

MIRA INFORM REPORT

Report No. :	528358
Report Date :	05.09.2018

IDENTIFICATION DETAILS

Name :	D. RATANA CO., LTD.
Formerly Known As :	D. RATANA LTD
Registered Office :	Unit 2510, 25th Floor, Jewelry Trade Center, 919/324 Silom Road, Silom, Bangrak, Bangkok 10500
Country :	Thailand
Financials (as on) :	31.12.2017
Date of Incorporation :	29.07.1993
Com. Reg. No.:	0105536086773
Legal Form :	Private Limited Company
Line of Business :	The subject is engaged in importing, distributing and re-exporting various kinds of diamonds, semi-precious stones and diamond jewelry with gold and platinum setting, as well as exporting of the local products.
No. of Employees :	3

RATING & COMMENTS

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

MIRA's Rating :

A

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	Slow but Correct
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : 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

D. RATANA CO., LTD.
[FORMER : D. RATANA LTD.]

SUMMARY

BUSINESS ADDRESS : UNIT 2510, 25th FLOOR, JEWELRY TRADE CENTER,
919/324 SILOM ROAD, SILOM, BANGRAK,
BANGKOK 10500, THAILAND

TELEPHONE : [66] 2630-0510-2
FAX : [66] 2630-0513

E-MAIL ADDRESS : dratana2006@gmail.com

REGISTRATION ADDRESS : SAME AS BUSINESS ADDRESS

ESTABLISHED : 1993

REGISTRATION / TAX ID NO. : 0105536086773

CAPITAL REGISTERED : BHT. 30,000,000

CAPITAL PAID-UP : BHT. 30,000,000

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

FISCAL YEAR CLOSING DATE : DECEMBER 31

LEGAL STATUS : PRIVATE LIMITED COMPANY

EXECUTIVE : MR. SANDEEP MEHTA, INDIAN
MANAGING DIRECTOR

NO. OF STAFF : 3

LINES OF BUSINESS : JEWELRY
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 July 29, 1993 as a private limited company under the initially registered name "D. Ratana Ltd.", by Thai and Indian groups, in order to operate in jewelry trading business. On October 16, 2014, its registered name was changed to D. RATANA CO., LTD. The subject currently employs 3 staff.

The subject's registered address is Unit 2510, 25th Floor, Jewelry Trade Center, 919/324 Silom Rd., Silom, Bangrak, Bangkok 10500, and this is the subject's current operation address.

THE BOARD OF DIRECTORS

<u>Name</u>	<u>Nationality</u>	<u>Age</u>
Mr. Anil Kumar Kothari	Indian	57
Mrs. Kiran Kothari	Indian	53
Mr. Sandeep Mehta	Indian	48
Mr. Vipin Bohra	Indian	37

AUTHORIZED PERSON

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

MANAGEMENT

Mr. Sandeep Mehta is the Managing Director.
He is Indian nationality with the age of 48 years old.

Mr. Vipin Bohra is the Deputy Managing Director.
He is Indian nationality with the age of 37 years old.

BUSINESS OPERATIONS

The subject is engaged in importing, distributing and re-exporting various kinds of diamonds, semi-precious stones and diamond jewelry with gold and platinum setting, as well as exporting of the local products.

PURCHASE

The products are purchased from manufacturers and traders of both domestic and overseas in India, Belgium, Pakistan and Bangladesh.

SALES LOCAL]

The products are sold locally by wholesale to manufacturers and traders.

EXPORT

The products are exported and re-exported to Japan, India, Hong Kong, Republic of China, and the countries in Europe.

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RELATED AND AFFILIATED COMPANY

Pyramid Jewel's & Art Co., Ltd.

Business Type : Importer and exporter of jewelry products

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 currently employs 3 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 is engaged in importing , distributing and exporting diamonds, semi-precious stones and diamond jewelry for jewelry industry. Despite of a decrease in both sales or service income and net profit in 2017 comparing to the previous year, the subject maintained a moderate business with net profit.

