

MIRA INFORM REPORT

Report No. :	519011
Report Date :	10.07.2018

IDENTIFICATION DETAILS

Name :	DANFOSS INDUSTRIES PTE. LTD.
Formerly Known As :	DANFOSS INDUSTRIES PTE LTD (01/11/2016)
Registered Office :	29, International Business Park, 01-03 Acer Building, 609923
Country :	Singapore
Financials (as on) :	31.12.2016
Date of Incorporation :	05.12.1983
Com. Reg. No.:	198305749C
Legal Form :	Private Limited (Limited By Share)
Line of Business :	The subject is principally engaged in the trading of danfoss products including refrigeration, air-conditioning, drives, automatic control for refrigeration, hydraulics, industrial, hv-ac and marine - hydraulics actuators, deckbox controls, marine controls, electrical drives and controls.
No. of Employees :	35 [2018]

RATING & COMMENTS

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

MIRA's Rating :	A+
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Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

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NOTES :

Any query related to this report can be made on e-mail : 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)
Singapore	A1	A1

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

SINGAPORE - ECONOMIC OVERVIEW

Singapore has a highly developed and successful free-market economy. It enjoys a remarkably open and corruption-free environment, stable prices, and a per capita GDP higher than that of most developed countries. Unemployment is very low. The economy depends heavily on exports, particularly of electronics, petroleum products, chemicals, medical and optical devices, pharmaceuticals, and on Singapore's vibrant transportation, business, and financial services sectors.

The economy contracted 0.6% in 2009 as a result of the global financial crisis, but has continued to grow since 2010. Growth from 2012-2017 was slower than during the previous decade, a result of slowing structural growth - as Singapore reached high-income levels - and soft global demand for exports. Growth recovered to 3.6% in 2017 with a strengthening global economy.

The government is attempting to restructure Singapore's economy to reduce its dependence on foreign labor, raise productivity growth, and increase wages amid slowing labor force growth and an aging population. Singapore has attracted major investments in advanced manufacturing, pharmaceuticals, and medical technology production and will continue efforts to strengthen its position as Southeast Asia's leading financial and technology hub. Singapore is a signatory of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and a party to the Regional Comprehensive Economic Partnership (RCEP) negotiations with nine other ASEAN members plus Australia, China, India, Japan, South Korea, and New Zealand. In 2015, Singapore formed, with the other ASEAN members, the ASEAN Economic Community.

Source : CIA

EXECUTIVE SUMMARY

REGISTRATION NO.	: 198305749C
COMPANY NAME	: DANFOSS INDUSTRIES PTE. LTD.
FORMER NAME	: DANFOSS INDUSTRIES PTE LTD (01/11/2016)
INCORPORATION DATE	: 05/12/1983
COMPANY STATUS	: EXIST
LEGAL FORM	: PRIVATE LIMITED (LIMITED BY SHARE)
LISTED STATUS	: NO
REGISTERED ADDRESS	: 29, INTERNATIONAL BUSINESS PARK, 01-03 ACER BUILDING, 609923, SINGAPORE.
BUSINESS ADDRESS	: 29 INTERNATIONAL BUSINESS PARK ACER BUILDING #01-03/03A, 609923, SINGAPORE.
TEL.NO.	: 65-68859788
FAX.NO.	: 65-68859799
WEB SITE	: WWW.DANFOSS.COM
CONTACT PERSON	: ANDERS STAHLSCHMIDT (DIRECTOR)
PRINCIPAL ACTIVITY	: TRADING OF DANFOSS PRODUCTS INCLUDING REFRIGERATION, AIR-CONDITIONING, DRIVES, AUTOMATIC CONTROL FOR REFRIGERATION, HYDRAULICS, INDUSTRIAL, HV-AC AND MARINE - HYDRAULICS ACTUATORS, DECKBOX CONTROLS, MARINE CONTROLS, ELECTRICAL DRIVES AND CONTROLS
ISSUED AND PAID UP CAPITAL	: 14,000,000.00 ORDINARY SHARE, OF A VALUE OF SGD 18,500,000.00
SALES	: USD 106,706,343 [2016]
NET WORTH	: USD 12,953,456 [2016]
STAFF STRENGTH	: 35 [2018]
LITIGATION	: CLEAR
FINANCIAL CONDITION	: STABLE
PAYMENT MANAGEMENT	: REGULAR
CAPABILITY	: AVERAGE
COMMERCIAL RISK	: LOW
CURRENCY EXPOSURE	: MODERATE
GENERAL REPUTATION	: GOOD
INDUSTRY OUTLOOK	: AVERAGE GROWTH

