

## MIRA INFORM REPORT

<b>Report No. :</b>	542663
<b>Report Date :</b>	05.12.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	HERBS N SPICES INTERNATIONAL COMPANY LIMITED
<b>Registered Office :</b>	Unit 403, Ocean Park Building, No. 01, Dao Duy Anh Street, Phuong Mai Ward, Dong Da District, Ha Noi City
<b>Country :</b>	Vietnam
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	16.02.2016
<b>Com. Reg. No.:</b>	0107327495
<b>Legal Form :</b>	Limited liability company (FDI)
<b>Line of Business :</b>	The subject specializes in trading agricultural products
<b>No. of Employees :</b>	10

**RATING & COMMENTS**

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

**MIRA's Rating :**

B

Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

<b>Status :</b>	Moderate
<b>Payment Behaviour :</b>	Slow but Correct
<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 (30.06.2018)	Current Rating (30.09.2018)
Vietnam	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

**VIETNAM - ECONOMIC OVERVIEW**

Vietnam is a densely populated developing country that has been transitioning since 1986 from the rigidities of a centrally planned, highly agrarian economy to a more industrial and market based economy, and it has raised incomes substantially. Vietnam exceeded its 2017 GDP growth target of 6.7% with growth of 6.8%, primarily due to unexpected increases in domestic demand, and strong manufacturing exports.

Vietnam has a young population, stable political system, commitment to sustainable growth, relatively low inflation, stable currency, strong FDI inflows, and strong manufacturing sector. In addition, the country is committed to continuing its global economic integration. Vietnam joined the WTO in January 2007 and concluded several free trade agreements in 2015-16, including the EU-Vietnam Free Trade Agreement (which the EU has not yet ratified), the Korean Free Trade Agreement, and the Eurasian Economic Union Free Trade Agreement. In 2017, Vietnam successfully chaired the Asia-Pacific Economic Cooperation (APEC) Conference with its key priorities including inclusive growth, innovation, strengthening small and medium enterprises, food security, and climate change. Seeking to diversify its opportunities, Vietnam also signed the Comprehensive and Progressive Agreement for the Transpacific Partnership in 2018 and continued to pursue the Regional Comprehensive Economic Partnership.

To continue its trajectory of strong economic growth, the government acknowledges the need to spark a 'second wave' of reforms, including reforming state-owned-enterprises, reducing red tape, increasing business sector transparency, reducing the level of non-performing loans in the banking sector, and increasing financial sector transparency. Vietnam's public debt to GDP ratio is nearing the government mandated ceiling of 65%.

In 2016, Vietnam cancelled its civilian nuclear energy development program, citing public concerns about safety and the high cost of the program; it faces growing pressure on energy infrastructure. Overall, the country's infrastructure fails to meet the needs of an expanding middle class. Vietnam has demonstrated a commitment to sustainable growth over the last several years, but despite the recent speed-up in economic growth the government remains cautious about the risk of external shocks.

Source : CIA

## **GENERAL INFORMATION**

Given Information		Verification
Name	HERBS N SPICES INTERNATIONAL CO., LTD	The registered English name is HERBS N SPICES INTERNATIONAL COMPANY LIMITED
Tax ID	0107327495	Correct
Address	Phòng 2306, tầng 23, Tòa nhà ICON4, 243A Đê La Thành, Phường Láng Thượng, Quận Đống Đa, Hà Nội	Former address
Tel/Fax/Email	84-24-66844141/84-24-66854141	Correct

## **SUBJECT IDENTIFICATION & LEGAL FORM**

Current legal status	
English Name	HERBS N SPICES INTERNATIONAL COMPANY LIMITED
Vietnamese Name	CONG TY TNHH HERBS N SPICES INTERNATIONAL
Short name	HERBS N SPICES INT CO., LTD
Type of Business	Limited liability company (FDI)
Year Established	2016
Investment Certificate No	N/A
Business Registration No.	0107327495
Date of Registration	16 Feb 2016
Place of Registration	Department of Planning and Investment of Hanoi City
Charter capital	VND 329,000,000
Listed Company	No
Tax code	0107327495
Total Employees	10
Size	Small