FINANCIAL INFORMATION

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

The capital was increased later as following:

Bht. 4,000,000 on	April 18, 1995
Bht. 6,000,000 on	October 30, 1995
Bht. 11,000,000 on	June 21, 2000
Bht. 22,000,000 on	December 6, 2005
Bht. 26,000,000 on	January 16, 2008
Bht. 30,000,000 on	June 1, 2016

The latest registered capital was increased to Bht. 30 million, divided into 300,000 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. Sandeep Mehta Nationality: Indian Address : Jaipur, India	57,500	19.17
Mr. Anil Kumar Kothari Nationality: Indian Address : Jaipur, India	57,500	19.17
Ms. Thanasirisap Nicholas Nationality: Thai Address : 13/1 Trok Wat Pathumvanaram, Pathumwan, Bangkok	51,000	17.00
Mr. Ouayporn Prasertnuch Nationality: Thai Address : 91/257 Moo 14, Bangbuathong, Nonthaburi	51,000	17.00
Mr. Prateep Chantapan Nationality: Thai Address : 155 Moo 7, T. Chainat, A. Muang, Chainat	51,000	17.00
Mrs. Kiran Kothari Nationality: Indian Address : Jaipur, India	32,000	10.66

Total Shareholders : 6

SHARE STRUCTURE [AS AT APRIL 30, 2018]

Nationality	Shareholders	No. of Share	% Shares
Thai	3	153,000	51.00
Foreign - Indian	3	147,000	49.00
Total	6	300,000	100.00

NAME OF AUDITOR & CERTIFIED PUBLIC ACCOUNTANT NO.

Mr. Narin Ployjinda No. 5931

FINANCIALS

D. RATANA CO., LTD.

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 Equivalents	5,322,499.75	954,264.87	327,879.88
Short-term Investment	9,092,302.49	9,011,921.49	8,923,894.86
Trade Accounts and Other Receivable	235,785,898.24	221,954,058.93	218,973,609.55
Inventories	328,376,026.40	219,100,056.76	184,238,017.32
Total Current Assets	578,576,726.88	451,020,302.05	412,463,401.61
Property, Plant and Equipment	19,267,602.56	20,869,390.98	22,459,257.66
Other Non-current Assets	19,000.00	19,000.00	19,000.00
Total Assets	597,863,329.44	471,908,693.03	434,941,659.27

LIABILITIES & SHAREHOLDERS' EQUITY [BAHT]

Current Liabilities	2017	2016	2015
Bank Overdraft and Short-term Loan from Financial Institutions	170,609,689.01	164,272,380.69	195,686,295.62
Trade Accounts and Other Payable	244,355,520.83	157,280,592.52	111,535,663.43
Accrued Income Tax	1,355,568.01	1,600,121.03	1,696,607.45

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Other Current Liabilities	553,374.17	605,069.12	597,357.83
Total Current Liabilities	416,874,152.02	323,758,163.36	309,515,924.33
Long-term Loan from Related Person	96,020,281.00	72,243,000.00	64,525,000.00
Provision for Employee Benefits	829,875.00	-	-
Total Liabilities	513,724,308.02	396,001,163.36	374,040,924.33
Shareholders' Equity			
Share capital : Baht 100 par value authorized, and issued share capital 300,000 shares in 2017 & 2016 260,000 shares in 2015	30,000,000.00	30,000,000.00	26,000,000.00
Capital Paid	30,000,000.00	30,000,000.00	26,000,000.00
Retained Earning - Unappropriated	54,139,021.42	45,907,529.67	34,900,734.94
Total Shareholders' Equity	84,139,021.42	75,907,529.67	60,900,734.94
Total Liabilities and Shareholders' Equity	597,863,329.44	471,908,693.03	434,941,659.27

PROFIT & LOSS ACCOUNT

Revenue	2017	2016	2015
Sales or Services Income	467,952,137.12	528,679,912.14	507,057,266.50
Interest Income	81,192.93	88,915.78	107,945.25
Other Income	489,622.59	5,372.08	295,603.78
Total Revenues	468,522,952.64	528,774,200.00	507,460,815.53
Expenses			
Change in Finished Goods and Work in Progress	-	-	468,555,175.51
Employee Benefit Expenses	-	-	8,487,480.00
Depreciation and Amortization	-	-	1,632,378.50
Cost of Goods Sold or Services	435,019,486.12	495,498,944.31	-
Selling Expenses	6,348,901.15	5,311,066.72	-
Administrative Expenses	7,808,503.69	7,425,973.16	-
Other Expenses	-	-	9,244,380.16
Total Expenses	449,176,890.96	508,235,984.19	487,919,414.17

Profit/[Loss] before Financial Cost &

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Income Tax	19,346,061.68	20,538,215.81	19,541,401.36
Financial Cost	[7,536,439.99]	[6,241,410.90]	[5,249,596.13]
Profit/[Loss] before Income Tax	11,809,621.69	14,296,804.91	14,291,805.23
Income Tax	[2,796,379.94]	[3,290,010.18]	[3,234,886.89]
Net Profit/[Loss]	9,013,241.75	11,006,794.73	11,056,918.34

