

MIRA INFORM REPORT

Report No. :	537686
Report Date :	10.11.2018

IDENTIFICATION DETAILS

Name :	MUNDIAL S/A - PRODUTOS DE CONSUMO
Registered Office :	Rua Do Paraiso, 148, 14 ^o Andar, Conjunto 142 – Paraiso, 04103-000 - Sao Paulo/Sp
Country :	Brazil
Financials (as on) :	30.06.2018
Date of Incorporation :	02.04.1896
Legal Form :	Publicly Held Corporation
Line of Business :	Manufacture of other fabricated metal products n.e.c.
No. of Employees :	Not available

RATING & COMMENTS

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

MIRA's Rating :	C
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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 (30.06.2018)	Current Rating (30.09.2018)
Brazil	A2	A2

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

BRAZIL - ECONOMIC OVERVIEW

Brazil is the eighth-largest economy in the world, but is recovering from a recession in 2015 and 2016 that ranks as the worst in the country's history. In 2017, Brazil's GDP grew 1%, inflation fell to historic lows of 2.9%, and the Central Bank lowered benchmark interest rates from 13.75% in 2016 to 7%.

The economy has been negatively affected by multiple corruption scandals involving private companies and government officials, including the impeachment and conviction of Former President Dilma ROUSSEFF in August 2016. Sanctions against the firms involved — some of the largest in Brazil — have limited their business opportunities, producing a ripple effect on associated businesses and contractors but creating opportunities for foreign companies to step into what had been a closed market.

The succeeding TEMER administration has implemented a series of fiscal and structural reforms to restore credibility to government finances. Congress approved legislation in December 2016 to cap public spending. Government spending growth had pushed public debt to 73.7% of GDP at the end of 2017, up from over 50% in 2012. The government also boosted infrastructure projects, such as oil and natural gas auctions, in part to raise revenues. Other economic reforms, proposed in 2016, aim to reduce barriers to foreign investment, and to improve labor conditions. Policies to strengthen Brazil's workforce and industrial sector, such as local content requirements, have boosted employment, but at the expense of investment.

Brazil is a member of the Common Market of the South (Mercosur), a trade bloc that includes Argentina, Paraguay and Uruguay - Venezuela's membership in the organization was suspended In August 2017. After the Asian and Russian financial crises, Mercosur adopted a protectionist stance to guard against exposure to volatile foreign markets and it currently is negotiating Free Trade Agreements with the European Union and Canada.

Source : CIA

COMPANY NAME

MUNDIAL S/A - PRODUTOS DE CONSUMO

ADDRESSES

MAIN ADDRESS:
ZIP CODE/CITY:

RUA DO PARAISO, 148, 14º ANDAR, CONJUNTO 142 – PARAISO,
04103-000 - SAO PAULO/SP

PHONE:

11 3524-1500

E-MAIL:

denise.trento@mundial-sa.com.br

WEB SITE:

www.mundial-sa.com.br

EMARK:

THE INFORMED ADDRESS BELONGS TO ITS BRANCH

BRANCHES:

ADDRESS:
ZIP CODE/CITY:

RUA PAUL ZIVI, 501 - DISTRITO INDUSTRIAL,
49045-430 GRAVATAI/RS

PHONE:

51 3489-1376

CNPJ:

88.610.191/0039-27

STATE REGISTER:

057/0225540

ADDRESS:
ZIP CODE/CITY:

RODOVIA BR 116, KM 144,3 - Nº 5000 - SÃO CIRO,
95059-520 CAXIAS DO SUL/RS

PHONE:

54 3218-5555

CNPJ:

88.610.191/0004-05

STATE REGISTER:

029/0000149

ADDRESS:

AVENIDA DR. NILO PECANHA, 2825 SALA 703 - CHÁCARA DAS
PEDRAS,

ZIP CODE/CITY:

91330-001 PORTO ALEGRE/RS

PHONE:

51 3358-5000

CNPJ:

88.610.191/0003-16

STATE REGISTER:

096/3009915

LEGAL DATA

MAIN ACTIVITIES:

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MANUFACTURE OF OTHER FABRICATED METAL PRODUCTS N.E.C.

