

## MIRA INFORM REPORT

<b>Report No. :</b>	484328
<b>Report Date :</b>	08.01.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	V P CHINA LTD.
<b>Registered Office :</b>	Room 712, No. 1717 North Sichuan Road, Hongkou District, Shanghai 200080 PR
<b>Country :</b>	China
<b>Financials (as on) :</b>	31.12.2016
<b>Date of Incorporation :</b>	10.10.2012
<b>Com. Reg. No.:</b>	913100000512769395
<b>Legal Form :</b>	Wholly Foreign-Owned Enterprise
<b>Line of Business :</b>	Importing and exporting textiles and raw materials, leather products, chemical products and raw materials, daily necessities, hardware, building materials, electronic products, home furnishing care products, packaging materials, plastic products, clothing and accessories, textile fabrics, textile auxiliaries, feather products, handicrafts, paper products, bedding, sanitary ware, lighting appliances, machinery and equipment fittings, mechanical and electrical products, environmental protection equipment, metal materials, construction machinery and equipment and accessories, motorcycles, electric vehicle; international trade; providing related supporting services
<b>No. of Employees :</b>	2

### RATING & COMMENTS

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

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

<b>Status :</b>	Poor
<b>Payment Behaviour :</b>	Slow
<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 (30.06.2017)	Current Rating (30.09.2017)
China	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

**CHINA - ECONOMIC OVERVIEW**

Since the late 1970s, China has moved from a closed, centrally planned system to a more market-oriented one that plays a major global role. China has implemented reforms in a gradualist fashion, resulting in efficiency gains that have contributed to a more than tenfold increase in GDP since 1978. Reforms began with the phaseout of collectivized agriculture, and expanded to include the gradual liberalization of prices, fiscal decentralization, increased autonomy for state enterprises, growth of the private sector, development of stock markets and a modern banking system, and opening to foreign trade and investment. China continues to pursue an industrial policy, state-support of key sectors, and a restrictive investment regime. Measured on a purchasing power parity (PPP) basis that adjusts for price differences, China in 2016 stood as the largest economy in the world, surpassing the US in 2014 for the first time in modern history. China became the world's largest exporter in 2010, and the largest trading nation in 2013. Still, China's per capita income is below the world average.

After keeping its currency tightly linked to the US dollar for years, China in July 2005 moved to an exchange rate system that references a basket of currencies. From mid-2005 to late 2008, the renminbi appreciated more than 20% against the US dollar, but the exchange rate remained virtually pegged to the dollar from the onset of the global financial crisis until June 2010, when Beijing allowed resumption of a gradual liberalization. In 2015, the People's Bank of China announced it would continue to carefully push for full convertibility of the renminbi (RMB) after the currency was accepted as part of the IMF's special drawing rights basket. After engaging in one-way, large-scale intervention to resist appreciation of the RMB for a decade, China's 2016 intervention in foreign exchange markets has sought to prevent a rapid RMB depreciation that would have negative consequences for the United States, China, and the global economy.

China's economic growth has slowed since 2011. The Chinese Government faces numerous economic challenges including: (a) reducing its high domestic savings rate and correspondingly low domestic household consumption; (b) servicing its high corporate debt burdens to maintain financial stability; (c) facilitating higher-wage job opportunities for the aspiring middle class, including rural migrants and college graduates, while maintaining competitiveness; (d) dampening speculative investment in the real estate sector; (e) reducing industrial overcapacity; and (f) raising productivity growth rates through the more efficient allocation of capital. Economic development has progressed further in coastal provinces than in the interior, and by 2016 more than 169.3 million migrant workers and their dependents had relocated to urban areas to find work. One consequence of China's population control policy known as the "one-child policy" - which was relaxed in 2016 to permit all families to have two children - is that China is now one of the most rapidly aging countries in the world. Deterioration in the environment - notably air pollution, soil erosion, and the steady fall of the water table, especially in the North - is another long-term problem. China continues to lose arable land because of erosion and urbanization. The Chinese government is seeking to add energy production capacity from sources other than coal and oil, focusing on natural gas, nuclear, and clean energy development. In 2016, China ratified the Paris Agreement, a multilateral agreement to combat climate change, and committed to peak its carbon dioxide emissions between 2025 and 2030.