D. RATANA CO., LTD.

FINANCIAL ANALYSIS

ITEM	UNIT	2017	2016	2015
LIQUIDITY RATIO				
CURRENT RATIO	TIMES	1.39	1.39	1.33
QUICK RATIO	TIMES	0.60	0.72	0.74
ACTIVITY RATIO				
FIXED ASSETS TURNOVER	TIMES	24.29	25.33	22.58
TOTAL ASSETS TURNOVER	TIMES	0.78	1.12	1.17
INVENTORY CONVERSION PERIOD	DAYS	275.52	161.40	143.52
INVENTORY TURNOVER	TIMES	1.32	2.26	2.54
RECEIVABLES CONVERSION PERIOD	DAYS	183.91	153.24	157.63
RECEIVABLES TURNOVER	TIMES	1.98	2.38	2.32
PAYABLES CONVERSION PERIOD	DAYS	205.02	115.86	86.89
CASH CONVERSION CYCLE	DAYS	254.41	198.77	214.26
PROFITABILITY RATIO				
COST OF GOODS SOLD	%	92.96	93.72	92.41
SELLING & ADMINISTRATION	%	3.03	2.41	2.00
INTEREST	%	1.61	1.18	1.04
GROSS PROFIT MARGIN	%	7.16	6.29	7.67
NET PROFIT MARGIN BEFORE EX. ITEM	%	4.13	3.88	3.85
NET PROFIT MARGIN	%	1.93	2.08	2.18
RETURN ON EQUITY	%	10.71	14.50	18.16
RETURN ON ASSET	%	1.51	2.33	2.54
EARNING PER SHARE	BAHT	30.04	36.69	42.53
LEVERAGE RATIO				
DEBT RATIO	TIMES	0.86	0.84	0.86
DEBT TO EQUITY RATIO	TIMES	6.11	5.22	6.14
TIME INTEREST EARNED	TIMES	2.57	3.29	3.72
ANNUAL GROWTH				
SALES GROWTH	%	(11.49)	4.26	
OPERATING PROFIT	%	(5.80)	5.10	
NET PROFIT	%	(18.11)	(0.45)	

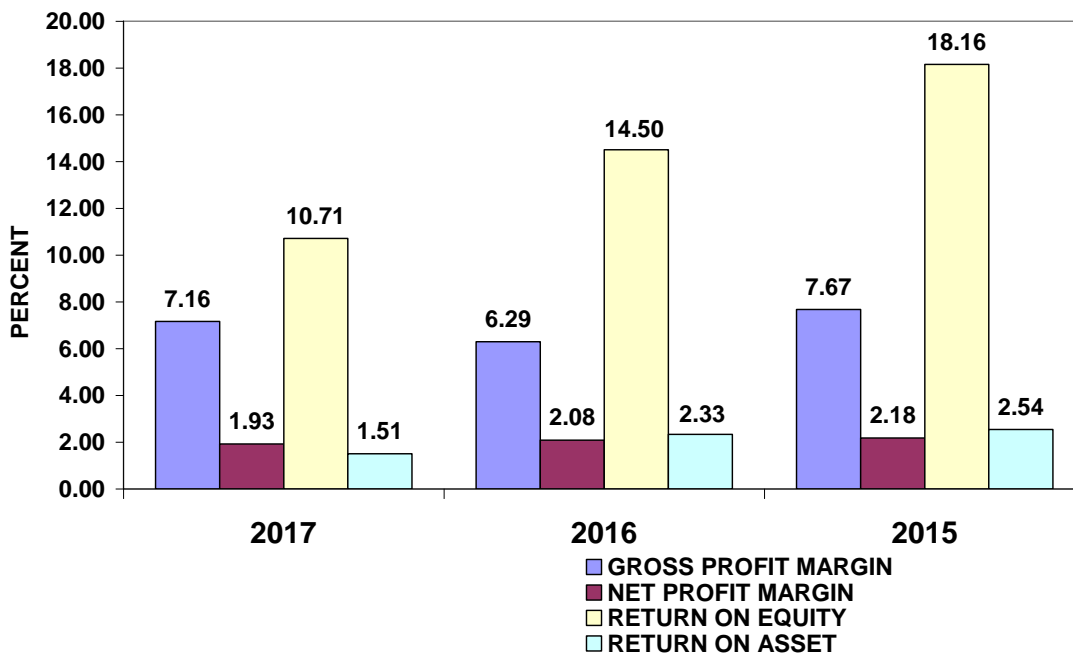
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FIXED ASSETS	%	(7.68)	(7.08)
TOTAL ASSETS	%	26.69	8.50