LEGAL FORM:

PUBLICLY HELD CORPORATION

INCORPORATION DATE:	02/04/1896
REGISTER DATE:	02/04/1896
BALANCE SHEET FILING DATE:	31/12
TAX CONTRIBUTOR NUMBER(CNPJ):	88.610.191/0001-54
STATE REGISTER:	149.805.077.111
SHARE CAPITAL:	R\$ 43.794.105,18
LAST REGISTER OF CAPITAL:	22/03/2013

BOARD OF DIRECTORS:

MICHAEL LENN CEITLIN
MARCELO FAGONDES DE FREITAS
JULIO CESAR CAMARA

PRESIDENT DIRECTOR
ADM./FINANCIAL DIRECTOR
DIRECTOR

AUTHORIZED USE OF SIGNATURE

THE DIRECTORS ARE AUTHORIZED TO SIGN ON BEHALF OF THE COMPANY.

SHAREHOLDERS / PARTNERS:

ZHEPAR PARTICIPACOES LTDA	28,582000%
RTI GESTAO DE ATIVOS E INVESTIMENTOS LTDA	26,595000%
WIDENHAM INVESTIMENTOS LTDA	21,083000%
DIRECTORS	2,408000%
ELECE ADMINISTRACAO E PARTICIPACOES LTDA	1,755000%
HERCULES S/A FABRICA DE TALHERES	0,040000%
SHARES IN TREASURY	0,031000%
OTHERS	19,506000%

AFFILIATES / SUBSIDIARIES:

EBERLE EQUIPAMENTOS E PROCESSOS S.A	100,00%
MUNDIAL ARGENTINA S/A	99,79%
LABORATÓRIO AVAMILLER DE COSMÉTICOS LTDA.	99,00%
MONTE MAGRE S.A.	100,00%
EBERLE AGROPASTORIL	100,00%
CIA. FLORESTAL ZIVI E HERCULES	99,74%
MUNDIAL DISTRIBUIDORA DE PRODUTOS DE CONSUMO LTDA	99,00%
MUNDIAL NORTE DISTRIBUIDORA DE PRODUTOS DE CONSUMO LTDA	100,00%
MUNDIAL PERSONAL CARE	100,00%
EBERLE BELLINI	

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COMPANY'S BACKGROUND

THE SUBJECT WAS ESTABLISHED ON APRIL 02, 1896 AS EBERLE TO BE ENGAGED IN THE SAID LINE OF BUSINESS. LATER IT ADOPTED THE ABOVE-MENTIONED NAME AND UP TO DATE IT IS STILL OPERATING WITHIN THE GENERAL SCENE REPORTED HEREIN.

ON DECEMBER 29, 2003 BASED ON THE RESULT OF THE ASSESSMENT OF THE ACCOUNTING NET EQUITY ON SEPTEMBER 30, 2003 OF ZIVI S.A. CUTELARIA, ISSUED ON DECEMBER 11, 2003, BY INDEPENDENT EXPERT, IT WAS APPROVED AT THE EXTRAORDINARY GENERAL MEETING THE TAKEOVER OF ZIVI S.A. CUTELARIA BY THE SUBJECT COMPANY, RESULTING IN THE INTEGRATION OF THE OPERATIONAL ACTIVITIES INTO A SINGLE COMPANY. AS A RESULT OF SUCH TAKEOVER THE BUSINESS ADDRESS WAS RELOCATED FROM # 120 TO # 360 AT THE SAME STREET AS STATED AT THE CAPTION.

FURTHER DETAILS ABOUT THE SUBJECT'S HISTORY ARE SO FAR NOT KNOWN.

