

MIRA INFORM REPORT

Report No. :	533813
Report Date :	08.10.2018

IDENTIFICATION DETAILS

Name :	DAIREN CHEMICAL CORPORATION
Registered Office :	No. 8-1, Huaxi Rd., Daliao Dist., Kaohsiung City 83164, Taiwan (R.O.C.)
Country :	Taiwan
Financials (as on) :	31.12.2017
Date of Incorporation :	30.06.1979
Com. Reg. No.:	12233428
Legal Form :	Joint Stock Company
Line of Business :	Manufacturing and sales of chemicals
No. of Employees :	1,220

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 :	Good
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)
Taiwan	A1	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

TAIWAN - ECONOMIC OVERVIEW

Taiwan has a dynamic capitalist economy that is driven largely by industrial manufacturing, and especially exports of electronics, machinery, and petrochemicals. This heavy dependence on exports exposes the economy to fluctuations in global demand. Taiwan's diplomatic isolation, low birth rate, rapidly aging population, and increasing competition from China and other Asia Pacific markets are other major long-term challenges.

Following the landmark Economic Cooperation Framework Agreement (ECFA) signed with China in June 2010, Taiwan in July 2013 signed a free trade deal with New Zealand - Taipei's first-ever with a country with which it does not maintain diplomatic relations - and, in November of that year, inked a trade pact with Singapore. However, follow-on components of the ECFA, including a signed agreement on trade in services and negotiations on trade in goods and dispute resolution, have stalled. In early 2014, the government bowed to public demand and proposed a new law governing the oversight of cross-Strait agreements, before any additional deals with China are implemented; the legislature has yet to vote on such legislation, leaving the future of ECFA uncertain. President TSAI since taking office in May 2016 has promoted greater economic integration with South and Southeast Asia through the New Southbound Policy initiative and has also expressed interest in Taiwan joining the Trans-Pacific Partnership as well as bilateral trade deals with partners such as the US. These overtures have likely played a role in increasing Taiwan's total exports, which rose 11% during the first half of 2017, buoyed by strong demand for semiconductors.

Taiwan's total fertility rate of just over one child per woman is among the lowest in the world, raising the prospect of future labor shortages, falling domestic demand, and declining tax revenues. Taiwan's population is aging quickly, with the number of people over 65 expected to account for nearly 20% of the island's total population by 2025.

The island runs a trade surplus with many economies, including China and the US, and its foreign reserves are the world's fifth largest, behind those of China, Japan, Saudi Arabia, and Switzerland. In 2006, China overtook the US to become Taiwan's second-largest source of imports after Japan. China is also the island's number one destination for foreign direct investment. Taiwan since 2009 has gradually loosened rules governing Chinese investment and has also secured greater market access for its investors on the mainland. In August 2012, the Taiwan Central Bank signed a memorandum of understanding (MOU) on cross-Strait currency settlement with its Chinese counterpart. The MOU allows for the direct settlement of Chinese renminbi (RMB) and the New Taiwan dollar across the Strait, which has helped Taiwan develop into a local RMB hub.

Closer economic links with the mainland bring opportunities for Taiwan's economy but also pose challenges as political differences remain unresolved and China's economic growth is slowing. President TSAI's administration has made little progress on the domestic economic issues that loomed large when she was elected, including concerns about stagnant wages, high housing prices, youth unemployment, job security, and financial security in retirement. TSAI has made more progress on boosting trade with South and Southeast Asia, which may help insulate Taiwan's economy from a fall in mainland demand should China's growth slow in 2018.

Source : CIA

COMPANY NAME AND ADDRESS

Company Name: Dairen Chemical Corporation
Supplied Name: DAIREN CHEMICAL CORPORATION
Trading Address: 9th Fl., No.301, Songkiang Road, Taipei Taiwan R.O.C.
Supplied Address: NO:-, HUAXI RD., DALIAO DIST., KAOHSIUNG CITY 83164,
Telephone Number: +886-2-7743-1500
Fax Number: +886-2-2509-9619
E-mail: service@dcc.com.tw
Website: www.dcc.com.tw

Notes: The exact name and address are as above. It is introduced that the supplied address is for sending and receiving letters

