

MIRA INFORM REPORT

| | |
|---------------|------------|
| Report No. : | 531494 |
| Report Date : | 26.09.2018 |

IDENTIFICATION DETAILS

| | |
|-------------------------|---|
| Name : | POSCO (THAILAND) CO., LTD. |
| Registered Office : | 15th /1-2, 5 Floor, Emporium Tower, 622 Sukhumvit Road, Klongton, Klongtoey, Bangkok 10110 |
| Country : | Thailand |
| Financials (as on) : | 31.12.2017 |
| Date of Incorporation : | 21.01.1997 |
| Com. Reg. No.: | 0105540007475 |
| Legal Form : | Private Limited Company |
| Line of Business : | <ul style="list-style-type: none"> The subject's core business is engaged in provide servicing of steel coil by manufacturing process of slitting, shearing and blanking for automotive, electric appliances and electronics industries. The subject is also an importer and distributor of steels such as cold and hot rolled coils, electrical steel, galvanized steel. |
| No. of Employees : | 360 |

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 |
| 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

POSCO (THAILAND) CO., LTD.

SUMMARY

BUSINESS ADDRESS : 15th /1-2, 5 FLOOR, EMPORIUM TOWER,
622 SUKHUMVIT ROAD, KLONGTON,
KLONGTOEY, BANGKOK 10110,
THAILAND

TELEPHONE : [66] 2013-9200
FAX : [66] 2013-9222
E-MAIL ADDRESS : vimonrat@posco.co.th
hi.jo@posco.co.th

REGISTRATION ADDRESS : SAME AS BUSINESS ADDRESS
ESTABLISHED : 1997
REGISTRATION / TAX ID NO. : 0105540007475
CAPITAL REGISTERED : BHT. 1,869,948,700
CAPITAL PAID-UP : BHT. 1,869,948,700
SHAREHOLDER'S PROPORTION : KOREAN : 100%
FISCAL YEAR CLOSING DATE : DECEMBER 31
LEGAL STATUS : PRIVATE LIMITED COMPANY
EXECUTIVE : MR. KWANG MOO KIM, KOREAN
PRESIDENT

NO. OF STAFF : 360
LINES OF BUSINESS : STEEL COIL SERVICE CENTER,
IMPORTER, DISTRIBUTOR AND EXPORTER

CORPORATE PROFILE

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

HISTORY

The subject was established on January 21, 1997 as a private limited company under the originally registered name "Pos-Thai Steel Service Center Co., Ltd." by Korean groups, with the business objective to provide steel coil service to various industries of both domestic and overseas countries. It received promotion privilege from BOI on January 11, 2006.

On September 7, 2006, its registered name was changed to POSCO (THAILAND) CO., LTD. The subject currently employs approximately 360 staff.

It has been awarded ISO/TS 19649 certificate by URS in 2007, and ISO 9001 : 2000 certificate by URS and UKAS in 2008.

The subject's registered address was initially located at 128/1 Moo 5, Wellgrow Industrial Estate, T. Bangsamak, A. Bangpakong, Chachoengsao 24180.

On November 1, 2017, its registered address was relocated to 15th/1-2, 5 Floor, Emporium Tower, 622 Sukhumvit Road, Klongton, Klongtoey, Bangkok 10110, and this is the subject's current operation address.

THE BOARD OF DIRECTOR

| <u>Name</u> | <u>Nationality</u> | <u>Age</u> |
|-------------------|--------------------|------------|
| Mr. Kwang Moo Kim | Korean | - |
| Mr. Dong Jin Lee | Korean | - |
| Mr. Jae Yoon Jung | Korean | - |
| Mr. Gwang Soo Kim | Korean | 57 |
| Mr. Seung Kyu Lim | Korean | 55 |

AUTHORIZED PERSON

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

MANAGEMENT

Mr. Kwang Moo Kim is the President.
He is Korean nationality.

Mr. Jae Yoon Jung is the Vice President / Head of Finance Department Manager.
He is Korean nationality.

