

MIRA INFORM REPORT

Report No. :	528096
Report Date :	03.09.2018

IDENTIFICATION DETAILS

Name :	BYDGOSKA FABRYKA NARZEDZI BEFANA SP. Z O.O.
Registered Office :	Jozefa Milcherta 11, 85-862 Bydgoszcz
Country :	Poland
Financials (as on) :	31.12.2015
Date of Incorporation :	01.01.1852
Com. Reg. No.:	0000042010
Legal Form :	Limited liability company - Sp. z.o.o.
Line of Business :	Manufacture of tools
No. of Employees :	Not Available

RATING & COMMENTS

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

MIRA's Rating :	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	Unknown
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)
Poland	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

POLAND - ECONOMIC OVERVIEW

Poland has the sixth-largest economy in the EU and has long had a reputation as a business-friendly country with largely sound macroeconomic policies. Since 1990, Poland has pursued a policy of economic liberalization. During the 2008-09 economic slowdown Poland was the only EU country to avoid a recession, in part because of the government's loose fiscal policy combined with a commitment to rein in spending in the medium-term Poland is the largest recipient of EU development funds and their cyclical allocation can significantly impact the rate of economic growth.

The Polish economy performed well during the 2014-17 period, with the real GDP growth rate generally exceeding 3%, in part because of increases in government social spending that have helped to accelerate consumer-driven growth. However, since 2015, Poland has implemented new business restrictions and taxes on foreign-dominated economic sectors, including banking and insurance, energy, and healthcare, that have dampened investor sentiment and has increased the government's ownership of some firms. The government reduced the retirement age in 2016 and has had mixed success in introducing new taxes and boosting tax compliance to offset the increased costs of social spending programs and relieve upward pressure on the budget deficit. Some credit ratings agencies estimate that Poland during the next few years is at risk of exceeding the EU's 3%-of-GDP limit on budget deficits, possibly impacting its access to future EU funds. Poland's economy is projected to perform well in the next few years in part because of an anticipated cyclical increase in the use of its EU development funds and continued, robust household spending.

Poland faces several systemic challenges, which include addressing some of the remaining deficiencies in its road and rail infrastructure, business environment, rigid labor code, commercial court system, government red tape, and burdensome tax system, especially for entrepreneurs. Additional long-term challenges include diversifying Poland's energy mix, strengthening investments in innovation, research, and development, as well as stemming the outflow of educated young Poles to other EU member states, especially in light of a coming demographic contraction due to emigration, persistently low fertility rates, and the aging of the Solidarity-era baby boom generation.

Source : CIA

SUMMARY

Company name	Bydgoska Fabryka Narzedzi BEFANA Sp. z o.o.				
Operative address	Jozefa Milcherta 11 85-862 Bydgoszcz Poland				
Status	Active				
Legal form	Limited liability company - Sp. z.o.o.				
Registration number	Trade register number: 0000042010				
VAT-number	PL5540233319				
Year	2015	Mutation	2014	Mutation	2013
Fixed assets	52.035	-9,93	57.772	-9,44	63.796
Total receivables	121.023	-4,39	126.582	13,32	111.704
Total equity	339.288	1,53	334.187	-4,66	350.518
Short term liabilities	215.911	-22,42	278.294	21,81	228.463
Net result	4.238	154,68	-7.750	-1.511,23	-481
Working capital	287.017	3,84	276.414	-3,84	287.444
Quick ratio	0,61	12,96	0,54	-3,57	0,56

CONTACT INFORMATION

Company name	Bydgoska Fabryka Narzedzi BEFANA Sp. z o.o.
Operative address	Jozefa Milcherta 11 85-862 Bydgoszcz Poland
Correspondence address	Jozefa Milcherta 11 85-862 Bydgoszcz Poland
Telephone number	+48 52 3769850
Fax number	+48 52 3226056
Email address	biuro@befana.com.pl
Website	www.befana.com.pl

REGISTRATION

Registration number	Trade register number: 0000042010
VAT-number	PL5540233319
Status	Active
Establishment date	1852-01-01
Legal form	Limited liability company - Sp. z.o.o.
Subscribed share capital	PLN 663.000

ACTIVITIES

NACE 2573: Manufacture of tools
Goal Production: files

RELATIONS

Shareholders

ULTIMATE GLOBAL SHAREHOLDER
Name: MR WITOLD KACZYNSKI
Country: PL
Type: One or more named individuals or families
Share direct: 85.00%

SHAREHOLDERS
Name: MR WITOLD KACZYNSKI
Country: PL
Type: One or more named individuals or families
Share direct: 85.00%

Name: MRS MARIA GLAPA
Country: PL
Type: One or more named individuals or families
Share direct: 15.00%

BANK DETAILS

Accounts Bank Gospodarki Zywnosciowej S.A. (BGZ S.A.)

