

MIRA INFORM REPORT

Report No. :	522099
Report Date :	26.07.2018

IDENTIFICATION DETAILS

Name :	RECALDE ANDRADE, MARIA GARDENIA
Registered Office :	Calle Santo Tomas S/N Y García Moreno (Antigua Carretera A Cotacachi), Barrio La Merced De San Roque, Atuntaqui, Imbabura
Country :	Ecuador
Date of Incorporation :	12.01.1990
Legal Form :	Sole Proprietorship
Line of Business :	<ul style="list-style-type: none"> • Manufacture of brake shoes • Manufacture of clothing, except leather clothing • Manufacture, import, export, trade and distribution of socks including leotards and pantyhoses.
No. of Employees :	150

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	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	No Complaints
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)
Ecuador	B1	B1

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

ECUADOR - ECONOMIC OVERVIEW

Ecuador is substantially dependent on its petroleum resources, which accounted for about a third of the country's export earnings in 2017. Remittances from overseas Ecuadorian are also important.

In 1999/2000, Ecuador's economy suffered from a banking crisis that led to some reforms, including adoption of the US dollar as legal tender. Dollarization stabilized the economy, and positive growth returned in most of the years that followed. The economy reached a growth rate of 6.4% in 2008, buoyed by high global petroleum prices and increased public sector investment. But, with declining oil prices during the global recession, former President Rafael CORREA Delgado defaulted in December 2008 on Ecuador's sovereign debt of approximately US\$3.2 billion; in May 2009, Ecuador bought back most of its "defaulted" bonds at an average of 35% of their face value. China has become Ecuador's largest foreign lender since 2008 and now accounts for 77.7% of the Ecuador's bilateral debt. Various economic policies under the CORREA administration, such as an announcement in 2017 that Ecuador would terminate 13 bilateral investment treaties - including one with the US, generated economic uncertainty and discouraged private investment.

Faced with a 2013 trade deficit of \$1.1 billion, Ecuador imposed tariff surcharges from 5% to 45% on an estimated 32% of imports. Ecuador's economy fell into recession in 2015 and remained in recession in 2016. Declining oil prices and exports forced the CORREA administration to cut government outlays. Foreign investment in Ecuador is low as a result of the unstable regulatory environment and weak rule of law.

In April 2016, the Ecuadorian coast suffered an earthquake that measured 7.8 on the Richter scale. Damage to infrastructure hurt several industries, including tourism and shrimp farms. The total cost of the recovery has been close to \$2 billion. To pay for this, the government imposed additional inheritance, capital gains, and production (VAT) taxes. GDP growth from 2015 to 2016 was -1.6%, mostly due to the devastating earthquake.

In April of 2017, Lenin MORENO was elected President of Ecuador by popular vote. His immediate challenge was to reengage the private sector to improve cash flow in the country. Ecuador's economy returned to positive, but sluggish, growth.

In early 2018, the MORENO administration held a public referendum on seven economic and political issues in a move counter to CORREA-administration policies, reduce corruption, strengthen democracy, and revive employment and the economy. The referendum resulted in the repeal of the taxes associated with the earthquake recovery and reduced restrictions on metal mining in the Yasuni Intangible Zone, a protected area, as well as several political reforms.

Source : CIA

IDENTIFICATION OF THE COMPANY

COMPANY NAME	RECALDE ANDRADE, MARIA GARDENIA
TRADE NAME	FABRICA DE MEDIAS GARDENIA
TAX ID. TYPE	RUC
TAX NUMBER	1000700276001
STATUS	Active
FISCAL ADDRESS	Calle Santo Tomas S/N y García Moreno (antigua carretera a Cotacachi), Barrio La Merced de San Roque
CITY/PROVINCE/STATE	Atuntaqui, Imbabura
PHONE NUMBER(S)	(593-6) 290.6270/290.6290
FAX NUMBER(S)	(593-6) 290.6270
EMAIL	fabricagardeniaec@hotmail.com
WEBSITE	www.mediasgardenia.com (under maintenance)

REMARKS OF IDENTIFICATION

This report was requested with address: Santo Tomas S/N y Garcia Moreno, Antiguo Camino A Cotacachi.Barrio La Merced De San Roque,Atuntaqui Imbabura, Atuntaqui, Ecuador. Please note that the correct address is shown above.

