

MIRA INFORM REPORT

Report No. :	530557
Report Date :	18.09.2018

IDENTIFICATION DETAILS

Name :	IWATANI CORPORATION (THAILAND) LTD.
Formerly Known As :	IWATANI INTERNATIONAL CORPORATION (THAILAND) LTD.
Registered Office :	Room 2903, 29 th Floor, United Center Building, 323 Silom Road, Silom, Bangrak, Bangkok 10500,
Country :	Thailand
Financials (as on) :	31.12.2017
Date of Incorporation :	25.01.1990
Com. Reg. No.:	0105533010563
Legal Form :	Private Limited Company
Line of Business :	<p>Subject is engaged in international trading business by importing, distributing and exporting wide range of products as follows:</p> <p>Products</p> <ol style="list-style-type: none"> 1. Energy : LPG, LNG liquid natural gas, household fuel cells and etc. 2. Cooking Equipment : portable gas cooking stoves, household electric cooking appliances and etc. 3. Industrial Gases : Oxygen, Nitrogen, Argon, Hydrogen, dry ice, welding gas and etc. 4. Welding Materials : fusing materials, welding machines and etc. 5. Machinery : robots, powder molding devices, semiconductor, dry heat sterilizing machine, rubber stopper washing, bug keeper, drum dryer and etc. 6. Ceramics : PKS (Palm Kernel Shell), phenolic resins, alumina compound, magnesium compound, cobalt compound and etc. 7. Metals : stainless steel, copper, high alloys, titanium, special steel and etc. 8. Chemicals : engineering plastic, synthetic resins, biodegradable plastic, films and etc.

	<p>9. Electronic Materials : high-performance film materials, electro-ceramic materials and etc.</p> <p>10. Food : health-related products, frozen foods, marine products, canned products and etc.</p> <p>11. Agriculture : green-related products, fertilizer, fruit tree plant, gardening equipment, seeds and etc.</p> <p>12. Livestock : Hybrid hogs for breeding/livestock raising facilities</p>
No. of Employees :	45

RATING & COMMENTS

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

MIRA's Rating :

A+

Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low 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.

ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Thailand	A2	A2

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1

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High Risk	C2
Very High Risk	D

THAILAND - ECONOMIC OVERVIEW

With a relatively well-developed infrastructure, a free-enterprise economy, and generally pro-investment policies, Thailand is highly dependent on international trade, with exports accounting for about two-thirds of GDP. Thailand's exports include electronics, agricultural commodities, automobiles and parts, and processed foods. The industry and service sectors produce about 90% of GDP. The agricultural sector, comprised mostly of small-scale farms, contributes only 10% of GDP but employs about one-third of the labor force. Thailand has attracted an estimated 3.0-4.5 million migrant workers, mostly from neighboring countries.

Over the last few decades, Thailand has reduced poverty substantially. In 2013, the Thai Government implemented a nationwide 300 baht (roughly \$10) per day minimum wage policy and deployed new tax reforms designed to lower rates on middle-income earners.

Thailand's economy is recovering from slow growth during the years since the 2014 coup. Thailand's economic fundamentals are sound, with low inflation, low unemployment, and reasonable public and external debt levels. Tourism and government spending - mostly on infrastructure and short-term stimulus measures – have helped to boost the economy, and The Bank of Thailand has been supportive, with several interest rate reductions.

Over the longer-term, household debt levels, political uncertainty, and an aging population pose risks to growth.

Source : CIA

COMPANY NAME

**IWATANI CORPORATION (THAILAND) LTD.
[FORMER : IWATANI INTERNATIONAL CORPORATION (THAILAND) LTD.]**

SUMMARY

BUSINESS ADDRESS : ROOM 2903, 29th FLOOR, UNITED CENTER BUILDING,
323 SILOM ROAD, SILOM, BANGRAK,
BANGKOK 10500, THAILAND

TELEPHONE : [66] 2231-1764 -8
FAX : [66] 2231-1769
E-MAIL ADDRESS : info@iwatani.co.th
REGISTRATION ADDRESS : SAME AS BUSINESS ADDRESS
ESTABLISHED : 1990
REGISTRATION / TAX ID NO. : 0105533010563
CAPITAL REGISTERED : BHT. 300,000,000
CAPITAL PAID-UP : BHT. 210,000,000
SHAREHOLDER'S PROPORTION : FOREIGN : 100%
FISCAL YEAR CLOSING DATE : DECEMBER 31
LEGAL STATUS : PRIVATE LIMITED COMPANY
EXECUTIVE : MR. HIROYUKI KURAMOTO, JAPANESE
MANAGING DIRECTOR

