

MIRA INFORM REPORT

Report No. :	530489
Report Date :	17.09.2018

IDENTIFICATION DETAILS

Name :	HERMES RECYCLING SP. Z O.O.
Registered Office :	Barszczowka 37 18-106 Barszczowka
Country :	Poland
Financials (as on) :	31.12.2016
Date of Incorporation :	01.01.2001
Com. Reg. No.:	0000047442
Legal Form :	Limited Liability Company
Line of Business :	Subject is engaged in the wholesale trade of scrap and waste materials
No. of Employees :	Not Available

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 :	Regular
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.

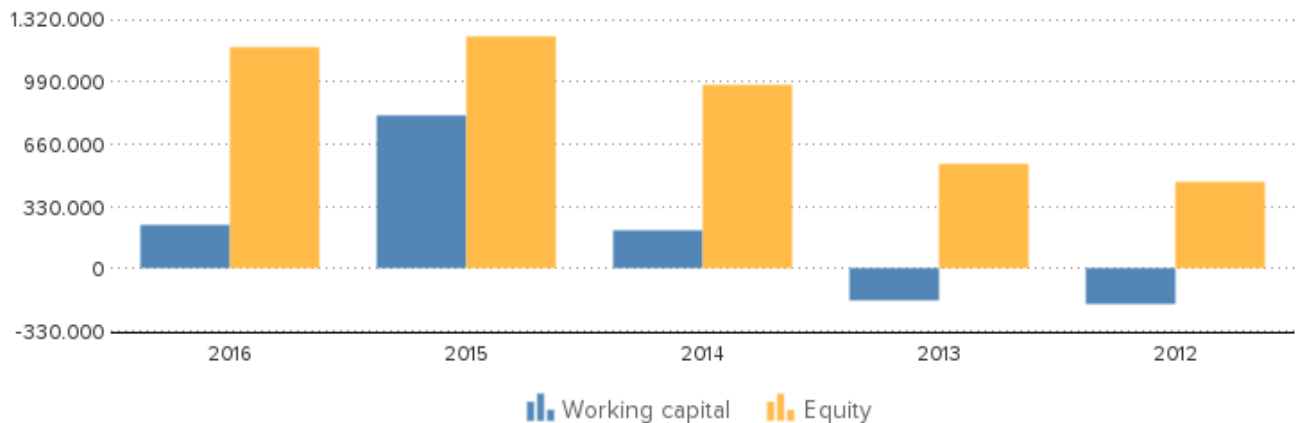
The Polish economy performed well during the 2014-17 period, with the real GDP growth rate generally exceeding 3%, in part because of increases in government social spending that have helped to accelerate consumer-driven growth. However, since 2015, Poland has implemented new business restrictions and 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

COMPANY NAME AND SUMMARY

Company name	Hermes Recycling Sp. z o.o.				
Operative address	Barszczowka 37 18-106 Barszczowka Poland				
Status	Active				
Legal form	Limited liability company - Sp. z.o.o.				
Registration number	Trade register number: 0000047442				
VAT-number	PL9661582943				
Year	2016	Mutation	2015	Mutation	2014
Fixed assets	1.303.628	-21,85	1.668.186	59,80	1.043.894
Total receivables	2.419.758	145,80	984.430	-54,28	2.153.311
Total equity	1.174.468	-4,33	1.227.653	26,39	971.327
Short term liabilities	3.444.410	194,88	1.168.084	-54,33	2.557.482
Net result	158.896	-54,34	348.000	-18,54	427.186
Working capital	226.995	-72,10	813.491	309,93	198.446
Quick ratio	0,81	-13,83	0,94	8,05	0,87



CONTACT INFORMATION

Company name	Hermes Recycling Sp. z o.o.
Operative address	Barszczowka 37 18-106 Barszczowka Poland
Correspondence address	Barszczowka 37 18-106 Barszczowka Poland
Telephone number	+48 85 6643885
Fax number	+48 85 6643886
Email address	sekretariat@herec.com