### *Historical Identification & Legal form*

List	Changed Items	Date of changes
1	Subject has got former Address: Unit 2306, 23 <sup>rd</sup> Floor, ICON4 Building, No. 243A, De La Thanh Street, Lang Thuong Ward, Dong Da District, Hanoi City, Vietnam Changed to: Unit 403, Ocean Park Building, No. 01, Dao Duy Anh Street, Phuong Mai Ward, Dong Da District, Hanoi City, Vietnam	12 Jul 2018

## **ADDRESSES**

Head Office	
Address	Unit 403, Ocean Park Building, No. 01, Dao Duy Anh Street, Phuong Mai Ward, Dong Da District, Ha Noi City, Vietnam
Telephone	(84-24) 6684 4141
Fax	(84-24) 6685 4141
Email	<a href="mailto:herbsbspices99@gmail.com">herbsbspices99@gmail.com</a>
Website	<a href="http://herbsnspices.vn">http://herbsnspices.vn</a>

## **DIRECTORS**

1. NAME	Mr. RAKESH MEHRA
Position	General Director
Date of Birth	02 Mar 1966
ID Number/Passport	L6389300
ID Issue Date	03 Feb 2014
ID Issue Place	Amritsar City - India
Permanent Address	No. 26A, New Garden Colony, Amritsar City, India
Current Residence	House 27+28, Lot B, Cong Vi Street (No. 6, Nguyen Van Ngoc Street), Cong Vi Ward, Ba Dinh District, Ha Noi City, Vietnam
Nationality	Indian

## **BUSINESS NATURE AND ACTIVITIES**

The subject specializes in trading agricultural products.

## **TRADE REFERENCE AND IMPORT - EXPORT ACTIVITIES**

IMPORT:	
Market	Indonesia
Ratio	T/T
EXPORT:	
Market	India, USA, and some countries in Central Europe

Mode of payment	T/T, D/P, L/C	
<b>BANKERS</b>		
1. JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM BA DINH BRANCH		
Address	HANDI RESCO Building, No. 521, Kim Ma Street, Ngoc Khanh Ward, Ba Dinh District, Ha Noi City, Vietnam	
Telephone	(84-24) 3766 5318	
Fax	(84-24) 3766 5313	
2. HOCHIMINH HOUSING DEVELOPMENT JOINT STOCK BANK HA NOI BRANCH		
Address	Block 1, 2C House, Doan Ngoai Giao Van Phuc, Ngoc Khanh Ward, Ba Dinh District, Ha Noi City, Vietnam	
Telephone	(84-24) 3747 4393	
Fax	(84-24) 3747 4394	
<b>SHAREHOLDER</b>		
NAME	Mr. RAKESH MEHRA	
Position	General Director	
Date of Birth	02 Mar 1966	
ID Number/Passport	L6389300	
Issued on	03 Feb 2014	
Issued Place	Amritsar City - India	
Permanent Address	No. 26A, New Garden Colony, Amritsar City, India	
Current Residence	House 27+28, Lot B, Cong Vi Street (No. 6, Nguyen Van Ngoc Street), Cong Vi Ward, Ba Dinh District, Ha Noi City, Vietnam	
Nationality	Indian	
Percentage	100%	
<b>FINANCIAL DATA</b>		
BALANCE SHEET		
<i>Unit: One VND</i>		
Balance sheet date	FYE 31 Dec 2017	FYE 31 Dec 2016
ASSETS		
Current Assets	14,538,520,377	9,274,100,722
Inventories	3,017,419,399	2,646,405,861
Long-Term Assets	0	6,287,405
TOTAL ASSETS	14,538,520,377	9,280,388,127

