

ELASTOTEC INDUSTRIA E COMERCIO DE ARTEFATOS DE BORRACHA EIRELI - 540900

PAGE NO. : 1

MIRA INFORM REPORT

Report No. :	540900
Report Date :	01.12.2018

IDENTIFICATION DETAILS

Name :	ELASTOTEC INDUSTRIA E COMERCIO DE ARTEFATOS DE BORRACHA EIRELI
Registered Office :	Rua Pereira Da Fonseca, 449 – EDEN, 18103-043 - SOROCABA/SP
Country :	Brazil
Date of Incorporation :	23.09.1985
Legal Form :	Limited Liability Proprietorship
Line of Business :	Manufacture of rubber products.
No. of Employees :	70

RATING & COMMENTS

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

MIRA's Rating :	C
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Credit Rating	Explanation	Rating Comments
C	Medium High Risk	Business dealings permissible preferably on secured basis

Status :	Poor
Payment Behaviour :	Slow and delayed
Litigation :	Exist

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

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ELASTOTEC INDUSTRIA E COMERCIO DE ARTEFATOS DE BORRACHA EIRELI - 540900

PAGE NO. : 2

ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
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

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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%.

The economy has been negatively affected by multiple corruption scandals involving private companies and government officials, including the impeachment and conviction of Former President Dilma ROUSSEFF in August 2016. 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 succeeding TEMER administration has implemented a series of fiscal and structural reforms to restore credibility to government finances. Congress approved legislation in December 2016 to cap public spending. Government spending growth had pushed public debt to 73.7% of GDP at the end of 2017, up from over 50% in 2012. The government also boosted infrastructure projects, such as oil and natural gas auctions, in part to raise revenues. Other economic reforms, proposed in 2016, aim to reduce barriers to foreign investment, and to improve labor conditions. Policies to strengthen Brazil's workforce and industrial sector, such as local content requirements, have boosted employment, but at the expense of investment.

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

ELASTOTEC INDUSTRIA E COMERCIO DE ARTEFATOS DE BORRACHA EIRELI - 540900

PAGE NO. : 4

COMPANY NAME

ELASTOTEC INDUSTRIA E COMERCIO DE ARTEFATOS DE BORRACHA EIRELI

ADDRESSES

MAIN ADDRESS:
ZIP CODE/CITY:

RUA PEREIRA DA FONSECA, 449 – EDEN,
18103-043 - SOROCABA/SP

PHONE:
E-MAIL:
WEB SITE:

15 3235-2122
elisiane@elastotec.com.br
www.elastotec.com.br

EMARK:

THE INFORMED ADDRESS IS WRONG. THE CORRECT ONE IS STATED
ABOVE

BRANCHES:

NOT AVAILABLE.

LEGAL DATA

MAIN ACTIVITIES:

MANUFACTURE OF RUBBER PRODUCTS.

LEGAL FORM:

LIMITED LIABILITY PROPRIETORSHIP

INCORPORATION DATE:
REGISTER DATE:
BALANCE SHEET FILING DATE:
TAX CONTRIBUTOR NUMBER (CNPJ):
STATE REGISTER:

23/09/1985
04/10/1985
31/12
54.988.308/0001-16
669.138.433.111

SHARE CAPITAL:

R\$ 2.000.000,00

BOARD OF DIRECTORS:

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ELASTOTEC INDUSTRIA E COMERCIO DE ARTEFATOS DE BORRACHA EIRELI - 540900

PAGE NO. : 5

JOSE RICARDO LOPES DE CARVALHO

MANAGER

AUTHORIZED USE OF SIGNATURE

THE MANAGER IS AUTHORIZED TO SIGN ON BEHALF OF THE COMPANY.

SHAREHOLDERS / PARTNERS:

JOSE RICARDO LOPES DE CARVALHO

100,00%

AFFILIATES / SUBSIDIARIES:

NOT AVAILABLE.

COMPANY'S BACKGROUND

THE SUBJECT WAS ESTABLISHED ON SEPTEMBER 23, 1985 AS ELASTOTEC ARTEFATOS DE BORRACHA LTDA TO BE ENGAGED IN THE SAID LINE OF BUSINESS. ON DECEMBER 22, 2003 IT CHANGED TO ELASTOTEC INDUSTRIA E COMERCIO DE ARTEFATOS DE BORRACHA LTDA. ON JULY 16, 2015 IT ADOPTED THE ABOVE-MENTIONED NAME AND UP TO DATE IT IS STILL OPERATING WITHIN THE GENERAL SCENE REPORTED HEREIN.

