

MIRA INFORM REPORT

Report No. :	529870
Report Date :	19.09.2018

IDENTIFICATION DETAILS

Name :	N & K COSMETICS DEVELOPMENTS LTD
Registered Office :	Gradina 11, 2400 Radomir
Country :	Bulgaria
Financials (as on) :	31.12.2017
Date of Incorporation :	19.11.2004
Legal Form :	Limited Liability Company (OOD)
Line of Business :	<ul style="list-style-type: none"> • Manufacture of perfumes and toilet preparations • Manufacture of color cosmetics - Nail polish, Face make-up, Lip products, Eye make-up
No. of Employees :	119

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 :	Satisfactory
Payment Behaviour :	Slow but Correct
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)
Bulgaria	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

BULGARIA - ECONOMIC OVERVIEW

Bulgaria, a former communist country that entered the EU in 2007, has an open economy that historically has demonstrated strong growth, but its per-capita income remains the lowest among EU members and its reliance on energy imports and foreign demand for its exports makes its growth sensitive to external market conditions.

The government undertook significant structural economic reforms in the 1990s to move the economy from a centralized, planned economy to a more liberal, market-driven economy. These reforms included privatization of state-owned enterprises, liberalization of trade, and strengthening of the tax system - changes that initially caused some economic hardships but later helped to attract investment, spur growth, and make gradual improvements to living conditions. From 2000 through 2008, Bulgaria maintained robust, average annual real GDP growth in excess of 6%, which was followed by a deep recession in 2009 as the financial crisis caused domestic demand, exports, capital inflows and industrial production to contract, prompting the government to rein in spending. Real GDP growth remained slow - less than 2% annually - until 2015, when demand from EU countries for Bulgarian exports, plus an inflow of EU development funds, boosted growth to more than 3%. In recent years, strong domestic demand combined with low international energy prices have contributed to Bulgaria's economic growth approaching 4% and have also helped to ease inflation. Bulgaria's prudent public financial management contributed to budget surpluses both in 2016 and 2017.

Bulgaria is heavily reliant on energy imports from Russia, a potential vulnerability, and is a participant in EU-backed efforts to diversify regional natural gas supplies. In late 2016, the Bulgarian Government provided funding to Bulgaria's National Electric Company to cover the \$695 million compensation owed to Russian nuclear equipment manufacturer Atomstroyexport for the cancellation of the Belene Nuclear Power Plant project, which the Bulgarian Government terminated in 2012. As of early 2018, the government was floating the possibility of resurrecting the Belene project. The natural gas market, dominated by state-owned Bulgargaz, is also almost entirely supplied by Russia. Infrastructure projects such as the Inter-Connector Greece-Bulgaria and Inter-Connector Bulgaria-Serbia, which would enable Bulgaria to have access to non-Russian gas, have either stalled or made limited progress. In 2016, the Bulgarian Government established the State eGovernment Agency. This new agency is responsible for the electronic governance, coordinating national policies with the EU, and strengthening cybersecurity.

Despite a favorable investment regime, including low, flat corporate income taxes, significant challenges remain. Corruption in public administration, a weak judiciary, low productivity, lack of transparency in public procurements, and the presence of organized crime continue to hamper the country's investment climate and economic prospects.

Source : CIA

COMPANY DETAILS

Local name: EN END KEY KOZMETIKS DIVELOPMANTS OOD
International name: N & K COSMETICS DEVELOPMENTS Ltd

Registered address:

GRADINA 11
2400 RADOMIR
Bulgaria
Mobile: +359878169609
E-Mail: p_sokolov@abv.bg

Head office:

26, Otez Paissij str.
2400 RADOMIR
Bulgaria
Telephone: +359 777 84040
Fax: +359 777 84043
E-Mail: contact@n-k-cosmetics.com
Internet: <http://n-k-cosmetics.com>

ESTABLISHMENT & REGISTRATION:

Established: 19.11.2004
Registered at District court Pernik
Court number 641/2004
Bulstat/VAT number: 113567717

Status of the company:

Active

LEGAL FORM:

Limited Liability Company (OOD)

REGISTERED CAPITAL:

BGN 1 500 000.00

SHAREHOLDERS/MANAGEMENT

SHAREHOLDERS:

Name	Share BGN	Share %	ID	Function	Country	Actual date
NIKOLAOS PANAYOTIS KARALIS	150000,00	10,00	541105	Affiliate	GR	23.12.2016
STRATIKOPULOS HARALAMPOS	1200000,00	80,00	1001345248	Affiliate	GR	23.12.2016
ZORNITSA YORDANOVA	150000,00	10,00	8009042830	Affiliate	BG	23.12.2016

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PEYCHOVA

MANAGEMENT:

Name	ID	Function	Nationality	Actual date
STRATIKOPULOS HARALAMPOS HRISTOS	710325	Manager	Greece	23.12.2016

RELATED COMPANIES:

Company ID	Company Name
201477711	LOVI KOZMETIKS BALGARIYA

BUSINESS ACTIVITY

BUSINESS OPERATION:

NACE 1.1: 24.52 Manufacture of perfumes and toilet preparations

Activity:

Manufacture of color cosmetics - Nail polish, Face make-up, Lip products, Eye make-up

NUMBER OF EMPLOYEES:

As at date	Value
31.12.2006	23
31.12.2007	34
31.12.2008	31
31.12.2009	18
31.12.2010	19
31.12.2011	14
31.12.2012	15
31.12.2013	44
31.12.2014	70
31.12.2015	98
31.12.2016	89
31.12.2017	106
Latest stand	119



EXPORT:
EU

IMPORT:
EU

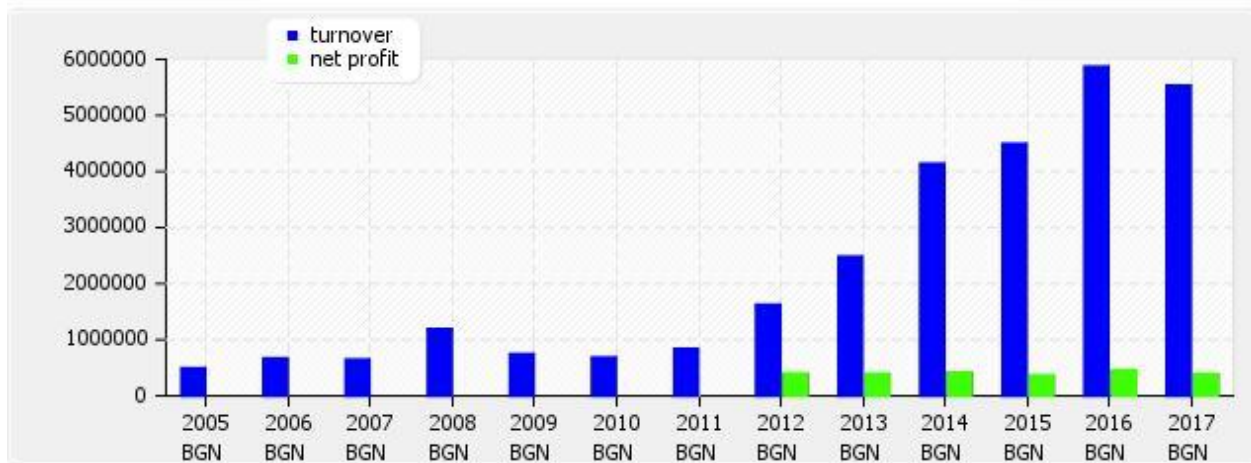
REAL ESTATE:
Own premises.

FINANCIAL DATA

TURNOVER:

Year	Currency	Value
2005	BGN	493 000.00
2006	BGN	669 000.00
2007	BGN	647 000.00
2008	BGN	1 187 000.00
2009	BGN	745 000.00
2010	BGN	684 000.00
2011	BGN	830 000.00
2012	BGN	1 625 000.00
2013	BGN	2 481 000.00
2014	BGN	4 140 000.00
2015	BGN	4 494 000.00
2016	BGN	5 871 000.00
2017	BGN	5 532 000.00

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MODES OF PAYMENT:

Slow but correct

DEBT COLLECTION:

No debt collection cases are registered against the company.

BANK DISTRRAINTS:

No shares of the company are under bank distraint.

