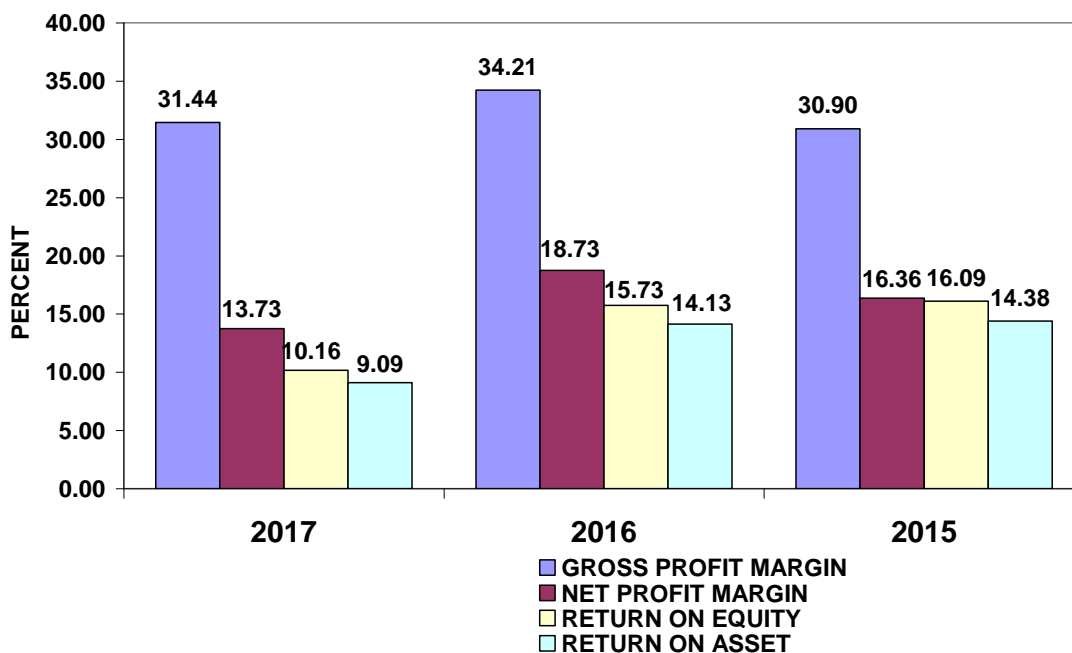
**ANNUAL GROWTH**

SALES GROWTH	%	(3.48)	0.22
OPERATING PROFIT	%	(30.73)	13.86
NET PROFIT	%	(29.26)	14.77
FIXED ASSETS	%	(1.06)	(4.73)
TOTAL ASSETS	%	10.03	16.76

**ANNUAL GROWTH : RISKY**

An annual sales growth is -3.48%. Sales Income has decreased from THB 2,279,114,749.00 in 2016 to THB 2,199,736,220.00 in 2017. While net profit has decreased from THB 426,909,881.00 in 2016 to THB 301,997,488.00 in 2017. And total assets has increased from THB 3,020,388,023.00 in 2016 to THB 3,323,412,718.00 in 2017.

**PROFITABILITY : IMPRESSIVE**



**PROFITABILITY RATIO**

Gross Profit Margin      31.44      Impressive      Industrial Average      -

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Net Profit Margin	13.73	Impressive	Industrial Average	12.26
Return on Assets	9.09	Satisfactory	Industrial Average	12.84
Return on Equity	10.16	Satisfactory	Industrial Average	17.00

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 31.44%. 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 13.73%, 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.

