

## MIRA INFORM REPORT

<b>Report No. :</b>	521425
<b>Report Date :</b>	25.07.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	SHANDONG KEYUAN PHARMACEUTICAL CO., LTD.
<b>Registered Office :</b>	Keyuan Street, Shandong Shanghe Economic Development Zone, Jinan, Shandong Province 239000 PR
<b>Country :</b>	China
<b>Financials (as on) :</b>	31.03.2018
<b>Date of Incorporation :</b>	27.12.2004
<b>Unified Social Credit Code :</b>	91370126771003840T
<b>Legal Form :</b>	Shares Limited Company
<b>Line of Business :</b>	<ul style="list-style-type: none"> <li>Manufacturing and selling of active pharmaceutical ingredients (APIs) and inhalation; manufacturing cresol tetrazolium trisiloxane, benzotriazole azophenol; importing and exporting goods.</li> <li>Products mainly include: Gliclazide, Isoflurane, Isosorbide Mononitrate, Xanthinol Nicotinate, Metformin Hydrochloride, Isosorbide Dinitrate, Phenformin, Hydrochloride, Diluted Isosorbide Dinitrate.</li> </ul>
<b>No. of Employees :</b>	454

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	A
------------------------	---

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Status :</b>	Good
<b>Payment Behaviour :</b>	Regular
<b>Litigation :</b>	Clear

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**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 (31.12.2017)	Current Rating (01.04.2018)
China	A2	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

**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 announced it would allow a resumption of gradual liberalization. From 2013 until early 2015, the renminbi (RMB) appreciated roughly 2% against the dollar, but the exchange rate fell 13% from mid-2015 until end-2016 amid strong capital outflows in part stemming from the August 2015 official devaluation; in 2017 the RMB resumed appreciating against the dollar – roughly 7% from end-of-2016 to end-of-2017. From 2013 to 2017, China had one of the fastest growing economies in the world, averaging slightly more than 7% real growth per year. In 2015, the People's Bank of China announced it would continue to carefully push for full convertibility of the renminbi, after the currency was accepted as part of the IMF's special drawing rights basket. However, since late 2015 the Chinese Government has strengthened capital controls and oversight of overseas investments to better manage the exchange rate and maintain financial stability.

The Chinese Government faces numerous economic challenges including: (a) reducing its high domestic savings rate and correspondingly low domestic household consumption; (b) managing its high corporate debt burden to maintain financial stability; (c) controlling off-balance sheet local government debt used to finance infrastructure stimulus; (d) facilitating higher-wage job opportunities for the aspiring middle class, including rural migrants and college graduates, while maintaining competitiveness; (e) dampening speculative investment in the real estate sector without sharply slowing the economy; (f) reducing industrial overcapacity; and (g) raising productivity growth rates through the more efficient allocation of capital and state-support for innovation. 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 more progress on subsidizing innovation than rebalancing the economy. Beijing has committed to giving the market a more decisive role in allocating resources, but the Chinese Government's policies continue to favor state-owned enterprises and emphasize stability. Chinese leaders in 2010 pledged to double China's GDP by 2020, and the 13th Five Year Plan includes annual economic

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.



**MIRA INFORM PRIVATE LIMITED**  
605, Palmspring, Near D'Mart, Link Road,  
Malad (West), Mumbai - 400 064. INDIA  
Tel : 91-22-40448000 (44 lines)  
Fax : 91-22-40448045 / 40448046  
E-mail : mira@mirainform.com  
info@mirainform.com  
Website : <http://www.mirainform.com>  
<http://www.miraglobalcheck.com>  
<http://www.miraglobalcollections.com>

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. The slight acceleration in economic growth in 2017—the first such uptick since 2010—gives Beijing more latitude to pursue its economic reforms, focusing on financial sector deleveraging and its Supply-Side Structural Reform agenda, first announced in late 2015.

Source : CIA

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

## **COMPANY NAME AND ADDRESS**

<b>COMPANY NAME</b>	Shandong Keyuan Pharmaceutical Co., Ltd.
<b>CURRENT ADDRESS/ REGISTERED ADDRESS</b>	Keyuan Street, Shandong Shanghe Economic Development Zone, Jinan, Shandong Province 239000 PR China
<b>TEL. NO.</b>	86 (0) 531-84779615/88729285
<b>FAX NO.</b>	86 (0) 531-88729257