The government's 13th Five-Year Plan, unveiled in March 2016, emphasizes the need to increase innovation and boost domestic consumption to make the economy less dependent on government investment, exports, and heavy industry. However, China has made only marginal progress toward these rebalancing goals. Under President Xi Jinping, Beijing has signaled its understanding that China's long-term economic health depends on giving the market a more decisive role in allocating resources, but has moved slowly on market-oriented reforms because of potential negative consequences for stability and short-term economic growth. He has also increased state-control over key sectors and Party control over state-owned enterprises. Chinese leaders in 2010 pledged to double China's GDP by 2020, and the 13th Five Year Plan includes annual economic growth targets of at least 6.5% through 2020 to achieve that goal. In recent years, China has renewed its support for state-owned enterprises in sectors considered important to "economic security," explicitly looking to foster globally competitive industries. Chinese leaders also have undermined some market-oriented reforms by reaffirming the "dominant"

role of the state in the economy, a stance that threatens to discourage private initiative and make the economy less efficient over time.

Source : CIA

## **COMPANY NAME AND ADDRESS**

<b>COMPANY NAME</b>	V P China Ltd.
<b>CURRENT ADDRESS/ REGISTERED ADDRESS</b>	Room 712, No. 1717 North Sichuan Road, Hongkou District, Shanghai 200080 PR China
<b>TEL. NO.</b>	86 (0) 21-60748200
<b>FAX NO.</b>	N/a

## **EXECUTIVE SUMMARY**

DATE OF REGISTRATION	: OCTOBER 10, 2012
UNIFIED SOCIAL CREDIT CODE	: 913100000512769395
LEGAL FORM	: WHOLLY FOREIGN-OWNED ENTERPRISE
CHIEF EXECUTIVE	: OM PRAKASH JASARASARIA (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: USD 140,000
STAFF	: 2
BUSINESS CATEGORY	: TRADING
REVENUE	: CNY 2,398,000 (AS OF DEC. 31, 2016)
EQUITIES	: CNY -2,488,000 (AS OF DEC. 31, 2016)
WEBSITE	: N/A
E-MAIL	: N/A
PAYMENT	: AVERAGE
MARKET CONDITION	: FAIR
FINANCIAL CONDITION	: POOR
OPERATIONAL TREND	: FAIR
GENERAL REPUTATION	: FAIR

Adopted abbreviations (as follows)

**SC** - Subject Company (the company inquired by you)

**N/A** – Not available

**CNY** – China Yuan Ren Min Bi

## **OPERATIONAL TREND & GENERAL REPUTATION**

This section aims at indicating the relative positions of SC in respect of its operational trend & general reputation

Operational Trend:-

Upward

Steady

Fairly Steady

Ordinary

Fair

General Reputation:-

Excellent

Good

Fairly Good

Average

Fair

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Stagnant	Detrimental
Downward	Not known
Not known	Not yet be determined
Not yet be determined	

## **LEGAL STATUS & HISTORY**

SC was established as wholly foreign-owned enterprise of PRC with State Administration of Industry & Commerce (SAIC) under unified social credit code: 913100000512769395.

SC's registered capital: USD 140,000

SC's paid-in capital: USD 140,000

### **Registration Change Record:-**

Date	Change of Contents	of	Before the change	After the change
--	Registration Unified Social Credit Code	No./	310000400694425	913100000512769395

### **Current Co search indicates SC's shareholders & chief executives are as follows:-**

Name of Shareholder (s)	% of Shareholding
V.P.UDYOG LIMITED	100

### **SC's Chief Executives:-**

Position	Name
Legal Representative, Chairman and General Manager	Om Prakash Jasarasaria
Supervisor	Chen Zhongping

## **RECENT DEVELOPMENT**

No recent development was found during our checks at present.

## **SHAREHOLDER CHART & BACKGROUND**

Name	% of Shareholding
V.P.UDYOG LIMITED	100

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4 Synagogue Street 10th Floor, Room 1004, Kolkata, 700001 INDIA.  
Phone: +91 (33) 2242 9373/ +91 (33) 4008 8959  
Fax: +91 (33) 2242 5367  
Email: [vpudyog@vpudyog.com](mailto:vpudyog@vpudyog.com)  
Web: [www.vpudyog.com](http://www.vpudyog.com)

## **MANAGEMENT**

### **Om Prakash Jasarasaria, Legal Representative and Chairman**

- 
- Gender: M
  - Working experience (s):

At present, working in SC as legal representative and chairman

### **Chen Zhongping , Supervisor**

- 
- Gender: F
  - Nationality: China
  - Qualification: University
  - Working experience (s):

At present, as supervisor of SC

## **BUSINESS OPERATION**

SC's registered business scope includes importing and exporting textiles and raw materials, leather products, chemical products and raw materials, daily necessities, hardware, building materials, electronic products, home furnishing care products, packaging materials, plastic products, clothing and accessories, textile fabrics, textile auxiliaries, feather products, handicrafts, paper products, bedding, sanitary ware, lighting appliances, machinery and equipment fittings, mechanical and electrical products, environmental protection equipment, metal materials, construction machinery and equipment and accessories, motorcycles, electric vehicle; international trade; providing related supporting services.