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Website www.herec.com

REGISTRATION

Registration number	Trade register number: 0000047442
VAT-number	PL9661582943
Status	Active
Establishment date	2001-01-01
Legal form	Limited liability company - Sp. z.o.o.
Subscribed share capital	PLN 1.000.000

ACTIVITIES

NACE	4677: Wholesale of waste and scrap
Goal	Engaged in the wholesale trade of scrap and waste materials

RELATIONS

Shareholders	Name: KAROL AUGUSTYNOWICZ Country: PL Type: One or more named individuals or families Share direct: 50.00%
Structure	Name: MR ARTUR AUGUSTYNOWICZ Country: PL Type: One or more named individuals or families Share direct: 50.00% SUBSIDIARIES Name: FADA SP. Z O.O. National id number: 9671260980 Address: Grunwaldzka 235 City: BYDGOSZCZ Country: PL Type: Corporate Phone: +48 50 8111050 Share direct: 20.00% Total assets: 0 mil. PLN Shareholders funds: -0.00200126 mil. PLN Number of employees: 5
Branches	Name: HERMES RECYCLING SP. Z O.O. ODDZIAL W KORONOWIE

Address: Ul. Przemyslowa 3
City: KORONOWO
Country: PL

BANK DETAILS

Accounts ING Bank Slaski S.A.

MANAGEMENT

Management Fullname: Mr Artur Augustynowicz
Type: Individual
Gender: Male
Number of involvements: 5
Function: President
Level of responsibility: Highest executive

Fullname: Mr Karol Augustynowicz
Type: Individual
Gender: Male
Number of involvements: 4
Function: Director
Level of responsibility: Unspecified executive

FINANCIAL ANALYSIS

Trend Fluctuating
Profitability Positive
Solvability Limited
Liquidity Limited
Show amount in Euro

KEY FIGURES

Year	2016	2015	2014	2013	2012
Quick ratio	0,81	0,94	0,87	0,73	0,75
Current ratio	1,07	1,70	1,08	0,92	0,89
Working capital/ balance total	0,05	0,22	0,05	-0,06	-0,08
Equity / balance total	0,24	0,34	0,26	0,20	0,19
Equity / Fixed assets	0,90	0,74	0,93	0,70	0,49

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HERMES RECYCLING SP. Z O.O. - 530489

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Working capital	226.995	813.491	198.446	-170.203	-185.592
Equity	1.174.468	1.227.653	971.327	557.796	461.168
Mutation equity	-4,33	26,39	74,14	20,95	
Mutation short term liabilities	194,88	-54,33	15,76	29,74	
Return on total assets (ROA)	4,69	11,35	13,42	2,85	-1,35
Return on equity (ROE)	19,85	33,76	52,51	14,46	-7,16
Gross profit margin	1,07	1,51	2,06	1,27	1,06
Net profit margin	0,86	1,63	2,42	0,45	-0,30
Average collection ratio	5,35	18,27	6,89	5,64	6,46
Average payment ratio	7,62	21,67	8,18	8,04	10,81
Equity turnover ratio	15,70	17,38	18,14	22,34	23,84
Total assets turnover ratio	3,71	5,85	4,64	4,40	4,49
Fixed assets turnover ratio	14,14	12,79	16,88	15,71	11,77
Inventory conversion ratio	21,29	24,18	33,50	29,85	44,64
Turnover	18.439.649	21.336.541	17.623.144	12.461.455	10.992.485
Operating result	196.804	322.100	363.073	157.685	116.882
Net result after taxes	158.896	348.000	427.186	55.611	-33.500
Cashflow	529.578	665.626	579.367	223.648	121.527
Gross profit	1.270.487	1.325.602	1.197.484	759.537	586.119
EBITDA	567.486	639.727	515.254	325.722	271.908
Summary					

The 2016 financial result structure is a positive working capital of 226.995 euro, which is in agreement with 5 % of the total assets of the company.