HISTORY / BACKGROUND

The Subject is a private limited company and is allowed to have a minimum of one and a maximum of forty-nine shareholders. As a private limited company, the Subject must have at least two directors. A private limited

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company is a separate legal entity from its shareholders. As a separate legal entity, the Subject is capable of owning assets, entering into contracts, sue or be sued by other companies. The liabilities of the shareholders are to the extent of the equity they have taken up and the creditors cannot claim on shareholders' personal assets even if the Subject is insolvent. The Subject is governed by the Companies Act and the company must file its annual returns, together with its financial statements with the Registrar of Companies.

The Subject is principally engaged in the (as a / as an) trading of danfoss products including refrigeration, air-conditioning, drives, automatic control for refrigeration, hydraulics, industrial, hv-ac and marine - hydraulics actuators, deckbox controls, marine controls, electrical drives and controls.

The immediate and ultimate holding company of the Subject is DANFOSS A/S, a company incorporated in DENMARK.

Share Capital History

Date	Issue & Paid Up Capital
20/03/2018	SGD 18,500,000.00

The major shareholder(s) of the Subject are shown as follows :

Current Shareholder(s) :

Name	Address	IC/PP/Loc No	Shareholding	(%)
DANFOSS A/S	DK 6430, NORDBORG DENMARK	T04UF0365	14,000,000.00	100.00
			-----	-----
			14,000,000.00	100.00
			=====	=====

+ Also Director

The Subject's interest in other companies (Subsidiaries/Associates) are shown as follow :

Local No	Country	Company	Status	(%)	As At
	CHINA	DANFOSS MICRO CHANNEL HEAT EXCHANGER (JIAXING) CO. LTD	-	100.00	31/12/2016

DIRECTORS

DIRECTOR 1

Name Of Subject : MR. ANDERS STAHLSCHMIDT
Address : KONGEVEJ 106, 6400 SONDERBORG, 6400, DENMARK.
Other Address(es) : LILLEHAVSTIEN 2, 6440, AUGUSTENBORG, DENMARK.
IC / PP No : 101248324
Nationality : DANE
Date of : 07/01/2008
Appointment

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INTEREST CHECK

Interest in : see below
companies
Interest in business : none in our databank
Former interest : none in our databank

INTEREST IN COMPANY

N o	Local No	Company	Designation	App Date	Shareholding No. %	Profit/(loss) After Tax	Financial Year	Stat us	As At
1	19830574 9C	DANFOSS INDUSTRI ES PTE. LTD.	Director	07/01/20 08	0.0 - 0	USD2,235,27 9.00	2016	-	20/03/20 18

DIRECTOR 2

Name Of Subject : TORBEN CHRISTENSEN
Address : KOLONNEVEJ 13, DYBBOL, DK-6400, SONDERBORG, DENMAK, DENMARK.
IC / PP No : 203881425
Nationality : DANE
Date of : 01/10/2017
Appointment

INTEREST CHECK

Interest in : see below
companies
Interest in business : none in our databank
Former interest : none in our databank

INTEREST IN COMPANY

N o	Local No	Company	Designation	App Date	Shareholding No. %	Profit/(loss) After Tax	Financial Year	Stat us	As At
1	19830574 9C	DANFOSS INDUSTRI S PTE. LTD.	Director	01/10/20 17	0.0 - 0	USD2,235,27 9.00	2016	-	20/03/20 18
2	335074V	DANFOSS INDUSTRI S SDN. BHD.	Director	29/09/20 17	0.0 - 0	MYR242,000. 00	2016	-	23/02/20 18
3	822112K	SONDEX	Director	24/11/20	0.0 -	MYR529,185.	2016	-	23/02/20

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EXCHANG
ERS
MALAYSIA
SDN. BHD.