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<b>LIABILITIES</b>		
LIABILITIES	10,928,764,959	5,897,074,705
OWNER'S EQUITY	3,609,755,418	3,383,313,422
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>14,538,520,377</b>	<b>9,280,388,127</b>

**PROFIT & LOSS STATEMENT**

Description	FYE 31 Dec 2017	FYE 31 Dec 2016
Total Sale	73,038,726,267	26,421,214,404
Net revenue	73,038,726,267	26,421,214,404
Profit after tax	226,441,996	93,313,422

**INDUSTRY DATA**

The subject is classified in: Office administrative and support activities; other business support service activities (Division 82 of ISIC)

Items	Industry	Percentage	All Industries
1. Annual average capital of enterprises (Bil VND)	53,259	0.20%	26,049,661
2. Value of fixed asset and long term investment (Bil VND)	21,447	0.17%	12,551,024
3. Net turnover from business of enterprises (Bil VND)	30,396	0.17%	17,436,430
4. Profit before taxes of enterprises (Bil VND)	1,811	0.25%	711,975
5. Number of employees	52,002	0.37%	14,012,276
6. Number of acting enterprises by size of capital (Total)	4,716	0.93%	505,059
6.1 Under 0.5 bil. VND	1,022	1.79%	57,181
6.2 From 0.5 to under 1 bil. VND	812	1.51%	53,662
6.3 From 1 to under 5 bil. VND	1,982	0.97%	204,024
6.4 From 5 to under 10 bil. VND	456	0.65%	69,773

Note: \* The data was calculated by VietnamCredit from annual publish of GSO Vietnam

**PAYMENT HISTORY & PERFORMANCE EXPERIENCES**

Trade Morality	Normal
Liquidity	Low/Medium
Payment status	Slow but correct
Financial Situation	Below Average
Development trend	Developing
Litigation data	No Record
Bankruptcy	No Record
Payment Methods	T/T, L/C, D/P

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Sale Methods	Wholesaler
Public opinion	Normal

## **SUMMARY**

HERBS N SPICES INT CO., LTD was established on 16 Feb 2016 by Mr. RAKESH MEHRA, an Indian investor. At the beginning, all the subject's transactions are performed at Unit 2306, 23<sup>rd</sup> Floor, ICON4 Building, No. 243A, De La Thanh Street, Lang Thuong Ward, Dong Da District, Hanoi City, Vietnam. However, since 12 Jul 2018, head office has moved to Unit 403, Ocean Park Building, No. 01, Dao Duy Anh Street, Phuong Mai Ward, Dong Da District, Hanoi City, Vietnam.

The subject's function is to trade agricultural products. Currently, it exports Vietnamese agricultural products to India, USA, and some countries in Central Europe.

In 2017, both total sales and profit surged against the previous year. This indicated that the subject' operation was effective. Especially, the value of revenue was over 5 times higher than the value of assets. It means that the subject was efficient in using its assets. Although some of profitability indicators were improved more than 2016, they were still lower than average level.

In conclusion, the subject is expected to develop more in coming time. The maximum credit limit is USD 100,000.

## **ECONOMIC INDICATORS**

	2017	2016	2015
Population (Millions)	93.70	92.70	91.70
Gross Domestic Products (USD billions)	223	205.3	193
GDP Per Capita (USD/person/year)	2,385	2,215	2,109
GDP Growth (%)	6.81	6.21	6.68
- Agriculture, Forestry and Fishing Growth (%)	2.90	1.36	2.41
- Industry and Construction Growth (%)	8.00	7.57	9.64
- Trade and Services Growth (%)	7.44	6.98	6.33