ANNUAL GROWTH : RISKY

An annual sales growth is -11.49%. Sales Income has decreased from THB 528,679,912.14 in 2016 to THB 467,952,137.12 in 2017. While net profit has decreased from THB 11,006,794.73 in 2016 to THB 9,013,241.75 in 2017. And total assets has increased from THB 471,908,693.03 in 2016 to THB 597,863,329.44 in 2017.

PROFITABILITY : IMPRESSIVE



PROFITABILITY RATIO

Gross Profit Margin	7.16	Impressive	Industrial Average	-
Net Profit Margin	1.93	Satisfactory	Industrial Average	2.04
Return on Assets	1.51	Satisfactory	Industrial Average	2.71
Return on Equity	10.71	Satisfactory	Industrial Average	13.71

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 7.16%. When compared with the industry average, the ratio of the company was higher, indicated that company was more profitable than the same industry.

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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 1.93%. When compared with the industry average, the ratio of the company was lower.

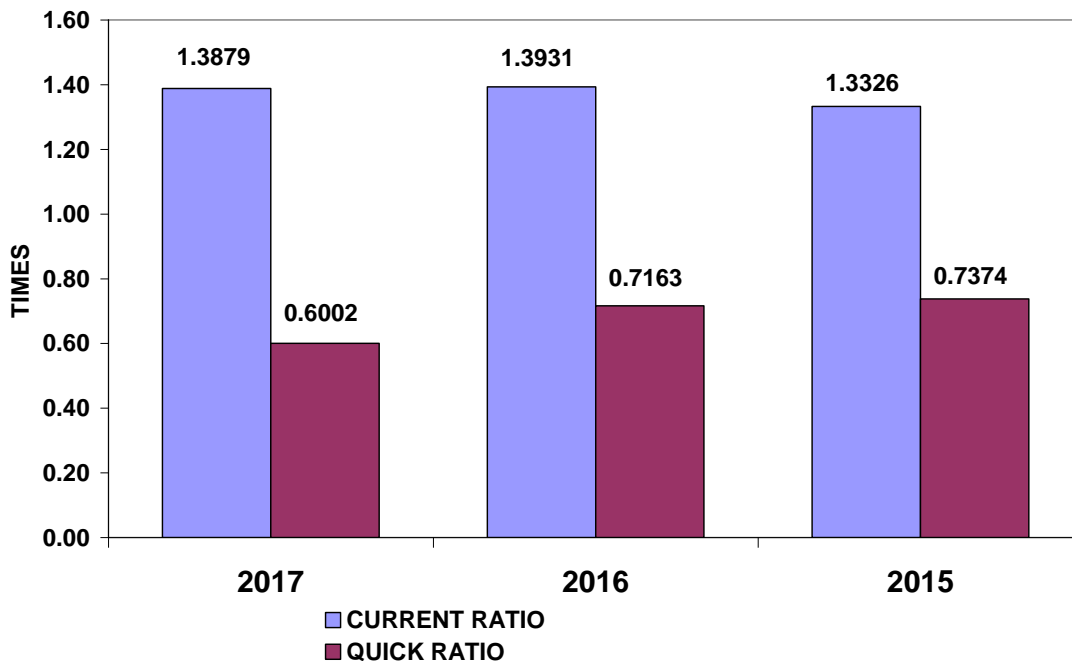
Return on Assets measures how efficiently profits are being generated from the assets employed in the business when compared with the ratios of firms in a similar business. A low ratio in comparison with industry averages indicates an inefficient use of business assets. When compared with the industry average, it was lower, the company's figure is 1.51%.

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 10.71%.

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	1.39	Impressive	Industrial Average	0.96
Quick Ratio	0.60			
Cash Conversion Cycle	254.41			

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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 1.39 times in 2017, same figure as in 2016, 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.