Mr. Jae Kuang Kim is the General Manager (Sales & Marketing).
He is Korean nationality.

BUSINESS OPERATIONS

The subject's core business is engaged in provide servicing of steel coil by manufacturing process of slitting, shearing and blanking for automotive, electric appliances and electronics industries.

The subject is also an importer and distributor of steels such as cold and hot rolled coils, electrical steel, galvanized steel and etc.

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PRODUCTION

360,000 tons per annum

PURCHASE

90% of the products and raw materials are imported from Korea, and the remaining 10% is purchased from local suppliers and agents.

MAJOR SUPPLIERS

| | |
|--|------------|
| Posco Co., Ltd. | : Korea |
| Posco Processing and Service Co., Ltd. | : Korea |
| Posco-Thainox Public Company Limited | : Thailand |

SALES/SERVICES

95% of its products is sold locally to manufacturers and wholesalers, the remaining 5% is exported to Malaysia, Indonesia and Vietnam.

SUBSIDIARY AND AFFILIATED COMPANY

The subject is not found to have any subsidiary or affiliated company here in Thailand.

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 to the past two years.

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.

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BANKING

Bangkok Bank Public Company Limited

EMPLOYMENT

The subject employs approximately 360 office staff and factory workers.

LOCATION DETAILS

The premise is rented for administrative office at the heading address. Premise is located in industrial area.

Factory I is located at 128/1 Moo 5, Wellgrow Industrial Estate, T. Bangsamak, A. Bangpakong, Chachoengsao 24180.

Factory II is located at 7/123, 7/146 Moo 4, Amata City Industrial Estate, T. Mabyangporn, A. Pluakdaeng, Rayong 21140.

Overseas Representative Office:

Suit 3B-20-7, Level 20, Block 3B, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur, Malaysia.

COMMENT

Subject is engaged in processing, distributing and exporting steel coils. The products have been served to automobile, office automation and electrical appliance industries and etc. Demand of such products have significantly grown in line with an improvement of industrial sector of both domestic and overseas countries. The subject's operating performance in 2017 has seen a strong improvement with an increase in sales or service income and net profit comparing to the previous year.

FINANCIAL INFORMATION

The capital was registered at Bht. 250,000,000 divided into 2,500,000 shares of Bht. 100 each with fully paid.

The capital was increased later as follows:

Bht. 594,157,000 on August 2, 2005
Bht. 1,485,792,100 on March 28, 2008
Bht. 1,869,948,700 on November 28, 2017

The latest registered capital was increased to Bht. 1,869,948,700 divided into 18,699,487 shares of Bht. 100 each with fully paid.

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THE SHAREHOLDERS LISTED WERE : [as at April 30, 2018]

| <u>NAME</u> | <u>HOLDING</u> | <u>%</u> |
|---|----------------|----------|
| Posco Co., Ltd. Nationality: Korean Address : 1 Goedong-Dong, Nam-gu, Pohang-si, Gyeongsangbuk-do, South Korea | 16,563,299 | 88.58 |
| Posco Processing & Service Co., Ltd. Nationality: Korean Address : 824 Yosum-dong, Gangnum-gu, Seoul, South Korea | 2,136,182 | 11.42 |
| Mr. Won Hee Lee Nationality: Korean Address : 128/1 Moo 5, T. Bangsamak, A. Bangpakong, Chachoengsao | 1 | - |
| Mr. Young Won Lee Nationality: Korean Address : 128/1 Moo 5, T. Bangsamak, A. Bangpakong, Chachoengsao | 1 | - |
| Mr. Young Jang Kim Nationality: Korean Address : 128/1 Moo 5, T. Bangsamak, A. Bangpakong, Chachoengsao | 1 | - |
| Mr. Kwan Yang Lee Nationality: Korean Address : 128/1 Moo 5, T. Bangsamak, A. Bangpakong, Chachoengsao | 1 | - |
| Mr. Won Kee Kim Nationality: Korean Address : 128/1 Moo 5, T. Bangsamak, A. Bangpakong, Chachoengsao | 1 | - |
| Mr. Gwang Mu Kim Kim Nationality: Korean Address : Gwangjungu, Seoul, South Korea | 1 | - |