PUBLIC INFORMATION: 05/11/2018

PROTESTS:

07 PROTESTS, TOTAL AMOUNT R\$ 12.893,00
DATE OF FIRST PROTEST: SEPTEMBER/2018
DATE OF HIGHEST PROTEST: OCTOBER/2018

DETAILS OF LATEST PROTESTS:

NOTARY OFFICE:	DATE:	VALUE:
2º CARTORIO DE RS-PORTO ALEGRE	26/09/2018	R\$ 2.371,00
3º CARTORIO DE RS-PORTO ALEGRE	10/09/2018	R\$ 1.544,00
2º CARTORIO DE RS-PORTO ALEGRE	01/10/2018	R\$ 1.866,00
3º CARTORIO DE RS-PORTO ALEGRE	03/09/2018	R\$ 1.866,00
CARTORIO DE RS-GRAVATAI	18/09/2018	R\$ 3.142,00

PUBLIC RECORDS INFORMATION: 13/12/2017

PROTESTS:

2 PROTESTS, TOTAL AMOUNT R\$ 33.498,99

DETAILS OF LATEST PROTESTS:

NOTARY OFFICE:	DATE:	VALUE:
7º CARTÓRIO DE SP-SÃO PAULO	18/01/2016	R\$ 31.248,99
1º CARTÓRIO DE RS-CAXIAS DO SUL	08/11/2017	R\$ 2.250,00

LAWSUITS:

DATE:	COURT OF LAW:
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29	FEDERAL LAWSUITS	04/08/17	2ª VARA DE SP-SP-FEDERAL
1	EXECUTIVE LAWSUIT	28/07/14	39ª VARA DE SP-SP-CENTRAL
1	MUNICIPAL LAWSUIT	07/06/13	2ª VARA DE RS-CAXIAS DO SUL

***** IMPORTANT REMARKS:**

DUE TO A JUDICIAL ORDER ISSUED ON SEPTEMBER 21, 2018 LOCAL TRADE DATABASES ENGAGED IN THE SUPPLY OF THE RECORDS REGARDING PROTESTED BILLS WERE ENFORCED TO CHANGE CRITERIA FOR THE PUBLICATION OF THE PROTESTED BILLS DETAILS. AS A CONSEQUENCE, UNTIL THE NEW CRITERIA IS FULLY ACCOMPLISHED SEVERAL RECORDS INCLUDED IN THE TRADE DATABASES NEEDED TO BE EXCLUDED.

THE NEW PROTESTS FROM SEPTEMBER 21, 2018 ON ARE REPORTED TO BE ALREADY ACCORDING TO THE NEW CRITERIA AND BEING SHOWED NORMALLY.

PLEASE TAKE INTO CONSIDERATION THAT THE NUMBER OF PROTESTED BILSS SHOWED IN OUR REPORT DATED PREVIOUSLY SEPTEMBER 21, 2018 MAY BE SUBJECT OF CHANGES IF COMPARED WITH THE CURRENT UPDATED REPORT RECEIVED FROM OUR COMPANY.

THE NUMBER OF PROTESTED BILLS ACCORDING TO THE LOCAL TRADE DATABASES AND INCLUDED ON THIS REPORT IS DATED IN THE TITLE OF THE FIELD OF THE "PUBLIC RECORDS INFORMATION" OF THIS REPORT.

THE JUDICIAL ORDER AFFECTS ONLY THE NUMBER OF PROTESTED BILLS. THE OTHER DETRIMENTAL RECORDS WHICH EVENTUALLY ARE SHOWED IN THE REPORTS ARE REPORTED TO BE NORMAL.

FINANCIAL INFORMATION

GENERAL BALANCE SHEETS AS OF 30/06/2018, 31/12/2017 AND 31/12/2016.
(FIGURES ARE IN THOUSANDS OF REAIS).