DIRECTOR 3

Name Of Subject : HON HWEE CHERN
Address : 761, JURONG WEST STREET 74, 11-14, 640761, SINGAPORE.
IC / PP No : S7133785E
Nationality : SINGAPOREAN
Date of : 12/12/2012
Appointment

INTEREST CHECK

Interest in : see below
companies
Interest in business : none in our databank
Former interest : none in our databank

INTEREST IN COMPANY

N o	Local No	Company	Designati on	App Date	Shareholdi ng No. %	Profit/(loss) After Tax	Financ ial Year	Stat us	As At
1	19830574 9C	DANFOSS INDUSTRI ES PTE. LTD.	Director	12/12/20 12	0.0 - 0	USD2,235,27 9.00	2016	-	20/03/20 18

DIRECTOR 4

Name Of Subject : KVORNING SOEREN OKHOLM
Address : 35, BUKIT BATOK EAST AVENUE 6, 05-17, PARK NATURA, 659765, SINGAPORE.
IC / PP No : G3154715L
Nationality : DANE
Date of : 02/11/2016
Appointment

INTEREST CHECK

Interest in : see below
companies
Interest in business : none in our databank
Former interest : none in our databank

INTEREST IN COMPANY

N o	Local No	Company	Designation	App Date	Shareholding No. %	Profit/(loss) After Tax	Financial Year	Stat us	As At
1	19830574 9C	DANFOSS INDUSTRI ES PTE. LTD.	Director	02/11/20 16	0.0 - 0	USD2,235,27 9.00	2016	-	20/03/20 18

MANAGEMENT

- 1) Name of : ANDERS STAHLSCHMIDT
Subject
Position : DIRECTOR

AUDITOR

- Auditor : PRICEWATERHOUSECOOPERS LLP
Auditor' : N/A
Address

COMPANY SECRETARIES

- 1) Company Secretary : LOO CHOON KEOW
IC / PP No : S7188952A
Address : 123D, RIVERVALE DRIVE, 10-161, 544123, SINGAPORE.
- 2) Company Secretary : LEE BEE FONG
IC / PP No : S7376654J
Address : 80, ROBINSON ROAD, 02-00, 068898, SINGAPORE.

BANKING

No Banker found in our databank.

ENCUMBRANCE (S)

No encumbrance was found in our databank at the time of investigation.

CIVIL LITIGATION CHECK - SUBJECT COMPANY AS A DEFENDANT

* A check has been conducted in our databank against the Subject whether the subject has been involved in any litigation.

No legal action was found in our databank.

No winding up petition was found in our databank.

PAYMENT RECORD

SOURCES OF RAW MATERIALS:

Local : N/A
Overseas : N/A

The Subject refused to disclose its suppliers.

The Subject refused to provide any name of trade/service supplier and we are unable to conduct any trade enquiry. However, from financial historical data we conclude that :

OVERALL PAYMENT HABIT

Prompt 0-30 Days	[]	Good 31-60 Days	[]	Average Days	61-90	[X]
Fair 91-120 Days	[]	Poor >120 Days	[]			

CLIENTELE

Local : YES
Domestic Markets : SINGAPORE
Overseas : YES
Export Market : WORLDWIDE
Credit Term : AS AGREED
Payment Mode : CHEQUES
TELEGRAPHIC TRANSFER (TT)

OPERATIONS

Goods : DANFOSS PRODUCTS INCLUDING REFRIGERATION, AIR-CONDITIONING,
Traded : DRIVES,AUTOMATIC CONTROL FOR REFRIGERATION, HYDRAULICS, INDUSTRIAL, HV-
AC AND MARINE - HYDRAULICS ACTUATORS, DECKBOX CONTROLS, MARINE
CONTROLS, ELECTRICAL DRIVES AND CONTROLS

Total Number of Employees:

YEAR	2018	2017	2016	2015	2014
GROUP COMPANY	N/A	N/A	n/a	N/A	N/A
	35	18		14	15

Branch : NO

Other Information:

The Subject is principally engaged in the (as a / as an) trading of danfoss products including refrigeration, air-conditioning, drives, automatic control for refrigeration, hydraulics, industrial, hv-ac and marine - hydraulics actuators, deckbox controls, marine controls, electrical drives and controls.