COMPANY IDENTIFICATION DETAILS

Registered Name: Dairen Chemical Corporation
Registered Address: No. 8-1, Huaxi Rd., Daliao Dist., Kaohsiung City 83164,
Taiwan (R.O.C.)
Date of Foundation: 1979-06-30
Registration Number: 12233428
Registry: Department of Commerce, Ministry of Economic Affairs,
R.O.C.
Registered Capital: NTD 3,084,733,550 (USD 101,487,734)
Paid-up Capital: NTD 3,084,733,550 (USD 101,487,734)
Legal Representatives: Longxing Liao
Legal Form: Joint Stock Company
Principal Activities: Manufacturing and sales of chemicals.
Staff: About 1,220 Employees
Listed at Stock Exchange: No
Date of Last Annual Return: 2017-1-10

Note: Since the subject refused to disclose its staff number for us, the staff number information we supplied was coming from our databases.

HISTORY

Subject was incorporated on 1979-06-30 with registered number 12233428 as Joint Stock Company in Taiwan.

Subject was public offer without listing on 1982-10-4 with the Stock Symbol 1766.

CORPORATE STRUCTURE

Factories

1
Name: Da Fa Factory
Address: No. 8-1, Huaxi Rd., Guoxi Li, Daliao Dist., Kaohsiung City Taiwan (R.O.C.)
Date of Foundation: 1988-08-31
Date of Registration: 1999-02-09
Factory Registration Number: 99661626
Factory Manager: Zhiquan Cai
Status: In Production
Date of Last Annual Return: 2016-6-29
Major Products: 182 Petrochemical materials

2
Name: Kaohsiung Factory
Address: No.1-3 Xinggong Rd., Sannai Li, Dashe Dist., Kaohsiung City, Taiwan (R.O.C.)
Telephone Number: +886-7-351-4151
Fax Number: +886-7-351-4090
Date of Foundation: 1983-07-26
Date of Registration: 1990-12-31
Factory Registration Number: 99661598
Factory Manager: Jianzhong Huang
Status: In Production
Date of Last Annual Return: 2016-06-08
Major Products: 181 The basic chemical materials
184 Synthetic resins, plastics and rubber

3
Name: Mailiao Factory
Address: No.25 Formosa Industrial Park, Zhongxing Village, Mailiao Township, Yunlin County, Taiwan
Telephone Number: +886-5-681-2201
Fax Number: +886-5-681-2212
Date of Foundation: 2001-03-07
Date of Registration: 2001-11-01
Factory Registration Number: 99653185
Factory Manager: Laixun Ye
Status: In Production
Date of Last Annual Return: 2015-03-30
Major Products: 182 Petrochemical raw material

Branches

Registration Number	Name	Date of Registration
51621713	Dafa Branch	2017-12-29

Major Related Companies

1	
Name	CCD (Singapore) Pte Ltd
Address	29 Tembusu Avenue, Jurong Island, Singapore 627535
Telephone Number	+65-6515-5060
Fax Number	+65-6515-4307
2	
Name	Chang Chun Dairen Chemical (Pan Jin) Co., Ltd
Address	1106, Hon-Guan building, Liaobin Economic Zone, Pan-Jin, Liao-Nin, China
Telephone Number	+86-427-677-5001
Fax Number	+86-427-677-5012
3	
Name	Chang Chun Plastics Co., Ltd.
Address	No.301 Songkiang Road, 7th Floor, Taipei 104 Taiwan
4	
Name	Chang Chun Petrochemical Co., Ltd.
Address	No.301 Songkiang Road, 7th Floor, Taipei 104 Taiwan
Telephone Number:	+886-2-2503-8131
Fax Number:	+886-2-2503-3378
5	
Name	Nan Pao Resins Chemical Co., Ltd.
Address	12, Nan Hai Village, Shee Kang Shang, Tainan, Taiwan, R.O.C
6	
Name	Dairen Chemical (M) Sdn. Bhd.
Address	PLO 18, Tanjung Langsat Industrial Estate, Mukim Sg. Tiram, 81700 Pasir Gudang, Johor, Malaysia
Telephone Number	+60-7-256-5800
Fax Number	+60-7-256-5799
7	
Name	Dairen Chemical (Jiangsu) Co., Ltd.
Address	No.1 Dalian Road, Yangzhou Chemical Industry Park, 211900 Yangzhou, Jiangsu, China
Telephone Number	+86-514-8326-8888
Fax Number	+86-514-8329-8855

SHAREHOLDERS

Major Shareholders

Name	Subscription Shares
Longxing Liao	4,185,454
Hexi Investment Co., Ltd (literal translation)	13,182,397