NO. OF STAFF : 45
LINES OF BUSINESS : INTERNATIONAL TRADING BUSINESS
IMPORTER, DISTRIBUTOR AND EXPORTER

CORPORATE PROFILE

OPERATING TREND : STABLE
PRESENT SITUATION : OPERATING NORMALLY
REPUTATION : GOOD WITH NORMAL BUSINESS ENGAGEMENT
MANAGEMENT STANDARD : MANAGEMENT WITH GOOD PERFORMANCE

HISTORY

The subject was established on January 25, 1990 as a private limited company under the registered name IWATANI INTERNATIONAL CORPORATION (THAILAND) LTD., initially by a joint investment between Thai and Japanese groups, in order to be engaged in international trading business for a wide range of households and industrial products.

On September 4, 2008 the subject's name was changed to IWATANI CORPORATION (THAILAND) LTD. It currently employs 45 staff.

Presently, the subject is a subsidiary of Iwatani Corporation which is holding around 99.86% of subject's total shares.

The subject's registered address is Room 2903, 29th Floor, United Center Building, 323 Silom Rd., Silom, Bangrak, Bangkok 10500, and this is the subject's current operation address.

THE BOARD OF DIRECTORS

<u>Name</u>	<u>Nationality</u>	<u>Age</u>
Mr. Hiroyuki Kuramoto	Japanese	56
Mr. Masayoshi Masuda	Japanese	59
Mr. Hiroyoshi Murotome	Japanese	52
Mr. Hideki Tainaka	Japanese	60
Mr. Tadayuki Machigashira	Japanese	60

AUTHORIZED PERSON

Anyone of the above directors can sign on behalf of the subject with company's affixed.

MANAGEMENT

Mr. Hiroyuki Kuramoto is the Managing Director.
He is Japanese nationality with the age of 56 years old.

Mr. Terufumi Masuda is the General Manager.
He is Japanese nationality.

Mr. Masahiko Yasuda is the Sales Manager [Industrial Gases and Machinery].
He is Japanese nationality.

Mr. Zatoshi Nakayama is the Sales Manager [Materials / Energy].
He is Japanese nationality.

Mr. Mazaki Hirakushi is the Sales Manager [Agri-Bio / Food].
He is Japanese nationality.

BUSINESS OPERATIONS

The subject is engaged in international trading business by importing, distributing and exporting wide range of products as follows:

Products

1. Energy : LPG, LNG liquid natural gas, household fuel cells and etc.
2. Cooking Equipment : portable gas cooking stoves, household electric cooking appliances and etc.
3. Industrial Gases : Oxygen, Nitrogen, Argon, Hydrogen, dry ice, welding gas and etc.
4. Welding Materials : fusing materials, welding machines and etc.
5. Machinery : robots, powder molding devices, semiconductor, dry heat sterilizing machine, rubber stopper washing, bug keeper, drum dryer and etc.
6. Ceramics : PKS (Palm Kernel Shell), phenolic resins, alumina compound, magnesium compound, cobalt compound and etc.
7. Metals : stainless steel, copper, high alloys, titanium, special steel and etc.
8. Chemicals : engineering plastic, synthetic resins, biodegradable plastic, films and etc.
9. Electronic Materials : high-performance film materials, electro-ceramic materials and etc.
10. Food : health-related products, frozen foods, marine products, canned products and etc.
11. Agriculture : green-related products, fertilizer, fruit tree plant, gardening equipment, seeds and etc.
12. Livestock : Hybrid hogs for breeding/livestock raising facilities

PURCHASE

The products are purchased from suppliers both domestic and overseas in Japan, Singapore, Republic of China, Taiwan, India, Germany, France, United Kingdom, Malaysia, Indonesia, Vietnam, Italy, Spain and United States of America.

MAJOR SUPPLIERS

Iwatani Corporation	: Japan
Iwatani Industrial Gas Pte. Ltd.	: Singapore
Guangzhou Iwatani Trading Co., Ltd.	: Republic of China
Dandong Iwatani Toyo Gas Meter Co., Ltd.	: Republic of China
Iwatani Corporation (M) Sdn. Bhd.	: Malaysia
Iwatani Corporation (Singapore) Gas Pte. Ltd.	: Singapore
Yushin Steel Industry Co., Ltd.	: Japan

SALES

The products are sold locally to wholesalers and end-users.

