

## MIRA INFORM REPORT

|                      |            |
|----------------------|------------|
| <b>Report No. :</b>  | 536326     |
| <b>Report Date :</b> | 29.10.2018 |

### IDENTIFICATION DETAILS

|                                |   |
|--------------------------------|---|
| <b>Name :</b>                  | OA0 EZTM  |
| <b>Registered Office :</b>     | Krasnaya Street 19 Moscow Region 144005 Electrostal   |
| <b>Country :</b>               | Russia  |
| <b>Financials (as on) :</b>    | 31.12.2017  |
| <b>Date of Incorporation :</b> | 15.01.1993  |
| <b>Com. Reg. No.:</b>          | OGRN 1025007116100  |
| <b>Legal Form :</b>            | Joint Stock Company   |
| <b>Line of Business :</b>      | <ul style="list-style-type: none"> <li>Manufacturing and design of customized equipment to pipe-rolling and welding mills, to pipe finishing and coating facilities, cold-rolling, billet-rolling, wire-rolling mills, ball-rolling and other specialty mills as well as fluid bearings, steel rolls for cold and hot-rolling mills, spare parts.</li> <li>Subject mainly specializes in production of the equipment for metallurgical, tube and section shops, mining and cement industry</li> </ul> |
| <b>No. of Employees :</b>      | 1,209   |

### 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>            | Satisfactory  |
| <b>Payment Behaviour :</b> | No Complaints |

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|                     |       |
|---------------------|-------|
| <b>Litigation :</b> | Clear |
|---------------------|-------|

**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**

| <b>Country Name</b> | <b>Previous Rating<br/>(30.06.2018)</b> | <b>Current Rating<br/>(30.09.2018)</b> |
|---------------------|---|--|
| Russia              | A2                                      | A2                                     |

| <b>Risk Category</b> | <b>ECGC Classification</b> |
|----------------------|----------------------------|
| Insignificant        | A1                         |
| Low Risk             | A2                         |
| Moderately Low Risk  | B1                         |
| Moderate Risk        | B2                         |
| Moderately High Risk | C1                         |
| High Risk            | C2                         |
| Very High Risk       | D                          |

### **RUSSIA - ECONOMIC OVERVIEW**

Russia has undergone significant changes since the collapse of the Soviet Union, moving from a centrally planned economy towards a more market-based system. Both economic growth and reform have stalled in recent years, however, and Russia remains a predominantly statist economy with a high concentration of wealth in officials' hands. Economic reforms in the 1990s privatized most industry, with notable exceptions in the energy, transportation, banking, and defense-related sectors. The protection of property rights is still weak, and the state continues to interfere in the free operation of the private sector.

Russia is one of the world's leading producers of oil and natural gas, and is also a top exporter of metals such as steel and primary aluminum. Russia is heavily dependent on the movement of world commodity prices as reliance on commodity exports makes it vulnerable to boom and bust cycles that follow the volatile swings in global prices. The economy, which had averaged 7% growth during the 1998-2008 period as oil prices rose rapidly, has seen diminishing growth rates since then due to the exhaustion of Russia's commodity-based growth model.

A combination of falling oil prices, international sanctions, and structural limitations pushed Russia into a deep recession in 2015, with GDP falling by close to 2.8%. The downturn continued through 2016, with GDP contracting another 0.2%, but was reversed in 2017 as world demand picked up. Government support for import substitution has increased recently in an effort to diversify the economy away from extractive industries.