LEGAL INFORMATION

TYPE OF COMPANY	Sole Proprietorship
INCORPORATION DATE	12/01/1990
CITY OF REGISTRATION	Atuntaqui
DURATION	Unlimited
LISTED AT STOCK EXCHANGE	NO

LEGAL ASPECTS

As the subject is a sole proprietorship, it is not forced to be registered in the Public Records.

The subject was registered in the Ecuadorian Internal Revenue Service – SRI on January 12th, 1990 as a sole proprietorship RECALDE ANDRADE, MARIA GARDENIA, being able to use this trade name: FABRICA DE MEDIAS GARDENIA. It is considered as a Medium-sized Company.

DIRECTORS, EXECUTIVES AND SHAREHOLDERS

NAME	JOB TITLE	STAKE
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RECALDE ANDRADE, MARIA GARDENIA Proprietor/Manager 100%

DATA OF BOARD OF DIRECTORS, EXECUTIVES AND SHAREHOLDERS

RECALDE ANDRADE, MARIA GARDENIA
Ecuadorian, ID No. 1000700276.

OPERATIONS

SECTOR	C- Industry
ACTIVITY	Manufacture of brake shoes
ISIC CATEGORY	14- Manufacture of clothing
ISIC CLASS	1410- Manufacture of clothing, except leather clothing
COMMERCIAL/INDUSTRIAL/SERVICE ACTIVITY	Manufacture, import, export, trade and distribution of socks including leotards and pantyhoses.
% SALES IN CASH	40%
% SALES ON CREDIT	60% (terms at 30 to 90 days)
% TERRITORY OF SALES	Domestic and foreign markets
% DOMESTIC PURCHASES	50%
% FOREIGN PURCHASES	50%
N. OF EMPLOYEES	150

OFFICES

ADMINISTRATIVE OFFICE, WAREHOUSE & PRODUCTION PLANT: Located at the heading address, in industrial and commercial zone of the city of easy access. Spacious premises.

OPERATIONS

Its main clients are textile and commercial companies, stores, retail companies, sports stores, among others.

Main competitors:

INGESA SA

KAPITEX & ASOCIADOS

TEXTILES EL RAYO SA (MEDIAS ROLAND)

VELASTEGUI MONTALVO MARCIA ESTHELA (MEDIAS ROLAND), among others.

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It imports polyesters, aluminum, needles and other products.

It exports synthetic and cotton fibers.

The Ecuadorian Internal Revenue Service – SRI reports the annual tax income paid by the subject for the last years:

2017: US\$12,918.06

2016: US\$13,235.57

2015: US\$40,484.38

2014: US\$34,688.02

2013: US\$37,672.17

FOREIGN TRADE

YEAR	IMPORTS
AMOUNT	2018 (January – June)
COUNTRIES	US\$139,572.00
	Peru, Spain, China, Italy, USA, Poland
NUMBER OF OPERATIONS	95
YEAR	IMPORTS
AMOUNT	2017
COUNTRIES	US\$385,633.00
	Spain, Peru, China, India, Italy, USA
NUMBER OF OPERATIONS	525
YEAR	IMPORTS
AMOUNT	2016
COUNTRIES	US\$518,434.00
	Peru, China, Spain, Mexico, India, Italy, USA, Poland
NUMBER OF OPERATIONS	188
YEAR	IMPORTS
AMOUNT	2015
COUNTRIES	US\$445,630.00
	Spain, Peru, Ecuador, Mexico, Italy, Poland, USA, China, Hong Kong, Turkey
NUMBER OF OPERATIONS	128
YEAR	IMPORTS
	2014

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AMOUNT US\$988,890.00
COUNTRIES Peru, Spain, Mexico, China, Brazil,
India, Hong Kong, Italy, USA,
Poland, Taiwan, Pakistan
NUMBER OF OPERATIONS 328

EXPORTS
YEAR 2018 (January – June)
AMOUNT US\$257,288.00
COUNTRIES Colombia

NUMBER OF OPERATIONS 134

EXPORTS
YEAR 2017
AMOUNT US\$994,951.00
COUNTRIES Colombia

NUMBER OF OPERATIONS 335

EXPORTS
YEAR 2016
AMOUNT US\$1,148,572.00
COUNTRIES Colombia

NUMBER OF OPERATIONS 229

EXPORTS
YEAR 2015
AMOUNT US\$1,262,035.00
COUNTRIES Colombia

NUMBER OF OPERATIONS 168

EXPORTS
YEAR 2014
AMOUNT US\$1,483,219.00
COUNTRIES Colombia

NUMBER OF OPERATIONS 227

FINANCIAL INFORMATION

In recent interview, Ms. Magaly Pozo (Administrative Assistant) furnished commercial information about the subject, except for financial statements on grounds of confidentiality.