## **EXECUTIVE SUMMARY**

DATE OF REGISTRATION	: DECEMBER 27, 2004
UNIFIED SOCIAL CREDIT CODE	: 91370126771003840T
LEGAL FORM	: SHARES LIMITED COMPANY
CHIEF EXECUTIVE	: LUN LIJUN (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL	: CNY 58,000,000
STAFF	: 454
BUSINESS CATEGORY	: MANUFACTURING & TRADING
REVENUE	: CNY 55,071,000 (From Jan. 1, 2018 to Mar. 31, 2018)
EQUITIES	: CNY 265,937,000 (As of Mar. 31, 2018)
WEBSITE	: <a href="http://www.keyuanpharm.com">www.keyuanpharm.com</a>
E-MAIL	: <a href="mailto:public@keyuanpharm.com">public@keyuanpharm.com</a>
PAYMENT	: REGULAR
MARKET CONDITION	: AVERAGE
FINANCIAL CONDITION	: FAIRLY STABLE
OPERATIONAL TREND	: FAIRLY STEADY
GENERAL REPUTATION	: AVERAGE

### **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  
Stagnant  
Downward  
Not known  
Not yet be determined

**General Reputation:-**

Excellent  
Good  
Fairly Good  
Average  
Fair  
Detrimental  
Not known  
Not yet be determined

## **LEGAL STATUS & HISTORY**

SC was established as shares limited company of PRC with State Administration of Industry & Commerce (SAIC) under Unified Social Credit Code: 91370126771003840T.

SC's Import and Export Enterprise Code: 3700771003840

SC's registered capital: CNY 58,000,000

**Registration Change Record:-**

Date	Change of Contents	Before the change	After the change
2015-9-10	Legal Form	Limited Liabilities Company	Shares Limited Company
2015-9-30	Registered Capital	CNY 10,000,000	CNY 28,000,000
2017-3-23	Registered Capital	CNY 28,000,000	CNY 50,000,000
	Registered Capital	CNY 50,000,000	CNY 55,000,000
	Registration No./ Unified Social Credit Code	341100000009042	91341100788563369F
2017-12-4	Registered Capital	CNY 55,000,000	CNY 58,000,000
2018-1-22	Legal Representative	Zhang Zhongshan	Lun Lijun

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

Name of Shareholder (s) (As of March 31, 2018)	% of Shareholding
Linuo Investment Holdings Group Co., Ltd.	45.86
Linuo Group Holdings Co., Ltd.	32.59
Ji'an Anfu Business Management Consulting Partnership	7.76

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**SHANDONG KEYUAN PHARMACEUTICAL CO., LTD. - 521425**

**PAGE NO. : 7**

Jinan Dingyou Healthy Industry Investment Partnership Enterprise (Limited Partnership)	5.17
Jinan Caijin Technology Investment Co., Ltd.	4.66
Shandong Luxin Capital Market Development Equity Investment Fund Partnership (Limited Partnership)	3.10
Shandong Xinshunda Investment Management Co., Ltd.	0.86

**SC's Chief Executives:-**

**Position**

Legal Representative, Chairman and General Manager  
Director

Supervisor

**Name**

Lun Lijun  
Wang Xiaoliang  
Zhang Changshan  
Zou Xiaohong  
Zhang Zhongshan  
Ma Yi  
Shen Yingming  
Li Zhaowen

**RECENT DEVELOPMENT**

SC was listed on the new three board stock market, and the stock code is 836262.

**SHAREHOLDER CHART & BACKGROUND**

<b>Name (As of March 31, 2018)</b>	<b>% of Shareholding</b>
Linuo Investment Holdings Group Co., Ltd.	45.86
Linuo Group Holdings Co., Ltd.	32.59
Ji'an Anfu Business Management Consulting Partnership	7.76
Jinan Dingyou Healthy Industry Investment Partnership Enterprise (Limited Partnership)	5.17
Jinan Caijin Technology Investment Co., Ltd.	4.66
Shandong Luxin Capital Market Development Equity Investment Fund Partnership (Limited Partnership)	3.10
Shandong Xinshunda Investment Management Co., Ltd.	0.86

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

✚ Linuo Investment Holdings Group Co., Ltd.

-----  
Date of Registration: November 21, 2002  
Unified Social Credit Code: 91370100744546671X  
Chief Executive : Gao Yuankun  
Registered Capital: CNY 431,800,000

✚ Linuo Group Holdings Co., Ltd.

-----  
Date of Registration: September 28, 1994  
Unified Social Credit Code: 91370100264324770Q  
Chief Executive : Gao Yuankun  
Registered Capital: CNY 639,000,000

## **MANAGEMENT**

### **Lun Lijun, Legal Representative, Chairman and General Manager**

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

At present, working in SC as legal representative, chairman and general manager

### **Director**

-----  
Wang Xiaoliang  
Zhang Changshan  
Zou Xiaohong  
Zhang Zhongshan

### **Supervisor**

-----  
Ma Yi  
Shen Yingming  
Li Zhaowen

## **BUSINESS OPERATION**

SC's registered business scope includes manufacturing and selling active pharmaceutical ingredients (APIs) and inhalation; manufacturing cresol tetrazolium trisiloxane, benzotriazole azophenol; importing and exporting goods.

SC is mainly engaged in manufacturing and selling APIs.