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Zheng Zheng	3,742,439
Langhe Investment Co., Ltd (literal translation)	14,272,397
Xiandong Lin	3,393,013
Qiongyu Liao	1,443,858
Chang Chun Petrochemical Co., Ltd.	123,932,661
Honggui Investment Co., Ltd (literal translation)	1,992,071
Tianran Huang	683,027
Shuhong Lin	2,287,707
Xianzhang Chen	1,002,475
Shee Kang Trading Co., Ltd.	3,016,466
Yuanshi Investment Co., Ltd (literal translation)	9,237,153
Shiguan Su	100,000
Quanhua Investment Co., Ltd (literal translation)	14,272,397
Anzhe Zheng	1,399,083
Jifeng Construction Co., Ltd (literal translation)	396,324

MANAGEMENT INFORMATION

Core Management

Directors

1

Name Longxing Liao
Position Chairman of the Board

2

Name Hexi Investment Co., Ltd (literal translation)
Position Vice Chairman of the Board

3

Name Zheng Zheng

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Position	Managing Director
4	
Name	Langhe Investment Co., Ltd (literal translation)
Position	Managing Director
5	
Name	Xiandong Lin
Position	Managing Director
6	
Name	Qiongyu Liao
Position	Director
7	
Name	Fushen Lin
Position	Director
8	
Name	Rongzong Chen
Position	Director
9	
Name	Honggui Investment Co., Ltd (literal translation)
Position	Director
10	
Name	Tianran Huang
Position	Director
11	
Name	Shuhong Lin
Position	Director
12	
Name	Xianzhang Chen
Position	Director
13	

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Name	Shee Kang Trading Co., Ltd.
Position	Director
14	
Name	Sumin Ye
Position	Director
15	
Name	Shiguang Su
Position	Director
16	
Name	Quanhua Investment Co., Ltd (literal translation)
Position	Supervisor
17	
Name	Anzhe Zheng
Position	Supervisor
18	
Name	Quanhua Investment Co., Ltd (literal translation)
Position	Supervisor
19	
Name	Kunyuan Huang
Position	Supervisor
20	
Name	Wenjie Xiao
Position	Supervisor

Personnel Structure

Total Employees About 1,220 Employees

OPERATION INFORMATION

Offices & Factories

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Add Headquarters
9th Fl., No.301, Songkiang Road, Taipei Taiwan R.O.C.

Production Information

Subject is engaged in manufacturing of chemicals, etc.
Subject has factories in Taiwan for production. It is introduced that subject's related companies have factories in Taiwan, Jiangsu Province, the mainland China, and Malaysia for production.
It is introduced that subject has obtained the certifications of ISO9002, ISO 14001, OHSAS 18001, OHSAS 18001, ISO 9001: 2000 and etc.
We obtained subject's production capacities from public sources as follows for reference:

Unit: MT	Annual Capacity
Product	
Vinyl Acetate	1000,000
EVA Emulsion	330,000
VAE Powder	52,000
EVCL(EVA-VC / EVCL)	11,000
Vinyl Acetate	30,000
Nitrogen	35,000
Liquefied Carbon Dioxide	28,000
Allyl Alcohol	740,000
1,4-Butanediol	630,000
2-Methyl- 1,3-Propanediol	126,000
n-Propanol	63,000
Iso-Butanol	63,000
AMPO	500
Polyteramethylene-Ether-Glycol	300,000
Tetrahydrofuran	510,000

Purchase Information

The registered activities of subject:

Business Code	Details
--	Manufacturing and sale of vinyl acetate, ethyl acetate, nitrogen, vinyl acetate-ethylene copolymer emulsion, vinyl acetate-ethylene redispersible powder, 1,4-butanediol, tetrahydrofuran, polytetramethylene-ether-glycol, carbon dioxide, allyl alcohol, propanol and hydrogen pyridine
--	Trading of related raw materials and products.
C801010	Manufacturing of basic chemical industries
C801020	Manufacturing of petrochemical raw materials
C801030	Manufacturing of precision chemical materials
C801040	Manufacturing of synthetic resin
C801050	Manufacturing of plastic materials
C801060	Manufacturing of synthetic rubber
C801070	Manufacturing of high-pressure gas
C802020	Manufacturing of rayon
C802030	Manufacturing of paint and varnish
C802120	Manufacturing of industrial additives

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C901060	Manufacturing of refractory
C802120	Manufacturing of fertilizer
C802170	Manufacturing of toxic chemicals
CC01010	Manufacturing of power generation, transmission, distribution machinery
CC01050	Manufacturing of data storage and processing equipment
CC01080	Manufacturing of electronic components
E599010	Piping engineering
I601010	Leasing
ZZ99999	Besides licensed business, all other business items those are not banned or restricted.