Total Shareholders : 8

SHARE STRUCTURE [AS AT APRIL 30, 2018]

| Nationality | Shareholders | No. of Share | % Shares |
|--------------------|---------------------|---------------------|-----------------|
| Thai | - | - | - |
| Foreign - Korean | 8 | 18,699,487 | 100.00 |
| Total | 8 | 18,699,487 | 100.00 |

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NAME OF AUDITOR & CERTIFIED PUBLIC ACCOUNTANT NO.

Mr. Sudwin Panyawongkhanti No. 3534

FINANCIALS

POSCO (THAILAND) CO., LTD.

BALANCE SHEET [BAHT]

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

ASSETS

| Current Assets | 2017 | 2016 | 2015 |
|-------------------------------------|----------------------|----------------------|----------------------|
| Cash and Cash Equivalents | 167,397,734 | 92,091,390 | 87,050,104 |
| Trade Accounts and Other Receivable | 1,513,572,825 | 967,935,982 | 1,045,179,426 |
| Inventories | 1,396,168,257 | 1,567,694,736 | 1,457,957,528 |
| Other Current Assets | 31,913,798 | 58,577,285 | 1,539,316 |
| Total Current Assets | 3,109,052,614 | 2,686,299,393 | 2,591,726,374 |
| Other Long-term Investment | 210,024,834 | - | - |
| Property, Plant and Equipment | 584,652,101 | 604,798,966 | 663,083,850 |
| Intangible Assets | 8,880,639 | 1,224,322 | 1,758,309 |
| Other Non-current Assets | 18,747,105 | 12,013,435 | 11,506,563 |
| Total Assets | 3,931,357,293 | 3,304,336,116 | 3,268,075,096 |

LIABILITIES & SHAREHOLDERS' EQUITY [BAHT]

| Current Liabilities | 2017 | 2016 | 2015 |
|------------------------------------|----------------------|----------------------|----------------------|
| Bank Overdraft and Short-term Loan | | | |
| From Financial Institutions | 369,646,533 | 249,607,862 | 1,100,501,323 |
| Trade Accounts and Other Payable | 1,533,760,991 | 1,698,733,532 | 885,128,199 |
| Accrued Income Tax | 17,984,092 | - | - |
| Other Current Liabilities | 20,515,921 | 30,982,291 | 13,270,981 |
| Total Current Liabilities | 1,941,907,537 | 1,979,323,685 | 1,998,900,503 |
| Provision for Employee Benefits | 13,864,364 | 10,584,516 | 8,822,301 |
| Total Liabilities | 1,955,771,901 | 1,989,908,201 | 2,007,722,804 |

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Shareholders' Equity

| | | | |
|---|----------------------|----------------------|----------------------|
| Share capital : Baht 100 par value authorized, and issued share capital 18,699,487 shares in 2017 14,857,921 shares in 2016 & 2015 | 1,869,948,700 | 1,485,792,100 | 1,485,792,100 |
| Capital Paid | 1,869,948,700 | 1,485,792,100 | 1,485,792,100 |
| Premium on Share Capital | 57,894,950 | 57,894,900 | 57,894,900.00 |
| Retained Earning - Unappropriated [Deficit] | 47,741,742 | [229,259,085] | [283,334,708] |
| Total Shareholders' Equity | 1,975,585,392 | 1,314,427,915 | 1,260,352,292 |
| Total Liabilities and Shareholders' Equity | 3,931,357,293 | 3,304,336,116 | 3,268,075,096 |