The Subject's Product Categories are as follows:

- * Refrigeration and A/C
- * Heating
- * VLT® Drives
- * High-Pressure Pumps
- * Industrial Automation

The Subject also provides repair and maintenance services for the products.

The Subject's products are the Danfoss automatic control for refrigeration, hydraulics, industrial, HV-AC and marine - hydraulics actuators, deckbox controls, marine controls, electrical drives and controls.

CURRENT INVESTIGATION

Latest fresh investigations carried out on the Subject indicated that :

Telephone Number Provided By : 65 6885 9788 / +65 6885 9799

Client

Current Telephone Number : 65-68859788

Match : YES

Address Provided by Client : 29 INTERNATIONAL BUSINESS PARK ACER BUILDING #01-03/03A
SINGAPORE 609923

Current Address : 29 INTERNATIONAL BUSINESS PARK ACER BUILDING #01-
03/03A, 609923, SINGAPORE.

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Match : YES

Other Investigations

We contacted one of the staff from the Subject and she provided some information.

The other contact number provided at 6885 9799 is the fax number.

FINANCIAL ANALYSIS

Profitability

Turnover	:	Erratic	[	2012 - 2016]
Profit(Loss) Before Tax	:	Increased	[	2012 - 2016]
Return on Shareholder Funds	:	Acceptable	[	17.26%]
Return on Net Assets	:	Acceptable	[	20.37%]

The fluctuating turnover reflects the fierce competition among the existing and new market players. The higher profit could be attributed to the increase in turnover. The Subject's management had generated acceptable return for its shareholders using its assets.

Working Capital Control

Stock Ratio	:	Favourable	[	41 Days]
Debtor Ratio	:	Favourable	[	53 Days]
Creditors Ratio	:	Favourable	[	6 Days]

The Subject's stocks were moving fast thus reducing its holding cost. This had reduced funds being tied up in stocks. The favourable debtors' days could be due to the good credit control measures implemented by the Subject. The Subject had a favourable creditors' ratio where the Subject could be taking advantage of the cash discounts and also wanting to maintain goodwill with its creditors.

Liquidity

Liquid Ratio	:	Favourable	[	1.04 Times]
Current Ratio	:	Unfavourable	[	1.63 Times]

A minimum liquid ratio of 1 should be maintained by the Subject in order to assure its creditors of its ability to meet short term obligations and the Subject was in a good liquidity position. Thus, we believe the Subject is able to meet all its short term obligations as and when they fall due.

Solvency

Interest Cover	:	Favourable	[	24.80 Times]
Gearing Ratio	:	Favourable	[	0.00 Times]

The interest cover showed that the Subject was able to service the interest. The favourable interest cover could indicate that the Subject was making enough profit to pay for the interest accrued. The Subject had no gearing and hence it had virtually no financial risk. The Subject was financed by its shareholders' funds and internally generated fund. During the economic downturn, the Subject, having a zero gearing, will be able to compete better than those which are highly geared in the same industry.

Overall Assessment :

Although the turnover was erratic, the Subject had maintained a steady growth in its profit. This indicate the management's efficiency in controlling its costs and profitability. The Subject was in good liquidity position with its total current liabilities well covered by its total current assets. With its current net assets, the Subject should be able to repay its short term obligations. With the favourable interest cover, the Subject could be able to service all the accrued interest without facing any difficulties. The Subject was a zero gearing company, it was solely

dependant on its shareholders to provide funds to finance its business. The Subject has good chance of getting loans, if the needs arises.