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

SC's products mainly include: Gliclazide, Isoflurane, Isosorbide Mononitrate, Xanthinol Nicotinate, Metformin Hydrochloride, Isosorbide Dinitrate, Phenformin, Hydrochloride, Diluted Isosorbide Dinitrate, and etc.

SC sources its materials 100% from domestic market. SC sells 70% of its products in domestic market, and 30% to overseas market, mainly South Asia, America and Middle East.

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

**\*Major Customers\***

=====

Shandong Linuo Pharmaceutical Company Limited  
Kian Behsam Chemie Co.  
Bristol Laboratories Ltd.  
Shanghai Zhenheng International Trade Co., Ltd.

**Staff & Office:**

-----

SC is known to have approx. 454 staff at present.  
SC owns an area as its operating office and factory, 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 records 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**

The bank information of SC is not filed in SAIC.

## **FINANCIALS**

### **Balance Sheet**

Unit: CNY'000	As of Dec. 31, 2016	As of Dec. 31, 2017	As of Mar. 31, 2018
Cash	25,989	58,579	49,169
Notes receivable	11,241	3,318	4,756
Accounts receivable	15,417	43,373	38,606
Advances to suppliers	4,528	6,319	4,946
Other receivable	4,397	2,403	1,771
Inventory	20,744	34,971	38,280
Prepaid expenses	0	0	0
Other current assets	2,171	567	840
	-----	-----	-----
Current assets	84,487	149,530	138,368
Long-term investment	0	0	0
Fixed assets	59,105	136,155	146,046
Construction in progress	41,570	17,211	12,509
Engineering materials	642	566	546
Intangible assets	14,931	14,477	14,181
Long-term prepaid expenses	1,035	222	191
Deferred income tax assets	0	0	0
Other non-current assets	22,729	16,590	19,749
	-----	-----	-----
Total assets	224,499	334,751	331,590
	=====	=====	=====
Short-term loans	0	0	7,500
Notes payable	21,158	15,150	1,900
Accounts payable	41,135	35,560	35,935
Wages payable	3,688	3,549	2,231
Taxes payable	5,179	6,926	6,375
Interest payable	117	43	0
Dividends payable	0	0	0
Advances from clients	2,834	3,620	2,044
Other payable	17,356	1,231	820
Accrued expenses	0	0	0
Other current liabilities	0	0	0
	-----	-----	-----
Current liabilities	91,467	66,079	56,805
Non-current liabilities	38,034	9,181	8,848
	-----	-----	-----

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**SHANDONG KEYUAN PHARMACEUTICAL CO., LTD. - 521425**

**PAGE NO. : 11**

Total liabilities	129,501	75,260	65,653
Equities	94,998	259,491	265,937
Total liabilities & equities	224,499	334,751	331,590

**Income Statement**

Unit: CNY'000	As of Dec. 31, 2016	As of Dec. 31, 2017	From Jan. 1, 2018 to Mar. 31, 2018
Revenue	179,517	239,445	55,071
Cost of sales	115,901	151,525	41,429
Taxes and surcharges	2,089	2,388	772
Sales expense	6,418	10,367	1,670
Management expense	17,877	21,616	4,541
Finance expense	742	748	417
Asset impairment loss	-99	25	0
Investment income	0	0	0
Profit before tax	38,596	54,101	6,898
Less: profit tax	5,656	8,081	1,035
Profits	32,940	46,020	5,863

**Important Ratios**

	As of Dec. 31, 2016	As of Dec. 31, 2017	As of Mar. 31, 2018
*Current ratio	0.92	2.26	2.44
*Quick ratio	0.70	1.73	1.76
*Liabilities to assets	0.58	0.22	0.20
*Net profit margin (%)	18.35	19.22	10.65
*Return on total assets (%)	14.67	13.75	1.77
*Inventory / Revenue x365/180	43 days	54 days	63 days
*Accounts receivable / Revenue x365/180	32 days	67 days	64 days
*Revenue / Total assets	0.80	0.72	0.17
*Cost of sales / Revenue	0.65	0.63	0.75

**FINANCIAL COMMENTS**

**PROFITABILITY: FAIRLY GOOD**

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

**LIQUIDITY: AVERAGE**

- The current ratio of SC is maintained in a normal level.
- SC's quick ratio is maintained in a normal level.

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

- The inventory of SC appears average.
- The accounts receivable of SC appears average.
- The short-term loans of SC appear small.
- SC's revenue is in a fair level, comparing with the size of its total assets.

**LEVERAGE: AVERAGE**

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

**Overall financial condition of the SC: Fairly Stable.**

## **CONCLUSIONS**

SC is considered medium-sized in its line with fairly stable financial conditions.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.05
UK Pound	1	INR 90.30
Euro	1	INR 80.54
CNY	1	INR 10.13

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	VIV
<b>Report Prepared by :</b>	NIT

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**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)