PROFIT & LOSS ACCOUNT

| Revenue | 2017 | 2016 | 2015 |
|---|-----------------------------|----------------------|----------------------|
| Sales or Services Income | 10,159,130,240 | 6,241,861,057 | 6,051,575,007 |
| Other Income | 121,795,149 | 106,095,366 | 53,203,668 |
| Total Revenues | 10,280,925,389 | 6,347,956,423 | 6,104,778,675 |
| Expenses | | | |
| Cost of Goods Sold or Services | 9,738,707,914 | 6,071,380,061 | 5,924,468,004 |
| Selling Expenses | 63,074,531 | 58,916,465 | 58,174,812 |
| Administrative Expenses | 137,885,686 | 143,829,181 | 116,067,048 |
| Other Expenses | - | - | 51,150,156 |
| Total Expenses | 9,939,668,131 | 6,274,125,707 | 6,149,860,020 |
| Profit/[Loss] before Financial Cost and Income Tax | 341,257,258 | 73,830,716 | [45,081,345] |
| Financial Cost | [18,502,379] | [19,755,093] | [33,963,195] |
| Profit/[Loss] before Income Tax Income Tax | 322,754,879 [45,754,052] | 54,075,623 - | [79,044,540] - |
| Net Profit / [Loss] | 277,000,827 | 54,075,623 | [79,044,540] |

POSCO (THAILAND) CO., LTD.

FINANCIAL ANALYSIS

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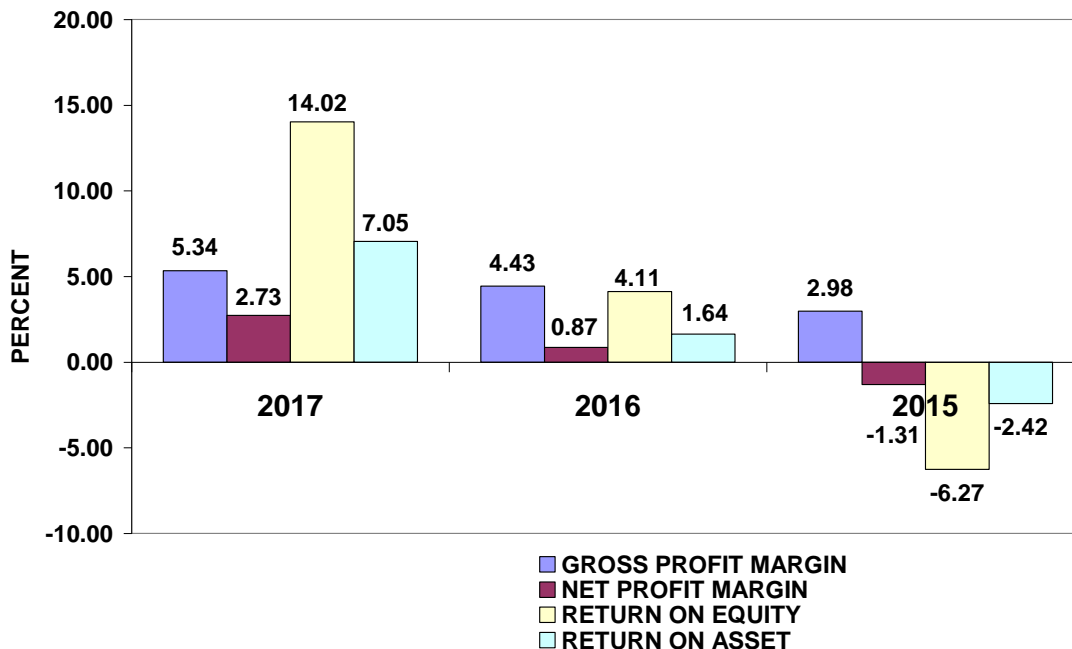
| ITEM | UNIT | 2017 | 2016 | 2015 |
|-----------------------------------|-------|--------|----------|--------|
| LIQUIDITY RATIO | | | | |
| CURRENT RATIO | TIMES | 1.60 | 1.36 | 1.30 |
| QUICK RATIO | TIMES | 0.87 | 0.54 | 0.57 |
| ACTIVITY RATIO | | | | |
| FIXED ASSETS TURNOVER | TIMES | 17.38 | 10.32 | 9.13 |
| TOTAL ASSETS TURNOVER | TIMES | 2.58 | 1.89 | 1.85 |
| INVENTORY CONVERSION PERIOD | DAYS | 52.33 | 94.25 | 89.82 |
| INVENTORY TURNOVER | TIMES | 6.98 | 3.87 | 4.06 |
| RECEIVABLES CONVERSION PERIOD | DAYS | 54.38 | 56.60 | 63.04 |
| RECEIVABLES TURNOVER | TIMES | 6.71 | 6.45 | 5.79 |
| PAYABLES CONVERSION PERIOD | DAYS | 57.48 | 102.12 | 54.53 |
| CASH CONVERSION CYCLE | DAYS | 49.22 | 48.72 | 98.33 |
| PROFITABILITY RATIO | | | | |
| COST OF GOODS SOLD | % | 95.86 | 97.27 | 97.90 |
| SELLING & ADMINISTRATION INTEREST | % | 1.98 | 3.25 | 2.88 |
| GROSS PROFIT MARGIN | % | 5.34 | 4.43 | 2.98 |
| NET PROFIT MARGIN BEFORE EX. ITEM | % | 3.36 | 1.18 | (0.74) |
| NET PROFIT MARGIN | % | 2.73 | 0.87 | (1.31) |
| RETURN ON EQUITY | % | 14.02 | 4.11 | (6.27) |
| RETURN ON ASSET | % | 7.05 | 1.64 | (2.42) |
| EARNING PER SHARE | BAHT | 14.81 | 3.64 | (5.32) |
| LEVERAGE RATIO | | | | |
| DEBT RATIO | TIMES | 0.50 | 0.60 | 0.61 |
| DEBT TO EQUITY RATIO | TIMES | 0.99 | 1.51 | 1.59 |
| TIME INTEREST EARNED | TIMES | 18.44 | 3.74 | (1.33) |
| ANNUAL GROWTH | | | | |
| SALES GROWTH | % | 62.76 | 3.14 | |
| OPERATING PROFIT | % | 362.22 | (263.77) | |
| NET PROFIT | % | 412.25 | 168.41 | |
| FIXED ASSETS | % | (3.33) | (8.79) | |
| TOTAL ASSETS | % | 18.98 | 1.11 | |