Overall financial condition of the Subject : STABLE

SINGAPORE ECONOMIC / INDUSTRY OUTLOOK

Major Economic Indicators :	2013	2014	2015	2016	2017*
Population (Million)	5.40	5.47	5.54	5.61	5.61
Gross Domestic Products (%)	5.1	3.9	2.2	2.4	3.6
Consumer Price Index	2.4	1.0	(0.5)	(0.5)	0.6
Total Imports (Million)	466,762.0	463,779.1	407,767.9	398,372.0	403,300.0
Total Exports (Million)	513,391.0	518,922.7	476,285.4	468,552.0	466,900.0
Unemployment Rate (%)	1.9	1.9	1.9	2.1	-
Tourist Arrival (Million)	15.46	15.01	15.23	16.28	-
Hotel Occupancy Rate (%)	86.3	85.5	84.0	83.1	84.7
Cellular Phone Subscriber (Million)	1.97	1.98	1.99	-	-
Registration of New Companies (No.)	37,288	41,589	34,243	35,227	37,395
Registration of New Companies (%)	9.8	11.5	(17.7)	2.9	6.2
Liquidation of Companies (No.)	17,369	18,767	21,384	23,218	22,379
Liquidation of Companies (%)	(5.3)	8.0	13.9	8.6	(3.6)
Registration of New Businesses (No.)	22,893	35,773	28,480	27,120	22,148
Registration of New Businesses (%)	1.70	56.30	(20.39)	(4.78)	(18.33)
Liquidation of Businesses (No.)	22,598	22,098	26,116	35,866	24,344
Liquidation of Businesses (%)	0.5	(2.2)	18.2	37.3	(32.1)
Bankruptcy Orders (No.)	1,992	1,757	1,776	1,797	1,638
Bankruptcy Orders (%)	14.0	(11.8)	1.0	1.2	(8.9)
Bankruptcy Discharges (No.)	2,584	3,546	3,499	4,359	2,030
Bankruptcy Discharges (%)	37.4	37.2	(1.3)	24.6	(53.4)
INDUSTRIES (% of Growth) :					
Agriculture					
Production of Principal Crops	1.78	4.29	3.04	-	-
Fish Supply & Wholesale	(3.8)	(8.6)	(8.5)	(9.9)	-
Manufacturing #					
Food, Beverages & Tobacco	97.9	99.4	100.0	103.7	110.3
Textiles	119.5	102.7	100.0	92.4	84.4
Wearing Apparel	334.1	212.6	100.0	83.4	88.2
Leather Products & Footwear	122.0	106.5	100.0	88.8	79.0
Wood & Wood Products	103.0	107.2	100.0	95.0	92.9
Paper & Paper Products	104.4	104.5	100.0	97.3	96.1
Printing & Media	113.8	105.968	100.0	85.1	73.1

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Crude Oil Refineries	100.7	92.2	100.0	104.2	113.5
Chemical & Chemical Products	88.4	96.7	100.0	98.9	105.3
Pharmaceutical Products	101.421	109.4	100.0	113.8	96.0
Rubber & Plastic Products	109.497	109.2	100.0	91.4	93.7
Non-metallic Mineral	107.4	90.759	100.0	89.8	72.9
Basic Metals	77.2	99.3	100.0	106.2	108.3
Fabricated Metal Products	107.5	107.757	100.0	93.8	91.3
Machinery & Equipment	109.1	118.2	100.0	80.8	86.1
Electrical Machinery	87.4	97.871	100.0	101.5	111.7
Electronic Components	105.0	105.6	100.0	114.1	151.4
Transport Equipment	111.1	106.68	100.0	101.0	99.5
Construction	25.40	22.00	-	-	-
Real Estate	88.5	145.1	-	-	-
Services					
Electricity, Gas & Water	6.70	6.50	-	-	-
Transport, Storage & Communication	9.80	14.20	-	-	-
Finance & Insurance	3.30	6.00	-	7.40	-
Government Services	6.50	6.30	-	-	-
Education Services	3.10	5.98	-	2.40	-

* Estimate / Preliminary

Based on Index of Industrial Production (2015 = 100)

INDUSTRY ANALYSIS

INDUSTRY : TRADING

The wholesale & retail trade sector expanded by 6.8% in the third quarter of 2015, higher than the 6.0% growth in the preceding quarter. Growth was supported by both the wholesale trade and retail trade segments. The wholesale trade segment was boosted by an increase in both domestic and foreign wholesale trade sales volume. In particular, the domestic wholesale trade index rose by 7.4%, following the 8.1 % increase in the previous quarter. The strong performance in domestic wholesale trade was due to a surge in the sales of petroleum and petroleum products (14%), chemicals & chemical products (39%) and telecommunications & computers (18%). Similarly, the foreign wholesale trade index rose by 10% in the third quarter of 2015, accelerating from the 6.9% rise in the previous quarter. Growth was driven by improvements in the sales of petroleum & petroleum products (21%), metals, timber & construction materials (10%) and general wholesale trade (8.8%).

