

MIRA INFORM REPORT

Report No. :	542501
Report Date :	29.11.2018

IDENTIFICATION DETAILS

Name :	NAXOS-DISKUS SCHLEIFMITTELWERKE GMBH
Registered Office :	Werner-von-Siemens-Str. 1 D 35510 Butzbach
Country :	Germany
Financials (as on) :	31.12.2016
Date of Incorporation :	27.09.2005
Com. Reg. No.:	HRB 6151
Legal Form :	Private limited company
Line of Business :	Manufacture of abrasive products
No. of Employees :	122

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 (30.06.2018)	Current Rating (30.09.2018)
Germany	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

GERMANY - ECONOMIC OVERVIEW

The German economy - the fifth largest economy in the world in PPP terms and Europe's largest - is a leading exporter of machinery, vehicles, chemicals, and household equipment. Germany benefits from a highly skilled labor force, but, like its Western European neighbors, faces significant demographic challenges to sustained long-term growth. Low fertility rates and a large increase in net immigration are increasing pressure on the country's social welfare system and necessitate structural reforms.

Reforms launched by the government of Chancellor Gerhard SCHROEDER (1998-2005), deemed necessary to address chronically high unemployment and low average growth, contributed to strong economic growth and falling unemployment. These advances, as well as a government subsidized, reduced working hour scheme, help explain the relatively modest increase in unemployment during the 2008-09 recession - the deepest since World War II. The German Government introduced a minimum wage in 2015 that increased to \$9.79 (8.84 euros) in January 2017.

Stimulus and stabilization efforts initiated in 2008 and 2009 and tax cuts introduced in Chancellor Angela MERKEL's second term increased Germany's total budget deficit - including federal, state, and municipal - to 4.1% in 2010, but slower spending and higher tax revenues reduced the deficit to 0.8% in 2011 and in 2017 Germany reached a budget surplus of 0.7%. A constitutional amendment approved in 2009 limits the federal government to structural deficits of no more than 0.35% of GDP per annum as of 2016, though the target was already reached in 2012.

Following the March 2011 Fukushima nuclear disaster, Chancellor Angela MERKEL announced in May 2011 that eight of the country's 17 nuclear reactors would be shut down immediately and the remaining plants would close by 2022. Germany plans to replace nuclear power largely with renewable energy, which accounted for 29.5% of gross electricity consumption in 2016, up from 9% in 2000. Before the shutdown of the eight reactors, Germany relied on nuclear power for 23% of its electricity generating capacity and 46% of its base-load electricity production.

The German economy suffers from low levels of investment, and a government plan to invest 15 billion euros during 2016-18, largely in infrastructure, is intended to spur needed private investment. Domestic consumption, investment, and exports are likely to drive German GDP growth in 2018, and the country's budget and trade surpluses are likely to remain high.

Source : CIA

COMPANY NAME AND ADDRESS

Naxos-Diskus Schleifmittelwerke GmbH

Werner-von-Siemens-Str. 1
D 35510 Butzbach
Telephone: 06033/899-0
Telefax: 06033/899300
Homepage: www.naxos-diskus.de
E-mail: info@naxos.de

COMPANY STATUS

Active

VAT NO.

DE814516051

TAX ID NUMBER

020 240 00802

CONCLUSION

Business relations are permissible.

COMPANY SUMMERY

LEGAL FORM	Private limited company
Date of foundation:	27.09.2005
Shareholders' agreement:	27.09.2005
Registered on:	19.10.2005
Commercial Register: under:	Local court 61169 Friedberg HRB 6151

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Share capital: EUR 4,000,000.00

Shareholder:

DVS-Technology GmbH
Lindenstr. 5
D 99819 Krauthausen
Legal form: Private limited company
Share capital: EUR 53,000,000.00
Share: EUR 4,000,000.00
Registered on: 16.02.2010
Reg. data: 07745 Jena, HRB 505075
Control and profit transfer agreement

Manager:

Ernst Löffler
D 35510 Butzbach
having sole power of representation
born: 02.02.1958

Manager:

Hans-Peter Rokenbauch
D 72760 Reutlingen
born: 17.03.1964

BUSINESS ACTIVITIES

Main industrial sector
23910 Manufacture of abrasive products

FINANCIAL INFORMATION

Payment experience: No Complaints

Negative information: We have no negative information at hand.