UNPAID TAXES/ CONTRIBUTIONS TO GOVERNMENT:

There is no publication about overdue unpaid taxes.

INVOLVEMENT IN LEGAL DISPUTES:

There is no publication about legal claims or disputes against the company.

OTHER PAYMENT INFORMATION:

No adverse payment information is available.

BRANCH INDICATOR:

The company's payment behaviour is average for the branch.

Ratio	2014	2015	2016	2017
Accounting period:	1.1.2014 - 31.12.2014	1.1.2015 - 31.12.2015	1.1.2016 - 31.12.2016	1.1.2017 - 31.12.2017
Debt ratio	0.57	0.53	0.56	0.56
Quick ratio	1.05	0.62	0.45	0.28
Current ratio	2.90	2.25	2.49	1.52
Days purchase in payables	65.73	83.40	75.42	140.75
Operating margin in %	12.63	9.15	9.17	8.48
Cash ratio (acid ratio)	0.64	0.21	0.14	0.01
Return on sales ROS in %	11.25	8.09	8.25	7.70

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Return on assets ROA in %	13.76	10.29	10.17	7.29
Return on equity ROE in %	31.90	22.06	23.05	16.47
Days supply in inventory	121.32	135.97	153.64	175.22
Days sales in receivables	27.50	34.45	23.42	37.85

BALANCE SHEET in BGN'000

Accounting period:

2014	2015	2016	2017
1.1.2014 -	1.1.2015 -	1.1.2016 -	1.1.2017 -
31.12.2014	31.12.2015	31.12.2016	31.12.2017

A. UNPAID CAPITAL

B. FIXED ASSETS

I. Fixed Intangible Assets:

R&D Products				
Concessions, patents, trade-marks etc	1	1	1	9
Goodwill				
Intangible fixed assets under construction				
thereof advances				
Total I	1	1	1	9

II. Fixed Tangible Assets

Land and Buildings	649	734	948	914
thereof Land	22	22	271	271
thereof Buildings	627	712	677	643
Machines, Vehicles	220	246	238	601
Equipment	59	191	247	131
Tangible fixed assets under construction	117	15	15	364
thereof advances				
Total II.	1045	1186	1448	2010

III. Fixed Financial Assets

Shares in group companies				
Loans granted to group companies				
Shares in joint ventures				
Long term investments				
Other loans				
Bought back own shares				
Total III.				

IV. Deferred Taxes

B. FIXED ASSETS TOTAL	1046	1187	1449	2019
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C. CURRENT ASSETS

I. Inventories

Raw Materials	1222	1689	2355	2440
Work in progress				
thereof young animals				
Trading goods				
thereof production				
thereof goods for sale				
Advances				
Total I.	1222	1689	2355	2440

II. Receivables

Receivables from customers	185	310	232	452
thereof more than 1 year				

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Receivables from group companies thereof more than 1 year				
Receivables from joint ventures thereof more than 1 year				
Other receivables	92	118	127	75
thereof more than 1 year				
Total II.	277	428	359	527
III. Current Financial Assets				
Current investments in related companies				
Bought back own shares				
Other current financial assets				
Total III.				
IV. Cash equivalents				
Cash and accounts in the country	421	215	163	17
thereof cash	413	193	35	10
Thereof cash in foreign currency (equivalent)				
thereof current accounts	8	22	122	7
thereof blocked accounts				
thereof cash equivalents			6	
Cash and accounts abroad				
thereof cash				
Thereof cash in foreign currency (equivalent)				
thereof current accounts				
thereof blocked accounts				
Total IV.	421	215	163	17
C. CURRENT ASSETS TOTAL	1920	2332	2877	2984
D. Deferred expenses			146	295
TOTAL ASSETS	2966	3519	4472	5298
A. OWNERS EQUITY				
I. Share capital	500	500	1500	1500
II. Issue premium				
III. Revaluation reserves				
thereof revaluation reserves of financial instruments				
IV. Reserves				
legal reserves				
reserve related to bought back own shares				
reserve from company foundation				
other reserves	19	19	19	2
Total IV.	19	19	19	2
V. Result from previous period				
Undistributed profit	352	760		455
Uncovered loss				
Total V.	352	760		455
VI. Current result profit (loss)	408	362	455	386
A. OWNERS EQUITY TOTAL	1279	1641	1974	2343
B. PROVISIONS				
Provisions for pensions				
Provisions for taxes				
thereof deferred taxes				