EXPORT [COUNTRIES]

The products are exported to Japan, Singapore, Malaysia, Republic of China, Taiwan, India, Indonesia, Australia, Brunei, Vietnam, Myanmar, Philippines and Cambodia.

PARENT COMPANY

Iwatani Corporation

Address: 6-4 Homashi 3 Chome, Chuo-ku, Osaka, Japan

ASSOCIATED COMPANIES

Bangkok AI-TOA Co., Ltd.

Business Type : Manufacturer and distributor of metal coating products

Iwatani Gas and Machinery (Thailand) Ltd.

Business Type : Maintenance service of industrial machinery

LITIGATION

Bankruptcy and Receivership

There are no litigation on bankruptcy and receivership cases filed against the subject found at Legal Execution Department for the past five years.

Others

There are no legal suits filed against the subject according.

CREDIT

Sales are by cash or on the credits term of 30-60 days.
Local bills are paid by cash or on the credits term of 30-60 days.
Imports are by L/C at sight or T/T.
Exports are against T/T.

BANKING

The Siam Commercial Bank Public Company Limited

[Head Office : 9 Ratchadapisek Rd., Jompol, Jatujak, Bangkok 10900]

Bangkok Bank Public Company Limited

[Head Office : 333 Silom Rd., Silom, Bangrak, Bangkok 10500]

Bank of Tokyo - Mitsubishi UFJ Ltd.

[Bangkok Branch : 54 North Sathorn Rd., Silom, Bangrak, Bangkok 10500]

Sumitomo Mitsui Banking Corporation

[Bangkok Branch : 1 South Sathorn Rd., Thungmahamek, Sathorn, Bangkok]

Kasikornbank Public Company Limited

EMPLOYMENT

The subject employs 45 staff [office and sales staff].

LOCATION DETAILS

The premise is rented for administrative office on 29th floor in a multi-storey building at the heading address. Premise is located in a prime commercial area.

COMMENT

The subject is the leading company in trading various kinds of industrial goods including raw materials and finished goods to various industries. The subject's operating performance in 2017 was strong with an increase in both sales or service income and net profit comparing to the previous year resulted by an improvement and recovery of some industries.

Generally, the subject is able to maintain a good business with sustainable profit.

FINANCIAL INFORMATION

The capital was registered at Bht. 6,000,000 divided into 6,000 shares of Bht. 1,000 each with fully paid.

The capital was increased later as follows:

- Bht. 10,000,000 on September 20, 2004
- Bht. 20,000,000 on May 27, 2008
- Bht. 300,000,000 on December 21, 2009

The latest registered capital was increased to Bht. 300,000,000 divided into 300,000 shares of Bht. 1,000 each, with a current capital paid-up at Bht. 210,000,000.

THE SHAREHOLDERS LISTED WERE : [as at March 16, 2018] at Bht. 210,000,000 of capitalization.

<u>NAME</u>	<u>HOLDING</u>	<u>%</u>
Iwatani Corporation Nationality: Japanese Address : 6-4 Homashi 3 Chome, Chuo-ku, Osaka,	299,600	99.86

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Japan		
Iwatani Malaysia Sdn. Bhd.	200	0.07
Nationality: Malaysian		
Address : Unit 8-01 Wisma Mont Kiara Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur, Malaysia		
Iwatani Corporation (Singapore) Pte. Ltd.	200	0.07
Nationality: Singaporean		
Address : 6 Shenton Way #21-09 OUE Downtown 2, Singapore		

Total Shareholders : 3

Share Structure [as at March 16, 2018]

Nationality	Shareholders	No. of Share	% Shares
Thai	-	-	-
Foreign	3	300,000	100.00
Total	3	300,000	100.00

NAME OF AUDITOR & CERTIFIED PUBLIC ACCOUNTANT NO. :

Mr. Piya Seriniraj No. 5600

BALANCE SHEET [BAHT]

The latest financial figures published as at December 31, 2017, 2016 and 2015 were:

	<u>ASSETS</u>		
Current Assets	2017	2016	2015
Cash and Cash Equivalents	240,156,247	222,723,051	201,846,375
Trade Accounts and Other Receivable	476,853,110	473,207,906	485,254,729
Short-term Loans	50,000,000	-	-
Inventories	48,113,011	52,166,992	59,941,257
Other Current Assets	4,712,311	3,928,135	4,487,538
Total Current Assets	819,834,679	752,026,084	751,529,899
Investment in Associated Company	3,920,000	3,920,000	3,920,000
Investment in Subsidiary Company	62,968,125	62,968,125	62,968,125
Other Long-term Investment	5,104,125	7,987,125	7,987,125
Property, Plant and Equipment	645,606	1,032,450	1,438,145
Intangible Assets	942,407	1,174,213	1,512,627
Other Non-current Assets	3,969,777	4,914,609	5,182,372

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Total Assets	897,384,719	834,022,606	834,538,293
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LIABILITIES & SHAREHOLDERS' EQUITY [BAHT]

Current Liabilities	2017	2016	2015
Trade Accounts and Other Payable	458,242,750	403,309,134	427,205,267
Accrued Income Tax	7,012,404	9,662,659	7,442,205
Other Current Liabilities	902,104	356,758	1,579,491
Total Current Liabilities	466,157,258	413,328,551	436,226,963
Employee Benefits Obligation	7,158,400	6,984,500	6,596,800
Total Liabilities	473,315,658	420,313,051	442,823,763
Shareholders' Equity			
Share capital : Baht 1,000 par value Authorized and issued share capital 300,000 shares	300,000,000	300,000,000	300,000,000
Capital Paid	210,000,000	202,000,000	202,000,000
Retained Earnings: [Deficit]			
Appropriated for statutory reserve	30,000,000	27,781,806	23,115,622
Unappropriated	184,069,061	183,927,749	166,598,908
Total Shareholders' Equity	424,069,061	413,709,555	391,714,530
Total Liabilities and Shareholders' Equity	897,384,719	834,022,606	834,538,293

PROFIT & LOSS ACCOUNT

Revenue	2017	2016	2015
Sales or Services Income	2,529,636,515	2,459,808,142	2,374,460,825
Other Income	28,592,104	16,271,102	10,518,676
Total Revenues	2,558,228,619	2,476,079,244	2,384,979,501
Expenses			

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Cost of Goods Sold or Services	2,266,011,997	2,184,482,045	2,097,259,549
Selling Expenses	124,223,585	131,604,256	133,786,710
Administrative Expenses	38,363,354	34,798,464	35,608,251
Loss on Exchange Rate	-	6,637,100	3,349,864
Total Expenses	2,428,598,936	2,357,521,865	2,270,004,374
Profit / [Loss] before Income Tax	129,629,683	118,557,379	114,975,127
Income Tax	[20,917,177]	[21,903,154]	[21,651,438]
Net Profit / [Loss]	108,712,506	96,654,225	93,323,689

FINANCIAL ANALYSIS

ITEM	UNIT	2017	2016	2015
LIQUIDITY RATIO				
CURRENT RATIO	TIMES	1.76	1.82	1.72
QUICK RATIO	TIMES	1.65	1.68	1.58
ACTIVITY RATIO				
FIXED ASSETS TURNOVER	TIMES	3,918.24	2,382.50	1,651.06
TOTAL ASSETS TURNOVER	TIMES	2.82	2.95	2.85
INVENTORY CONVERSION PERIOD	DAYS	7.75	8.72	10.43
INVENTORY TURNOVER	TIMES	47.10	41.87	34.99
RECEIVABLES CONVERSION PERIOD	DAYS	68.80	70.22	74.59
RECEIVABLES TURNOVER	TIMES	5.30	5.20	4.89
PAYABLES CONVERSION PERIOD	DAYS	73.81	67.39	74.35
CASH CONVERSION CYCLE	DAYS	2.74	11.55	10.68
PROFITABILITY RATIO				
COST OF GOODS SOLD	%	89.58	88.81	88.33
SELLING & ADMINISTRATION	%	6.43	6.76	7.13
INTEREST	%	-	-	-
GROSS PROFIT MARGIN	%	11.55	11.85	12.12
NET PROFIT MARGIN BEFORE EX. ITEM	%	5.12	4.82	4.84
NET PROFIT MARGIN	%	4.30	3.93	3.93
RETURN ON EQUITY	%	25.64	23.36	23.82
RETURN ON ASSET	%	12.11	11.59	11.18
EARNING PER SHARE	BAHT	517.68	478.49	462.00
LEVERAGE RATIO				
DEBT RATIO	TIMES	0.53	0.50	0.53
DEBT TO EQUITY RATIO	TIMES	1.12	1.02	1.13
TIME INTEREST EARNED	TIMES	-	-	-