ANNUAL GROWTH : IMPRESSIVE

An annual sales growth is 62.76%. Sales Income has increased from THB 6,241,861,057.00 in 2016 to THB 10,159,130,240.00 in 2017. While net profit has increased from THB 54,075,623.00 in 2016 to THB 277,000,827.00 in 2017. And total assets has increased from THB 3,304,336,116.00 in 2016 to THB 3,931,357,293.00 in 2017.

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PROFITABILITY : IMPRESSIVE



PROFITABILITY RATIO

| | | | | |
|---------------------|-------|------------|--------------------|-------|
| Gross Profit Margin | 5.34 | Acceptable | Industrial Average | 12.06 |
| Net Profit Margin | 2.73 | Impressive | Industrial Average | 1.62 |
| Return on Assets | 7.05 | Impressive | Industrial Average | 4.00 |
| Return on Equity | 14.02 | Impressive | Industrial Average | 11.35 |

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 5.34%. 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.

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 2.73% 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 7.05%, 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.

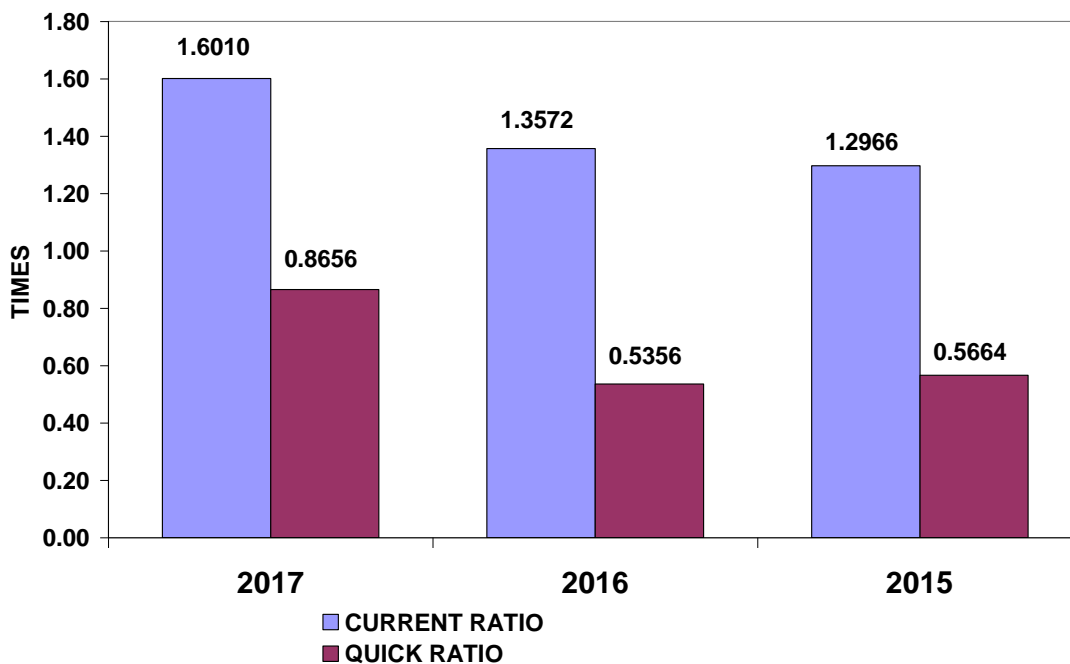
