

## MIRA INFORM REPORT

Report No. :	522098
Report Date :	25.07.2018

### IDENTIFICATION DETAILS

Name :	KCTEX INTERNATIONAL LIMITED
Registered Office :	6, Shenton Way, 24-09, Oue Downtown, 068809
Country :	Singapore
Financials (as on) :	30.06.2017
Date of Incorporation :	19.07.2006
Com. Reg. No.:	200610550N
Legal Form :	Public (Limited By Share)
Line of Business :	The subject is principally engaged in the trading of fabrics, fibre, polyester chips and yarn.
No. of Employees :	20 [2018]

### RATING & COMMENTS

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

MIRA's Rating :	A+
-----------------	----

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

Status :	Good
Payment Behaviour :	Regular
Litigation :	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.

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**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.	: 200610550N
COMPANY NAME	: <b>KCTEX INTERNATIONAL LIMITED</b>
FORMER NAME	: N/A
INCORPORATION DATE	: 19/07/2006
COMPANY STATUS	: EXIST
LEGAL FORM	: PUBLIC (LIMITED BY SHARE)
LISTED STATUS	: NO
REGISTERED ADDRESS	: 6, SHENTON WAY, 24-09, OUE DOWNTOWN, 068809, SINGAPORE.
BUSINESS ADDRESS	: 6, SHENTON WAY, 24-09, OUE DOWNTOWN 2, 068809, SINGAPORE.
TEL.NO.	: 65-63255755
FAX.NO.	: 65-63254232
EMAIL	: INFO@KCTEX.COM.SG
WEB SITE	: WWW.KCTEXINTERNATIONAL.COM
CONTACT PERSON	: RANGAREDDY JAYACHANDRAN ( MANAGING DIRECTOR )
PRINCIPAL ACTIVITY	: TRADING OF FABRICS, FIBRE, POLYSTER CHIPS AND YARN
ISSUED AND PAID UP CAPITAL	: 9,000,000.00 ORDINARY SHARE, OF A VALUE OF USD 9,000,000.00
SALES	: USD 383,534,449 [2017]
NET WORTH	: USD 57,664,263 [2017]
STAFF STRENGTH	: 20 [2018]
LITIGATION	: CLEAR
FINANCIAL CONDITION	: STRONG
PAYMENT MANAGEMENT CAPABILITY	: REGULAR
	: AVERAGE
COMMERCIAL RISK	: LOW
CURRENCY EXPOSURE	: MODERATE
GENERAL REPUTATION	: SATISFACTORY
INDUSTRY OUTLOOK	: AVERAGE GROWTH

## **HISTORY / BACKGROUND**

As a public limited company, the Subject must have at least one shareholder but there is no limit on the maximum number of shareholders. The Subject must have at least two directors. A public limited company is a separate legal entity from its shareholders. As a separate legal entity, the Subject is capable of owning assets, entering into contracts, suing or be sued by other companies. The liabilities of the shareholders are only up 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 must file in its annual return, together with its financial statements with the Registrar of Companies.

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The subject is principally engaged in the (as a / as an) trading of fabrics, fibre, polyster chips and yarn.

The immediate holding company of the Subject is PATTERSON INVESTMENTS LIMITED, a company incorporated in MAURITIUS.

**Share Capital History**

**Date Issue & Paid Up Capital**  
13/03/2018 USD 9,000,000.00

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

**Current Shareholder(s) :**

Name	Address	IC/PP/Loc No	Shareholding	(%)
PATTERSON INVESTMENTS LIMITED	IFS COURT, TWENTYEIGHT CYBERCITY, EBENE MAURITIUS	T06UF1948	9,000,000.00	100.00
			----- 9,000,000.00 =====	----- 100.00 =====

+ Also Director

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

Local No	Country	Company	Status	(%)	As At
	MAURITIUS	ELEGANT INTERNATIONAL	-	100.00	30/06/2017
	UNITED STATES	KC FABRICS INC	-	100.00	30/06/2016
	UNITED STATES	KC TEX INC	-	100.00	30/06/2017
	BRAZIL	KCTEX BRASIL ASSESSORIAL LTD	-	100.00	30/06/2017
	CANADA	KCTEX CANADA PTY LTD	-	100.00	30/06/2017
	CHINA	KCTEX CHINA	-	100.00	30/06/2017
	DENMARK	KCTEX DENMARK	-	100.00	30/06/2017
	HONG KONG	KCTEX HONG KONG	-	100.00	30/06/2017
	SOUTH AFRICA	KCTEX SOUTH AFRICA PTY LTD	-	100.00	30/06/2017
	INDIA	KEWALRAM TEXTILES PVT LTD	-	96.00	30/06/2017
	INDONESIA	PT KARYA INDO ENERGI	-	99.00	30/06/2017
	UNITED ARAB EMIRATES	SUPREME GLOBAL	-	100.00	30/06/2017
	BANGLADESH	TEXGLOBAL BD	-	100.00	30/06/2017