Source : CIA

## **SUMMARY**

**COMPANY NAME** OA0 EZTM

**ADDRESS** Building Street Area PO Box  
OA0 EZTM Krasnaya Street 19 Moscow Region 144005  
Building Electrostal

**TEL/FAX** Verified Phones: (+7 496) 577 7242 / Fax: (+7 496) 577 7342

**EMAIL/WEBSITE** Email: eztm@eztm.ru / Website: www.eztm.ru

**ACTIVITY** NACE 2891 - Manufacture of machinery for metallurgy;

**PRINCIPAL** Vladimir Semenovich Zarudny Workforce  
General Director 1,209

**LEGAL INFO** Date Of Est. Reg. No. Legal Form Status  
15/01/1993 OGRN Joint Stock Company Active  
1025007116100

**CAPITAL** **CURRENCY** **AMOUNT**  
RUBLE (RUB) 161,250

## **IDENTIFICATION**

**CO. NAME** OA0 EZTM  
**ENQUIRED NAME** EZTM JOINT STOCK COMPANY  
**ALSO KNOWN NAME (S)** OA0 ELECTROSTALSKY ZAVOD TYAZHELOGO  
MASHNIOSTROENIYA / EZTM / JSC Electrostal Heavy Engineering  
Works

**BUILDING** OA0 EZTM Building  
**STREET** Krasnaya Street 19  
**AREA** Moscow Region  
**POSTAL ADDRESS** 144005 Electrostal  
**TOWN** Electrostal  
**COUNTRY** Russia  
**TELEPHONE** (+7 496) 577 7242 / (+7 495) 702 9757 ext. 212 & 229 & 405 & 333  
(Chief Accountant) / (+7 496) 577 7522 / (+7 496) 577 7570  
(+7 496) 577 7342

**FAX**  
**VERIFIED EMAIL** eztm@eztm.ru / sva@eztm.ru  
**WEBSITE** www.eztm.ru

**BUSINESS HOURS** **DAYS** **OFFICE HOURS** **BREAK TIME**  
Mon-Fri 08:00-17:00 13:00-14:00

**REGISTERED ADDRESS** Krasnaya Street 19  
Moscow Region  
144005 Electrostal  
Russia

## **SENIOR PERSONNEL**

### **MANAGEMENT**

#### **NAME**

Vladimir Semenovitch Zarudny  
Nationality: Russian  
Tax Code:  
INN 771510922657

#### **POSITION**

General Director

Pavel Anatolievich Popov

Production & Operations Director

Vladimir Vladimirovich  
Rasskazov

Executive Director

Dmitry Anatolievich Matveev

Commercial Director

Yury V. Babenkov

Regional Business Development  
Director

Andrey V. Stepanov

Technical Director

Sergei G. Chirkov

Director Of Research &  
Development / Chief Designer

Lyubov Leonidovna Bogdanova

Chief Accountant

Alexander M. Azdravin

Deputy Technical Director

Alexey S. Smirnov

Deputy Commercial Director /  
Head Of Contracts Department

Alexander Mashansky

Head of External Economic  
Relations Department

Mikhail Eroshkin

Head of Logistic Support  
Department

Alexander Abiyaka

HR Director

Evgeniy Artemyev

HR Manager

### **WORKFORCE**

#### **NO. OF EMPLOYEES**

1,209

#### **PERIOD**

10.2018

## **FINANCIAL SUMMARY**

|                            |  |                                       |
|----------------------------|--|---------------------------------------|
| <b>TURNOVER</b>            | <b>31/12/2017</b>                              | <b>30/06/2018 (Quarterly Results)</b> |
|                            | RUBLE 2,185,881,000                            | RUBLE 1,001,532,000                   |
| <b>NET PROFIT / (LOSS)</b> | <b>31/12/2017</b>                              | <b>30/06/2018 (Quarterly Results)</b> |
|                            | RUBLE 50,213,000                               | RUBLE (2,173,000)                     |
| <b>NOTES</b>               | Balance sheets as at 31 December 2017 showed : |                                       |

31/12/2017                      31/12/2016  
(in RUBLE)