Overall retail trade sales volume also recorded resilient growth of 5.6% in the third quarter of 2015, extending the 6.4 % expansion in the second quarter. Growth was supported by a surge in the volume of motor vehicle sales (44%), which was in turn due to a substantial increase in the supply of Certificate of Entitlements. Excluding motor vehicles, retail sales volume increased at a much slower pace of 0.7% over the same period. The increase in retail sales volume (excluding motor vehicles) was due to improved non-discretionary goods sales. For instance, the sales of medical goods & toiletries and department store goods rose by 8.1% and 3.6% respectively.

According to the Retail News Asia, Food and beverage has overtaken fashion as the primary driver of demand for retail real estate in Singapore. Despite declining retail sales and consumer spending, the prime retail sector remained in good shape during the third quarter 2015.

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OVERALL INDUSTRY OUTLOOK : AVERAGE GROWTH

CREDIT RISK EVALUATION & RECOMMENDATION

Incorporated in 1983, the Subject is a Private Limited company, focusing on trading of danfoss products including refrigeration, air-conditioning, drives, automatic control for refrigeration, hydraulics, industrial, hv-ac and marine - hydraulics actuators, deckbox controls, marine controls, electrical drives and controls. The Subject has been in business for over two decades. It has built up a strong clientele base and good reputation will enable the Subject to further enhance its business in the near term. The Subject is expected to enjoy a stable market shares. The Subject has a strong capital position of SGD 18,500,000. We are confident with the Subject's business and its future growth prospect. Having strong support from its holding company has enabled the Subject to remain competitive despite the challenging business environment.

Over the years, the Subject has penetrated into both the local and overseas market. The Subject has positioned itself in the global market and is competing in the industry. Its stable clientele base will enable the Subject to further enhance its business in the near term. The Subject is operating on a medium scale and it has approximately 35 employees in its business operations. Overall, we regard that the Subject's management capability is average. This indicates that the Subject has greater potential to improve its business performance and raising income for the Subject.

We noted that both the turnover and profits have increased compared to the previous year. The higher profit could be due to increase in turnover and better control over its operating costs. Return on shareholders' funds of the Subject was at an acceptable range which indicated that the management was efficient in utilising its funds to generate income. The Subject is in good liquidity position with its current liabilities well covered by its current assets. Hence, it has sufficient working capital to meet its short term financial obligations. Being a zero geared company, the Subject virtually has no financial risk as it is mainly dependent on its internal funds to finance its business. Given a positive net worth standing at USD 12,953,456, the Subject should be able to maintain its business in the near terms.

The Subject's payment habit is average. With its adequate working capital, the Subject should be able to pay its short term debts.

The industry shows an upward trend and this trend is very likely to sustain in the near terms. Hence, the Subject is expected to benefit from the favourable outlook of the industry.

Based on the above condition, we recommend credit be granted to the Subject promptly.

PROFIT AND LOSS ACCOUNT

THE FINANCIAL STATEMENTS WERE PREPARED IN ACCORDANCE WITH SINGAPORE FINANCIAL REPORTING STANDARDS.

DANFOSS INDUSTRIES PTE. LTD.