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Other provisions

B. PROVISIONS TOTAL

C. LIABILITIES

Bond-backed loans

less than 1 year

more than 1 year

Bank loans

less than 1 year

more than 1 year

Advances received

less than 1 year

more than 1 year

Payables to suppliers

less than 1 year

more than 1 year

Liabilities on policies

less than 1 year

more than 1 year

Liabilities to group companies

less than 1 year

more than 1 year

Liabilities to joint-venture companies

less than 1 year

more than 1 year

Other liabilities

less than 1 year

more than 1 year

thereof to personnel

less than 1 year

more than 1 year

thereof to social insurance

less than 1 year

more than 1 year

thereof for taxes

less than 1 year

more than 1 year

C. LIABILITIES TOTAL

less than 1 year

more than 1 year

D. FINANCING AND DEFERRED INCOME

thereof

Financing

Deferred income

TOTAL EQUITY AND LIABILITIES

P&L ACCOUNT in BGN'000

Accounting period:

2014	2015	2016	2017
1.1.2014 -	1.1.2015 -	1.1.2016 -	1.1.2017 -
31.12.2014	31.12.2015	31.12.2016	31.12.2017

A. EXPENSES

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I. OPERATION EXPENSES

Decrease of inventories	51	13		
thereof for materials	1818	1984	2532	2840
thereof for services	764	581	927	635
Personnel expenses	888	1213	1513	1207
thereof wages	822	1126	1414	1100
thereof social insurance	66	87	99	107
thereof pensions				
Depreciation	74	168	216	210
thereof Depreciation of fixed assets	74	168	216	210
Other expenses	33	58	109	205
thereof Book value of sold assets (without production)		46	75	173
I. OPERATION EXPENSES TOTAL	3628	4017	5297	5097

II. Financial expenditures

Depreciation of financial assets	1	3	7	31
thereof exchange rate losses	1	3	7	31
Paid interest	55	72	69	71
thereof interest to group companies				
Thereof expenditures for securities operations				

II. Financial expenditures Total

	56	75	76	102
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B. Profit on ordinary activity

	458	409	506	425
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III. Extraordinary expenses

	5	7		
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thereof expenses on disasters and emergency

expenses

C. Total expenses (I+II+III)	3689	4099	5373	5199
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D. Accounting profit	453	402	506	425
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IV. Taxation on profit	45	40	51	39
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V. Other taxes				
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E. Net profit	408	362	455	386
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Total expenses	4142	4501	5879	5624
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A. REVENUES				
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I. OPERATING REVENUES				
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Net sales	3626	4472	5518	5013
------------------	-------------	-------------	-------------	-------------

Production	3596	4315	5301	4789
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Goods		49	100	98
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Services	30	108	117	126
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Increase of production and work in progress			146	148
---	--	--	-----	-----

Expenses on acquisition of assets	510	13	207	349
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Other revenues	4	9		22
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thereof financing				
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I. TOTAL OPERATING REVENUES	4140	4494	5871	5532
------------------------------------	-------------	-------------	-------------	-------------

II. FINANCIAL REVENUES				
-------------------------------	--	--	--	--

Income from shares				
--------------------	--	--	--	--

thereof income from shares in group companies				
---	--	--	--	--

Income from investments and loans				
-----------------------------------	--	--	--	--

thereof from investments in group companies				
---	--	--	--	--

Income from interest	2	7	8	92
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thereof from interest from group companies				
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II FINANCIAL REVENUES TOTAL	2	7	8	92
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TOTAL REVENUES FROM ORDINARY ACTIVITIES	4142	4501	5879	5624
LOSS				
Extraordinary revenues				
AFTER TAX LOSS				
TOTAL REVENUES	4142	4501	5879	5624

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.38
UK Pound	1	INR 95.29
Euro	1	INR 84.77
BGN	1	INR 43.43

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

INFORMATION DETAILS

Analysis Done by :	NIS
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)