

MIRA INFORM REPORT

Report No. :	517598
Report Date :	07.07.2018

IDENTIFICATION DETAILS

Name :	DAIEI PAPERS BRASIL - EIRELI
Registered Office :	Rua Henrique Schaumann, 286 Conjunto 54 Bairro Pinheiros, 05413-010 - São Paulo/SP
Country :	Brazil
Financials (as on) :	31.12.2017
Date of Incorporation :	23.05.1997
Legal Form :	Limited Liability Proprietorship
Line of Business :	Import, Export and Trade of Paper Goods and Plastic Films.
No. of Employees :	5

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 :	Moderate
Payment Behaviour :	Slow
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.

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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

DAIEI PAPERS BRASIL - EIRELI

ADDRESSES

MAIN ADDRESS:
ZIP CODE/CITY:

RUA HENRIQUE SCHAUMANN, 286 CONJUNTO 54 BAIRRO PINHEIROS
05413-010 - SÃO PAULO/SP

PHONE:
E-MAIL:

11 5041-3733
basil@br.daieipapers.com

INQUIRY DETAILS:

GIVEN NAME
CORRECT NAME

DAIEI PAPERS BRASIL LTDA BRZIL
THE CORRECT NAME IS STATED AT THE CAPTION.

GIVEN ADDRESS
CORRECT ADDRESS

CNPJ 01.890.198/0001-99 UA HENRIQUE CHAMANN 286 CJ 54-
PINHEIROS SÃO PAULO A
THE CORRECT ADDRESS IS STATED AT THE CAPTION.

BRANCHES:

NOT AVAILABLE.

LEGAL DATA

MAIN ACTIVITIES:

IMPORT, EXPORT AND TRADE OF PAPER GOODS AND PLASTIC FILMS.

LEGAL FORM:

LIMITED LIABILITY PROPRIETORSHIP

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

23/05/1997
23/05/1997
31/12
01.890.198/0001-99
114.963.623.115

SHARE CAPITAL:
LAST REGISTER OF CAPITAL:

R\$ 3.182.618,00
30/05/2018

BOARD OF DIRECTORS:

GO OBAYASHI
EIJI UEMATSU

MANAGER
MANAGER

AUTHORIZED USE OF SIGNATURE

THE MANAGERS ARE AUTHORIZED TO SIGN ON BEHALF OF THE COMPANY.

SHAREHOLDERS / PARTNERS:

KOKUSAI PULP & PAPER CO., LTD 100%

AFFILIATES / SUBSIDIARIES:

NOT AVAILABLE.

COMPANY'S BACKGROUND

THE SUBJECT WAS ESTABLISHED ON MAY 23, 1997 AS DAIEI PAPERS BRASIL LTDA. TO BE ENGAGED IN THE SAID LINE OF BUSINESS. ON MAY 23, 2018 IT ADOPTED THE ABOVE MENTIONED NAME AND UP TO DATE IT IS STILL OPERATING WITHIN THE GENERAL SCENE REPORTED HEREIN.

BUSINESS ADDRESS HAS CHANGED FROM (RUA HENRIQUE SCHAUMANN, 286, CONJUNTI 52) TO THE PRESENT REGISTERED ONE.

OWNERSHIP AND MANAGERS:

KOKUSAI PULP & PAPER CO., LTD (TAMBÉM CONHECIDA COMO KOKUSAI KAMI PULP SHOJI KABUSHIKI KAISHA): HEADQUARTERED AT 6-24 AKAISHI-CHO, CHUO-KU, TOKYO, JAPAN, AXPAYER'S REGISTRATION UNDER CNPJ 18.970.105/0001-39, REPRESENTED BY ITS ATTORNEY, MR. GO OBAYASHI, AS BELOW MENTIONED;

GO OBAYASHI: JAPANESE, MARRIED, ENTREPRENEUR, HOLDER OF DOCUMENTS RNE G371816G AND CPF 239.862.248-74, RESIDENTIAL ADDRESS AT RUA CINCINATO BRAGA, 306, APTO 1209, JARDINS, ZIP CODE 01333-010, SÃO PAULO/SP;

EIJI UEMATSU: JAPANESE, SINGLE, ENTREPRENEUR, HOLDER OF DOCUMENTS RNE V156474A AND CPF 212.796.078-58, RESIDENTIAL ADDRESS AT RUA CINCINATO BRAGA, 306, APTO 610, JARDINS, ZIP CODE 01333-010, SÃO PAULO/SP.