The working capital has diminished with -72.1 % compared to previous year. The ratio, with respect to the total assets of the company has however, declined.

The deterioration between 2015 and 2016 has mainly been caused by a change of the current liabilities.

The current ratio of the company in 2016 was 1.07. When the current ratio is below 1.5, the company may have problems meeting its short-term obligations.

The quick ratio in 2016 of the company was 0.81. A company with a Quick Ratio of less than 1 cannot currently pay back its current liabilities.

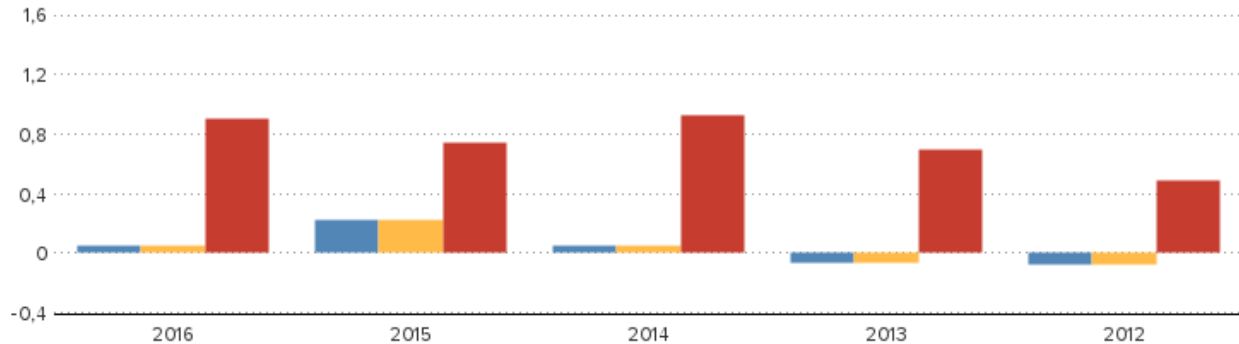
The 2015 financial result structure is a positive working capital of 813.491 euro, which is in agreement with 22 % of the total assets of the company.

The working capital has increased with 309.93 % compared to previous year. The ratio, with respect to the total assets of the company has however, increased.

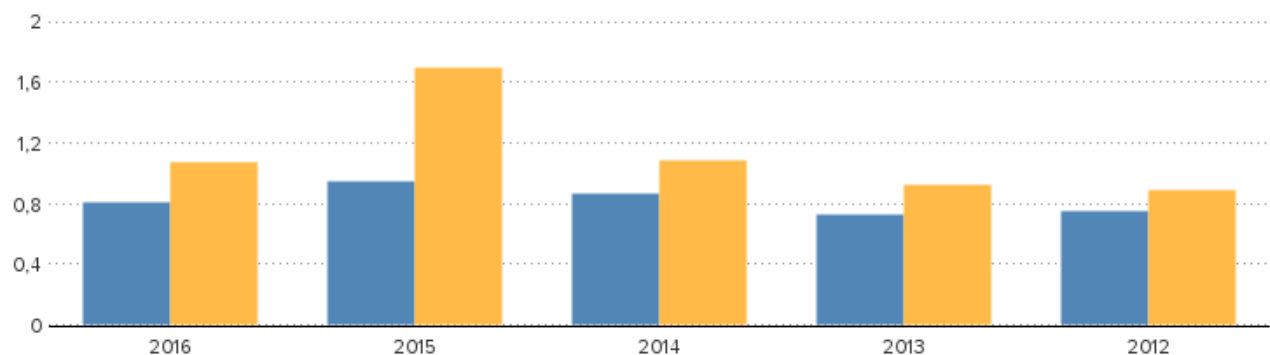
The improvement between 2014 and 2015 has mainly been caused by a change of the current assets.

The current ratio of the company in 2015 was 1.7. 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 0.94. A company with a Quick Ratio of less than 1 cannot currently pay back its current liabilities.