***DIRECTORS***

**DIRECTOR 1**

Name Of Subject : THIYAGARAJAN ANAIYAMPATTI SIVASWAMY  
Address : 335, BUKIT TIMAH ROAD, 05-01, WING ON LIFE GARDEN, 259718, SINGAPORE.  
Other Address(es) : UNIT 19-05,BLOCK D1, GENTING VIEW RESORT, 69000 GENTING HIGHLANDS, PAHANG, MALAYSIA.

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IC / PP No : S2680972Z  
Nationality : SINGAPOREAN  
Date of : 19/07/2006  
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	Local No	Company	Designation	App Date	Shareholding No.	%	Profit/(loss) After Tax	Financial Year	Stat us	As At
1	724973K	GOOD WEATHER SDN. BHD.	Director	01/10/2007	0.00	-	MYR(22,831.00)	2017	-	23/02/2018
2	200610550N	KCTEX INTERNATIONAL LIMITED	Director	19/07/2006	0.00	-	USD11,085,963.00	2017	-	13/03/2018
3	200820622W	NAPIER HEALTHCARE SOLUTIONS PTE. LTD.	Director	28/10/2008	4,878,000.00	19.51	-	2017	-	25/05/2012

**DIRECTOR 2**

Name Of Subject : PARASURAMAN RAMESH  
Address : 1, TANJONG RHU ROAD, 20-01, THE WATERSIDE, 436879, SINGAPORE.  
IC / PP No : S2683858D  
Nationality : SINGAPOREAN  
Date of : 03/06/2010  
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	Local No	Company	Designat	App	Sharehold	Profit/(loss)	Financ	Stat	As At
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o	ion	Date	ing No %	After Tax	ial Year	us
1	2006105 50N KCTEX INTERNATIO NAL LIMITED	Director 03/06/2 010	0.0 - 0	USD11,085,9 63.00	2017	- 13/03/2 018

**DIRECTOR 3**

Name Of Subject : RANGAREDDY JAYACHANDRAN  
Address : 3, GRANGE GARDEN, 09-01, THE GRANGE, 249633, SINGAPORE.  
Other Address(es) : 31 LEONI HILL #09-01 RIVERSHIRE, 239193, SINGAPORE.  
IC / PP No : S2220352E  
Nationality : SINGAPOREAN  
Date of : 19/07/2006  
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	Designa tion	App Date	Shareholding No. %	Profit/(loss) After Tax	Finan cial Year	Stat us	As At
1	2006105 50N	KCTEX INTERNATI ONAL LIMITED	Director	19/07/2 006	0.00 -	USD11,085,9 63.00	2017	-	13/03/2 018
2	2008206 22W	NAPIER HEALTHCA RE SOLUTION S PTE. LTD.	Director	28/10/2 008	19,512,00 0.00 78. 05	-	2017	-	25/05/2 012

**MANAGEMENT**

1) Name of : RANGAREDDY JAYACHANDRAN  
Subject  
Position : MANAGING DIRECTOR

## **AUDITOR**

Auditor : ERNST & YOUNG LLP  
Auditor' : N/A  
Address

## **COMPANY SECRETARIES**

1) Company Secretary : FIONA LIM PEI PEI  
IC / PP No : S7369291A  
Address : 669B, JURONG WEST STREET 64, 06-84, 642669, 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 : YES  
Overseas : YES

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

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

## **CLIENTELE**

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

## **OPERATIONS**

Goods : FABRICS, FIBRE, POLYSTER CHIPS AND YARN  
Traded

Total Number of Employees:

YEAR	2018	2017	2016	2015	2014
GROUP COMPANY	N/A	N/A	N/A	N/A	N/A
	20	20	20	20	20

Branch : NO

Other Information:

The Subject is principally engaged in the (as a / as an) trading of fabrics, fibre, polyster chips and yarn.

The Subject's strategy begins with a passion for the products they provide and a deep understanding of their customers.

Fast and flexible, the Subject is able to leverage their highly diversified global supply chain as we continually expand our reach around the world.