Balance sheet year: 2016

PMI: No significant / relevant payment experience
information pertaining to the company
inquired upon is shown in the Deutscher
Debitoren Monitor (DDMonitor).

REAL ESTATE

Type of ownership: Tenant
Address Werner-von-Siemens-Str. 1
D 35510 Butzbach

Land register documents were not available.

BANKERS

Principal bank
POSTBANK, 60288 FRANKFURT AM MAIN
Sort. code: 50010060
BIC: PBNKDEFFXXX

FINANCIAL FIGURES

Gross profit or loss:2016	EUR	9,198,943.00
Profit: 2016	EUR	316,401.00
Equipment:	EUR	385,840.00
Ac/ts receivable:	EUR	3,422,532.00
Liabilities:	EUR	3,894,903.00
Employees:		122
- thereof permanent staff:		122

Control and profit transfer agreement to:
DVS-Technology GmbH
Lindenstr. 5
D 99819 Krauthausen

BALANCE SHEETS

Balance sheet ratios 01.01.2016 - 31.12.2016
Equity ratio [%]: 64.71
Liquidity ratio: 0.99
Return on total capital [%]: 2.95

Balance sheet ratios 01.01.2015 - 31.12.2015
Equity ratio [%]: 67.33
Liquidity ratio: 0.68
Return on total capital [%]: 2.86

Balance sheet ratios 01.01.2014 - 31.12.2014

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Equity ratio [%]:	63.57
Liquidity ratio:	0.77
Return on total capital [%]:	2.18

Balance sheet ratios 01.01.2013 - 31.12.2013

Equity ratio [%]:	66.65
Liquidity ratio:	0.87
Return on total capital [%]:	0.11

Equity ratio

The equity ratio indicates the portion of the equity as compared to the total capital. The higher the equity ratio, the better the economic stability (solvency) and thus the financial autonomy of a company.

Liquidity ratio

The liquidity ratio shows the proportion between adjusted receivables and net liabilities. The higher the ratio, the lower the company's financial dependancy from external creditors.

Return on total capital

The return on total capital shows the efficiency and return on the total capital employed in the company. The higher the return on total capital, the more economically does the company work with the invested capital.

Type of balance

sheet: Company balance sheet

Origin of the present

balance sheet: electronic German Federal Gazette

Financial year: 01.01.2016 - 31.12.2016

ASSETS	EUR	10,710,862.94
Fixed assets	EUR	2,816,965.28
Intangible assets	EUR	59,734.00
Concessions, licences, rights	EUR	59,734.00
Tangible assets	EUR	2,730,231.28
Plant / machinery	EUR	2,091,733.00
Other tangible assets / fixtures and fittings	EUR	385,839.82
Advance payments made / construction in progress	EUR	252,658.46
Financial assets	EUR	27,000.00
Shares in participations / subsidiaries and the like	EUR	27,000.00
Shares in related companies	EUR	27,000.00
Current assets	EUR	7,890,193.24

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Stocks	EUR	4,343,623.75
Other / unspecified stocks	EUR	4,343,623.75
Accounts receivable	EUR	3,422,532.38
Other debtors and assets	EUR	3,422,532.38
Liquid means	EUR	124,037.11
Remaining other assets	EUR	3,704.42
Accruals (assets)	EUR	3,704.42
LIABILITIES	EUR	10,710,862.94
Shareholders' equity	EUR	6,614,538.45
Capital	EUR	4,000,000.00
Subscribed capital (share capital)	EUR	4,000,000.00
Reserves	EUR	2,600,000.00
Capital reserves	EUR	2,600,000.00
Balance sheet profit/loss (+/-)	EUR	14,538.45
Balance sheet profit / loss	EUR	14,538.45
Provisions	EUR	201,421.00
Liabilities	EUR	3,894,903.49
Other liabilities	EUR	0.00
Unspecified other liabilities	EUR	0.00
thereof liabilities from tax /		
financial authorities	EUR	75,337.39
thereof liabilities from social		
security	EUR	0.00
Guarantees and other commitments	EUR	5,795,000.00
Sureties / lendings of		
creditworthiness	EUR	1,451,000.00
Liability from creation of a security		
interest for third parties	EUR	4,344,000.00
PROFIT AND LOSS ACCOUNT (cost-summary method) according to Comm.		
Code (HGB)		
Gross result (+/-)	EUR	9,198,943.33
Staff expenses	EUR	5,273,729.17
Wages and salaries	EUR	4,380,611.88
Social security contributions and		
expenses for pension plans and		
benefits	EUR	893,117.29
Total depreciation	EUR	595,942.67
Depreciation on tangible / intangible		
assets (incl. start-up and exp. of		
bus.	EUR	595,942.67
Other operating expenses	EUR	2,960,845.69
Operating result from continuing		
operations	EUR	368,425.80
Interest result (+/-)	EUR	-49,250.25
Interest and similar income	EUR	8,286.71
Interest and similar expenses	EUR	57,536.96
thereof paid to related companies	EUR	45,025.91
Financial result (+/-)	EUR	-49,250.25