SC is mainly engaged in selling textiles and raw materials.

SC's products mainly include: textiles, cotton, etc.

SC sources the products 60% from domestic market, and 40% from overseas market. SC sells 70% of its products in domestic market, and 30% to overseas market, mainly U.S.A., etc.

The buying terms of SC include T/T, L/C and Credit of 30-60 days. The payment terms of SC include T/T, L/C and Credit of 30-60 days.

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**\*Major Customers\***

=====  
Champs Canada Inc.  
Electrc Motive Canada Ltd.

**Staff & Office:**

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SC is known to have approx. 2 staff at present.

SC rents an area as its operating office, but the detailed information is unknown.

## **RELATED COMPANY**

SC is not known to have any subsidiary at present.

## **PAYMENT**

**Overall payment appraisal:**

Excellent  Good  Average  Fair  Poor  Not yet be determined

The appraisal serves as a reference to reveal SC's payments habits and ability to pay. It is based on the 3 weighed factors: Trade payment experience (through current enquiry with SC's suppliers), our delinquent payment and our debt collection record concerning SC.

**Trade payment experience:** SC did not provide any name of trade/service suppliers and we have no other sources to conduct the enquiry at present.

**Delinquent payment record:** None in our database.

**Debt collection record:** No overdue amount owed by SC was placed to us for collection within the last 6 years.

## **BANKING**

**Basic Bank:**

China Merchants Bank Shanghai Chuanbei Sub-branch

AC#: 121910512510801

## **FINANCIALS**

### **Balance Sheet**

Unit: CNY'000	As of Dec. 31, 2015	As of Dec. 31, 2016
Cash	0	0
Notes receivable	0	0
Accounts receivable	0	0
Advances to suppliers	0	0
Other receivable	8	7
Inventory	596	0
Non-current assets within one year	0	0
Other current assets	0	0
	-----	-----
Current assets	604	7
Fixed assets	0	3
Construction in progress	0	0
Intangible assets	0	0
Long-term prepaid expenses	0	0
Deferred income tax assets	0	0
Other non-current assets	0	0
	-----	-----
Total assets	604	10
	=====	=====
Short-term loans	0	0
Notes payable	0	0
Accounts payable	381	379
Wages payable	0	16
Taxes payable	-103	-1
Advances from clients	709	0
Other payable	2,517	2,104
Other current liabilities	0	0
	-----	-----
Current liabilities	3,504	2,498
Non-current liabilities	0	0
	-----	-----
Total liabilities	3,504	2,498
Equities	-2,900	-2,488
	-----	-----
Total liabilities & equities	604	10
	=====	=====

### **Income Statement**

Unit: CNY'000	As of Dec. 31, 2016
Revenue	2,398
Cost of sales	2,302
Sales expense	81
Management expense	525

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Finance expense	38
Profit before tax	-548
Less: profit tax	0
Profits	-548

**Important Ratios**

=====

	As of Dec. 31, 2015	As of Dec. 31, 2016
*Current ratio	0.17	0.003
*Quick ratio	0.002	0.003
*Liabilities to assets	5.80	249.80
*Net profit margin (%)	--	-22.85
*Return on total assets (%)	--	-5,480.00
*Inventory / Revenue x365	--	--
*Accounts receivable/ Revenue x365	--	--
*Revenue/Total assets	--	239.80
*Cost of sales / Revenue	--	0.96

**FINANCIAL COMMENTS**

**PROFITABILITY: POOR**

- The revenue of SC appears fair in its line.
- SC's net profit margin is poor.
- SC's return on total assets is poor.
- SC's cost of sales is fairly high, comparing with its revenue.

**LIQUIDITY: POOR**

- The current ratio of SC is maintained in a poor level.
- SC's quick ratio is maintained in a poor level.
- SC has no inventory in 2016.
- SC has no accounts receivable in 2 years.
- SC has no short-term loans in 2 years.
- SC's revenue is in an average level, comparing with the size of its total assets.

**LEVERAGE: POOR**

- The debt ratio of SC is high.
- The risk for SC to go bankrupt is fairly high.

**Overall financial condition of the SC: Poor.**

## **CONCLUSIONS**

SC is considered small-sized in its line with poor financial conditions. Great caution is required in providing credit to SC

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 63.38
UK Pound	1	INR 86.02
Euro	1	INR 76.50
CNY	1	INR 9.76

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

**INFORMATION DETAILS**

Analysis Done by :	VIV
Report Prepared by :	KET

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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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