The Subject import and export the following products:

- \* Yarn
- \* Fabric
- \* Embroidery
- \* Home textiles

## **CURRENT INVESTIGATION**

Latest fresh investigations carried out on the Subject indicated that :

Telephone Number Provided By : N/A  
Client  
Current Telephone Number : 65-63255755  
Match : N/A  
Address Provided by Client : 6 SHENTON WAY OUE DOWNTOWN 2 HEX24-09 SINGAPORE  
068809  
Current Address : 6, SHENTON WAY, 24-09, OUE DOWNTOWN 2, 068809,  
SINGAPORE.  
Match : YES

### **Other Investigations**

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

## **FINANCIAL ANALYSIS**

### **Profitability**

Turnover	: Decreased	[ 2013 - 2017 ]
Profit/(Loss) Before Tax	: Increased	[ 2013 - 2017 ]
Return on Shareholder Funds	: Acceptable	[ 19.41% ]
Return on Net Assets	: Acceptable	[ 22.43% ]

The continuous fall in turnover could be due to the lower demand for the Subject's products / services. The Subject's management have been efficient in controlling its operating costs. The Subject's management had generated acceptable return for its shareholders using its assets.

### **Working Capital Control**

Stock Ratio	: Favourable	[ 22 Days ]
Debtor Ratio	: Favourable	[ 44 Days ]
Creditors Ratio	: Favourable	[ 10 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	[ 1.96 Times ]
Current Ratio	: Favourable	[ 2.68 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	[ 12.23 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 :**

Due to the efficient control of its operating costs, the Subject was able to remain profitable despite lower turnover achieved during the year. 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 : STRONG**

## **SINGAPORE ECONOMIC / INDUSTRY OUTLOOK**

<b>Major Economic Indicators :</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017*</b>
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)
<b>INDUSTRIES ( % of Growth ) :</b>					
<b>Agriculture</b>					
Production of Principal Crops	1.78	4.29	3.04	-	-
Fish Supply & Wholesale	(3.8)	(8.6)	(8.5)	(9.9)	-

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**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
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

<b>Construction</b>	<b>25.40</b>	<b>22.00</b>	-	-	-
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

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(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.

#### **OVERALL INDUSTRY OUTLOOK : AVERAGE GROWTH**

## **CREDIT RISK EVALUATION & RECOMMENDATION**

Incorporated in 2006, the Subject is a Public Limited company, focusing on trading of fabrics, fibre, polyester chips and yarn. Having been in the industry for over a decade, the Subject has achieved a certain market share and has built up a satisfactory reputation in the market. It should have received supports from its regular customers. A paid up capital of USD 9,000,000 allows the Subject to expand its business more comfortably. With a strong backing from its holding company, the Subject enjoys timely financial assistance should the needs arise.

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. Being a small company, the Subject's business operation is supported by 20 employees. 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.

Despite the lower turnover, the Subject's pre-tax profit have increased compared to the previous year. The higher profit could be due to better control of its operating costs and efficiency in utilising its resources. 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 57,664,263, the Subject should be able to maintain its business in the near terms.

The Subject's supplier are from both the local and overseas countries. This will eliminate the risk of dependency on deliveries from a number of key suppliers and insufficient quantities of its raw materials. Overall the Subject has a good control over its resources.

Overall, the Subject's payment habit is good as the Subject has a good credit control and it could be taking advantage of the cash discounts while maintaining a good reputation with its creditors.

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.

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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.

### **KCTEX INTERNATIONAL LIMITED**

Financial Year	2017-06-30	2016-06-30	2015-06-30	2014-06-30	2013-06-30
End					
Months	12	12	12	12	12
Consolidated Account	GROUP	GROUP	GROUP	GROUP	GROUP
Audited Account	YES	YES	YES	YES	YES
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	383,534,449	401,284,082	466,661,614	489,354,743	380,281,352
Other Income	140,875	202,439	180,459	214,948	136,897
Total Turnover	383,675,324	401,486,521	466,842,073	489,569,691	380,418,249
Costs of Goods Sold	(361,279,639)	(375,353,666)	(440,352,237)	(463,285,714)	(358,994,613)
Gross Profit	22,395,685	26,132,855	26,489,836	26,283,977	21,423,636
PROFIT/(LOSS) FROM OPERATIONS	11,876,167	11,747,071	13,633,231	13,730,316	11,632,786
PROFIT/(LOSS) BEFORE TAXATION	11,876,167	11,747,071	13,633,231	13,730,316	11,632,786
Taxation	(790,204)	(676,800)	(1,375,992)	(1,473,369)	(1,136,133)
PROFIT/(LOSS) AFTER TAXATION	11,085,963	11,070,271	12,257,239	12,256,947	10,496,653
Minority interests	(10,223)	(4,687)	(15,396)	(18,960)	(14,974)
Pre-acquisition profit/(loss)	118,297	(65,713)	-	-	-
PROFIT/(LOSS) BEFORE EXTRAORDINARY ITEMS	11,194,037	10,999,871	12,241,843	12,237,987	10,481,679