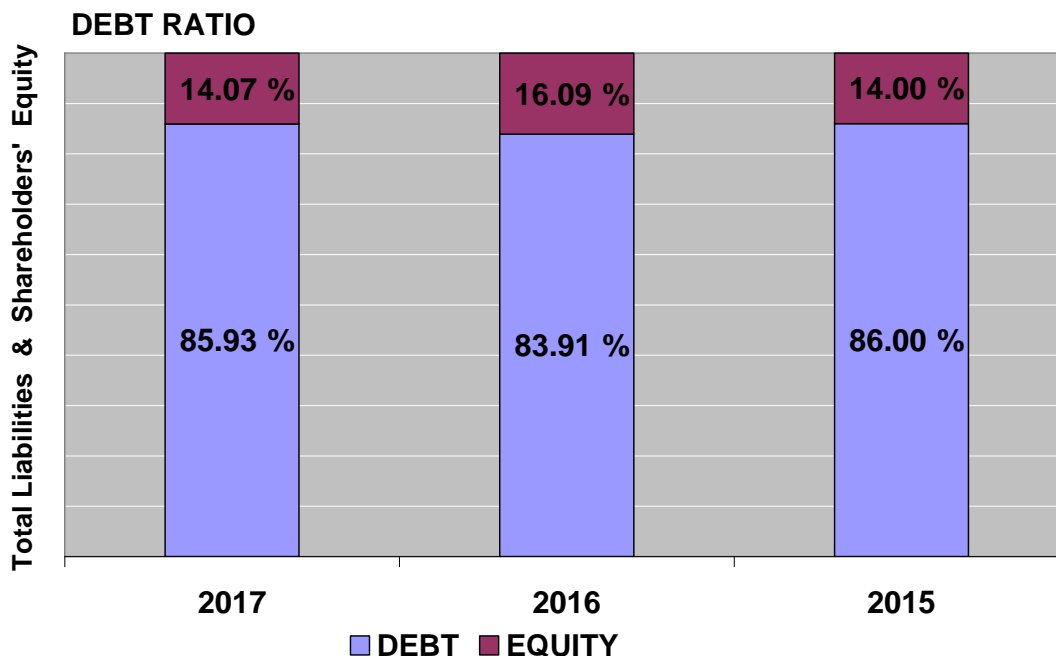
The Quick Ratio is a liquidity indicator that further refines the current ratio by measuring the amount of the most liquid current assets there are to cover current liabilities. The company's figure is 0.6 times in 2017, decrease from 0.72 times, then the company has not enough current assets that presumably 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 255 days.

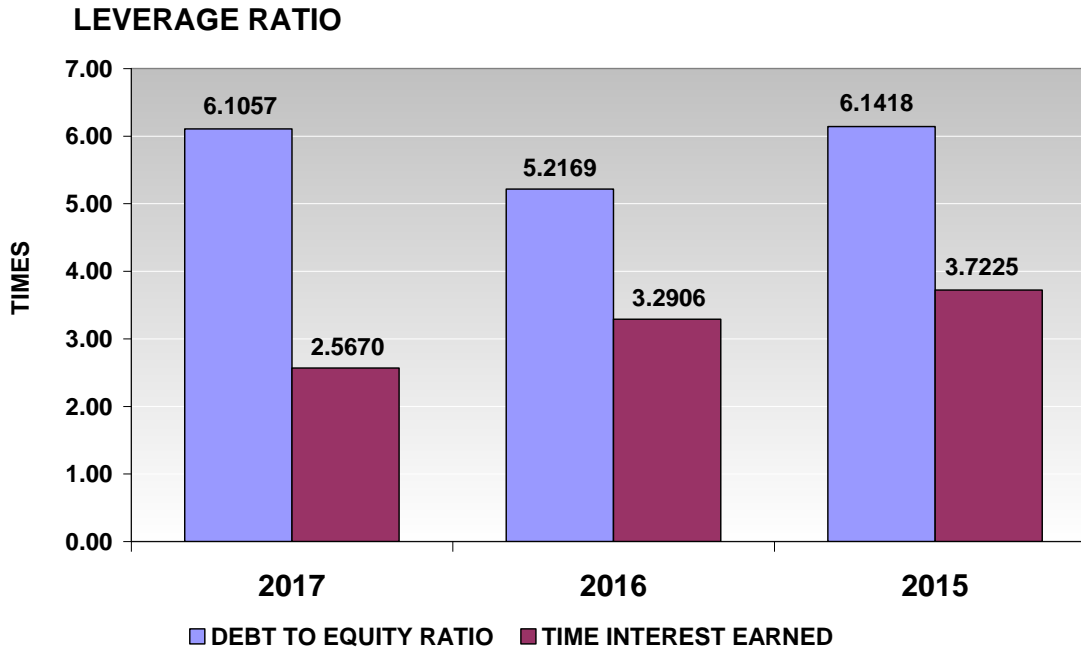
Trend of the average competitors in the same industry for last 5 years