### ASSETS

|  |                      |                      |
|--|----------------------|----------------------|
| Non-current assets                     |                      |                      |
| Intangible assets                      | 931,000              | 1,057,000            |
| Fixed assets                           | 1,505,010,000        | 1,659,964,000        |
| Financial investments                  | 68,787,000           | 94,121,000           |
| Tax deferred assets                    | 30,877,000           | 30,917,000           |
| Total non-current assets               | 1,605,676,000        | 1,787,834,000        |
| Current assets                         |                      |                      |
| Stock                                  | 972,906,000          | 982,348,000          |
| Value added tax on purchased valuables | 2,500,000            | 12,591,000           |
| Trade receivables                      | 658,284,000          | 620,255,000          |
| Cash equivalents                       | 971,000              | 3,178,000            |
| Other current assets                   | 8,679,000            | 44,977,000           |
| Total current assets                   | 1,643,340,000        | 1,663,349,000        |
| <b>TOTAL ASSETS</b>                    | <b>3,249,016,000</b> | <b>3,451,183,000</b> |

### EQUITY & LIABILITIES

|                             |               |               |
|-----------------------------|---------------|---------------|
| Equity                      |               |               |
| Share capital               | 161,000       | 161,000       |
| Reserve capital             | 8,000         | 8,000         |
| Retained earnings           | 643,811,000   | 563,021,000   |
| Total equity                | 1,110,534,000 | 1,060,320,000 |
| Long-term liabilities       |               |               |
| Borrowings                  | 175,436,000   | 457,436,000   |
| Deferred tax liabilities    | 157,117,000   | 153,446,000   |
| Total long-term liabilities | 332,553,000   | 610,882,000   |
| Short-term Liabilities      |               |               |
| Borrowings                  | 915,060,000   | 915,066,000   |
| Accounts payable            | 850,942,000   | 827,625,000   |
| Other liabilities           | 2,145,000     | 2,145,000     |

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|                              |               |               |
|------------------------------|---------------|---------------|
| Total Short-term liabilities | 1,805,929,000 | 1,779,981,000 |
| TOTAL EQUITY & LIABILITIES   | 3,249,016,000 | 3,451,183,000 |

**INCOME STATEMENT**

|                                    |                 |                 |
|------------------------------------|-----------------|-----------------|
| Revenue                            | 2,185,881,000   | 1,520,486,000   |
| Cost of Sales                      | (1,502,005,000) | (1,577,714,000) |
| Gross Profit                       | 683,876,000     | 942,772,000     |
| Commercial expenses                | (88,524,000)    | (167,090,000)   |
| Administrative expenses            | (428,445,000)   | (451,620,000)   |
| Profit(loss) from sales            | 166,907,000     | 324,062,000     |
| Other income and expenses          |                 |                 |
| Interest income                    | 3,881,000       | 12,734,000      |
| Interest payable                   | (182,836,000)   | (181,358,000)   |
| Other income                       | 431,536,000     | 782,804,000     |
| Other expenses                     | (331,661,000)   | (844,992,000)   |
| Profit(loss) before taxation       | 87,827,000      | 93,250,000      |
| Change in deferred tax assets      | (40,000)        | 4,284,000       |
| Change in deferred tax liabilities | (3,670,000)     | 10,693,000      |
| Current income tax                 | (30,565,000)    | (28,536,000)    |
| Net Profit(loss)                   | 50,213,000      | 53,964,000      |

**FISCAL YEAR-END** 31 December.

**LEGAL STATUS**

|                               |  |   |
|-------------------------------|--|---|
| <b>INCORPORATION</b>          | 15/01/1993   |   |
| <b>REGISTRATION NO.</b>       | <b>C.R. NUMBER</b><br>OGRN 1025007116100   | <b>ISSUED BY</b><br>Federal Tax Service |
| <b>OTHER REGISTRATION NO.</b> | INN 5053000564 (Tax Code) / KPP 505301001 / OKPO 5744403<br>(Statistics Code) / OKTMO 46790000001  |   |
| <b>AUTHORISED CAPITAL</b>     | <b>AMOUNT</b><br>161,250   | <b>CURRENCY</b><br>RUBLE                |
| <b>PAID-UP CAPITAL</b>        | <b>AMOUNT</b><br>161,250   | <b>CURRENCY</b><br>RUBLE                |
| <b>BUSINESS HISTORY</b>       | The Company was incorporated in Russia on 15 January 1993, however its origins of business activities can be traced back to 13 April 1942. |   |