Subject's raw materials and etc for production are purchased from both home and abroad. It is introduced that subject imports technology from German and Japan.

Sales Information

Subject is engaged in sales of chemicals, etc.

Subject's selling territory includes Asia, Europe, America, Australia, the Middle East and etc.

Subject's major customers include chemical industry, plastic and rubber industry, electronic industry, textile industry, painting and covering industry and etc.

It is introduced that subject's products are applied into textiles, plastic or rubber items, automobile, electronic components, electronic items, machinery, automobile and etc.

It is introduced that subject has many customers such as Speciality Construction Brands Inc, URMI Chemicals (India), Irshad Saeed Packaging (Pvt) Ltd, Karachi Tile Home and etc.

Major Products

No.	Product
1	Vinyl Acetate
2	Vinyl Acetate-Ethylene Copolymer Emulsion
3	Ethylene-Vinyl Acetate-Vinyl Chloride Emulsion
4	Ethylene-Vinyl Chloride Emulsion
5	Vinyl Acetate-Ethylene Redispersible Powder
6	Ethyl Acetate
7	Nitrogen
8	Liquefied Carbon Dioxide
9	Allyl Alcohol
10	1,4-Butanediol
11	2-Methyl- 1,3-Propanediol
12	n-Propanol
13	Iso-Butanol
14	Alkoxyated 2-Methyl-1,3-Propanediol
15	Polytetramethylene-Ether-Glycol
16	Tetrahydrofuran

Import and export right:

Import right	Yes
Export right	Yes

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SETTLEMENTS

Purchase

Domestic Purchase

Products Raw Material, etc.
Payment Terms T/T, Cash, etc.

Import

Products Raw Material, etc.
Payment Terms L/C, T/T, etc.

Sales

Domestic Markets

Product Chemicals, etc.
Selling Terms T/T, Cash, etc.

Export

Product Chemicals, etc.
Selling Terms L/C, T/T, etc.

FINANCIALS

Balance Sheet

Unit: NTD/000

Consolidated	2017-12-31	2016-12-31
Assets		
Current assets		
Cash and cash equivalents		
Total cash and cash equivalents	7,944,289	6,024,763
Notes receivable, net		
Notes receivable, net	4,336,232	2,510,788
Accounts receivable, net		
Accounts receivable, net	8,046,972	5,709,855
Accounts receivable due from related parties, net		
Accounts receivable due from related parties, net	3,894,612	2,074,642
Other receivables		
Other receivables, net	512,144	346,928
Other receivables due from related parties		
Other receivables due from related parties, net	193,449	27,696
Inventories		
Inventories, manufacturing business		
Inventories, manufacturing business, net	6,262,586	4,611,906

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Total inventories	6,262,586	4,611,906
Other current assets		
Total other current assets	1,473,931	1,706,795
Total current assets	32,664,215	23,013,373
Non-current assets		
Non-current available-for-sale financial assets		
Non-current available-for-sale financial assets, net	1,007	1,007
Non-current financial assets at cost		
Non-current financial assets at cost, net	2,759	2,759
Investments accounted for using equity method		
Investments accounted for using equity method, net	256,347	215,185
Property, plant and equipment		
Total property, plant and equipment	26,022,401	29,231,618
Intangible assets		
Total intangible assets	4,728	6,066
Deferred tax assets	75,406	64,788
Other non-current assets		
Other non-current financial assets		
Total other non-current financial assets	493,335	356,961
Other non-current assets, others		
Other non-current assets, others	209,892	215,110
Total other non-current assets, others	209,892	215,110
Total other non-current assets	703,227	572,071
Total non-current assets	27,065,875	30,093,494
Total assets	59,730,090	53,106,867
Liabilities and equity		
Liabilities		
Current liabilities		
Short-term borrowings		
Total short-term borrowings	6,907,237	6,722,402
Current financial liabilities at fair value through profit or loss		
Total current financial liabilities at fair value through profit or loss	54,827	0
Notes payable		
Total notes payable	348,878	364,435
Accounts payable		
Total accounts payable	2,933,555	2,915,250
Accounts payable to related parties		
Total accounts payable to related parties	1,270,789	696,367
Other payables		
Total other payables	2,575,396	2,307,591
Current tax liabilities	1,069,389	19,661
Other current liabilities		
Other current liabilities, others	168,110	184,100
Total other current liabilities	168,110	184,100
Total current liabilities	15,328,181	13,209,806