ANNUAL GROWTH

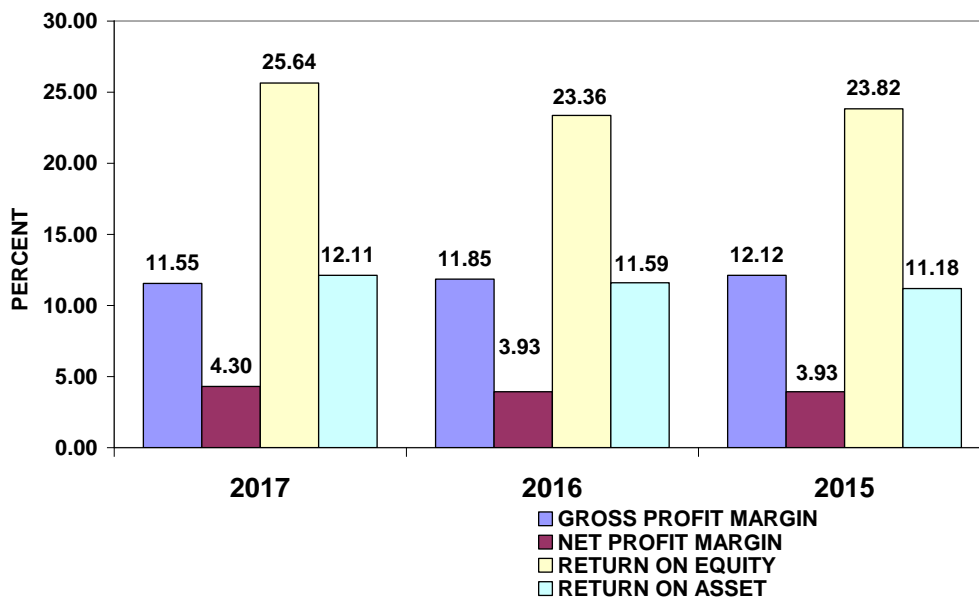
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SALES GROWTH	%	2.84	3.59
OPERATING PROFIT	%	9.34	3.12
NET PROFIT	%	12.48	3.57
FIXED ASSETS	%	(37.47)	(28.21)
TOTAL ASSETS	%	7.60	(0.06)

ANNUAL GROWTH : IMPRESSIVE

An annual sales growth is 2.84%. Sales Income has increased from THB 2,459,808,142.00 in 2016 to THB 2,529,636,515.00 in 2017. While net profit has increased from THB 96,654,225.00 in 2016 to THB 108,712,506.00 in 2017. And total assets has increased from THB 834,022,606.00 in 2016 to THB 897,384,719.00 in 2017.

PROFITABILITY : IMPRESSIVE



PROFITABILITY RATIO

Gross Profit Margin	11.55	Satisfactory	Industrial Average	18.75
Net Profit Margin	4.30	Impressive	Industrial Average	1.53
Return on Assets	12.11	Impressive	Industrial Average	3.04
Return on Equity	25.64	Impressive	Industrial Average	7.49

Gross Profit Margin used to assess a firm's financial health by revealing the proportion of money left over from revenues after accounting for the cost of goods sold. Gross profit margin serves as the source for paying additional expenses and future savings. The company's figure is 11.55%. When compared with the industry average, the ratio of the company was lower. This indicated that company may have problems with control over its costs.

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Net Profit Margin is the indicator of the company's efficiency in that net profit takes into consideration all expenses of the company. A low profit margin indicates a low margin of safety, higher risk that a decline in sales will erase profits and result in a net loss. Net Profit Margin ratio is 4.3%, higher figure when compared with those of its average competitors in the same industry, indicated that business was an efficient operator in a dominant position within its industry.