FURTHER DETAILS ARE SO FAR NOT KNOWN.

WHEN CONTACTING THE SUBJECT WE INTERVIEWED MRS. ERICA, FINANCIAL DEPARTMENT, WHO

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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 RECORDS. NO FURTHER DATA WAS AVAILABLE WITH SEVERAL SOURCES USUALLY INVESTIGATED.

PUBLIC RECORDS INFORMATION:

NO DETRIMENTAL FILES WERE FOUND.

FINANCIAL INFORMATION

GENERAL BALANCE SHEETS AS OF 31/12/2017, 31/12/2016 AND 31/12/2015.
(FIGURES ARE IN REAIS).

ASSETS

CURRENT:	31/12/2017	31/12/2016	31/12/2015
CASH AND BANKS	86.723,33	178.178,96	17.436,58
INVESTMENTS	933.934,13	451.648,09	815.237,69
CLIENTS	368.985,70	6.346.873,66	4.117.698,65
ADVANCES	570.901,09	972.525,90	240.483,83
INVENTORY	1.296.736,85	1.771.511,24	
TAX CREDITS	717.312,07	915.475,40	290.461,10
PRE PAID EXPENSES	36.307,80	882,10	1.525,33
	-----	-----	-----
TOTAL CURRENT ASSETS	4.010.900,97	10.637.095,35	5.482.843,18

FIXED ASSETS:

FIXED ASSETS	13.892,86	8.713,20	10.310,04
INTANGIBLE	7.750,00		
	-----	-----	-----
TOTAL FIXED ASSETS	21.642,86	8.713,20	10.310,04
	=====	=====	=====
TOTAL ASSETS	4.032.543,83	10.645.808,55	5.493.153,22

LIABILITIES:

CURRENT:	31/12/2017	31/12/2016	31/12/2015
SUPPLIERS		9.104.151,95	3.443.015,46
IMPORTS PAYABLE	11.772.799,87		
SOCIAL / LABOR OBLIGATIONS	16.395,87	13.525,27	17.744,25

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TRIBUTARY OBLIGATIONS	71.178,08	74.797,87	14.808,05
PROVISIONS	41.541,64	73.081,94	57.822,24
OBLIGATIONS/THIRD PARTIES	24.140,28	1.745,42	13.862,52
INSURANCE PAYABLE	32.011,87		
BANKING DEBTS		2.366.307,00	
ADVANCE FROM CLIENTS			1.879.132,00
	-----	-----	-----
TOTAL CURRENT LIABILITIES	11.958.067,61	11.633.609,45	5.426.384,52
LONG TERM LIABILITIES:			
LOANS AND FINANCING	1.338.419,91		
	-----	-----	-----
TOTAL LONG TERM LIABILITIES	1.338.419,91		
NET EQUITY:			
SHARE CAPITAL	700.000,00	700.000,00	700.000,00
ACCRUED PROFIT (LOSS)	-1.687.800,90	-1.687.800,90	-633.231,30
PROFIT (LOSS) OF PERIOD	-8.276.142,79		
	-----	-----	-----
TOTAL NET EQUITY	-9.263.943,69	-987.800,90	66.768,70
	=====	=====	=====
TOTAL LIABILITIES	4.032.543,83	10.645.808,55	5.493.153,22

PROFIT AND LOSS ACCOUNTS AS OF 31/12/2017, 31/12/2016 AND 31/12/2015.
(FIGURES ARE IN REAIS).

	31/12/2017	31/12/2016	31/12/2015
GROSS SALES	5.813.886,07	9.437.541,77	8.980.822,68
(-) TAXES ON SALES	1.423.695,48	3.453.963,54	3.081.738,34
	-----	-----	-----
NET SALES	4.390.190,59	5.983.578,23	5.899.084,34
(-) COST OF SOLD GOODS	3.023.276,57	5.397.647,41	5.176.582,21
	-----	-----	-----
GROSS PROFIT	1.366.914,02	585.930,82	722.502,13
OPERATING REVENUE (EXPENSE)	-9.570.252,41	-1.508.836,02	-1.308.824,83
FINANCIAL REVENUE(EXPENSE)	-26.242,80	95.893,91	63.082,04
	-----	-----	-----
OPERATIONAL PROFIT (LOSS)	-8.229.581,19	-827.011,29	-523.240,66
CONTRIBUTION/INCOME TAX	-46.561,60		-1.637,63
	-----	-----	-----
NET PROFIT (LOSS)	-8.276.142,79	-827.011,29	-524.878,29
RATIOS:			
	31/12/2017	31/12/2016	31/12/2015
QUICK RATIO	,23	,76	1,01
CURRENT RATIO	,34	,91	1,01