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**LEGAL FORM  
STATUS  
SHAREHOLDERS**

Joint Stock Company  
Active

**NAME**

**PERCENTAGE**

- |   |                 |
|---|-----------------|
| <p>1. ZAO OIKUMENA<br/> Kislovsky B. Avenue 3/2,<br/> Building 1<br/> Russia<br/> Phone: (+7 495) 663 3892<br/> Fax : (+7 495) 695 5987<br/> Email: info@oikumena.com<br/> General Director: Lev Gnidenko<br/> C.R. No.: OGRN 1021200558180<br/> Tax Code: INN 7422019490</p> | <p>76.3565%</p> |
| <p>2. OOO ZG STROYMONTAZH<br/> Starovatutinsky Proezd 1<br/> 129281 Moscow<br/> Russia<br/> Est.: 10/04/1997<br/> General Director: Dmitriy<br/> Filchatov<br/> C.R. No.: OGRN 1037739304217<br/> Tax Code: INN 7716131649</p>  | <p>8.4596%</p>  |
| <p>3. Vladimir Vladimirovich Rasskazov</p>  | <p>4.2505%</p>  |
| <p>4. Andrey Leonidovich Burtsev</p>  | <p>4.2298%</p>  |
| <p>5. Mikhail Sergeevich Semenov</p>  | <p>4.2298%</p>  |
| <p>6. Other minority shareholders</p>   | <p>2.4738%</p>  |

**OPERATION**

**BANKERS**

1. PAO Bank Vozrozhdenie  
Zlatoustinskiy Bolshoy Pereulok 4  
101990 Moscow  
Russia  
Telephone: (+7 800) 755 0005  
Fax : (+7 8617) 610 708  
Acc. No.: 40702810606100540246  
Corr. Acc. No.: 3010181900000000181  
BIK: 044525181
2. PAO Sberbank  
Vavilova Street 19

117997 Moscow  
Russia  
Telephone: (+7 495) 957 5731  
Fax : (+7 495) 747 4758

Subject also has an account with AO AKB Forshtadt.

**AUDITORS**

ZAO HLB PAKK-Auditor  
Lyublinskaya Street 53  
109387 Moscow  
Russia

**ACTIVITY CODE (NACE)  
LINE OF BUSINESS**

Phone: (+7 495) 258 1991  
2891 - Manufacture of machinery for metallurgy;  
Manufacturing and design of customized equipment to pipe-rolling and welding mills, to pipe finishing and coating facilities, cold-rolling, billet-rolling, wire-rolling mills, ball-rolling and other specialty mills as well as fluid bearings, steel rolls for cold and hot-rolling mills, spare parts etc.

Subject mainly specializes in production of the equipment for metallurgical, tube and section shops, mining and cement industry.

Subject also provides the following services:

- consulting and support during customers needs' determinations;
- project development with possible alternatives;
- project execution with equipment delivery; -
- supervision and putting in operation;
- delivery software;
- customer's staff training;
- transferring know-how connected with product and technology;
- servicing after putting in operation.

Subject is certificated by «T Ü V Rheinland» , the International certification body / Certificate No.01 100 1618807, date of issue: 21.11.2016. Subject is ISO 9001:2008 certified.  
Europe.

**IMPORT FROM  
EXPORT TO  
TRADE REFERENCES**

Worldwide, mainly to Germany, India, China and Japan.  
ATS - Applicazioni Tecnologiche Siderurgiche S.p.A.  
Via Chiavola, 10 - Zona Industriale 33010 Trasaghis (Ud)  
Italy

**FACILITIES**

Water Group Limited Oy  
Etelakauppatori 4A, FI-28100 Pori  
Finland  
Owned premises comprising administrative offices, a manufacturing unit and integrated storage facilities located at the heading address. Subject also has 4 representative offices located in Singapore, China, Ukraine and Iran (see "Representative Offices" below).