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Non-current liabilities		
Deferred tax liabilities		
Deferred tax liabilities, others	296,983	182,209
Total deferred tax liabilities	296,983	182,209
Other non-current liabilities		
Net defined benefit liability, non-current	251,502	221,938
Other non-current liabilities, others	475	311
Total other non-current liabilities	251,977	222,249
Total non-current liabilities	548,960	404,458
Total liabilities	15,877,141	13,614,264
Equity		
Equity attributable to owners of parent		
Share capital		
Ordinary share	3,084,733	3,084,733
Preference share	0	0
Certificate of entitlement to new shares from convertible bond	0	0
Advance receipts for share capital	0	0
Stock dividend to be distributed	0	0
Total capital stock	3,084,733	3,084,733
Capital surplus		
Total capital surplus	0	0
Retained earnings		
Legal reserve	4,497,274	4,250,628
Unappropriated retained earnings (accumulated deficit)		
Total unappropriated retained earnings (accumulated deficit)	30,318,327	25,997,360
Total retained earnings	34,815,601	30,247,988
Other equity interest		
Exchange differences on translation of foreign financial statements		
Total exchange differences on translation of foreign financial statements	104,755	367,814
Unrealized gains (losses) on available-for-sale financial assets		
Total unrealized gains (losses) on available-for-sale financial assets	778	778
Total other equity interest	105,533	368,592
Treasury shares	0	0
Total equity attributable to owners of parent	38,005,867	33,701,313
Equity attributable to former owner of business combination under common control	0	0
Non-controlling interests	5,847,082	5,791,290
Total equity	43,852,949	39,492,603
Total liabilities and equity	59,730,090	53,106,867
Equivalent issue shares of advance receipts for ordinary share	0	0
Number of shares in entity held by entity and by	0	0

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its subsidiaries

Profit and Loss Account

Unit: NTD/000

Consolidated	2017	2016
Operating revenue		
Total operating revenue	64,878,172	49,602,415
Operating costs		
Total operating costs	50,543,373	42,616,137
Gross profit (loss) from operations	14,334,799	6,986,278
Unrealized profit (loss) from sales	0	0
Realized profit (loss) on from sales	0	0
Gross profit (loss) from operations	14,334,799	6,986,278
Operating expenses		
Selling expenses		
Total selling expenses	4,284,504	3,530,878
Administrative expenses		
Total administrative expenses	624,539	562,823
Research and development expenses		
Total research and development expenses	181,721	115,442
Total operating expenses	5,090,764	4,209,143
Net operating income (loss)	9,244,035	2,777,135
Non-operating income and expenses		
Other income		
Total other income	37,051	46,532
Other gains and losses		
Other gains and losses, net	-459,580	-385,140
Gains (losses) on reclassification of financial assets		
Gains (losses) on reclassification of financial assets	0	0
Finance costs		
Finance costs, net	222,425	206,978
Share of profit (loss) of associates and joint ventures accounted for using equity method		
Share of profit (loss) of associates and joint ventures accounted for using equity method, net	41,921	2,277
Total non-operating income and expenses	-603,033	-543,309
Profit (loss) from continuing operations before tax	8,641,002	2,233,826
Tax expense (income)		
Total tax expense (income)	1,509,560	653,188
Profit (loss) from continuing operations	7,131,442	1,580,638
Profit (loss) from discontinued operations		
Total profit (loss) from discontinued operations	0	0
Profit (loss)	7,131,442	1,580,638
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss		