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Extraordinary items	(115,462)	60,333	(3,530)	(4,273)	-
PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS	11,078,575	11,060,204	12,238,313	12,233,714	10,481,679
RETAINED PROFIT/(LOSS) BROUGHT FORWARD					
As previously reported	48,103,412	44,043,208	37,804,895	30,571,181	24,089,502
As restated	48,103,412	44,043,208	37,804,895	30,571,181	24,089,502
PROFIT AVAILABLE FOR APPROPRIATIONS	59,181,987	55,103,412	50,043,208	42,804,895	34,571,181
DIVIDENDS - Ordinary (paid & proposed)	(10,000,000)	(7,000,000)	-	-	-
DIVIDENDS - Preference	-	-	(6,000,000)	(5,000,000)	(4,000,000)
RETAINED PROFIT/(LOSS) CARRIED FORWARD	49,181,987	48,103,412	44,043,208	37,804,895	30,571,181
<b>INTEREST EXPENSE (as per notes to P&amp;L)</b>					
Others	1,057,333	1,541,559	1,744,370	1,795,225	1,283,512
DEPRECIATION (as per notes to P&L)	68,452	65,381	85,976	131,911	347,992
Total Amortization And Depreciation	68,452	65,381	85,976	131,911	347,992

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**BALANCE SHEET**

**KCTEX INTERNATIONAL LIMITED**

**ASSETS**

**EMPLOYED:**

FIXED ASSETS	2,484,712	2,472,688	2,531,136	2,340,529	1,694,360
<b>LONG TERM INVESTMENTS/OTHER ASSETS</b>					
Investments	1,605	1,561	1,662	1,739	1,912
Deferred assets	236,532	257,835	318,941	207,035	171,365
<b>TOTAL LONG TERM INVESTMENTS/OTHER ASSETS</b>	<b>238,137</b>	<b>259,396</b>	<b>320,603</b>	<b>208,774</b>	<b>173,277</b>
<b>TOTAL LONG TERM ASSETS</b>	<b>2,722,849</b>	<b>2,732,084</b>	<b>2,851,739</b>	<b>2,549,303</b>	<b>1,867,637</b>
<b>CURRENT ASSETS</b>					
Stocks	23,482,554	22,286,395	33,390,013	34,983,762	19,353,902
Trade debtors	46,707,588	46,707,606	72,048,780	68,202,330	74,481,326
Other debtors, deposits & prepayments	5,413,006	6,767,348	6,439,856	7,453,580	10,733,775
Cash & bank balances	12,040,643	19,262,479	16,340,759	23,351,074	23,292,334
Others	-	195,611	882,402	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>87,643,791</b>	<b>95,219,439</b>	<b>129,101,810</b>	<b>133,990,746</b>	<b>127,861,337</b>
<b>TOTAL ASSET</b>	<b>90,366,640</b>	<b>97,951,523</b>	<b>131,953,549</b>	<b>136,540,049</b>	<b>129,728,974</b>
	===	===	===	===	===

**CURRENT LIABILITIES**

Trade creditors	9,896,254	9,628,594	18,257,033	15,795,096	13,306,264
Other creditors & accruals	2,315,191	2,360,465	3,707,797	2,703,431	7,134,409
Deposits from customers	1,915,086	1,956,277	2,004,414	3,157,896	-
Interest payable	223,535	364,071	560,035	583,842	-
Provision for taxation	554,553	177,742	986,997	894,921	765,353
Other liabilities	17,797,758	27,004,371	53,981,828	67,015,058	69,301,424
<b>TOTAL CURRENT LIABILITIES</b>	<b>32,702,377</b>	<b>41,491,520</b>	<b>79,498,104</b>	<b>90,150,244</b>	<b>90,507,450</b>
<b>NET CURRENT</b>	<b>54,941,414</b>	<b>53,727,919</b>	<b>49,603,706</b>	<b>43,840,502</b>	<b>37,353,887</b>