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Return on Equity indicates how profitable a company is by comparing its net income to its average shareholders' equity, ROE measures how much the shareholders earned for their investment in the company. Return on Equity ratio is 14.02%, higher figure 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 Uptrend
Return on Equity Uptrend

LIQUIDITY : SATISFACTORY



LIQUIDITY RATIO

| | | | | |
|-----------------------|-------|------------|--------------------|------|
| Current Ratio | 1.60 | Impressive | Industrial Average | 1.37 |
| Quick Ratio | 0.87 | | | |
| Cash Conversion Cycle | 49.22 | | | |

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 1.6 times in 2017, increase from 1.36 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 0.87 times in 2017, increase from 0.54 times, by excluding inventory, the company may have problems meeting current liabilities.

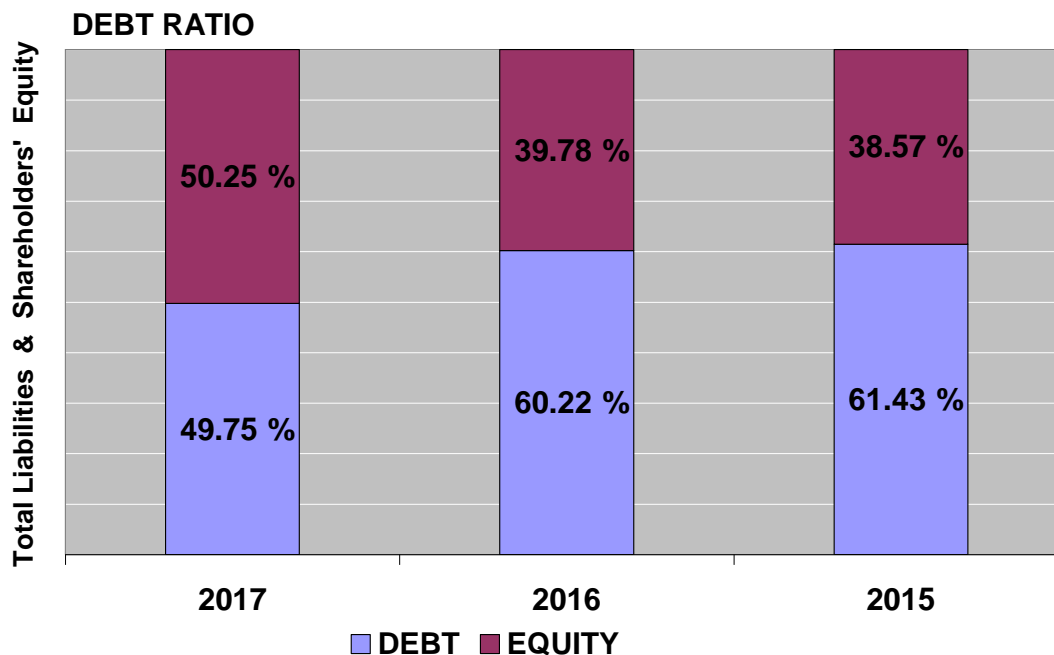
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The Cash Conversion Cycle measures the number of days a company's cash is tied up in the production and sales process of its operations and the benefit from payment terms from its creditors. It meant the company could survive when no cash inflow was received from sale for 50 days.

