

MIRA INFORM REPORT

Report No. :	519835
Report Date :	14.07.2018

IDENTIFICATION DETAILS

Name :	AMERICAN COLORS INC.
Registered Office :	Carretera 866 Km 1.5 H 1 BO Candelaria Toa Baja PR 00949
Country :	Puerto Rico
Financials (as on) :	31.12.2017
Date of Incorporation :	03.01.2014
Com. Reg. No.:	No. 333566
Legal Form :	Corporation
Line of Business :	<ul style="list-style-type: none"> • Wholesale and Retail; Repair of Motor Vehicles and Motorcycles • Trade of school and office supplies
No. of Employees :	10 (on average)

RATING & COMMENTS

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

MIRA's Rating : C

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)
Puerto Rico	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

PUERTO RICO - ECONOMIC OVERVIEW

Puerto Rico had one of the most dynamic economies in the Caribbean region until 2006; however, growth has been negative for each of the last 11 years. The downturn coincided with the phaseout of tax preferences that had led US firms to invest heavily in the Commonwealth since the 1950s, and a steep rise in the price of oil, which generates most of the island's electricity.

Diminished job opportunities prompted a sharp rise in outmigration, as many Puerto Ricans sought jobs on the US mainland. Unemployment reached 16% in 2011, but declined to 11.5% in December 2017. US minimum wage laws apply in Puerto Rico, hampering job expansion. Per capita income is about two-thirds that of the US mainland.

The industrial sector greatly exceeds agriculture as the locus of economic activity and income. Tourism has traditionally been an important source of income with estimated arrivals of more than 3.6 million tourists in 2008. Puerto Rico's merchandise trade surplus is exceptionally strong, with exports nearly 50% greater than imports, and its current account surplus about 10% of GDP.

Closing the budget deficit while restoring economic growth and employment remain the central concerns of the government. The gap between revenues and expenditures amounted to 0.6% of GDP in 2016, although analysts believe that not all expenditures have been accounted for in the budget and a better accounting of costs would yield an overall deficit of roughly 5% of GDP. Public debt remained steady at 92.5% of GDP in 2017, about \$17,000 per person, or nearly three times the per capita debt of the State of Connecticut, the highest in the US. Much of that debt was issued by state-run schools and public corporations, including water and electric utilities. In June 2015, Governor Alejandro GARCIA Padilla announced that the island could not pay back at least \$73 billion in debt and that it would seek a deal with its creditors.

Hurricane Maria hit Puerto Rico square on in September 2017, causing electrical power outages to 90% of the territory, as well as extensive loss of housing and infrastructure and contamination of potable water. Despite massive efforts, more than 40% of the territory remained without electricity as of yearend 2017. As a result of the destruction, many Puerto Ricans have emigrated to the US mainland.

Source : CIA

IDENTIFICATION OF THE COMPANY

COMPANY NAME	AMERICAN COLORS INC.
TAX ID. TYPE	TAX ID
TAX NUMBER	66-0814361
STATUS	Active
FISCAL ADDRESS	Carretera 866 Km 1.5 H 1 BO Candelaria
CITY/PROVINCE/STATE	Toa Baja PR 00949
PHONE NUMBER(S)	(1-787) 740.9481 / 534.3001
EMAIL	avm.edu.pr@gmail.com
WEBSITE	www.pisosnovandi.com

REMARKS OF IDENTIFICATION

Another e-mail address: martinezjim@gmail.com

This report was requested with company name: AMERICAN COLOUR INC, address: Carr866 Km 1.5 BO Cabdelaria Arena Toa Baja Puerto Rico 00494, with email: avmgrou2008@gmail.com and phone: 1 909 5766934. Please note that the correct data is shown above.

LEGAL INFORMATION

TYPE OF COMPANY	Corporation
INCORPORATION DATE	03/01/2014
CITY OF REGISTRATION	Toa Baja
REGISTRY NUMBER	No. 333566
DURATION	Indefinite
NET WORTH	US\$19,321.00 Dollars (as of 31/12/2017)
LISTED AT STOCK EXCHANGE	NO

DIRECTORS, EXECUTIVES AND SHAREHOLDERS

NAME	JOB TITLE	STAKE
MARTINEZ MALDONADO, JOSE I	President/General Manager/Legal Rep.	