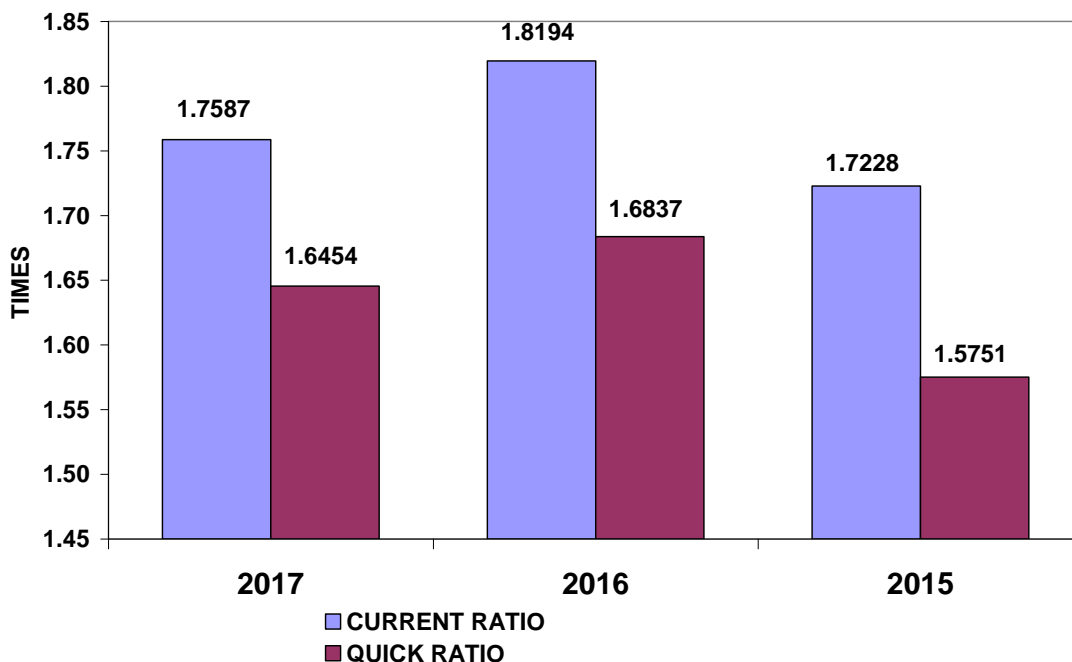
Return on Assets measures how efficiently profits are being generated from the assets employed in the business when compared with the ratios of firms in a similar business. A low ratio in comparison with industry averages indicates an inefficient use of business assets. Return on Assets ratio is 12.11%, higher figure when compared with those of its average competitors in the same industry, indicated that business was an efficient profit in a dominant position within its industry.

Return on Equity indicates how profitable a company is by comparing its net income to its average shareholders' equity, ROE measures how much the shareholders earned for their investment in the company. Return on Equity ratio is 25.64%, higher figure when compared with those of its average competitors in the same industry, indicated that business was an efficient profit in a dominant position within its industry.

Trend of the average competitors in the same industry for last 5 years

Return on Assets Downtrend
Return on Equity Downtrend

LIQUIDITY : IMPRESSIVE



LIQUIDITY RATIO

Current Ratio 1.76 Impressive Industrial Average 1.56

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Quick Ratio	1.65
Cash Conversion Cycle	2.74

The Current Ratio is to ascertain whether a company's short-term assets are readily available to pay off its short-term liabilities. The company's figure is 1.76 times in 2017, decrease from 1.82 times, then it is generally considered to have good short-term financial strength. When compared with the industry average, the ratio of the company was higher, indicated that company was an efficient operator in a dominant position within its industry.

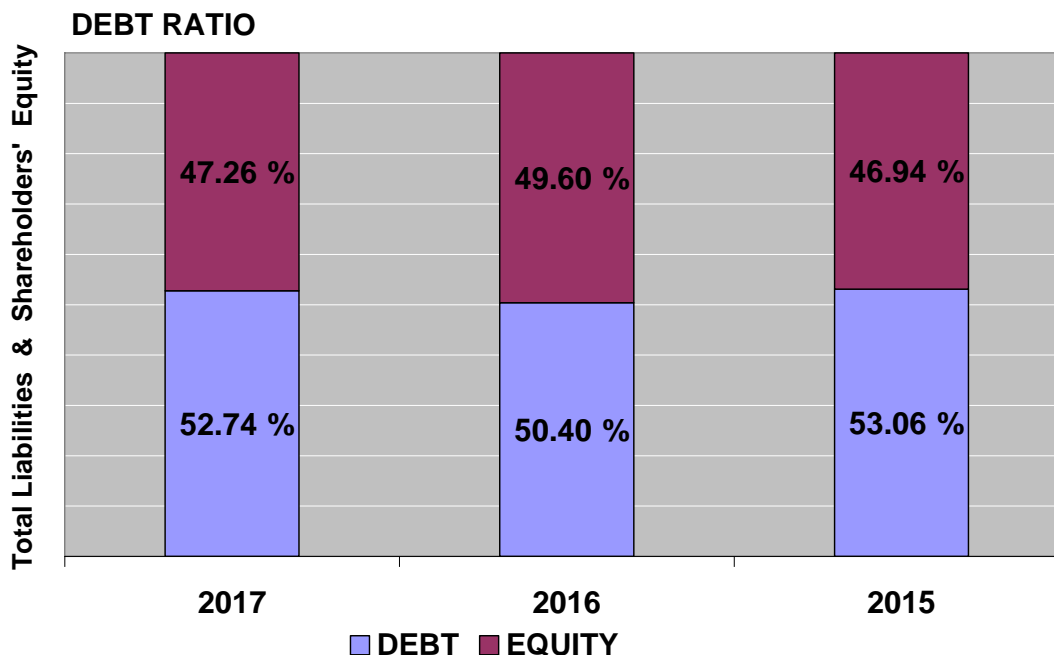
The Quick Ratio is a liquidity indicator that further refines the current ratio by measuring the amount of the most liquid current assets there are to cover current liabilities. The company's figure is 1.65 times in 2017, decrease from 1.68 times, although excluding inventory so the company still have good short-term financial strength.