MANAGEMENT

Management

Fullname: Mr Witold Kaczynski
Type: Individual
Gender: Male
Number of involvements: 1
Function: President
Level of responsibility: Highest executive

FINANCIAL ANALYSIS

Trend	Fluctuating
Profitability	Nil
Solvability	More than sufficient
Liquidity	Sufficient
Show amount in	Euro

KEY FIGURES

Year	2015	2014	2013	2012	2011
Quick ratio	0,61	0,54	0,56	0,74	0,82
Current ratio	2,33	1,99	2,26	2,42	2,38
Working capital/ balance total	0,52	0,45	0,50	0,51	0,50
Equity / balance total	0,61	0,55	0,60	0,64	0,64
Equity / Fixed assets	6,52	5,78	5,49	5,17	4,48
Working capital	287.017	276.414	287.444	287.803	236.331
Equity	339.288	334.187	350.518	356.513	304.629
Mutation equity	1,53	-4,66	-1,68	17,03	
Mutation short term liabilities	-22,42	21,81	12,57	18,39	
Return on total assets (ROA)	0,93	-1,27	-0,08	4,85	8,41
Return on equity (ROE)	1,53	-2,32	-0,14	7,61	13,14
Gross profit margin	1,43	0,31	1,19	3,99	4,43
Net profit margin	0,40	-0,72	-0,05	2,42	3,84
Average collection ratio	4,89	3,85	4,41	5,52	6,07
Average payment ratio	8,73	8,45	9,02	9,79	9,86
Equity turnover ratio	3,11	3,20	2,88	3,14	3,42
Total assets turnover ratio	1,90	1,75	1,74	2,00	2,19
Fixed assets turnover ratio	20,30	18,52	15,80	16,26	15,30
Inventory conversion ratio	2,85	2,64	2,61	3,30	3,90
Turnover	1.056.243	1.070.197	1.007.981	1.120.889	1.041.211
Gross margin	404.273	402.058	408.055	464.103	413.183
Operating result	15.069	3.288	12.037	44.748	46.135
Net result after taxes	4.238	-7.750	-481	27.142	40.029

Summary

The 2015 financial result structure is a positive working capital of 287.017 euro, which is in agreement with 52 % of the total assets of the company.

The working capital has increased with 3.84 % compared to previous year. The ratio, with respect to the total assets of the company has however, increased.

The improvement between 2014 and 2015 has mainly been caused by a change of the current assets.

The current ratio of the company in 2015 was 2.33. A company with a current ratio between 1.5 and 3.0 generally indicates good short-term financial strength.

The quick ratio in 2015 of the company was 0.61. A company with a Quick Ratio of less than 1 cannot currently pay back its current liabilities.

The 2014 financial result structure is a positive working capital of 276.414 euro, which is in agreement with 45 % of the total assets of the company.

The working capital has diminished with -3.84 % compared to previous year. The ratio, with respect to the total assets of the company has however, declined.

The deterioration between 2013 and 2014 has mainly been caused by a change of the current liabilities.

The current ratio of the company in 2014 was 1.99. A company with a current ratio between 1.5 and 3.0 generally indicates good short-term financial strength.

The quick ratio in 2014 of the company was 0.54. A company with a Quick Ratio of less than 1 cannot currently pay back its current liabilities.

FINANCIAL STATEMENT

Auditor	Name: Zygmunt Kotowski (KORPEX-AUDYTOR Sp. z o.o.)
Last annual account	2015
Remark annual account	Although the statutory period has expired, the company's annual reports are not yet published.
Type of annual account	Corporate
Annual account	Bydgoska Fabryka Narzedzi BEFANA Sp. z o.o. Jozefa Milcherta 11 85-862 Bydgoszcz Poland

BALANCE

Year	2015	2014	2013	2012	2011
End date	2015-12-31	2014-12-31	2013-12-31	2012-12-31	2011-12-31
Type of annual account	Corporate	Corporate	Corporate	Corporate	Corporate
Intangible fixed assets	2.590	2.583	2.648	2.690	2.488
Tangible fixed assets	49.681	55.189	61.148	66.265	65.585
Fixed assets	52.035	57.772	63.796	68.955	68.072
Total stock	370.839	405.581	386.870	339.886	267.314
Total receivables	121.023	126.582	111.704	114.436	105.614
Liquid funds	10.831	22.310	17.093	36.189	34.149
Other current assets	235	235	241	489	678