OPERATIONS

SECTOR	G- Wholesale and Retail; Repair of Motor Vehicles and Motorcycles
ACTIVITY	Trade of school and office supplies
ISIC CATEGORY	47- Retail Trade, Except for Motor Vehicles
ISIC CLASS	4789- Retail Trade of other products in store in market stalls
COMMERCIAL/INDUSTRIAL/SERVICE ACTIVITY	Import and trade of school and office supplies.
% SALES IN CASH	40%
% SALES ON CREDIT	60% (terms at 30 days)
% TERRITORY OF SALES	100% Domestic market
% FOREIGN PURCHASES	100%
N. OF EMPLOYEES	10 (on average)

OFFICES.-

ADMINISTRATIVE OFFICE: Located at the heading address, in commercial zone of the city of easy access.

OPERATIONS.-

Operations are carried out directly.

The subject trades the following products: colouring pencils, pencils, paper, erasers, books, rulers, among other. It imports from China and India.

Business hours:

Monday – Friday: from 08:00 to 17:00 hours

FINANCIAL INFORMATION

In recent interview, Mr. Jose Martinez (President) who provided partial information of the subject except for financial figures on grounds of confidentiality

For your reference, we include the Balance Sheet as of 31/12/2017 and 31/12/2016 (12 months, each one), expressed in Dollars as below:

GENERAL BALANCE

Balance Date	31/12/2017
Currency	Dollars
Exchange Rate	1.00
Current Total	396,674.00
Net Fixed	46,000.00
Other Assets	340,281.00
Total Assets	782,955.00
Current Liabilities	102,276.00

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Non-current Liabilities	700,000.00
Total Liabilities	802,276.00
Total Equity	-19,321.00
Total Liabilities and Equity	782,955.00

RATIO OF THE BUSINESS YEAR 2017

Liquidity Index	3.87
Working Capital	US\$294,398.00
Indebtedness Ratio	-18.89%
Profitability Ratio	---

GENERAL BALANCE

Balance Date	31/12/2016
Currency	Dollars
Exchange Rate	1.00
Current Total	433,575.00
Net Fixed	83,000.00
Total Assets	516,575.00
Current Liabilities	34,615.00
Non-current Liabilities	700,000.00
Total Liabilities	734,615.00
Total Equity	-218,040.00
Total Liabilities and Equity	516,575.00

RATIO OF THE BUSINESS YEAR 2016

Liquidity Index	12.52
Working Capital	US\$398,960.00
Indebtedness Ratio	-629.90%
Profitability Ratio	---

FINANCIAL COMMENTS.-

The net sales and profit amounts were not found

FIXED ASSETS.-

- Office furniture and fittings
- Computers
- Other assets

INSURANCE.-

No insurance policies were reported.

TRADE REFERENCES

FOREIGN SUPPLIERS.-

AVAM TECHNOLOGIES PVT. LTD

Country: India

Phone: (91-97) 6148.0474

DEVHARSH INFOTECH PVT LTD

Country: India

Phone: (91-22) 2577.4911

COMMENTS OF SUPPLIERS.-

Local consulted suppliers do not provide trade references on grounds of confidentiality.

BANKS

Bank Name

BANCO POPULAR PUERTO RICO

Country

Puerto Rico

BANK REFERENCES

The bank data can only be obtained if the same company provides or authorizes the banks to do so; the banking system is ruled under the banking secret principle, and all banks are obligated not to disclose information about the clients.

CREDIT OPINION

Commercial company with 4 years of experience in market, it seems to operate normally. No detrimental records were found. We recommend to deal with the subject against banking guarantees.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.41
UK Pound	1	INR 90.07
Euro	1	INR 79.76
US Dollar	1	INR 68.50

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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