ASSETS

CURRENT:	30/06/2018	31/12/2017	31/12/2016
CASH AND BANKS	355	404	556
INVESTMENTS	187	543	37
CLIENTS	96.547	83.000	74.472
DOUBTFUL DEBTORS	-6.916	-6.921	-7.119
INVENTORY	26.625	27.143	27.100
RECOVERABLE TAXES	548	629	1.681
NOTES RECEIVABLE	8.206	3.065	2.218
OTHER CREDITS	8.298	9.377	10.719
	-----	-----	-----
TOTAL CURRENT ASSETS	133.850	117.240	109.664

LONG-TERM RECEIVABLES:

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INVESTMENTS			623
INTERCOMPANY CREDITS	54.882	62.817	41.705
NOTES RECEIVABLE	13.287	13.287	14.926
RECOVERABLE TAXES	627	702	854
CREDITS	137.280	133.934	127.964
DEBENTURES	324.582	324.582	303.678
ACCOUNTS RECEIVABLE	10.004	10.199	10.447
	-----	-----	-----
TOTAL LONG-TERM RECEIVABLES	540.662	545.521	500.197
FIXED ASSETS:			
INVESTMENTS	164.942	157.761	152.428
FIXED ASSETS	124.903	128.230	136.385
INTANGIBLE	31.666	32.333	33.207
	-----	-----	-----
TOTAL FIXED ASSETS	321.511	318.324	322.020
	=====	=====	=====
TOTAL ASSETS	996.023	981.085	931.881
LIABILITIES:			
CURRENT:			
	30/06/2018	31/12/2017	31/12/2016
LOANS AND FINANCING	114.177	117.223	100.372
SUPPLIERS	30.934	24.056	24.916
SOCIAL / LABOR OBLIGATIONS	231.072	222.243	134.273
TAX LIABILITIES	225.402	214.233	68.701
ACCOUNTS PAYABLE	11.696	16.256	25.504
	-----	-----	-----
TOTAL CURRENT LIABILITIES	613.281	594.011	353.766
LONG TERM LIABILITIES:			
LOANS AND FINANCING	1.878	6.101	3.683
RELATED COMPANIES	156.054	139.871	137.606
TRIBUTARY OBLIGATIONS	198.640	220.954	348.010
DEFERRED TAXES	38.870	40.628	44.200
PROVISIONS	109.024	99.217	96.940
SOCIAL OBLIGATIONS	15.736	19.372	
OTHER OBLIGATIONS	132	147	8.155
	-----	-----	-----
TOTAL LONG TERM LIABILITIES	520.334	526.290	638.594
NET EQUITY:			
SHARE CAPITAL	43.794	43.794	43.794
REVALUATION RESERVES	24.076	24.520	25.402
ACCRUED PROFIT (LOSS)	-243.838	-246.532	-168.256

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OTHER COMPREHENSIVE INCOME	36.969	36.969	36.969
CUMULATIVE TRANSLATION ADJUSTMENT	1.443	2.069	1.648
CAPITAL RESERVES	-36	-36	-36
TOTAL NET EQUITY	-137.592	-139.216	-60.479
TOTAL LIABILITIES	996.023	981.085	931.881

PROFIT AND LOSS ACCOUNTS AS OF 30/06/2018, 31/12/2017 AND 31/12/2016.
(FIGURES ARE IN THOUSANDS OF REAIS).