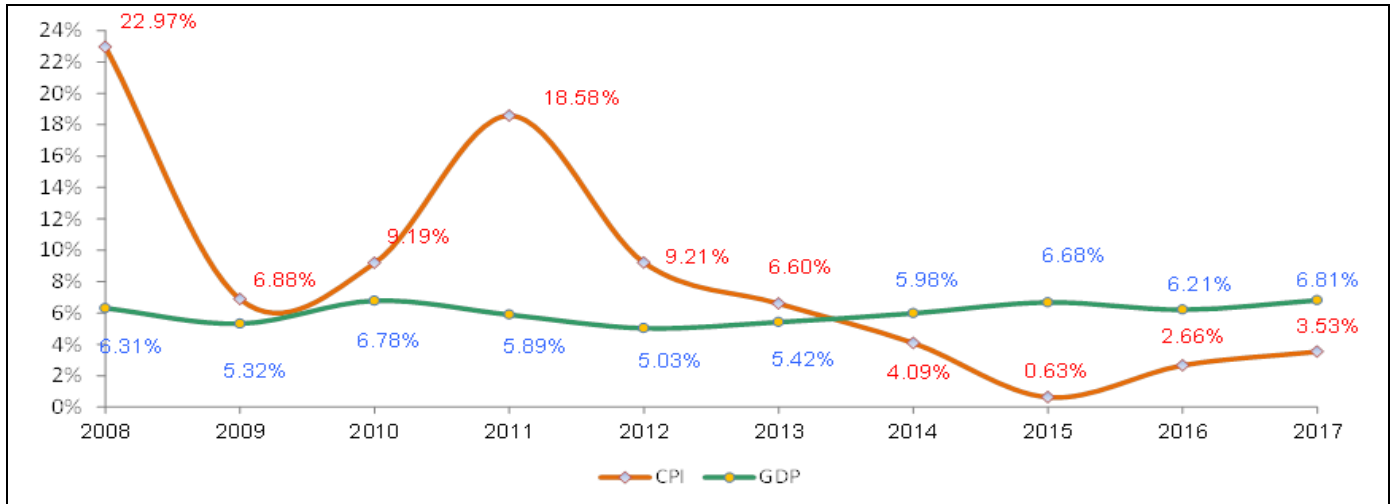


Figure 1: GDP vs. CPI trend in last ten years

• Trade Balance

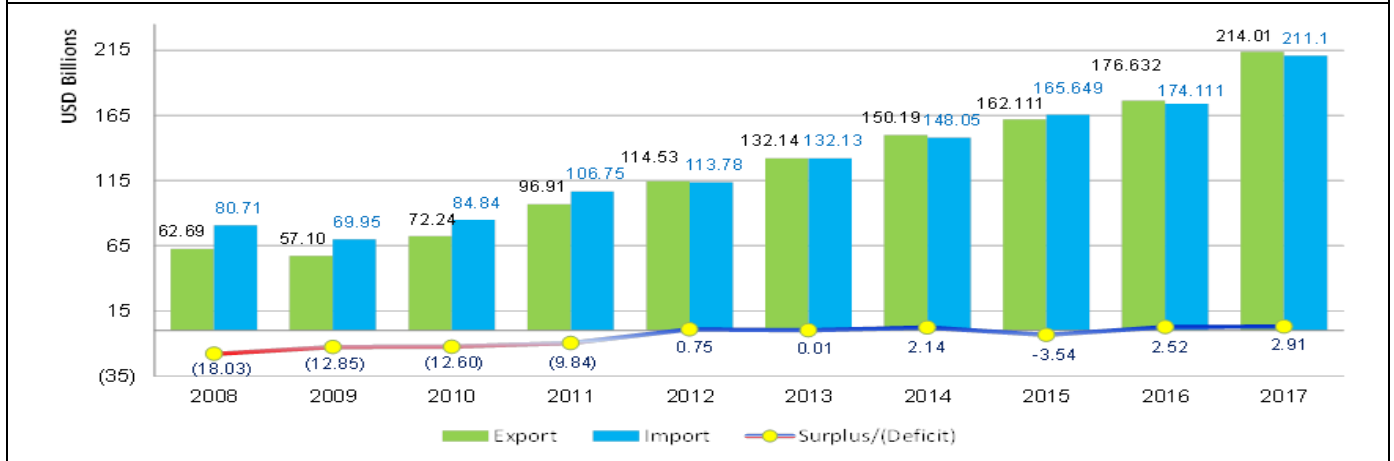


