

## MIRA INFORM REPORT

<b>Report No. :</b>	526236
<b>Report Date :</b>	22.08.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	SETA SA EXTRATIVA TANINO DE ACACIA
<b>Registered Office :</b>	Av 1 De Maio 1109 Das Rosas, 93600 Estancia Velha
<b>Country :</b>	Brazil
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	15.09.1966
<b>Com. Reg. No.:</b>	89.717.268/0001-52
<b>Legal Form :</b>	Closed joint stock company
<b>Line of Business :</b>	<ul style="list-style-type: none"> <li>• Manufacture of other organic basic chemicals</li> <li>• Subject is engaged in the provision of forestry services</li> </ul>
<b>No. of Employees :</b>	251 [2017]

**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>	Excellent
<b>Payment Behaviour :</b>	Regular
<b>Litigation :</b>	Clear

**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 (31.12.2017)	Current Rating (01.04.2018)
Brazil	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

**BRAZIL - ECONOMIC OVERVIEW**

Brazil is the eighth-largest economy in the world, but is recovering from a recession in 2015 and 2016 that ranks as the worst in the country's history. In 2017, Brazil's GDP grew 1%, inflation fell to historic lows of 2.9%, and the Central Bank lowered benchmark interest rates from 13,75% in 2016 to 7% in 2017.

Economic reforms, proposed in 2016, aim to slow the growth of government spending and reduce barriers to foreign investment. Government spending growth pushed public debt to 73.7% of GDP at the end of 2017, up from over 50% in 2012. Policies to strengthen Brazil's workforce and industrial sector, such as local content requirements, have boosted employment at the expense of investment.

Former President Dilma ROUSSEFF was impeached and convicted in August 2016 for moving funds among government budgets; the economy has also been affected by multiple corruption scandals involving private companies and government officials. Sanctions against the firms involved — some of the largest in Brazil — have limited their business opportunities, producing a ripple effect on associated businesses and contractors but creating opportunities for foreign companies to step into what had been a closed market. The following TEMER administration implemented a series of fiscal and structural reforms to restore credibility to government finances. Congress approved legislation in December 2016 to cap public spending, and in mid-2017 passed labor reforms. The government also boosted infrastructure projects, such as oil and natural gas auctions, in part to raise revenues.

Brazil is a member of the Common Market of the South (Mercosur), a trade bloc that includes Argentina, Paraguay and Uruguay - Venezuela's membership in the organization was suspended In August 2017. After the Asian and Russian financial crises, Mercosur adopted a protectionist stance to guard against exposure to volatile foreign markets and it currently is negotiating Free Trade Agreements with the European Union and Canada.

Source : CIA

## **COMPANY NAME**

Name Seta SA Extrativa Tanino De Acacia

## **SUMMARY**

**Company name** Seta SA Extrativa Tanino De Acacia  
**Operative address** Av 1 De Maio 1109 Das Rosas  
93600 Estancia Velha  
Brazil  
**Status** Active  
**Specification** This company can meet all its obligations.  
**Legal form** Closed joint stock company  
**Registration number** VAT/Tax number: 89.717.268/0001-52  
**VAT-number** 89.717.268/0001-52

Year	2017	Mutation	2016	Mutation	2015
Fixed assets	20.476.920	-6,54	21.910.553	29,04	16.980.089
Total receivables	5.781.579	-27,44	7.968.479	21,07	6.581.975
Total equity	20.677.598	-6,44	22.100.666	33,90	16.505.394
Short term liabilities	3.088.064	-11,62	3.494.252	-7,92	3.794.733
Net result	1.725.927	-30,82	2.494.772	-10,74	2.795.005
Working capital	6.733.536	-15,73	7.990.898	35,42	5.900.983
Quick ratio	2,02	-38,60	3,29	77,84	1,85

## **CONTACT INFORMATION**

**Company name** Seta SA Extrativa Tanino De Acacia  
**Trade names** Seta  
**Operative address** Av 1 De Maio 1109 Das Rosas  
93600 Estancia Velha  
Brazil  
**Correspondence address** Av 1 De Maio 1109 Das Rosas  
93600 Estancia Velha  
Brazil  
**Email address** seta-sa@seta-sa.com.br  
**Website** www.setaonline.com