Financial Year	2016-12-31	2015-12-31	2014-12-31	2013-12-31	2012-12-31
End					

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Months	12	12	12	12	12
Consolidated Account	Company	Company	Company	Company	Company
Audited Account Unqualified Auditor's Report (Clean Opinion)	YES	YES	YES	YES	YES
Financial Type	FULL	FULL	FULL	FULL	FULL
Currency	USD	USD	USD	USD	USD
TURNOVER	106,706,343	92,598,636	99,902,096	100,727,601	100,323,457
Other Income	1,175,338	607,527	419,487	254,161	387,064
Total Turnover	107,881,681	93,206,163	100,321,583	100,981,762	100,710,521
PROFIT/(LOSS) FROM OPERATIONS	2,532,687	1,086,394	1,639,906	(3,786,812)	3,391,203
PROFIT/(LOSS) BEFORE TAXATION	2,532,687	1,086,394	1,639,906	(3,786,812)	3,391,203
Taxation	(297,408)	(387,097)	70,047	(593,989)	(424,808)
PROFIT/(LOSS) AFTER TAXATION	2,235,279	699,297	1,709,953	(4,380,801)	2,966,395
RETAINED PROFIT/(LOSS) BROUGHT FORWARD					
As previously reported	37,637	(661,660)	(2,371,613)	4,909,188	8,242,793
As restated	37,637	(661,660)	(2,371,613)	4,909,188	8,242,793
PROFIT AVAILABLE FOR APPROPRIATIONS	2,272,916	37,637	(661,660)	528,387	11,209,188
DIVIDENDS Ordinary (paid & proposed)	-	-	-	(2,900,000)	(6,300,000)
RETAINED PROFIT/(LOSS) CARRIED FORWARD	2,272,916	37,637	(661,660)	(2,371,613)	4,909,188

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INTEREST EXPENSE (as per notes to P&L)	=	=	=	=	=
Lease interest	-	-	-	164	597
Loan from holding company	106,420	60,278	61,711	105,648	-
	-----	-----	-----	-----	-----
	106,420	60,278	61,711	105,812	597
	=====	=====	=====	=====	=====
	=	=	=	=	=
DEPRECIATION (as per notes to P&L)	10,048	18,034	23,838	14,791	15,727
	-----	-----	-----	-----	-----
Total Amortization And Depreciation	10,048	18,034	23,838	14,791	15,727
	=====	=====	=====	=====	=====
	=	=	=	=	=

BALANCE SHEET

DANFOSS INDUSTRIES PTE. LTD.

ASSETS

EMPLOYED:

FIXED ASSETS	58,495	8,451	26,485	39,050	53,841
LONG TERM INVESTMENTS/OTHER ASSETS					
Subsidiary companies	-	-	-	-	6,370,000
Deferred assets	78,966	35,470	35,470	125,129	-
Others	-	-	-	-	194,896
	-----	-----	-----	-----	-----
TOTAL LONG TERM INVESTMENTS/OTHER ASSETS	78,966	35,470	35,470	125,129	6,564,896
	-----	-----	-----	-----	-----
TOTAL LONG TERM ASSETS	137,461	43,921	61,955	164,179	6,618,737
CURRENT ASSETS					
Stocks	12,009,840	7,306,654	5,868,619	7,032,918	7,703,428
Trade debtors	15,441,103	12,530,131	14,267,759	14,424,225	14,067,580
Other debtors, deposits & prepayments	115,658	126,248	72,277	123,702	2,490,680
Amount due from holding company	1,378	-	6,941	22,519	-

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Amount due from related companies	5,510,095	4,727,567	4,929,600	3,240,491	-
Cash & bank balances	4,234	6,625	6,526	49,793	240,040
TOTAL CURRENT ASSETS	33,082,308	24,697,225	25,151,722	24,893,648	24,501,728
TOTAL ASSET	33,219,769	24,741,146	25,213,677	25,057,827	31,120,465
CURRENT LIABILITIES					
Trade creditors	1,820,971	1,069,905	916,523	1,335,727	14,403,389
Other creditors & accruals	2,029,421	950,110	1,851,931	627,544	-
Interest payable	-	-	-	-	17,289
Amounts owing to holding company	9,730,356	1,774,993	3,831,637	648,775	-
Amounts owing to related companies	6,033,733	9,607,328	5,457,202	7,506,532	-
Provision for taxation	437,203	316,400	157,593	396,273	722,527
Other liabilities	214,629	76,295	2,751,973	6,006,111	-
TOTAL CURRENT LIABILITIES	20,266,313	13,795,031	14,966,859	16,520,962	15,143,205
NET CURRENT ASSETS/(LIABILITIES)	12,815,995	10,902,194	10,184,863	8,372,686	9,358,523
TOTAL NET ASSETS	12,953,456	10,946,115	10,246,818	8,536,865	15,977,260
FINANCED BY:					
SHARE CAPITAL					
Ordinary share capital	10,908,478	10,908,478	10,908,478	10,908,478	10,908,478
TOTAL SHARE CAPITAL	10,908,478	10,908,478	10,908,478	10,908,478	10,908,478
RESERVES					
Capital reserve	-	-	-	-	159,594
General reserve	(227,938)	-	-	-	-
Retained profit/(loss) carried forward	2,272,916	37,637	(661,660)	(2,371,613)	4,909,188
TOTAL RESERVES	2,044,978	37,637	(661,660)	(2,371,613)	5,068,782
SHAREHOLDERS' FUNDS/EQUITY	12,953,456	10,946,115	10,246,818	8,536,865	15,977,260

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FINANCIAL RATIO

DANFOSS INDUSTRIES PTE. LTD.