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Gains (losses) on remeasurements of defined benefit plans	-69,782	-45,386
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-11,863	-7,716
Components of other comprehensive income that will not be reclassified to profit or loss	-57,919	-37,670
Components of other comprehensive income that will be reclassified to profit or loss		
Exchange differences on translation	-606,983	-728,132
Gains (losses) on effective portion of cash flow hedges	0	-9,765
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	-759	-16,661
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-53,879	-105,839
Components of other comprehensive income that will be reclassified to profit or loss	-553,863	-648,719
Other comprehensive income, net	-611,782	-686,389
Total comprehensive income	6,519,660	894,249
Profit (loss), attributable to:		
Profit (loss), attributable to owners of parent	6,784,846	2,466,458
Profit (loss), attributable to non-controlling interests	346,596	-885,820
Comprehensive income attributable to:		
Comprehensive income, attributable to owners of parent	6,463,868	1,902,284
Comprehensive income, attributable to non-controlling interests	55,792	-1,008,035
Basic earnings per share		
Total basic earnings per share	21.99	8
Diluted earnings per share		
Total diluted earnings per share	21.94	7.98

Cash Flows

Unit: NTD/000

Consolidated	2017	2016
Cash flows from (used in) operating activities,		

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indirect method		
Profit (loss) from continuing operations before tax	8,641,002	2,233,826
Profit (loss) from discontinued operations before tax	0	0
Profit (loss) before tax	8,641,002	2,233,826
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	3,851,644	4,185,474
Amortization expense	2,558	5,313
Provision (reversal of provision) for bad debt expense	101,185	-13,299
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	54,827	0
Interest expense	222,425	206,978
Interest income	-36,987	-46,489
Dividend income	-64	-43
Share of loss (profit) of associates and joint ventures accounted for using equity method	-41,921	-2,277
Loss (gain) on disposal of property, plan and equipment	4,123	-5,670
Total adjustments to reconcile profit (loss)	4,157,790	4,329,987
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	-1,826,089	-839,202
Decrease (increase) in accounts receivable	-4,421,073	714,385
Decrease (increase) in other receivable	-99,448	-96,326
Decrease (increase) in inventories	-1,631,907	195,436
Decrease (increase) in other current assets	192,465	297,953
Decrease (increase) in other operating assets	0	-61,137
Total changes in operating assets	-7,786,052	211,109
Changes in operating liabilities		
Increase (decrease) in notes payable	-15,663	324,502
Increase (decrease) in accounts payable	652,887	1,260,390
Increase (decrease) in other payable	280,714	336,131
Increase (decrease) in other current liabilities	-53,105	140,439
Increase (decrease) in net defined benefit liability	-40,218	-42,129
Total changes in operating liabilities	824,615	2,019,333
Total changes in operating assets and liabilities	-6,961,437	2,230,442
Total adjustments	-2,803,647	6,560,429
Cash inflow (outflow) generated from operations	5,837,355	8,794,255
Interest received	13,026	46,310
Interest paid	-222,425	-212,344
Income taxes refund (paid)	-290,539	-1,250,908
Net cash flows from (used in) operating activities	5,337,420	7,377,313
Cash flows from (used in) investing activities		
Acquisition of property, plant and equipment	-1,448,370	-2,556,590
Proceeds from disposal of property, plant and equipment	5,957	22,055
Increase in other receivables due from related	-182,600	0

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parties		
Acquisition of intangible assets	0	-5,463
Increase in other financial assets	31,533	-104,405
Increase in other non-current assets	-141,990	-72,609
Dividends received	64	43
Net cash flows from (used in) investing activities	-1,735,406	-2,716,969
Cash flows from (used in) financing activities		
Increase in short-term loans	529,075	699,274
Repayments of long-term debt	0	-7,466,500
Decrease in guarantee deposits received	-11	0
Cash dividends paid	-2,184,299	-2,097,542
Change in non-controlling interests	0	2,479,144
Net cash flows from (used in) financing activities	-1,655,235	-6,385,624
Effect of exchange rate changes on cash and cash equivalents	-27,253	65,179
Net increase (decrease) in cash and cash equivalents	1,919,526	-1,660,101
Cash and cash equivalents at beginning of period	6,024,763	7,684,864
Cash and cash equivalents at end of period	7,944,289	6,024,763
Cash and cash equivalents reported in the statement of financial position	7,944,289	6,024,763

BANKERS

Subject declined to disclose its bank details; from other source we could not obtain the relevant information, either.

PUBLIC RECORD

Mortgage

No chattel mortgage record of subject has been found within the recent 3 months.

Lawsuit

Up to date of reporting, no existing or latent litigation of the subject has been found.

SPECIAL NOTE

Interview Details

Name	Ms. Li
Department	Sales Department

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.58
UK Pound	1	INR 95.89
Euro	1	INR 84.70
TWD	1	INR 2.39

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)