## **REGISTRATION**

**Registration number** VAT/Tax number: 89.717.268/0001-52

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

VAT-number	89.717.268/0001-52
Status	Active
Establishment date	1966-09-15
Legal form	Closed joint stock company
Subscribed share capital	BRL 42.495.000

## **ACTIVITIES**

NACE	2014: Manufacture of other organic basic chemicals
Goal	Engaged in the provision of forestry services

## **RELATIONS**

Shareholders	ULTIMATE GLOBAL SHAREHOLDER
	Name: SETA SA EXTRATIVA TANINO DE ACACIA
	National id number: 89.717.268/0001-52
	Address: AV 1 DE MAIO 1109
	City: ESTANCIA VELHA
	Country: BR
	Website: <a href="http://www.setaonline.com">www.setaonline.com</a>
	Type: Corporate
	Share direct: 100.00%
	Share total: 100.00%
Turnover: 22.96340347 mil. BRL	
Total assets: 30.30101969 mil. BRL	
Profit loss before tax: 5.46900073 mil. BRL	
Profit loss after tax net income: 6.8460003 mil. BRL	
Shareholders funds: 82.01899983 mil. BRL	

Branches	Name: SETA SA EXTRATIVA TANINO DE ACACIA
	National id number: 89.717.268/0005-86
	Address: R PALMAS
	City: ENCRUZILHADA DO SUL
	Country: BR
Phone: +55 14 997315634	

Name: SETA SA EXTRATIVA TANINO DE ACACIA
National id number: 89.717.268/0006-67
Address: EST TRES PORTEIRAS
City: CANGUCU
Country: BR

## **MANAGEMENT**

### **Management**

Fullname: Mr Carlos Alfredo Leuck  
Type: Individual  
Gender: Male  
Number of involvements: 6  
Function: President  
Level of responsibility: President / Chairman; Unspecified executive

Fullname: Mr Diogo Carlos Leuck  
Type: Individual  
Gender: Male  
Number of involvements: 7  
Function: Director  
Level of responsibility: Member; Unspecified executive

## **EMPLOYEES**

Year **2017**  
Annual 251

## **FINANCIAL ANALYSIS**

Trend Fluctuating  
Profitability More than sufficient  
Solvability More than sufficient  
Liquidity Sufficient  
Show amount in Euro

## **KEY FIGURES**

Year	2017	2016	2015	2014
Quick ratio	2,02	3,29	1,85	2,26
Current ratio	3,18	3,29	2,56	3,00
Working capital/ balance total	0,22	0,24	0,22	0,21
Equity / balance total	0,68	0,66	0,62	0,63
Equity / Fixed assets	1,01	1,01	0,97	0,92
Working capital	6.733.536	7.990.898	5.900.983	6.402.381
Equity	20.677.598	22.100.666	16.505.394	19.021.401
Mutation equity	-6,44	33,90	-13,23	

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**SETA SA EXTRATIVA TANINO DE ACACIA - 526236**

**PAGE NO. : 7**

Mutation short term liabilities	-11,62	-7,92	18,77	
Return on total assets (ROA)	4,55	7,29	15,78	10,05
Return on equity (ROE)	6,67	11,02	25,50	15,97
Gross profit margin	7,48	13,88	16,59	10,26
Net profit margin	7,52	7,45	12,35	8,99
Average collection ratio	7,44	9,58	5,96	7,38
Average payment ratio	3,97	4,20	3,44	4,30
Equity turnover ratio	1,11	1,51	1,37	1,24
Total assets turnover ratio	0,76	1,00	0,85	0,78
Fixed assets turnover ratio	1,12	1,53	1,33	1,14
Inventory conversion ratio	6,42		8,44	9,98
Turnover	22.962.951	33.476.639	22.622.789	23.588.683
Gross margin	7.710.453	13.292.833	10.390.586	9.862.960
Operating result	1.716.599	4.647.455	3.752.862	2.419.614
Net result after taxes	1.725.927	2.494.772	2.795.005	2.120.690
Cashflow		3.042.404		
EBITDA		5.195.088		

**Summary**

The 2017 financial result structure is a positive working capital of 6.733.536 euro, which is in agreement with 22 % of the total assets of the company.