Current Ratio Downtrend

LEVERAGE : IMPRESSIVE



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LEVERAGE RATIO

Debt Ratio	0.86	Impressive	Industrial Average	0.93
Debt to Equity Ratio	6.11	Satisfactory	Industrial Average	14.04
Times Interest Earned	2.57	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 2.57 higher than 1, so the company can pay interest expenses on outstanding debt.

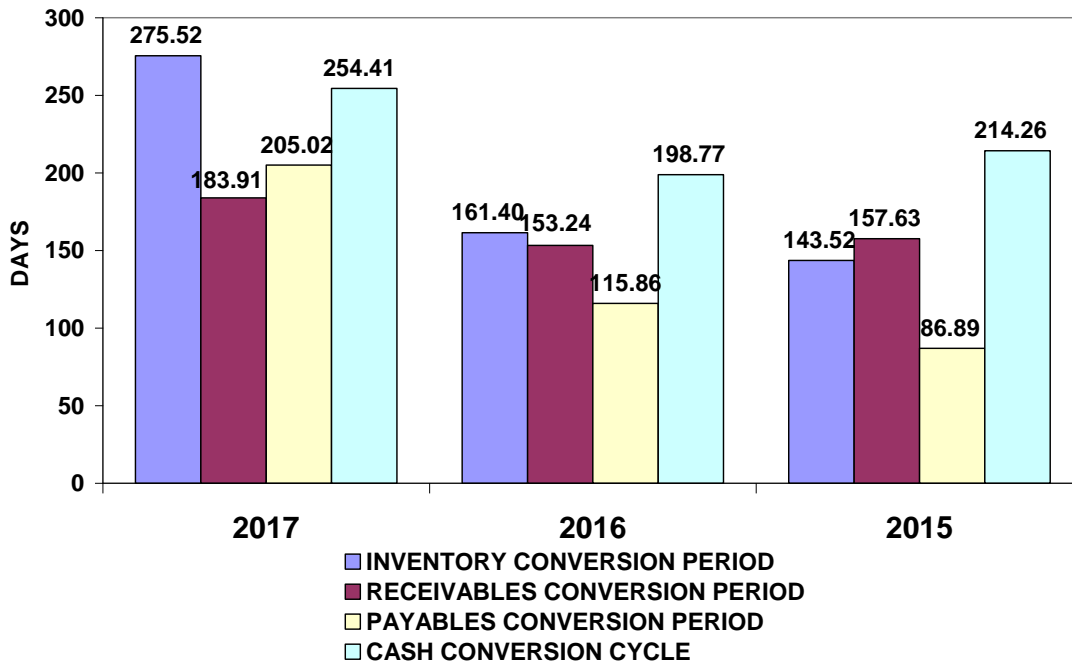
Debt Ratio shows the proportion of a company's assets which are financed through debt. The company's figure is 0.86 greater than 0.5, most of the company's assets are financed through debt.

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

Debt Ratio	Uptrend
Times Interest Earned	Stable

ACTIVITY : SATISFACTORY

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ACTIVITY RATIO

Fixed Assets Turnover	24.29	Impressive	Industrial Average	-
Total Assets Turnover	0.78	Satisfactory	Industrial Average	1.33
Inventory Conversion Period	275.52			
Inventory Turnover	1.32	Deteriorated	Industrial Average	5.97
Receivables Conversion Period	183.91			
Receivables Turnover	1.98	Satisfactory	Industrial Average	2.75
Payables Conversion Period	205.02			

The company's Account Receivable Ratio is calculated as 1.98 and 2.38 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 161 days at the end of 2016 to 276 days at the end of 2017. This represents a negative trend. And Inventory turnover has decreased from 2.26 times in year 2016 to 1.32 times in year 2017.

The company's Total Asset Turnover is calculated as 0.78 times and 1.12 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	Uptrend
Inventory Turnover	Uptrend
Receivables Turnover	Downtrend

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.19
UK Pound	1	INR 91.46
Euro	1	INR 82.49
Thai baht	1	INR 2.18

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

INFORMATION DETAILS

Analysis Done by :	PRA
Report Prepared by :	SYL

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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)