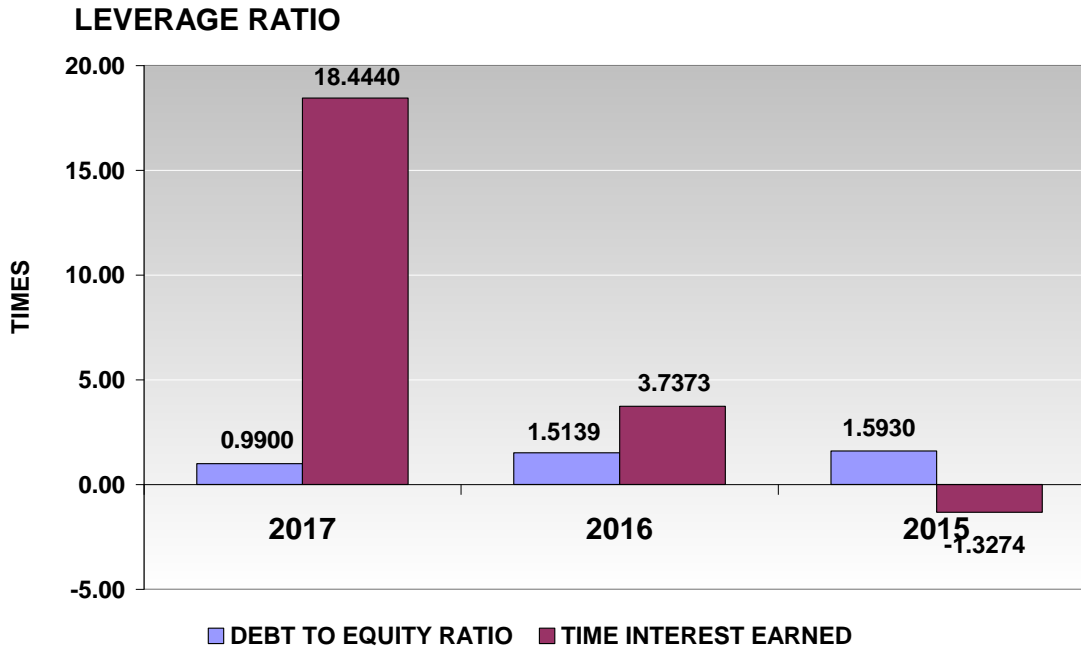
Trend of the average competitors in the same industry for last 5 years

Current Ratio Uptrend

LEVERAGE : EXCELLENT



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LEVERAGE RATIO

| | | | | |
|-----------------------|-------|------------|--------------------|------|
| Debt Ratio | 0.50 | Impressive | Industrial Average | 0.64 |
| Debt to Equity Ratio | 0.99 | Impressive | Industrial Average | 1.78 |
| Times Interest Earned | 18.44 | Impressive | 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 lower the percentage means that the company is using less leverage and has a stronger equity position.