Figure 2: Import – Export balance in last ten years

• Import – Export Value by Major Type of Products

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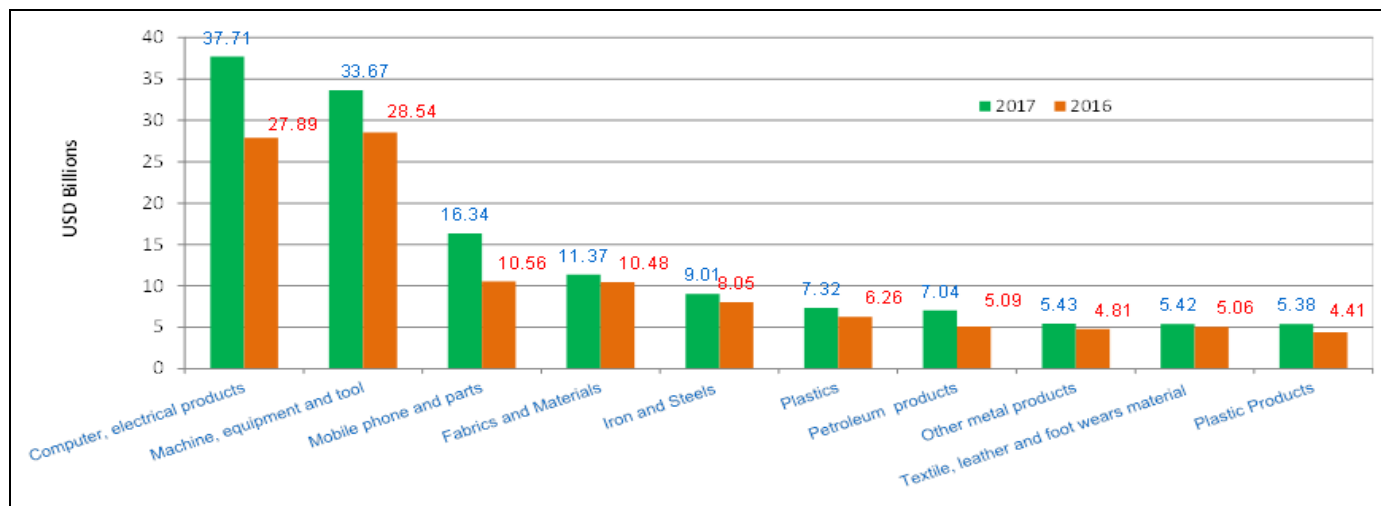