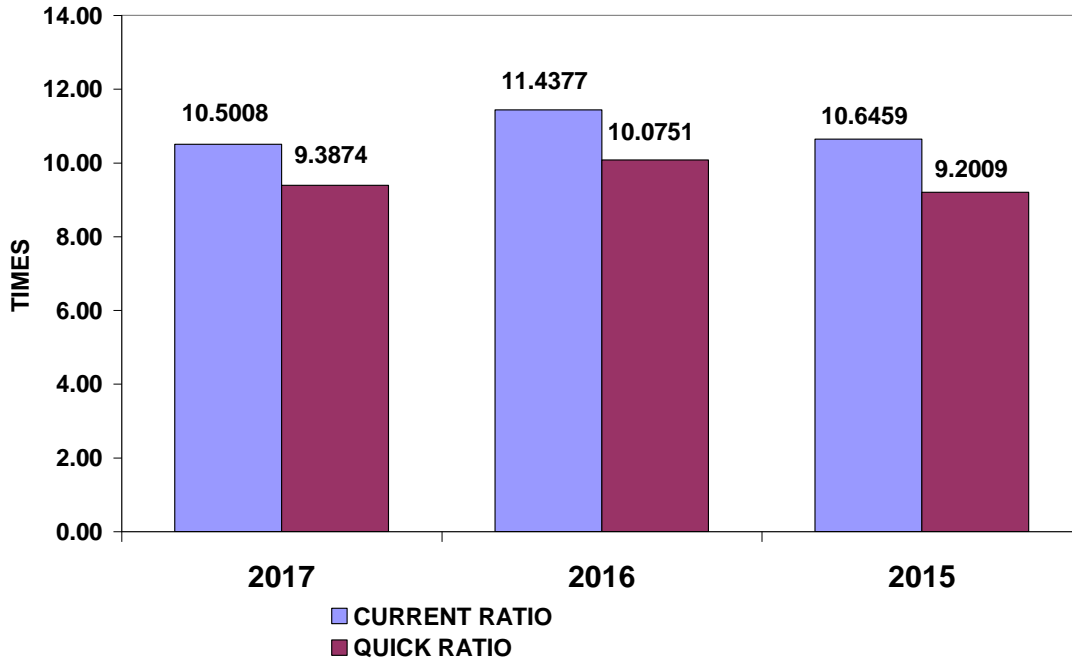
Return on Assets measures how efficiently profits are being generated from the assets employed in the business when compared with the ratios of firms in a similar business. A low ratio in comparison with industry averages indicates an inefficient use of business assets. When compared with the industry average, it was lower, the company's figure is 9.09%.

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 10.16%.

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

Return on Assets	Uptrend
Return on Equity	Uptrend

**LIQUIDITY : IMPRESSIVE**



**LIQUIDITY RATIO**

Current Ratio	10.50	Impressive	Industrial Average	6.31
Quick Ratio	9.39			
Cash Conversion Cycle	68.67			

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 10.5 times in 2017, decrease from 11.44 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.