Times Interest Earned measuring a company's ability to meet its debt obligations. Ratio is 18.45 higher than 1, so the company can pay interest expenses on outstanding debt.

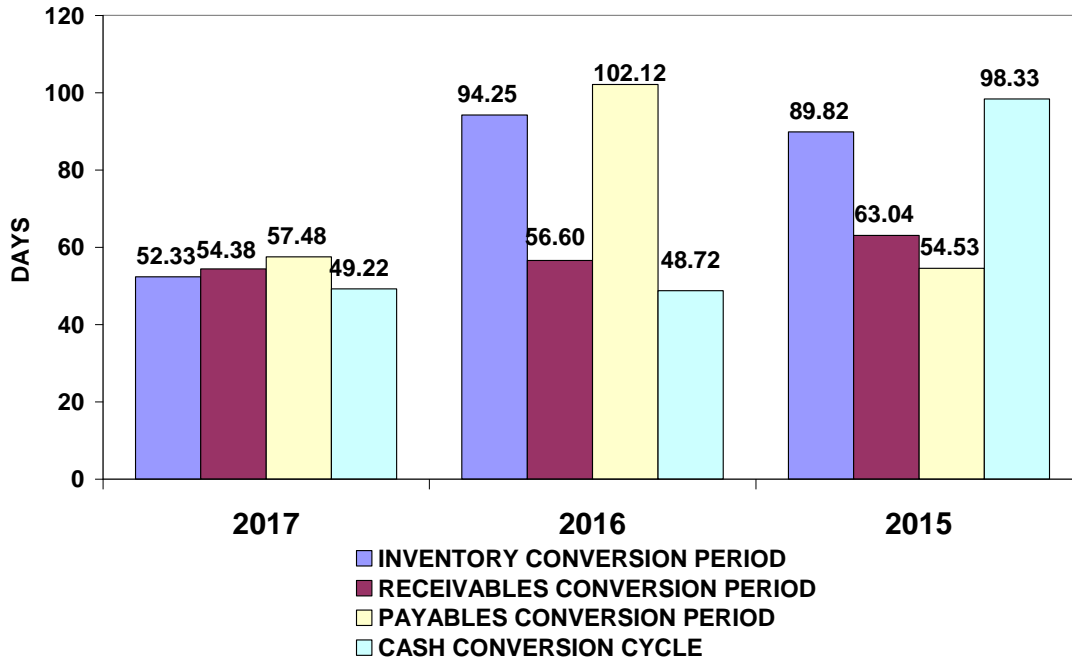
Debt Ratio shows the proportion of a company's assets which are financed through debt. The company's figure is 0.5 less than 0.5, most of the company's assets are financed through equity.

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

| | |
|-----------------------|-----------|
| Debt Ratio | Downtrend |
| Times Interest Earned | Stable |

ACTIVITY : IMPRESSIVE

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ACTIVITY RATIO

| | | | | |
|-------------------------------|-------|--------------|--------------------|------|
| Fixed Assets Turnover | 17.38 | Impressive | Industrial Average | - |
| Total Assets Turnover | 2.58 | Impressive | Industrial Average | 2.47 |
| Inventory Conversion Period | 52.33 | | | |
| Inventory Turnover | 6.98 | Satisfactory | Industrial Average | 7.10 |
| Receivables Conversion Period | 54.38 | | | |
| Receivables Turnover | 6.71 | Impressive | Industrial Average | 5.03 |
| Payables Conversion Period | 57.48 | | | |

The company's Account Receivable Ratio is calculated as 6.71 and 6.45 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 94 days at the end of 2016 to 52 days at the end of 2017. This represents a positive trend. And Inventory turnover has increased from 3.87 times in year 2016 to 6.98 times in year 2017.

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The company's Total Asset Turnover is calculated as 2.58 times and 1.89 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 72.81 |
| UK Pound | 1 | INR 95.50 |
| Euro | 1 | INR 85.62 |
| Thai baht | 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 : | 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)