OWNER:

JOSE RICARDO LOPES DE CARVALHO, BRAZILIAN, HOLDER OF DOCUMENTS CPF: 036.866.558-53, RG/RNE: 24153680 - SP, RESIDENTIAL ADDRESS AT RUA JENNY ALONSO DIENER, 11, JD IBITI DO PACO, SOROCABA - SP, ZIP CODE: 18086-320.

FURTHER DETAILS ARE SO FAR NOT KNOWN.

REMARKS:

WHEN CONTACTING THE SUBJECT WE INTERVIEWED MS. ELISIANE - FINANCIAL DEPARTMENT, WHO INFORMED THAT WOULD NOT DISCLOSE ANY KIND OF INFORMATION UNLESS THE INQUIRING PARTY'S NAME WAS DISCLOSED.

IF IT IS POSSIBLE TO DISCLOSE THE NAME OF THE INTERESTED SUPPLIER OF THE SUBJECT, WE MAY RESUME OUR CONTACTS AND TRY TO OBTAIN FURTHER INFORMATION.

THE DATA CONTAINED HEREIN WERE OBTAINED FROM OUTSIDE SOURCES, OUR DATABASE AND OFFICIAL. NO FURTHER DATA WAS AVAILABLE WITH SEVERAL SOURCES USUALLY INVESTIGATED.

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ELASTOTEC INDUSTRIA E COMERCIO DE ARTEFATOS DE BORRACHA EIRELI - 540900

PAGE NO. : 6

PUBLIC RECORDS INFORMATION:

PROTESTS:

460 PROTESTS, TOTAL AMOUNT R\$ 2.477.137,00
DATE OF FIRST PROTEST: JULY/2015
DATE OF HIGHEST PROTEST: SEPTEMBER/2018

DETAILS OF LATEST PROTESTS:

NOTARY OFFICE:	DATE:	VALUE:
CARTORIO DE SP-SOROCABA	19/04/2018	R\$ 88.943,00
CARTORIO DE SP-SOROCABA	20/06/2018	R\$ 53.856,00
CARTORIO DE SP-SOROCABA	20/07/2018	R\$ 34.952,00
CARTORIO DE SP-SOROCABA	22/08/2018	R\$ 23.400,00
CARTORIO DE SP-SOROCABA	21/03/2018	R\$ 45.645,00

LAWSUITS:

	DATE:	COURT OF LAW:
1 MUNICIPAL LAWSUIT	02/02/18	1ª VARA DE SP-SOROCABA
1 MUNICIPAL LAWSUIT	02/02/18	1ª VARA DE SP-SOROCABA
1 MUNICIPAL LAWSUIT	16/04/18	1ª VARA DE SP-SOROCABA
1 JUDICIAL RECOVERY PETITION	21/10/15	2ª VARA DE SP-SOROCABA
JUDICIAL RECOVERY ADJUDGED	05/09/17	2ª VARA DE SP-SOROCABA

THE SUBJECT HAS FILED FOR JUDICIAL RECOVERY ON ABOVE MENTIONED DATE. JUDICIAL RECOVERY IS A VOLUNTARY PROCEEDING WHICH MAY BE ADOPTED BY COMPANIES WHICH ARE FACING FINANCIAL PROBLEMS AND NEED THE PROTECTION OF BRAZILIAN BANKRUPTCY LAW BENEFITS IN ORDER TO TRY TO IMPROVE THE FINANCIAL STANDING.

THE JUDICIAL RECOVERY UNDER BRAZILIAN BANKRUPTCY LAW IS SIMILAR TO THE PROCEEDINGS OF CHAPTER 11 OF USA BANKRUPTCY LAW.

THE COMPANY SUBJECT TO JUDICIAL RECOVERY IS REQUIRED TO PRESENT RECOVERY PLAN TO BE APPROVED BY THE MAJORITY OF ITS CREDITORS IN A GENERAL CREDITORS ASSEMBLY. PROVIDED THE RECOVERY PLAN IS APPROVED BY THE CREDITORS THE COURT GRANTS THE COMPANY THE RIGHTS OF OPERATING UNDER THE LAW PROTECTION AND A JUDICIAL ADMINISTRATOR IS APPOINTED TO SUPERVISE THE ACCOMPLISHING OF THE PAYMENT TERMS AND THE EXECUTION OF THE RECOVERY PLAN AS APPROVED.

