

## MIRA INFORM REPORT

<b>Report No. :</b>	531442
<b>Report Date :</b>	28.09.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	ZAO EURODESIGN
<b>Registered Office :</b>	Soboleva Street 113 Smolenskaya Oblast 214016 Smolensk
<b>Country :</b>	Russia
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	12.03.1999
<b>Com. Reg. No.:</b>	OGRN 1026701440655
<b>Legal Form :</b>	Closed Joint Stock Company
<b>Line of Business :</b>	Manufacturers of board based furniture.
<b>No. of Employees :</b>	391

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Status :</b>	Good
<b>Payment Behaviour :</b>	Regular
<b>Litigation :</b>	Clear

#### NOTES :

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto: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)
Russia	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

### RUSSIA - ECONOMIC OVERVIEW

Russia has undergone significant changes since the collapse of the Soviet Union, moving from a centrally planned economy towards a more market-based system. Both economic growth and reform have stalled in recent years, however, and Russia remains a predominantly statist economy with a high concentration of wealth in officials' hands. Economic reforms in the 1990s privatized most industry, with notable exceptions in the energy, transportation, banking, and defense-related sectors. The protection of property rights is still weak, and the state continues to interfere in the free operation of the private sector.

Russia is one of the world's leading producers of oil and natural gas, and is also a top exporter of metals such as steel and primary aluminum. Russia is heavily dependent on the movement of world commodity prices as reliance on commodity exports makes it vulnerable to boom and bust cycles that follow the volatile swings in global prices. The economy, which had averaged 7% growth during the 1998-2008 period as oil prices rose rapidly, has seen diminishing growth rates since then due to the exhaustion of Russia's commodity-based growth model.

A combination of falling oil prices, international sanctions, and structural limitations pushed Russia into a deep recession in 2015, with GDP falling by close to 2.8%. The downturn continued through 2016, with GDP contracting another 0.2%, but was reversed in 2017 as world demand picked up. Government support for import substitution has increased recently in an effort to diversify the economy away from extractive industries.

Source : CIA

## SUMMARY

<b>COMPANY NAME</b>	ZAO EURODESIGN			
<b>ADDRESS</b>	Street	Area	Town	PO Box
	Soboleva	Smolenskaya Oblast	Smolensk	214016
	Street 113			Smolensk
<b>TEL/FAX</b>	Verified Phones: (+7 4812) 214 214 / (+7 4812) 214 127 / Fax: (+7 4812) 214 214			
<b>EMAIL/WEBSITE</b>	Email: info@eurodn.ru / Website: www.eurodn-group.ru			
<b>ACTIVITY</b>	NACE 3109 - Manufacture of other furniture;			
<b>PRINCIPAL</b>	Dmitriy Vladimirovich Prokofiev Managing Director			Workforce 391
<b>LEGAL INFO</b>	Date Of Est.	Reg. No.	Legal Form	Status
	12/03/1999	OGRN 1026701440655	Closed Joint Stock Company	Active
<b>CAPITAL</b>	<b>CURRENCY</b>	<b>AMOUNT</b>		
	RUBLE (RUB)	1,193,000		

## IDENTIFICATION

<b>CO. NAME</b>	ZAO EURODESIGN		
<b>ENQUIRED NAME</b>	CJSC EURODESIGN		
<b>ALSO KNOWN NAME (S)</b>	ZAO EVRODIZAIN / Kompaniya Evrodizain		
<b>STREET</b>	Soboleva Street 113		
<b>AREA</b>	Smolenskaya Oblast		
<b>POSTAL ADDRESS</b>	214016 Smolensk		
<b>TOWN</b>	Smolensk		
<b>COUNTRY</b>	Russia		
<b>TELEPHONE</b>	(+7 4812) 214 214 ext. 142 & 144 & 147 & 107 (Chief Accountant) / (+7 4812) 214 127 / (+7 4812) 389 847 / (+7 920) 331 2810 / (+7 910) 789 8899 (Roman Puzanenko) / (+7 915) 653 3422 (Ilya Antonenko)		
<b>FAX</b>	(+7 4812) 214 214		
<b>VERIFIED EMAIL</b>	info@eurodn.ru / sales@eurodn.ru		
<b>WEBSITE</b>	www.eurodn-group.ru		
<b>BUSINESS HOURS</b>	<b>DAYS</b>	<b>OFFICE HOURS</b>	<b>BREAK TIME</b>
	Mon-Fri	09:00-18:00	13:00-14:00
<b>REGISTERED ADDRESS</b>	Soboleva Street 113 Smolenskaya Oblast 214016 Smolensk Russia		