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**ASSETS/(LIABILITIES)**

TOTAL NET ASSETS	57,664,263	56,460,003	52,455,445	46,389,805	39,221,524
<b>FINANCED BY:</b>					
<b>SHARE CAPITAL</b>					
Ordinary share capital	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
<b>TOTAL SHARE CAPITAL</b>	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
<b>RESERVES</b>					
Exchange equalisation/fluctuation reserve	(618,517)	(733,979)	(673,646)	(485,577)	(401,184)
Retained profit/(loss) carried forward	49,181,987	48,103,412	44,043,208	37,804,895	30,571,181
<b>TOTAL RESERVES</b>	48,563,470	47,369,433	43,369,562	37,319,318	30,169,997
<b>MINORITY INTEREST</b>	100,793	90,570	85,883	70,487	51,527
<b>SHAREHOLDERS' FUNDS/EQUITY</b>	57,664,263	56,460,003	52,455,445	46,389,805	39,221,524

**FINANCIAL RATIO**

**KCTEX INTERNATIONAL LIMITED**

**TYPES OF FUNDS**

Cash	12,040,643	19,262,479	16,340,759	23,351,074	23,292,334
Net Liquid Funds	12,040,643	19,262,479	16,340,759	23,351,074	23,292,334
Net Liquid Assets	31,458,860	31,441,524	16,213,693	8,856,740	17,999,985
Net Current Assets/(Liabilities)	54,941,414	53,727,919	49,603,706	43,840,502	37,353,887
Net Tangible Assets	57,664,263	56,460,003	52,455,445	46,389,805	39,221,524
Net Monetary Assets	31,458,860	31,441,524	16,213,693	8,856,740	17,999,985

**PROFIT & LOSS ITEMS**

Earnings Before Interest & Tax (EBIT)	0	13,288,630	15,377,601	15,525,541	12,916,298
Earnings Before Interest, Taxes, Depreciation And Amortization (EBITDA)	13,001,952	13,354,011	15,463,577	15,657,452	13,264,290

**BALANCE SHEET ITEMS**

Total Borrowings	0	0	0	0	0
Total Liabilities	32,702,377	41,491,520	79,498,104	90,150,244	90,507,450

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Total Assets	90,366,640	97,951,523	131,953,549	136,540,049	129,728,974
Net Assets	57,664,263	56,460,003	52,455,445	46,389,805	39,221,524
Net Assets Backing	57,664,263	56,460,003	52,455,445	46,389,805	39,221,524
Shareholders' Funds	57,664,263	56,460,003	52,455,445	46,389,805	39,221,524
Total Share Capital	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
Total Reserves	48,563,470	47,369,433	43,369,562	37,319,318	30,169,997
<b>GROWTH RATIOS (Year on Year) (%)</b>					
Revenue	(4.42)	(14.01)	(4.64)	28.68	8.80
Profit/(Loss) Before Tax	1.10	(13.84)	(0.71)	18.03	1.11
Profit/(Loss) After Tax	0.14	(9.68)	0	16.77	4.78
Total Assets	(8.24)	(25.77)	(3.36)	5.25	37.93
Total Liabilities	(22.18)	(47.81)	(11.82)	(0.39)	47.67
<b>LIQUIDITY (Times)</b>					
Cash Ratio	0.37	0.46	0.21	0.26	0.26
Liquid Ratio	1.96	1.76	1.20	1.10	1.20
Current Ratio	2.68	2.29	1.62	1.49	1.41
<b>WORKING CAPITAL CONTROL (Days)</b>					
Stock Ratio	22	20	26	26	19
Debtors Ratio	44	42	56	51	71
Creditors Ratio	10	9	15	12	14
<b>SOLVENCY RATIOS (Times)</b>					
Gearing Ratio	0	0	0	0	0
Liabilities Ratio	0.57	0.73	1.52	1.94	2.31
Times Interest Earned Ratio	12.23	8.62	8.82	8.65	10.06
Assets Backing Ratio	6.41	6.27	5.83	5.15	4.36
<b>PERFORMANCE RATIO (%)</b>					
Operating Profit Margin	3.10	2.93	2.92	2.81	3.06
Net Profit Margin	2.92	2.74	2.62	2.50	2.76
Return On Net Assets	22.43	23.54	29.32	33.47	32.93
Return On Capital Employed	22.39	23.50	29.27	33.42	32.89
Return On Shareholders' Funds/Equity	19.41	19.48	23.34	26.38	26.72
Dividend Pay Out Ratio (Times)	0.89	0.64	0	0	0
<b>NOTES TO ACCOUNTS</b>					
Contingent Liabilities	0	0	0	0	0

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.05
UK Pound	1	INR 90.30
Euro	1	INR 80.54
SGD	1	INR 50.45

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

**INFORMATION DETAILS**

Analysis Done by :	DIV
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)