Figure 3: Top ten import products by value in 2016-2017

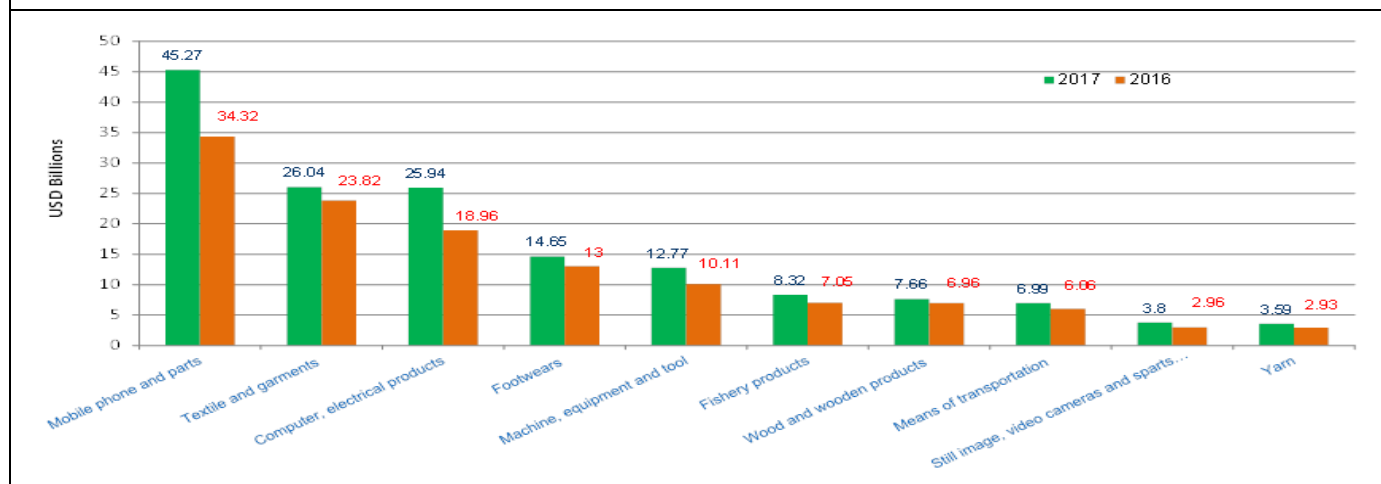


Figure 4: Top ten export products by value in 2016-2017

**NOTICE:**

- \* Registered Investment Capital: Amount of money, assets, value paper... registered with local authorized to execute investment project and appear in Investment Certificate.
- \* Charter capital: Amount of money, assets, value paper... contribution from shareholder(s) to form company and it appears in company charter, business registration certificate, and investment certificate.
- \* Legal capital: The legal capital is minimum requirement of local authorized for enterprise(s) that doing some special businesses.
- \* Paid-up capital: The amount of company's capital that has been paid by shareholder(s).
- \* Annual average capital of enterprises: The average amount of resource (liabilities) in a year and in the same industry of group companies.
- \* Financial Ratios Calculation:

-  $Current\ liquidity\ ratio\ (Times) = \frac{Current\ Asset}{Current\ Liabilities}$

-  $Quick\ Liquidity\ ratio\ (Times) = \frac{(Current\ Asset - Inventory)}{Current\ Liabilities}$

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-	<i>Inventory circle (Times) = Cost of Goods Sold / Inventory</i>
-	<i>Average receivable period (Days) = {Account Receivable (Trade Only = Receivable from customers + Short-term advances to suppliers) / Net revenue } * 365</i>
-	<i>Utilizing Asset Performance (Times) = Net Sale / Total Assets</i>
-	<i>Inventory/ Monthly Sale (%) = {Inventory / (Total Sales / 12)} * 100</i>
-	<i>Shareholder Equity Ratio (%)= (Owner's Equity / Total Assets) * 100</i>
-	<i>Total Loan/ Total Assets (%) = { (Short-term loans and financial leases + Long-term loans and financial leases) / Totals Assets } * 100</i>
-	<i>Liability/ Total Asset (%)= ( Liabilities / Total Assets ) * 100</i>
-	<i>Liability/ Owner's equity (%) = (Liabilities / Owner's Equity) * 100</i>
-	<i>Ebit / Total asset (%) ROA = (Ebit / Total asset) * 100</i>
-	<i>Ebit / Owner's equity (%) ROE = (Ebit / Owner's equity) * 100</i>
-	<i>Ebit / Total revenue (%) NPM = (Ebit / Total revenue) * 100</i>
-	<i>Gross Profit / Total revenue (%) GPM = (Gross Profit / Total revenue) * 100</i>

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.35
UK Pound	1	INR 89.65
Euro	1	INR 80.08
VND	1	INR 0.0030

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

**INFORMATION DETAILS**

Analysis Done by :	NIY
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)

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