	30/06/2018	31/12/2017	31/12/2016
NET SALES	136.500	264.610	246.292
(-) COST OF SOLD GOODS	113.515	226.505	219.554
GROSS PROFIT	22.985	38.105	26.738
OPERATING REVENUE (EXPENSE)	-10.126	-47.287	-29.857
FINANCIAL REVENUE (EXPENSE)	-12.905	-117.747	-41.732
OPERATIONAL PROFIT (LOSS)	-46	-126.929	-44.851
CONTRIBUTION/INCOME TAX	2.296	47.771	3.587
NET PROFIT (LOSS)	2.250	-79.158	-41.264
<u>RATIOS:</u>	30/06/2018	31/12/2017	31/12/2016
QUICK RATIO	,17	,15	,23
CURRENT RATIO	,22	,20	,31
ACCOUNTS RECEIVABLE TURNOVER	1,41	TIMES 3,19	TIMES 3,31
DAYS' SALES IN RECEIVABLES	127,31	DAYS 112,92	DAYS 108,85
INVENTORY TURNOVER	4,26	TIMES 8,34	TIMES 8,10
ACCOUNTS PAYABLE PERIOD	49,05	DAYS 38,23	DAYS 40,85
RETURN ON ASSETS	,14	TIMES ,27	TIMES ,26
SALES TURNOVER ON NET EQUITY	-,99	TIMES -1,90	TIMES -4,07
NET WORTH TIE-UP	-,91	-,92	-2,26
INDEBTEDNESS	-8,24	-8,05	-16,41
EQUITY RATIO	-13,81	% -14,19	% -6,49
WORKING CAPITAL RATIO	-78,17	% -80,26	% -69,00
GENERAL SOLVENCY	,88	,88	,94
RETURN ON NET EQUITY	-1,64	% 56,86	% 68,23
RETURN ON SALES (PROFIT MARGIN)	1,65	% -29,92	% -16,75
GROSS PROFIT MARGIN	16,84	% 14,40	% 10,86
OPERATIONAL RESULT	-,03	% -47,97	% -18,21
SALES TURNOVER ON LIABILITIES	,22	TIMES ,45	TIMES ,70

COMMENTS ON THE FINANCIAL INFORMATION:

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FOLLOWS ATTACHED WORKSHEET WITH MAIN FINANCIAL RATIOS.

THE ANNUAL FIGURES FOR 2017 SHOWED AN IRREGULAR FINANCIAL STANDING. IT HAD POOR LIQUIDITY RATIOS AND NEGATIVE WORKING CAPITAL, AS WELL AS VERY HIGH LEVEL OF INDEBTEDNESS (WITH NEGATIVE NET EQUITY). IN ADDITION, IT SHOWED GROWING SALES BUT POSTED LOSS MAINLY DRIVEN BY THE HIGH OPERATING EXPENSES.

THE QUARTERLY FIGURES FOR JUNE 2018 SHOW THAT THE LIQUIDITY RATIOS REMAINS LOW AND THE LEVEL OF INDEBTEDNESS VERY HIGH. ON THE OTHER HAND IT IS NOTED GROWING SALES TREND AND POSTED PROFIT.

REAL ESTATE:

OWNED PREMISES ARE VALUED AT R\$ 65.003.000,00

VEHICLES:

NOT AVAILABLE

MACHINES:

OWNED MACHINES AND EQUIPMENTS ARE VALUED AT R\$ 189.339.000,00

INSURANCE

AS OF JUNE 30, 2018 THE INSURANCE COVERAGE HIRED BY THE COMPANY AND ITS SUBSIDIARIES IS COMPRISED BY R\$ 3.150.000,00 FOR CIVIL LIABILITY AND R\$ 40.000,00 FOR MATERIAL DAMAGE.

BANKING REFERENCES

BANCO BRADESCO S/A	BRANCH/PHONE: 51 3026-9330	CITY: PORTO ALEGRE/RS
BANCO SAFRA S/A	51 3284-3700	PORTO ALEGRE/RS

REMARKS: IN BRAZIL THE BANKS ARE PROHIBITED BY LAW TO PROVIDE INFORMATION OR ANY KIND OF COMMENTS ABOUT THEIR CLIENTS. DUE TO THIS LAW PROHIBITION WE ARE UNABLE TO PROVIDE ANY BANKING DETAILS.

ACCORDING TO THE CENTRAL BANK OF BRAZIL OFFICIAL REPORT, THE COMPANY HAS NO RETURNED CHECKS UP TO DATE. (IN THE TERMS OF "CIRCULAR 1682 BRAZILIAN CENTRAL BANK").