## **SENIOR PERSONNEL**

MANAGEMENT	NAME	POSITION
	Dmitriy Vladimirovich Prokofiev Nationality: Russian Tax Code: INN 673102787760	Managing Director
	Ilya Antonenko	Finance Director
	Roman Puzanenkov	Purchasing Executive
	Ms. Anastasiya	Chief Accountant
WORKFORCE	NO. OF EMPLOYEES	PERIOD
	391	09.2018

## **FINANCIAL SUMMARY**

<b>TURNOVER</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
	RUBLE 949,081,000	RUBLE 1,378,613,000
<b>NET PROFIT / (LOSS)</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
	RUBLE 2,604,000	RUBLE 15,761,000
<b>NOTES</b>	Balance sheets as at 31 December 2017 showed:	

31/12/2017                      31/12/2016  
(in RUBLE)

ASSETS		
Non-current assets		
Fixed assets	166,108,000	191,188,000
Deferred tax assets	0	120,000
Total non-current assets	166,108,000	191,308,000
Current assets		
Stock	375,634,000	248,528,000
Value added tax on purchased valuables	1,923,000	3,075,000
Trade receivables	90,397,000	110,351,000
Financial investments	4,499,000	4,724,000
Cash equivalents	5,943,000	870,000
Other current assets	4,747,000	7,137,000
Total current		

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assets	483,143,000	374,685,000
TOTAL ASSETS	649,251,000	565,993,000

**EQUITY & LIABILITIES**

Equity		
Share capital	1,193,000	1,193,000
Reserve capital	179,000	179,000
Retained earnings	92,117,000	89,513,000
Total equity	93,489,000	90,885,000
Long-term liabilities		
Borrowings	203,176,000	278,275,000
Deferred tax liabilities	3,867,000	2,726,000
Total long-term liabilities	207,043,000	281,001,000
Short-term Liabilities		
Borrowings	153,689,000	38,172,000
Accounts payable	185,261,000	145,687,000
Total Short-term liabilities	348,719,000	194,107,000
TOTAL EQUITY & LIABILITIES	649,251,000	565,993,000

**INCOME STATEMENT**

Revenue	949,081,000	1,378,613,000
Cost of Sales	(834,335,000)	(1,245,055,000)
Gross Profit	114,746,000	133,558,000
Commercial expenses	(22,320,000)	(10,406,000)
Administrative expenses	(42,530,000)	(55,906,000)
Profit(loss) from sales	48,896,000	67,246,000
Other income and expenses		
Interest income	24,000	838,000
Interest payable	(34,902,000)	(41,585,000)
Other income	411,738,000	199,913,000
Other expenses	(421,061,000)	(204,835,000)
Profit(loss) before taxation	5,695,000	21,577,000
Changes in deferred tax assets	(120,000)	53,000
Changes in deferred tax liabilities	(1,141,000)	2,106,000
Current income tax	(2,979,000)	(7,975,000)
Net Profit(loss)	2,604,000	15,761,000