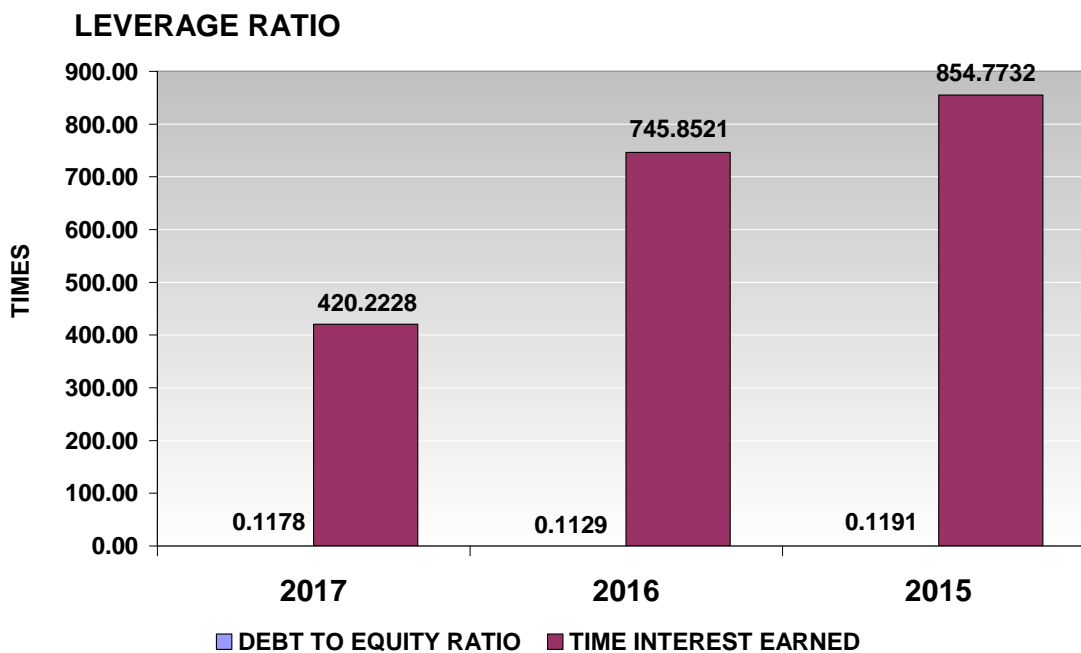
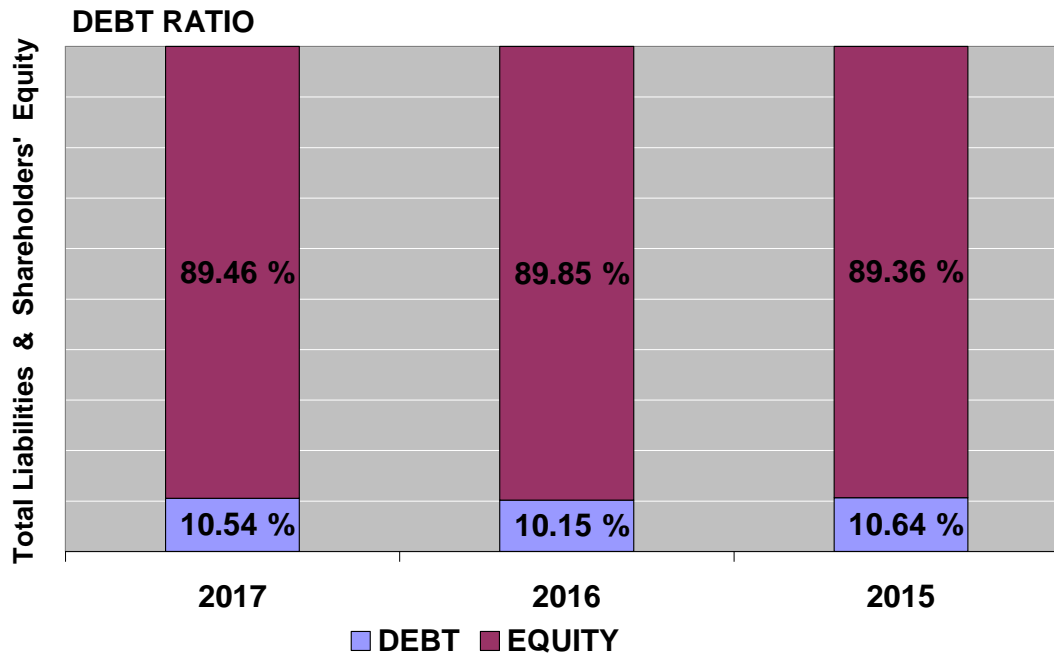
The Quick Ratio is a liquidity indicator that further refines the current ratio by measuring the amount of the most liquid current assets there are to cover current liabilities. The company's figure is 9.39 times in 2017, decrease from 10.08 times, although excluding inventory so the company still have 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 69 days.