The working capital has diminished with -15.73 % compared to previous year. The ratio, with respect to the total assets of the company has however, declined.

The deterioration between 2016 and 2017 has mainly been caused by a change of the current liabilities.

The current ratio of the company in 2017 was 3.18. If the current ratio exceeds 3.0, the company may not be using its current assets or its short-term financing facilities efficiently .

The quick ratio in 2017 of the company was 2.02. A company with a Quick Ratio of more than 1 can currently pay back its current liabilities.

The 2016 financial result structure is a positive working capital of 7.990.898 euro, which is in agreement with 24 % of the total assets of the company.

The working capital has increased with 35.42 % compared to previous year. The ratio, with respect to the total assets of the company has however, increased.

The improvement between 2015 and 2016 has mainly been caused by a change of the current assets.

The current ratio of the company in 2016 was 3.29. If the current ratio exceeds 3.0, the company may not be using its current assets or its short-term financing facilities efficiently .

The quick ratio in 2016 of the company was 3.29. A company with a Quick Ratio of more than 1 can currently pay back its current liabilities.

## **FINANCIAL STATEMENT**

<b>Last annual account</b>	2017
<b>Remark annual account</b>	The company is obliged to file its financial statements.
<b>Type of annual account</b>	Corporate
<b>Annual account</b>	<b>Seta SA Extrativa Tanino De Acacia</b> Av 1 De Maio 1109 Das Rosas 93600 Estancia Velha Brazil

## **BALANCE**

<b>Year</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
End date	2017-12-31	2016-12-31	2015-12-31	2014-12-31
Type of annual account	Corporate	Corporate	Corporate	Corporate
<b>Intangible fixed assets</b>	<b>129.079</b>	<b>149.646</b>	<b>129.141</b>	<b>231.946</b>
<b>Tangible fixed assets</b>	<b>8.749.136</b>	<b>9.191.846</b>	<b>7.869.154</b>	<b>8.103.833</b>
Other fixed assets	11.598.706	12.569.061	8.981.793	12.284.745
<b>Fixed assets</b>	<b>20.476.920</b>	<b>21.910.553</b>	<b>16.980.089</b>	<b>20.620.523</b>
<b>Total stock</b>	<b>3.577.404</b>		<b>2.679.036</b>	<b>2.364.419</b>
<b>Total receivables</b>	<b>5.781.579</b>	<b>7.968.479</b>	<b>6.581.975</b>	<b>5.480.490</b>
Liquid funds	7.311	30.861	6.586	1.466.405
Other current assets	455.306	3.485.809	428.119	286.211
<b>Current assets</b>	<b>9.821.600</b>	<b>11.485.150</b>	<b>9.695.716</b>	<b>9.597.525</b>
<b>Total assets</b>	<b>30.298.521</b>	<b>33.395.702</b>	<b>26.675.805</b>	<b>30.218.048</b>
<b>Total equity</b>	<b>20.677.598</b>	<b>22.100.666</b>	<b>16.505.394</b>	<b>19.021.401</b>
Provisions	3.810.856	4.654.151	3.646.773	4.362.624
<b>Long term liabilities</b>	<b>2.722.004</b>	<b>3.146.632</b>	<b>2.728.905</b>	<b>3.638.879</b>
Accounts payable	771.449	832.949	586.899	468.543
Liabilities towards credit institutes	3.277			
Other short term liabilities	2.313.338	2.661.303	3.207.834	2.726.601
<b>Short term liabilities</b>	<b>3.088.064</b>	<b>3.494.252</b>	<b>3.794.733</b>	<b>3.195.144</b>
<b>Total liabilities</b>	<b>30.298.521</b>	<b>33.395.702</b>	<b>26.675.805</b>	<b>30.218.048</b>

### **Summary**

The total assets of the company decreased with -9.27 % between 2016 and 2017.

This total assets decrease has been reflected in a reduction of non current assets of -6.54 %.

In 2017 the assets of the company were 67.58 % composed of fixed assets and 32.42 % by current assets. The assets are being financed by an equity of 68.25 %, and total debt of 31.75 %.

The total assets of the company increased with 25.19 % between 2015 and 2016.

The total asset increase is retrievable in the fixed asset growth of 29.04 %.