No financial statements were obtained through outside sources.

INSURANCE

The subject takes out an insurance policy. (Unspecified company name, coverage amount and maturity date).

TRADE REFERENCES

FOREIGN SUPPLIERS.-

LA COLONIAL FABRICA DE HILOS SA

Country: Peru

Phone: (51-1) 613.0200

Contact name: María Salazar

S. VILARRASA SA

Country: Spain

Phone: (34-972) 590.250

SHANGHAI RONGW TRADING CO. LTD.

Country: China

Phone: (86-21) 6427.5808

TEXFINA SA

Country: Peru

Phone: (51-1) 517.2222

Contact name: Marilú Villanueva

SUPPLIER

START OF THE BUSINESS

CREDIT LIMIT

CREDIT TERMS

PRODUCTS/SERVICES

RATING

RATING COMMENTS

FOREIGN

Several years ago

No current operations limit

Invoices at 90 days

Threads

PROMPT

Payments with bank transfers.

Purchases (January – June 2018):

US\$10,584.00 Dollars

Supplier: LA COLONIAL FABRICA

DE HILOS SA

SUPPLIER	FOREIGN
START OF THE BUSINESS	Several years ago
CREDIT LIMIT	No current operations limit
CREDIT TERMS	Invoices at 90 days
PRODUCTS/SERVICES	Cotton threads
RATING	PROMPT
RATING COMMENTS	Payments with bank transfers. Purchases (January – June 2018): US\$36,262.00 Dollars Supplier: S. VILARRASA SA

SUPPLIER	FOREIGN
START OF THE BUSINESS	Several years ago
CREDIT LIMIT	No current operations limit
CREDIT TERMS	Invoices at 90 days
PRODUCTS/SERVICES	Needle tubes
RATING	PROMPT
RATING COMMENTS	Payments with bank transfers. Purchases (January – June 2018): US\$9,816.00 Dollars. Supplier: SHANGHAI RONGW TRADING CO. LTD.

SUPPLIER	FOREIGN
START OF THE BUSINESS	Several years ago
CREDIT LIMIT	No current operations limit
CREDIT TERMS	Invoices at 90 days
PRODUCTS/SERVICES	Fabrics, clothing, knitted, cotton, polyester fabrics
RATING	PROMPT
RATING COMMENTS	Payments with bank transfers. Purchases (January – June 2018): US\$47,097.00 Dollars. Supplier: TEXFINA SA

COMMENTS OF SUPPLIERS

Possible consulted local suppliers do not register the company as credit client. Seemingly, its purchases are made in cash.

BANKS

Bank Name

Country

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BANCO DEL PACIFICO SA
BANCO INTERNACIONAL SA

Ecuador
Ecuador

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.

LITIGATIONS

According to the Ecuadorian Internal Revenue Service – SRI, the subject does not register any coercive debts nor tax omissions. However, it reports this appeal:

Tax	: US\$38,209.36
Interest	: US\$32,435.84
TOTAL	: US\$70,645.20

Appeals are actions that intent to modify, revoke or invalidate an administrative action. They are processed by the Tax Administration entity or Courts of the country. (Currently, it is in process. Tax of 2007 period).

The Office of Foreign Assets – OFAC, organism of the Office of Terrorism and Financial Intelligence of the Internal Revenue Service – IRS, manages economic penalties imposed by the US government against different countries and individuals. These penalties based on foreign policies and national security targets prevent countries, entities and individuals from using the financial system for purposes against the US policies and national security targets.

The subject is not under penalty.

CREDIT OPINION

Industrial company with 28 years of activity deemed to be operating normally.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.80
UK Pound	1	INR 90.58
Euro	1	INR 80.45
USD	1	INR 68.68

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	SYL

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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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