Working capital/ balance total Equity / balance total Equity / Fixed assets



Quick ratio Current ratio

FINANCIAL STATEMENT

Auditor	Name: Piotr Beszterda (Kancelaria Bieglego Rewidenta Buchalter Sp. z o.o.)
Last annual account	2016
Remark annual account	The company is obliged to file its financial statements.
Type of annual account	Corporate
Annual account	Hermes Recycling Sp. z o.o. Barszczowka 37 18-106 Barszczowka Poland

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BALANCE

Year	2016	2015	2014	2013	2012
End date	2016-12-31	2015-12-31	2014-12-31	2013-12-31	2012-12-31
Type of annual account	Corporate	Corporate	Corporate	Corporate	Corporate
Intangible fixed assets				14.444	44.992
Tangible fixed assets	1.303.628	1.668.186	1.043.894	778.555	888.837
Fixed assets	1.303.628	1.668.186	1.043.894	792.999	933.829
Total stock	866.210	882.479	526.057	417.444	246.234
Total receivables	2.419.758	984.430	2.153.311	1.550.369	1.016.478
Liquid funds	360.240	52.506	45.325	53.685	231.562
Other current assets	24.969	62.160	31.235	17.333	22.741
Current assets	3.671.405	1.981.575	2.755.928	2.039.073	1.517.259
Total assets	4.975.033	3.649.997	3.799.822	2.832.072	2.450.844
Total equity	1.174.468	1.227.653	971.327	557.796	461.168
Long term liabilities	356.154	1.254.260	271.013	65.000	286.824
Accounts payable	1.141.327	488.330	1.505.838	1.178.666	1.003.274
Liabilities towards credit institutes	1.911.064	337.405	770.767	748.703	471.438
Other short term liabilities	392.019	342.114	280.642	281.907	228.139
Short term liabilities	3.444.410	1.168.084	2.557.482	2.209.276	1.702.851
Total liabilities	4.975.033	3.649.997	3.799.822	2.832.072	2.450.844
Summary	The total assets of the company increased with 36.3 % between 2015 and 2016.				