In 2016 the assets of the company were 65.61 % composed of fixed assets and 34.39 % by current assets. The assets are being financed by an equity of 66.18 %, and total debt of 33.82 %.

## **PROFIT AND LOSS**

<b>Year</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Revenues	22.811.939	33.084.765	22.036.596	22.978.741
<b>Net turnover</b>	<b>22.962.951</b>	<b>33.476.639</b>	<b>22.622.789</b>	<b>23.588.683</b>
Cost of sales	15.252.498	20.183.806	12.232.203	13.725.723
<b>Gross margin</b>	<b>7.710.453</b>	<b>13.292.833</b>	<b>10.390.586</b>	<b>9.862.960</b>
Amorization and depreciation		547.633		
Operating expenses	5.993.854	8.645.378	6.637.724	7.443.346
<b>Operating result</b>	<b>1.716.599</b>	<b>4.647.455</b>	<b>3.752.862</b>	<b>2.419.614</b>
Financial income	929.268	1.611.455	2.359.594	1.616.487
Financial expenses	1.267.092	3.823.531	1.903.482	998.172
Financial result	-337.824	-2.212.076	456.111	618.315
<b>Result on ordinary operations before taxes</b>	<b>1.378.775</b>	<b>2.435.379</b>	<b>4.208.973</b>	<b>3.037.929</b>
Taxation on the result of ordinary activities	483.290	817.519	1.579.806	1.080.966
<b>Result of ordinary activities after taxes</b>	<b>895.486</b>	<b>1.617.860</b>	<b>2.629.167</b>	<b>1.956.964</b>
Extraordinary income	830.442	876.911	597.014	163.726
Extraordinary expense			431.177	
Extraordinary result before taxation	830.442	876.911	165.837	163.726
<b>Net result</b>	<b>1.725.927</b>	<b>2.494.772</b>	<b>2.795.005</b>	<b>2.120.690</b>

### **Summary**

The turnover of the company decreased by -31.41 % between 2016 and 2017.

The gross profit of the company decreased by -42 % between 2016 and 2017.

The operating result of the company declined with -63.06 % between 2016 and 2017. This evolution implies an decrease of the company's economic profitability.

The result of these changes is a reduction of the company's Economic Profitability of -37.59 % of the analysed period, being equal to 4.55 in the year 2017.

This fall has contributed to a asset turnover decrease, whose index evolved from -24 to a level of 0.76.

The Net Result of the company decreased by -30.82 % between 2016 and 2017.

The company's Financial Profitability has been positively affected by the financial activities in comparison to the EBITs behaviour.

The result of these variations is a profitability increase of -39.47 % of the analysed period, being 6.67 in the year 2017.

The company's financial profitability has been positively affected by

its financial structure.

The turnover of the company grew with 47.98 % between 2015 and 2016.

The gross profit of the company grew with 27.93 % between 2015 and 2016.

The operating result of the company grew with 23.84 % between 2015 and 2016. This evolution implies an increase of the company's economic profitability.

The result of these changes is a reduction of the company's Economic Profitability of -53.8 % of the analysed period, being equal to 7.29 in the year 2016.

Despite the decline the assets turnover increased by 17.65 % reaching 1.

The Net Result of the company decreased by -10.74 % between 2015 and 2016.

The company's Financial Profitability has been negatively affected by the financial activities in comparison to the EBITs behaviour.

The result of these variations is a profitability reduction of -56.78 % of the analysed period, being 11.02 in the year 2016.

The company's financial profitability has been positively affected by its financial structure.

## **COUNTRY INFORMATION**

Population	206.1 million
GDP per capita	8.727 USD
Country risk	Average
Company risk	Below average

## **PUBLICATIONS**

Remarks	Status: Active
	Category: Large company
	Last year: 2017
	Turnover last year: 22.962.951 EUR
	Result last year: 1.725.927 EUR
	TOTAL assets last year: 30.298.521 EUR
	Number of employees: 251
	Number of shareholders: 0
	Number of subsidiaries: 0
	Number of branches: 2

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.67
UK Pound	1	INR 89.40
Euro	1	INR 80.25
BRL	1	INR 17.26

**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>	SYL

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**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)

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.