ACTIVITIES COMMENTS

SUBJECT IS ENGAGED IN THE MANUFACTURE OF OTHER FABRICATED METAL PRODUCTS N.E.C.

MAIN PRODUCTS AND BRANDS:

MUNDIAL - BEAUTY CARE

MUNDIAL, OUTRIGHT LEADER IN THE BEAUTY CARE SEGMENT, PRESENTS ITS LINE OF PERSONAL CARE FOR PROFESSIONAL AND HOME USE. THESE RANGE FROM SCISSORS, BRUSHES, CUTICLE AND NAIL CLIPPERS, TO CUTTERS AND TWEEZERS WITH ASSURED PRESENCE IN THE HANDS OF PEOPLE WHO DEMAND QUALITY, DESIGN AND SAFETY.

EBERLE FASHION

EBERLE FASHION IS THE LEADING BRAND IN THE FASTENING COMPONENT SEGMENT FOR FASHION, WITH OVER 70% OF THE NATIONAL MARKET SHARE. ITS PRODUCTS AND SERVICES FOLLOW INTERNATIONAL TRENDS. ITS INDUSTRIAL COMPLEX HAS ONE OF THE BIGGEST GALVANIZING PLANTS IN BRAZIL, WHERE MORE THAN 400 MILLION PARTS ARE PRODUCED PER MONTH, AMONG BUTTONS, EYELETS, ORNAMENTS AND BUCKLES.

EBERLE SOLUTION

EBERLE SOLUTION IS THE NEW BRAND OF THE TRADITIONAL MUNDIAL CREATIVE. THIS SEGMENT OFFERS A BROAD LINE OF SCISSORS, STAPLERS, STILETTOS, TOOLS, AND OTHER PRODUCTS THAT AWAKEN AND ENCOURAGE CREATIVITY IN PEOPLE. ITS PRODUCTS HAVE PROFESSIONAL, HOME AND SCHOOL APPLICATION.

EBERLE TOOLS

EBERLE TOOLS IS THE TRADITIONAL MUNDIAL'S NEW BRAND. THIS SEGMENT OFFERS A BROAD RANGE OF CLIPPERS, CUTTING INSTRUMENTS, WRENCHES, MAGNIFYING LENSES, HAMMERS, SPATULAS, CHISELS, FILES, DRILL BITS, PROFESSIONAL PISTOLS, BENCH VISES, SOLDERING IRONS, MASON TROWELS, SCREWDRIVERS, POCKETKNIVES, GARDENING ITEMS AND SAFETY ITEMS, OFFERING PRACTICALITY AND EASE WITH HIGH QUALITY TO CARRY OUT HANDYMAN, ELECTRONIC, LIGHT MECHANICAL AND OTHER JOBS.

HERCULES

THE HERCULES BRAND IS THE RESULT OF OVER 70 YEARS IN THE MANUFACTURING OF PREMIUM CUTLERY. ITS VARIED LINE OF KNIVES AND ACCESSORIES WAS CONCEIVED TO MEET THE SOPHISTICATED REQUIREMENTS OF KITCHEN CHEFS, AS WELL AS HOME CONDITIONS FOR PREPARING CULINARY DISHES. WHILE THE TRADITIONAL LINE OF CUTLERIES, TABLE SETS AND UTENSILS PLACE TRUE WORKS OF ART ON THE TABLE.

SYLLENT - HIDRO LAZER

SYLLENT IS THE WORLD'S FIRST SILENT MOTOR PUMP. ITS EXCLUSIVE DIFFERENTIALS PRESENT A

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NEW CONCEPT IN PERFORMANCE AND PRACTICALITY IN WATER MOVEMENT. SYLLENT MEANS MORE WATER, GREATER COMFORT, MORE INOVATION.