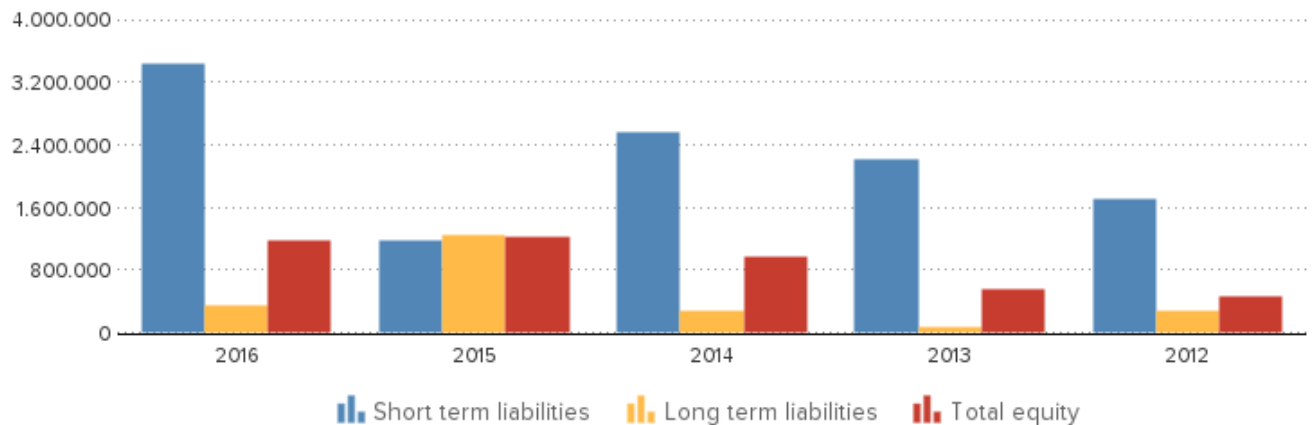
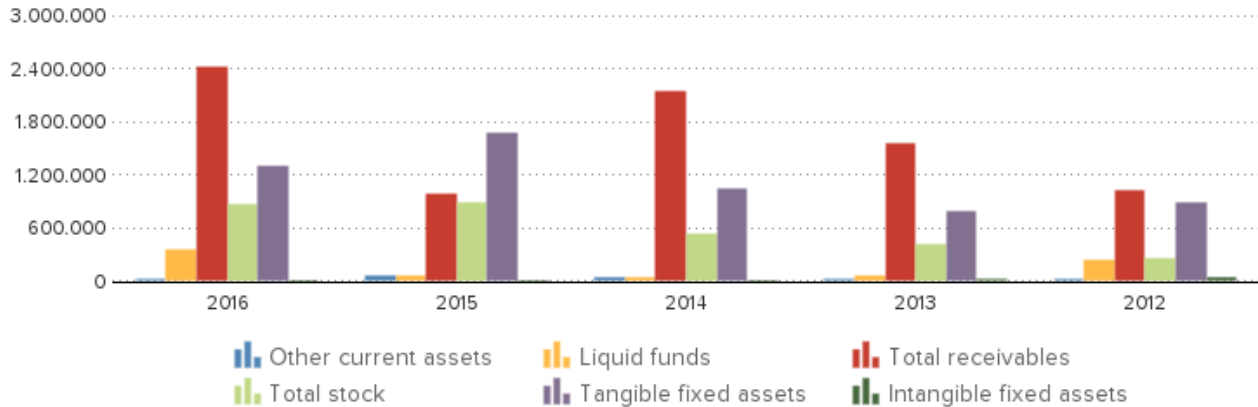
Despite the assets growth, the non current assets decreased with -21.85 %.

In 2016 the assets of the company were 26.2 % composed of fixed assets and 73.8 % by current assets. The assets are being financed by an equity of 23.61 %, and total debt of 76.39 %.

The total assets of the company decreased with -3.94 % between 2014 and 2015.

Despite the total assets decrease, non current assets grew with 59.8 %.

In 2015 the assets of the company were 45.7 % composed of fixed assets and 54.3 % by current assets. The assets are being financed by an equity of 33.63 %, and total debt of 66.37 %.



PROFIT AND LOSS

Year	2016	2015	2014	2013	2012
Revenues	18.374.048	21.142.056	17.519.812	12.261.158	10.800.780
Net turnover	18.439.649	21.336.541	17.623.144	12.461.455	10.992.485
Wages and salaries	618.786	548.842	495.527	474.018	425.224
Amorization and depreciation	370.682	317.626	152.181	168.037	155.027
Production costs	14.118.814	16.674.801	13.678.186	9.574.975	8.243.324
Operating result	196.804	322.100	363.073	157.685	116.881
Financial income	105.325	159.873	200.324	241	489
Financial expenses	68.779	67.575	53.545	77.518	150.136
Financial result	36.319	92.062	146.779	-77.278	-149.892
Result on ordinary operations before taxes	233.123	414.398	510.087	80.648	-33.010
Taxation on the result of ordinary activities	74.227	66.398	82.666	24.796	734
Result of ordinary activities after taxes	158.896	348.000	427.186	55.611	-33.500
Net result	158.896	348.000	427.186	55.611	-33.500
Summary	The turnover of the company decreased by -13.58 % between				

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2015 and 2016.

The operating result of the company declined with -38.9 % between 2015 and 2016. 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 -58.68 % of the analysed period, being equal to 4.69 in the year 2016.

This fall has contributed to a asset turnover decrease, whose index evolved from -36.58 to a level of 3.71.

The Net Result of the company decreased by -54.34 % between 2015 and 2016.

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 -41.2 % of the analysed period, being 19.85 in the year 2016.