TYPES OF FUNDS

Cash	4,234	6,625	6,526	49,793	240,040
Net Liquid Funds	4,234	6,625	6,526	49,793	240,040
Net Liquid Assets	806,155	3,595,540	4,316,244	1,339,768	1,655,095
Net Current Assets/(Liabilities)	12,815,995	10,902,194	10,184,863	8,372,686	9,358,523
Net Tangible Assets	12,953,456	10,946,115	10,246,818	8,536,865	15,977,260
Net Monetary Assets	806,155	3,595,540	4,316,244	1,339,768	1,655,095

PROFIT & LOSS ITEMS

Earnings Before Interest & Tax (EBIT)	0	0	1,701,617	(3,681,000)	3,391,800
Earnings Before Interest, Taxes, Depreciation And Amortization (EBITDA)	2,649,155	1,164,706	1,725,455	(3,666,209)	3,407,527

BALANCE SHEET ITEMS

Total Borrowings	0	0	0	0	0
Total Liabilities	20,266,313	13,795,031	14,966,859	16,520,962	15,143,205
Total Assets	33,219,769	24,741,146	25,213,677	25,057,827	31,120,465
Net Assets	12,953,456	10,946,115	10,246,818	8,536,865	15,977,260
Net Assets Backing	12,953,456	10,946,115	10,246,818	8,536,865	15,977,260
Shareholders' Funds	12,953,456	10,946,115	10,246,818	8,536,865	15,977,260
Total Share Capital	10,908,478	10,908,478	10,908,478	10,908,478	10,908,478
Total Reserves	2,044,978	37,637	(661,660)	(2,371,613)	5,068,782

GROWTH RATIOS (Year on Year) (%)

Revenue	15.24	(7.31)	(0.82)	0.40	(24.28)
Profit/(Loss) Before Tax	133.13	(33.75)	143.31	(211.67)	(56.96)
Profit/(Loss) After Tax	219.65	(59.10)	139.03	(247.68)	(53.04)
Total Assets	31.75	(1.87)	0.62	(19.48)	(28.13)
Total Liabilities	35.41	(7.83)	(9.41)	9.10	(36.81)

LIQUIDITY (Times)

Cash Ratio	0	0	0	0	0.02
Liquid Ratio	1.04	1.26	1.29	1.08	1.11
Current Ratio	1.63	1.79	1.68	1.51	1.62

WORKING CAPITAL CONTROL (Days)

Stock Ratio	41	29	21	25	28
Debtors Ratio	53	49	52	52	51
Creditors Ratio	6	4	3	5	52

SOLVENCY RATIOS (Times)

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Gearing Ratio	0	0	0	0	0
Liabilities Ratio	1.56	1.26	1.46	1.94	0.95
Times Interest Earned Ratio	24.80	19.02	27.57	(34.79)	5,681.41
Assets Backing Ratio	1.19	1.00	0.94	0.78	1.46
PERFORMANCE RATIO (%)					
Operating Profit Margin	2.37	1.17	1.64	(3.76)	3.38
Net Profit Margin	2.09	0.76	1.71	(4.35)	2.96
Return On Net Assets	20.37	10.48	16.61	(43.12)	21.23
Return On Capital Employed	20.37	10.48	16.61	(43.12)	21.23
Return On Shareholders' Funds/Equity	17.26	6.39	16.69	(51.32)	18.57
Dividend Pay Out Ratio (Times)	0	0	0	0.66	2.12
NOTES TO ACCOUNTS					
Contingent Liabilities	0	0	0	0	0

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.66
UK Pound	1	INR 91.47
Euro	1	INR 80.78
SGD	1	INR 50.67

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	TRU

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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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