**REPRESENTATIVE OFFICES**

1. Singapore  
183 Tanjong Rhu Rd, 11-01,  
436923, Singapore  
Tel: (+65) 9189 9565
2. China  
Haidian District, Jinma Plaza, "A" Tower, 908  
100083 Beijing  
Tel: (+86 10) 8283 8556
3. Ukraine  
S. Khrabrogo 44/509  
Dnepr 49000  
Tel: (+38 0562) 31 4281
4. Iran  
No14.14 Alley.north,Falamak St.phase  
4.shahrak  
Tehran  
Tel: (+98 21) 8808 8037

**RELATED COMPANIES**

Subject is a member of Oikumena Group of Companies, which also includes the following companies:

**Associates**

1. **OA0 ZINC**  
Krasnaya Street 19  
Moscow Region  
144005 Electrostal  
Russia  
Est.: 29/01/2010  
C.R. No.: OGRN 1105053000161
2. **OOO FKHK AVANGARD**  
Fryazevskoye Highway  
Moscow Region  
144005 Electrostal  
Russia  
Est.: 22/12/1995  
C.R. No.: OGRN 1035010650806
3. **ZAO ELECTROSTAL-ZINC**  
Krasnaya Street 19  
Moscow Region  
144005 Electrostal  
Russia  
Est.: 25/10/2006  
C.R. No.: OGRN 1065053028480

4. OOO OIKUMENA-EKECTROSTAL  
Yalagina Street 13a  
Moscow Region  
144010 Electrostal  
Russia  
Est.: 12/02/2014  
C.R. No.: OGRN 1145053000256
5. OOO OIKUMENA-M  
Kislovsky B. Avenue 3/2,  
Building 2  
Russia  
Est.: 06/02/2017  
C.R. No.: OGRN 1177746106009
6. OOO FORUM  
Kislovsky B. Avenue 3/2,  
Building 2  
Russia  
Est.: 17/08/2011  
C.R. No.: OGRN 1117746637800
7. OOO OIKUMENA-NEDVIZHIMOST  
Kislovsky B. Avenue 3/2,  
Building 2  
Russia  
Est.: 12/04/2011  
C.R. No.: OGRN 1117746285678
8. OOO KLIPER  
Artileriyaskaya Street 56  
236016 Kaliningrad  
Russia  
Est.: 22/06/1998  
C.R. No.: OGRN 1023901008086
9. OOO GLAVSTROYINVEST  
Proletarsky Avenue 19/2  
115522 Moscow  
Russia  
Est.: 27/02/2013  
C.R. No.: OGRN 1137746171375
10. OOO MEZHSTROYCOMPLEX  
Maksima Gorkogo Street 43  
Nizhny Nobgorod  
Russia  
Est.: 27/11/2006  
C.R. No.: OGRN 1065260112202

## **PAYMENT**

### **CREDIT OPINION**

We consider it is acceptable to deal with subject for LARGE amounts.

## **SPECIAL REMARKS**

### **INTERVIEWED COMMENTS**

Lyubov Leonidovna Bogdanova (Chief Accountant).  
You enquired on: EZTM JOINT STOCK COMPANY. Please note that  
this name applies to an English translation of the subject's name.  
Subject's correct registered name is as per heading.

**FOREIGN EXCHANGE RATES**

| Currency  | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1    | INR 73.37     |
| UK Pound  | 1    | INR 94.05     |
| Euro      | 1    | INR 83.41     |
| RUB       | 1    | INR 1.12      |

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

**INFORMATION DETAILS**

|                      |     |
|----------------------|-----|
| Analysis Done by :   | PRI |
| 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)