NATIONAL INDUSTRY CLASSIFICATION CODE(S) (CNAE):

32.99-0-05 - MANUFACTURE OF HABERDASHERY PRODUCTS

25.41-1-00 - MANUFACTURE OF CUTLERY ARTICLES

27.10-4-03 - MANUFACTURE OF ELECTRICAL ENGINES AS WELL AS ITS PARTS AND ACCESSORIES

24.52-1-00 - CASTING OF NON-FERROUS METALS AND ITS ALLOYS

24.51-2-00 - CASTING OF IRON AND STEEL

IMPORT AND EXPORT:

IMPORTS FROM:

GERMANY, TAIWAN, USA AND ITALY.

EXPORTS TO:

USA, MEXICO, CANADA, LATIN AMERICA, EUROPE AND MIDDLE EAST.

MAIN CLIENTS:

DOMESTIC CLIENTS:

ARCOM S.A

ELEVADORES ATLAS SCHINDLER S/A

ETILUX IND E COM LTDA

FARMA SERVICE DISTRIBUIDORA LTDA

INDS ROSSI ELETROMECHANICA LTDA

MADSON ELETROMETALURGICA LTDA

METAL FRIO SOLUTIONS LTDA

WALTER MULLER

PHONE:

34 3218-4000

43 375-4258

11 6955-8222

34 3218-1492

61 354-8787

31 3288-2557

11 6333-9000

47 281-2000

STAFF:

THE COMPANY HAS: 2250 EMPLOYEES

CONCEPT AND FULFILMENT

THE SUBJECT IS AN OLD-ESTABLISHED COMPANY, OPERATING SINCE 1896. SO FAR IT HAS A FAIR TRADE HISTORY AND NORMAL PAYMENT BEHAVIOUR.

THE COMPANY HAS TRADE RELATIONS WITH SEVERAL SUPPLIERS IN BRAZIL. THE SUPPLIERS EXTEND CREDIT FACILITIES TO THE SUBJECT IN TERMS AND AMOUNTS ACCORDING TO THE COMPANY'S NEEDS AND SO FAR NO PAYMENT PROBLEMS ARE NOTED.

THE PROTESTS FOUND ARE NOT CONSIDERED RELEVANT.

FURTHER, THE COMPANY ALSO HAS 22 OUTSTANDING DEBTS WITH FINANCIAL INSTITUTIONS IN THE TOTAL AMOUNT OF R\$ 4.888.737,00.

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MAIN SUPPLIERS:

DOMESTIC SUPPLIERS:

ACESITA S/A
CARAIBA METAIS S/A IND COM
CIA NIQUEL TOCANTINS
ELUMA SA INNDUSTRIA E COMERCIO
METALCORTE INOX LTDA
METALURGICA RAUTER
NSK DO BRASIL IND COM ROLAM LTDA
PANATLANTICA S A
USIMINAS S/A

PHONE:

31 3235-4200
71 3634-1430

11 4463-7859
54 3025-9500

51 489-1222
31 3499-8458

PAYMENT HISTORY:

31 SUPPLIERS REPORTED PAYMENTS:

AMOUNT OF INVOICES PAID: 1091
TOTAL OF PROMPT PAYMENTS: 61,8%
TOTAL OF DELAYED PAYMENTS: 38,2%

HIGHEST INVOICE: R\$ 25.309,00
HIGHEST CREDIT: R\$ 216.387,00

FINAL OPINION

BASED ON THE OVERALL DATA AVAILABLE THE SUBJECT MAY BE CONSIDERED FOR NORMAL BUSINESS COMMITMENTS. CREDIT FACILITIES HOWEVER SHOULD BE GRANTED ON FULLY SECURED TERMS ONLY DUE TO THE UNFAVORABLE FINANCIAL SITUATION SHOWN IN THE BALANCE SHEETS.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.73
UK Pound	1	INR 94.87
Euro	1	INR 82.52
BRL	1	INR 19.41

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

INFORMATION DETAILS

Analysis Done by :	PRI
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)