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PAGE NO. : 8

Current assets	502.928	554.708	515.907	490.756	407.755
Total assets	555.199	612.246	579.703	559.711	476.053
Total equity	339.288	334.187	350.518	356.513	304.629
Provisions			722		
Accounts payable	63.572	101.689	56.333	69.689	41.160
Liabilities towards credit institutes	91.591	110.848	114.833	79.225	78.701
Other short term liabilities	60.511	65.757	57.296	54.039	51.563
Short term liabilities	215.911	278.294	228.463	202.953	171.424
Total liabilities	555.199	612.246	579.703	559.711	476.053

Summary

The total assets of the company decreased with -9.32 % between 2014 and 2015.

This downturn is mainly retrievable in the fixed asset decrease of -9.93 %.

In 2015 the assets of the company were 9.37 % composed of fixed assets and 90.63 % by current assets. The assets are being financed by an equity of 61.11 %, and total debt of 38.89 %.

The total assets of the company increased with 5.61 % between 2013 and 2014.

Despite the assets growth, the non current assets decreased with -9.44 %.

In 2014 the assets of the company were 9.44 % composed of fixed assets and 90.56 % by current assets. The assets are being financed by an equity of 54.58 %, and total debt of 45.42 %.

PROFIT AND LOSS

Year	2015	2014	2013	2012	2011
Revenues	1.055.302	1.061.508	995.462	1.117.465	1.030.808
Net turnover	1.056.243	1.070.197	1.007.981	1.120.889	1.041.211
Cost of sales	651.970	668.139	600.166	656.786	627.802
Gross margin	404.273	402.058	408.055	464.103	413.183
Operating expenses	389.204	398.770	395.778	419.355	367.273
Operating result	15.069	3.288	12.037	44.748	46.135
Financial income					1.357
Financial expenses	10.124	11.038	12.759	17.606	7.237
Financial result	-10.124	-11.038	-12.759	-17.606	-5.880
Result on ordinary operations before taxes	5.180	-7.750	-481	27.142	40.029
Taxation on the result of ordinary activities	942				
Result of ordinary activities after taxes	4.238	-7.750	-481	27.142	40.029
Net result	4.238	-7.750	-481	27.142	40.029

Summary

The turnover of the company decreased by -1.3 % between 2014 and 2015.

The gross profit of the company has remained the same between 2014 and 2015.

The operating result of the company grew with 358.32 % between

2014 and 2015. This evolution implies an increase of the company's economic profitability.

The result of these changes is an increase of the company's Economic Profitability of 173.23 % of the analysed period, being equal to 0.93 in the year 2015.

This growth has contributed to the increase in assets turnover, increasing by 8.57 % reaching 1.9.

The Net Result of the company increased by 154.69 % between 2014 and 2015.

The company's Financial Profitability has been negatively affected by the financial activities in comparison to the EBITs behaviour.

The result of these variations is a profitability reduction of 165.95 % of the analysed period, being 1.53 in the year 2015.

The company's financial structure has slowed down its financial profitability.

The turnover of the company grew with 6.17 % between 2013 and 2014.

The gross profit of the company decreased by -1.47 % between 2013 and 2014.

The operating result of the company declined with -72.69 % between 2013 and 2014. This evolution implies an decrease of the company's economic profitability.

The result of these changes is a reduction of the company's Economic Profitability of -1487.5 % of the analysed period, being equal to -1.27 in the year 2014.

Despite the decline the assets turnover did not change, the index remained the same at 1.75.

The Net Result of the company decreased by -1509.61 % between 2013 and 2014.

The company's Financial Profitability has been negatively affected by the financial activities in comparison to the EBITs behaviour.

The result of these variations is a profitability reduction of -1557.14 % of the analysed period, being -2.32 in the year 2014.

The company's financial profitability has been positively affected by its financial structure.

COUNTRY INFORMATION

Population	38.0 million
Country risk	Low
Company risk	Low

PUBLICATIONS

Remarks

Status: Active
Category: Medium sized company
Last year: 2015
Turnover last year: 1.056.243 EUR
Result last year: 4.238 EUR
TOTAL assets last year: 555.199 EUR
Number of shareholders: 2
Number of subsidiaries: 0
Number of branches: 0

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.93
UK Pound	1	INR 92.35
Euro	1	INR 82.84
PLN	1	INR 19.10

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	KET

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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)