**FISCAL YEAR-END**

**31 December.**

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## **LEGAL STATUS**

<b>INCORPORATION REGISTRATION NO.</b>	12/03/1999 <b>C.R. NUMBER</b> OGRN 1026701440655	<b>ISSUED BY</b> Federal Tax Service
<b>OTHER REGISTRATION NO.</b>	INN 6731032792 (Tax Code) / KPP 673101001 / OKPO 47649475 (Statistics Code) / OKTMO 66701000001	
<b>AUTHORISED CAPITAL</b>	<b>AMOUNT</b> 1,193,000	<b>CURRENCY</b> RUBLE
<b>PAID-UP CAPITAL</b>	<b>AMOUNT</b> 1,193,000	<b>CURRENCY</b> RUBLE
<b>BUSINESS HISTORY</b>	The Company was incorporated in Russia on 12 March 1999, however its origins of business activities can be traced back to 1994.	
<b>LEGAL FORM STATUS</b>	Closed Joint Stock Company Active	
<b>SOLE SHAREHOLDER</b>	<b>NAME</b> Nilom Holdings Limited H. Milona Street 3 Limason Cyprus Est.: 11/04/1997 C.R. No.: HE85397 Directors: Kay Hakakian Gianfranco Confalonieri	<b>PERCENTAGE</b> 100.00%

## **OPERATION**

<b>BANKERS</b>	PAO Sberbank Kashena Street 13 Smolensk Russia Telephone: (+7 495) 957 5731 Fax : (+7 495) 747 4758
<b>ACTIVITY CODE (NACE) LINE OF BUSINESS</b>	3109 - Manufacture of other furniture; Manufacturers of board based furniture.

Subject produces 200 articles of furniture. Subject is an RA-COC-006842 as well as RA-CW-006842 certified company.

Capacities:

Cutting: 9,770,000 m2

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**IMPORT FROM  
EXPORT TO  
TRADE REFERENCES**

Drilling: 10,200,000 pieces  
Packaging: 2,600,000 pieces  
Edge banding: 45,000,000 m of details  
Europe, France, Poland, Hungary and China.  
Subject does not export, all sales are domestic.  
1. Novacel S.A.  
27 rue du Docteur Emile Bataille, BP 4 76250  
Deville-les-Rouen  
France  
2. France Balishilialeather International Group  
Company  
Sheng jiapi a business center 2B-088-1,  
No.1339 Jiefang Road, Baiyun District,  
Guangzhou City  
China  
3. Deerfos Europe sp.z o.o.  
Blonie, ul. Akacjowa 15 55-330 Miekinia  
Poland  
4. Dunapack Packaging and Paper Ltd  
Budapest, Duna u, 42  
Hungary

**FACILITIES**

Owned premises comprising administrative offices, a manufacturing unit and storage facilities located at the heading address.

**RELATED COMPANIES**

Associates

1. AO Smolenskmebel  
Soboleva Street 113  
Smolenskaya Oblast  
214016 Smolensk  
Russia  
Est.: 30/08/1993  
C.R. No.: OGRN 1026701423275  
Tax Code: INN 6731001794
2. ZAO EUROSTANDART  
Soboleva Street 113  
Smolenskaya Oblast  
214016 Smolensk  
Russia  
Est.: 10/02/1997  
C.R. No.: OGRN 1026701440721  
Tax Code: INN 6731028228

## **PAYMENT RECORDS**

### **CREDIT OPINION**

We consider it is acceptable to deal with subject.

## **SPECIAL REMARKS**

### **INTERVIEWED COMMENTS**

Roman Puzanenkov (Purchasing Executive).

You enquired on: CJSC EURODESIGN. Please note that this name applies to an English translation of the subject's name. Subject's correct registered name is as per heading.

The Contact Person given by you: "Mr. Mokrov Alexander E" is no longer a Managing Director of the company. He was holding the latter position between 14/12/2016 – 30/05/2018. Subject's current Managing Director is Mr. Prokofiev Dmitriy Vladimirovich.

As per your special notes, Provide report with latest financials only. If financials are not available, Kindly **DO NOT PROCEED** with the order and inform us accordingly to obtain approval from client.

Please be informed that subject's latest financials were included in "Financial Summary" section.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.65
UK Pound	1	INR 95.43
Euro	1	INR 85.04
RUB	1	INR 1.11

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

**INFORMATION DETAILS**

Analysis Done by :	PRA
Report Prepared by :	TRU

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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)