THE JUDICIAL RECOVERY PROCEEDINGS ARE VERY EFFICIENT TO PROTECT THE COMPANIES AND TO GRANT THEM POSSIBILITIES TO RECOVERY FROM FINANCIAL PROBLEMS BUT THE APPROVAL OF THE CREDITORS AND IN-DEEP ACCOMPLISHMENT OF RECOVERY PLAN IS ESSENTIAL TO MAKE SURE THE COMPANY WILL KEEP THE LAW PROTECTION AS GRANTED BY THE COURT AND WILL BE SUCCESSFUL IN RECOVERING FROM THE FINANCIAL PROBLEMS WHICH LEAD IT TO REQUIRE THE JUDICIAL RECOVERY PROCEEDINGS PROTECTION.

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FINANCIAL INFORMATION

DUE TO THE SUBJECT'S LEGAL FORM, IT IS NOT OBLIGED TO PUBLISH THE BALANCE SHEET INFORMATION. WHEN INTERVIEWING SOURCES AT THE SUBJECT COMPANY DECLINED TO PROVIDE ANY KIND OF FINANCIAL INFORMATION.

OUR INVESTIGATION THROUGH THE OUTSIDE SOURCES SHOWED NO FINANCIAL DATA ABOUT THE SUBJECT.

COMMENTS ON THE FINANCIAL INFORMATION:

IN THE ABSENCE OF FINANCIAL INFORMATION NO COMMENTS CAN BE MADE ABOUT THE SUBJECT'S CURRENT FINANCIAL STANDING.

REAL ESTATE:

NOT AVAILABLE

VEHICLES:

NOT AVAILABLE

MACHINES:

NOT AVAILABLE

INSURANCE

NOT AVAILABLE.

BANKING REFERENCES

NOT AVAILABLE.

REMARKS: IN BRAZIL THE BANKS ARE PROHIBITED BY LAW TO PROVIDE INFORMATION OR ANY KIND OF COMMENTS ABOUT THEIR CLIENTS. DUE TO THIS LAW PROHIBITION WE ARE UNABLE TO PROVIDE ANY BANKING DETAILS.

ACCORDING TO THE CENTRAL BANK OF BRAZIL OFFICIAL REPORT, THE COMPANY HAS NOT RETURNED CHECKS UP TO DATE. (IN THE TERMS OF "CIRCULAR 1682 BRAZILIAN CENTRAL BANK").

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ACTIVITIES COMMENTS

MANUFACTURE OF RUBBER PRODUCTS.

IMPORT AND EXPORT:

IMPORTS FROM:
NOT AVAILABLE.

EXPORTS TO:
NOT AVAILABLE.

MAIN CLIENTS:

DOMESTIC CLIENTS:
NOT AVAILABLE.

STAFF:

THE COMPANY HAS: 70 EMPLOYEES

CONCEPT AND FULFILMENT

THE SUBJECT IS A COMPANY IN BUSINESS FOR SEVERAL YEARS BUT HAS FACED FINANCIAL PROBLEMS AND WAS LEAD TO REQUIRE THE PROTECTION OF THE JUDICIAL RECOVERY PROCEEDINGS UNDER THE BRAZILIAN BANKRUPTCY LAW.

THE JUDICIAL RECOVERY PROCEEDINGS ARE CONSIDERED A VERY EFFICIENT WAY TO THE COMPANIES TO RECOVER FROM FINANCIAL PROBLEMS BUT THE POSITIVE RESULTS OF THE RECOVERY PLAN CANNOT BE SAFELY ASSURED AND THE RISK OF BANKRUPTCY CAN STILL EXIST IN SOME CASES.

FURTHER, THE COMPANY ALSO HAS 8 OUTSTANDING DEBTS WITH FINANCIAL INSTITUTIONS IN THE TOTAL AMOUNT OF R\$ 477.883,00.

MAIN SUPPLIERS:

DOMESTIC SUPPLIERS:
NOT AVAILABLE.

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ELASTOTEC INDUSTRIA E COMERCIO DE ARTEFATOS DE BORRACHA EIRELI - 540900

PAGE NO. : 9

PAYMENT HISTORY:

Slow and delayed

FINAL OPINION

THE SUBJECT IS A COMPANY IN BUSINESS FOR SEVERAL YEARS BUT AS IT IS OPERATING UNDER JUDICIAL RECOVERY PROCEEDINGS OPERATIONS SHOULD PREFERABLY BE CARRIED OUT ON SECURED TERMS.

ELASTOTEC INDUSTRIA E COMERCIO DE ARTEFATOS DE BORRACHA EIRELI - 540900

PAGE NO. : 10

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.66
UK Pound	1	INR 89.08
Euro	1	INR 79.36
BRL	1	INR 18.04

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

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	TRU

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ELASTOTEC INDUSTRIA E COMERCIO DE ARTEFATOS DE BORRACHA EIRELI - 540900

PAGE NO. : 11

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)

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