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

The turnover of the company grew with 21.07 % between 2014 and 2015.

The operating result of the company declined with -11.29 % between 2014 and 2015. 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 -15.42 % of the analysed period, being equal to 11.35 in the year 2015.

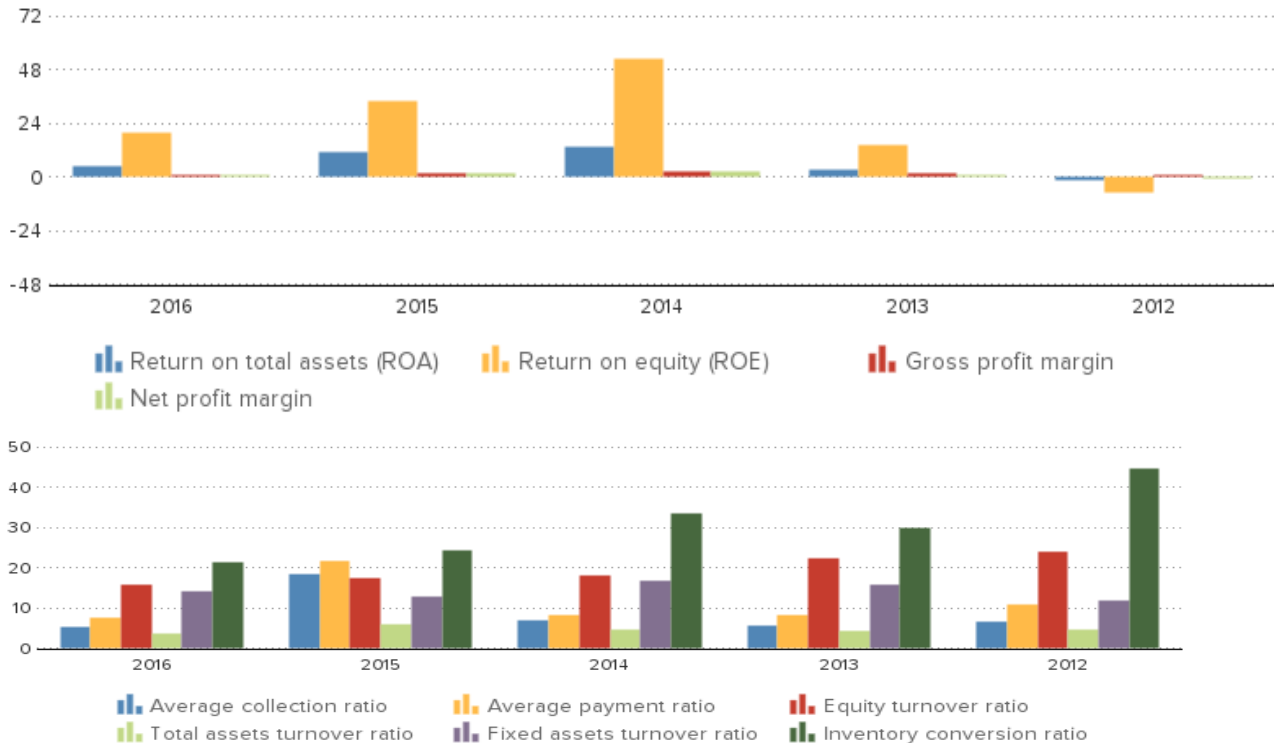
Despite the decline the assets turnover increased by 26.08 % reaching 5.85.

The Net Result of the company decreased by -18.54 % 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 -35.71 % of the analysed period, being 33.76 in the year 2015.

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: Large company Last year: 2016 Turnover last year: 18.439.649 EUR Result last year: 158.896 EUR TOTAL assets last year: 4.975.033 EUR Number of shareholders: 2 Number of subsidiaries: 1 Number of branches: 1
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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.81
UK Pound	1	INR 94.15
Euro	1	INR 83.97
PLN	1	INR 19.65

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

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	DNS

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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)

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