The Cash Conversion Cycle measures the number of days a company's cash is tied up in the production and sales process of its operations and the benefit from payment terms from its creditors. It meant the company could survive when no cash inflow was received from sale for 3 days.

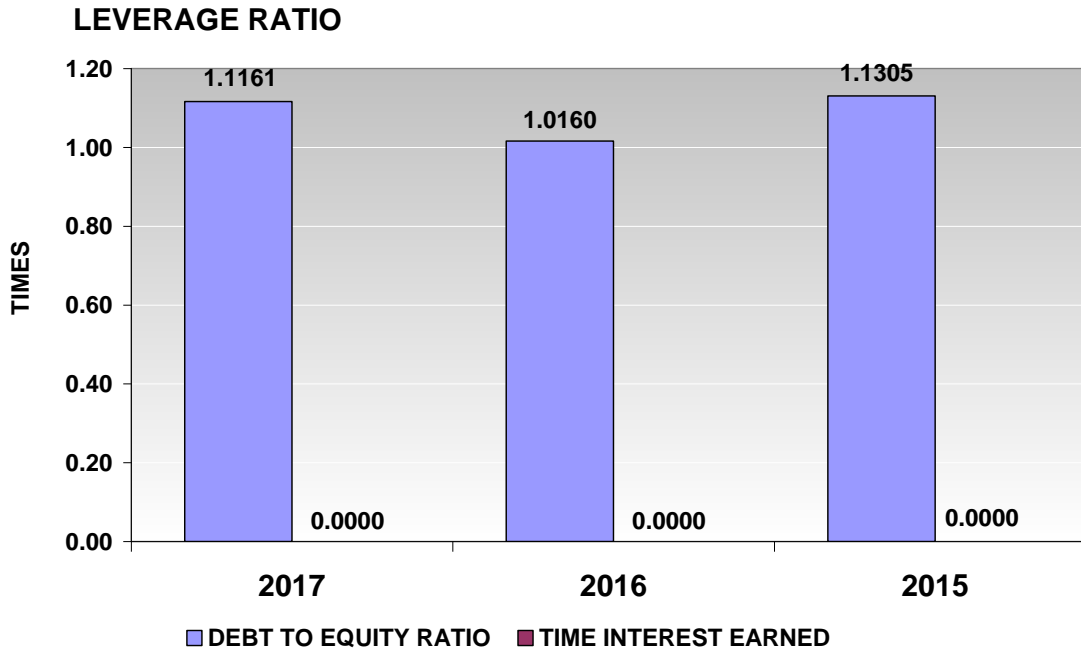
Trend of the average competitors in the same industry for last 5 years

Current Ratio Downtrend

LEVERAGE : SATISFACTORY



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LEVERAGE RATIO

Debt Ratio	0.53	Impressive	Industrial Average	0.61
Debt to Equity Ratio	1.12	Acceptable	Industrial Average	1.59
Times Interest Earned	-		Industrial Average	-

Debt to Equity Ratio a measurement of how much suppliers, lenders, creditors and obligors have committed to the company versus what the shareholders have committed. A higher the percentage means that the company is using less equity and has stronger leverage position.