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

Current Ratio                      Uptrend

**LEVERAGE : EXCELLENT**



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**LEVERAGE RATIO**

Debt Ratio	0.11	Impressive	Industrial Average	0.16
Debt to Equity Ratio	0.12	Impressive	Industrial Average	0.19
Times Interest Earned	420.22	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 lower the percentage means that the company is using less leverage and has a stronger equity position.

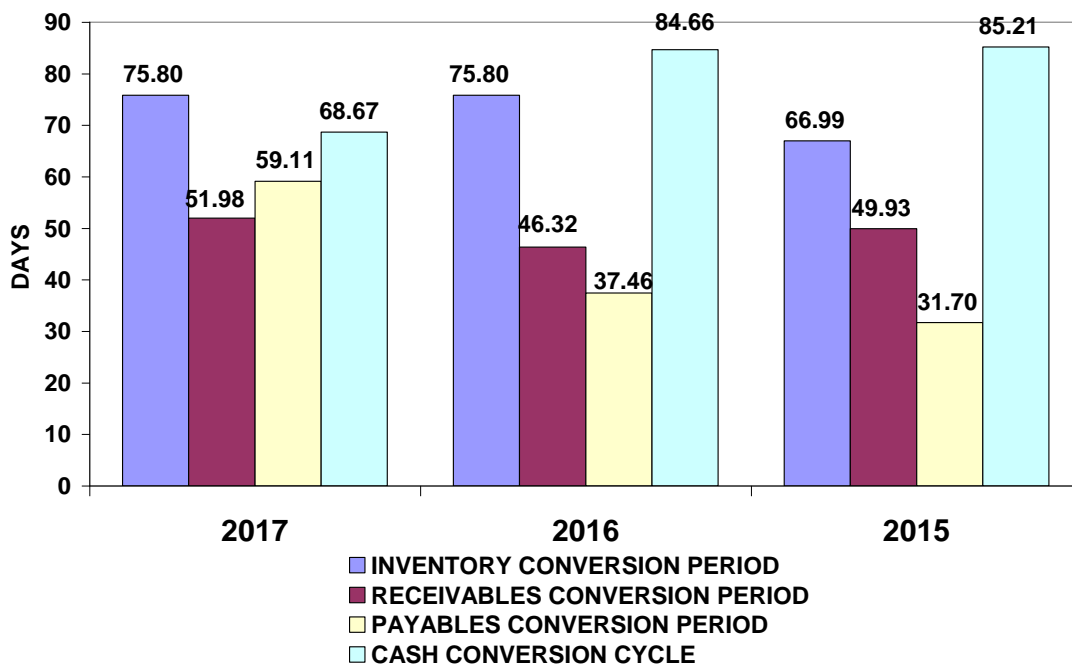
Times Interest Earned measuring a company's ability to meet its debt obligations. Ratio is 420.23 higher than 1, so the company can pay interest expenses on outstanding debt.

Debt Ratio shows the proportion of a company's assets which are financed through debt. The company's figure is 0.11 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 : IMPRESSIVE**



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**ACTIVITY RATIO**

Fixed Assets Turnover	12.51	Impressive	Industrial Average	-
Total Assets Turnover	0.66	Satisfactory	Industrial Average	1.05
Inventory Conversion Period	75.80			
Inventory Turnover	4.82	Satisfactory	Industrial Average	6.36
Receivables Conversion Period	51.98			
Receivables Turnover	7.02	Satisfactory	Industrial Average	7.11
Payables Conversion Period	59.11			

The company's Account Receivable Ratio is calculated as 7.02 and 7.88 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 is 76 days at the end of 2016, same number of days as in 2017. And Inventory turnover is 4.82 times in year 2016, same figures as in the year 2017.

The company's Total Asset Turnover is calculated as 0.66 times and 0.75 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	Uptrend
Receivables Turnover	Uptrend

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.57
UK Pound	1	INR 94.18
Euro	1	INR 83.71
Thai Baht	1	INR 2.23

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	VIV
<b>Report Prepared by :</b>	TPT

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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)