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ACCOUNTS RECEIVABLE TURNOVER	11,90	TIME	,94	TIME	1,43	TIME
		S		S		S
DAYS' SALES IN RECEIVABLES	30,26	DAYS	381,86	DAYS	251,29	DAYS
INVENTORY TURNOVER	2,33	TIME	3,05	TIME		
		S		S		
ACCOUNTS PAYABLE PERIOD			607,21	DAYS	239,44	DAYS
RETURN ON ASSETS	1,09	TIME	,56	TIME	1,07	TIME
		S		S		S
SALES TURNOVER ON NET EQUITY	-,47	TIME	-6,06	TIME	88,35	TIME
		S		S		S
NET WORTH TIE-UP	,00		-,01		,15	
INDEBTEDNESS	-1,44		-11,78		81,27	
EQUITY RATIO	-229,73	%	-9,28	%	1,22	%
WORKING CAPITAL RATIO	-66,46	%	-8,57	%	1,04	%
GENERAL SOLVENCY	,30		,92		1,01	
RETURN ON NET EQUITY	89,34	%	83,72	%	-786,11	%
RETURN ON SALES (PROFIT MARGIN)	-188,51	%	-13,82	%	-8,90	%
GROSS PROFIT MARGIN	31,14	%	9,79	%	12,25	%
OPERATIONAL RESULT	-187,45	%	-13,82	%	-8,87	%
SALES TURNOVER ON LIABILITIES	,37	TIME	,51	TIME	1,09	TIME
		S		S		S
FOREIGN CURRENCY ON ASSETS						
FOREIGN CURRENCY ON LIABILITIES						

COMMENTS ON THE FINANCIAL INFORMATION:

FOLLOWS ATTACHED WORKSHEET WITH MAIN FINANCIAL RATIOS.

THE FIGURES AVAILABLE SHOW AN IRREGULAR FINANCIAL STANDING. IT SHOWS POOR LIQUIDITY RATIOS AND VERY HIGH LEVEL OF INDEBTEDNESS WITH NEGATIVE NET EQUITY. IN ADDITION IT IS NOTED DROP IN SALES AND POSTED STRONG NEGATIVE RESULTS.

REAL ESTATE:

NOT AVAILABLE

VEHICLES:

NOT AVAILABLE

MACHINES:

NOT AVAILABLE

INSURANCE

NOT AVAILABLE.

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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 NO RETURNED CHECKS UP TO DATE. (IN THE TERMS OF "CIRCULAR 1682 BRAZILIAN CENTRAL BANK").

ACTIVITIES COMMENTS

IMPORT, EXPORT AND TRADE OF PAPER GOODS AND PLASTIC FILMS.

IMPORT AND EXPORT:

IMPORTS FROM:

NOT AVAILABLE.

EXPORTS TO:

NOT AVAILABLE.

MAIN CLIENTS:

DOMESTIC CLIENTS:

NOT AVAILABLE.

STAFF:

THE COMPANY HAS: 5 EMPLOYEE(S)

CONCEPT AND FULFILMENT

THE SUBJECT WAS ESTABLISHED IN 1997. SO FAR IT HAS A CLEAR TRADE HISTORY AND NO ADVERSE INFORMATION IS NOTED.

LITTLE OR NOTHING IS LOCALLY KNOWN OF SUBJECT AS A USER OF CREDIT FACILITIES.

MAIN SUPPLIERS:

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DOMESTIC SUPPLIERS:
NOT AVAILABLE.

PAYMENT HISTORY:

NO PAYMENT RECORD IS REGISTERED.

FINAL OPINION

BASED ON THE OVERALL DATA AVAILABLE THE SUBJECT MAY BE CONSIDERED FOR NORMAL BUSINESS COMMITMENTS. CREDIT FACILITIES, HOWEVER, SHOULD BE GRANTED ON FULLY SECURED TERMS ONLY DUE TO THE IRREGULAR FINANCIAL SITUATION SHOWN IN THE BALANCE SHEETS.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.88
UK Pound	1	INR 91.14
Euro	1	INR 80.63
BRL	1	INR 17.80

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

INFORMATION DETAILS

Analysis Done by :	PRI
Report Prepared by :	NIT

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)