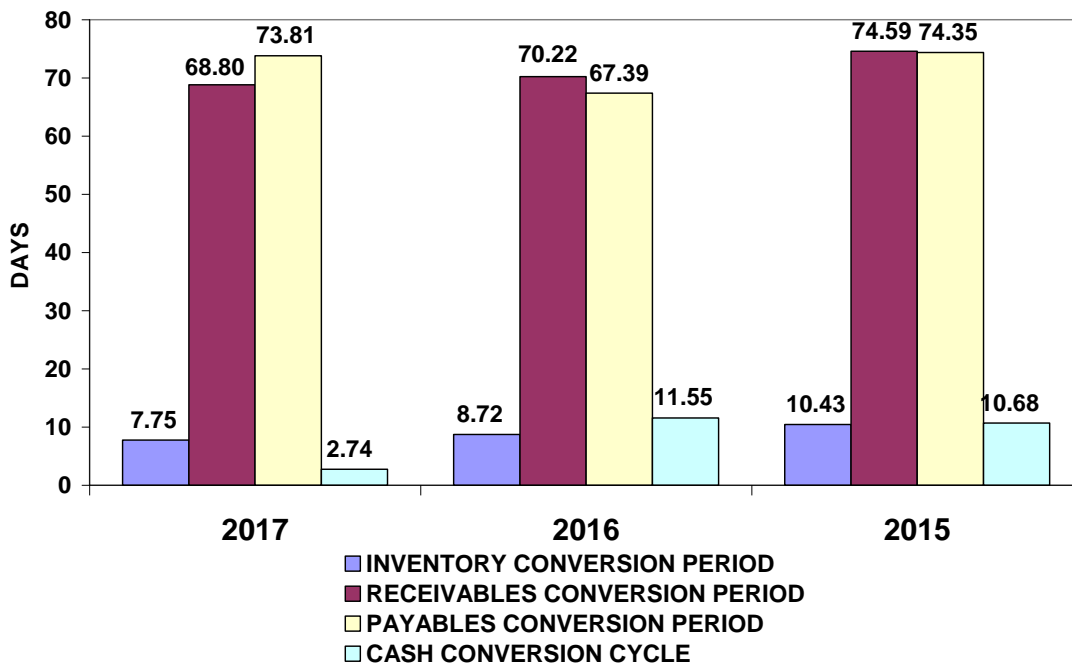
Debt Ratio shows the proportion of a company's assets which are financed through debt. The company's figure is 0.53 greater than 0.5, most of the company's assets are financed through debt.

Trend of the average competitors in the same industry for last 5 years

Debt Ratio	Uptrend
Times Interest Earned	Stable

ACTIVITY : EXCELLENT

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ACTIVITY RATIO

Fixed Assets Turnover	3,918.24	Impressive	Industrial Average	-
Total Assets Turnover	2.82	Impressive	Industrial Average	1.99
Inventory Conversion Period	7.75			
Inventory Turnover	47.10	Impressive	Industrial Average	5.72
Receivables Conversion Period	68.80			
Receivables Turnover	5.30	Impressive	Industrial Average	5.03
Payables Conversion Period	73.81			

The company's Account Receivable Ratio is calculated as 5.30 and 5.20 in 2017 and 2016 respectively. This ratio measures the efficiency of the company in managing its trade debtors to generate revenue. A lower ratio may indicate over extension and collection problems. Conversely, a higher ratio may indicate an overly stringent policy. In this case, the company's A/R ratio in 2017 increased from 2016. This would suggest the company had good performance in the management of its debt collections.

Inventory Turnover in Days Ratio indicates the liquidity of inventory. It estimates the number of days that it will take to sell the current inventory. Inventory is particularly sensitive to change in business activities. The inventory turnover in days has decreased from 9 days at the end of 2016 to 8 days at the end of 2017. This represents a positive trend. And Inventory turnover has increased from 41.87 times in year 2016 to 47.1 times in year 2017.

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The company's Total Asset Turnover is calculated as 2.82 times and 2.95 times in 2017 and 2016 respectively. This ratio is determined by dividing total assets into total sales turnover. The ratio measures the activity of the assets and the ability of the firm to generate sales through the use of the assets.

Trend of the average competitors in the same industry for last 5 years

Fixed Assets Turnover	Stable
Total Assets Turnover	Uptrend
Inventory Turnover	Uptrend
Receivables Turnover	Uptrend

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.55
UK Pound	1	INR 94.94
Euro	1	INR 84.39
THB	1	INR 2.24

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

INFORMATION DETAILS

Analysis Done by :	VIV
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)