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Result from ordinary operations (+/-)	EUR	319,175.55
Expenses for transfer of profits to a parent company	EUR	316,400.55
Other taxes / refund of taxes	EUR	-2,775.00
Tax (+/-)	EUR	-2,775.00
Annual surplus / annual deficit	EUR	0.00

Type of balance

sheet: Company balance sheet

Origin of the present

balance sheet: electronic German Federal Gazette

Financial year: 01.01.2015 - 31.12.2015

ASSETS	EUR	10,101,789.49
Fixed assets	EUR	2,931,904.14
Intangible assets	EUR	179,227.00
Concessions, licences, rights	EUR	179,227.00
Tangible assets	EUR	2,725,677.14
Plant / machinery	EUR	1,633,185.10
Other tangible assets / fixtures and fittings	EUR	412,246.82
Advance payments made / construction in progress	EUR	680,245.22
Financial assets	EUR	27,000.00
Shares in participations / subsidiaries and the like	EUR	27,000.00
Shares in related companies	EUR	27,000.00
Current assets	EUR	7,167,082.36
Stocks	EUR	5,000,505.05
Accounts receivable	EUR	2,046,664.98
Liquid means	EUR	119,912.33
Remaining other assets	EUR	2,802.99
Accruals (assets)	EUR	2,802.99
LIABILITIES	EUR	10,101,789.49
Shareholders' equity	EUR	6,514,538.45
Capital	EUR	4,000,000.00
Subscribed capital (share capital)	EUR	4,000,000.00
Reserves	EUR	2,500,000.00
Capital reserves	EUR	2,500,000.00
Balance sheet profit/loss (+/-)	EUR	14,538.45
Balance sheet profit / loss	EUR	14,538.45
Provisions	EUR	198,100.00
Liabilities	EUR	3,389,151.04
Other liabilities	EUR	0.00
Unspecified other liabilities thereof liabilities from tax / financial authorities	EUR	90,075.27

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PROFIT AND LOSS ACCOUNT (cost-summary method) according to Comm.

Code (HGB)		
Gross result (+/-)	EUR	9,034,294.27
Staff expenses	EUR	5,141,954.05
Wages and salaries	EUR	4,273,193.66
Social security contributions and expenses for pension plans and benefits	EUR	868,760.39
Total depreciation	EUR	652,981.14
Depreciation on tangible / intangible assets (incl. start-up and exp. of bus.	EUR	652,981.14
Other operating expenses	EUR	2,887,638.87
Operating result from continuing operations	EUR	351,720.21
Interest result (+/-)	EUR	-56,837.36
Interest and similar expenses	EUR	56,837.36
thereof paid to related companies	EUR	46,491.65
Financial result (+/-)	EUR	-56,837.36
Result from ordinary operations (+/-)	EUR	294,882.85
Expenses for transfer of profits to a parent company	EUR	289,003.42
Other taxes / refund of taxes	EUR	-5,879.43
Tax (+/-)	EUR	-5,879.43
Annual surplus / annual deficit	EUR	0.00

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.69
UK Pound	1	INR 90.14
Euro	1	INR 79.88
Euro	1	INR 79.52

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	TRU

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)