

CTOS BASIS OVERSEAS REPORT

specially prepared for

ABC SDN BHD

Your Reference	:	REF. NO.
Order Reference	:	000000///LYA
Subject Enquired	:	ABC LIMITED
Registration No	:	L00000MH0000PLC000000
Service Mode	:	NORMAL
Order Date	:	18/01/2021
Date Report Sent	:	29/01/2021

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CANNOT BE DISCLOSED TO THE SUBJECT OR TO ANY THIRD PARTY IN ANY MANNER
WHATSOEVER.

N/A - Not Applicable

EXECUTIVE SUMMARY

REGISTRATION NO.	: L00000MH0000PLC000000
COMPANY NAME	: ABC LIMITED
FORMER NAME	: ABC PRIVATE LIMITED
INCORPORATION DATE	: 09/08/2005
COMPANY STATUS	: EXIST
LEGAL FORM	: A PUBLIC LIMITED LIABILITY COMPANY
LISTED STATUS	: YES
REGISTERED ADDRESS	: STREET, INDIA.
BUSINESS ADDRESS	: STREET, INDIA.
TEL.NO.	: 91-22-00000000 / 00000000
EMAIL	: SAMPLE@SAMPLE.COM
WEB SITE	: HTTP://SAMPLE.CO.IN
CONTACT PERSON	: CONTACT PERSON (CHAIRMAN)
PRINCIPAL ACTIVITY	: MANUFACTURING, PROCESSING AND EXPORTING OF SPECIALTY FATS LIKE SAL BUTTER, SAL FAT, SAL OIL, SAL STEARINE, MANGO BUTTER, MANGO FAT, MANGO OIL, MANGO STEARINE, KOKUM BUTTER, KOKUM OIL, DE-OILED CAKES, MOWRAH FAT AND SEVERAL VALUE-ADDED TAILOR MADE PRODUCTS THAT FORM THE INGREDIENTS OF COCOA BUTTER EQUIVALENTS (CBE)
AUTHORISED CAPITAL	: 30,000,000.00 ORDINARY SHARES, OF A VALUE OF IND 300,000,000.00
ISSUED AND PAID UP CAPITAL	: 11,127,910.00 ORDINARY SHARES, OF A VALUE OF IND 111,279,000.00
SALES	: IND 1,882,429,000 [2020]
NET WORTH	: IND 1,272,589,000 [2020]
STAFF STRENGTH	: 228 [2021]
BANKER (S)	: BANKER 1 BANKER 2 BANKER 3 BANKER 4 BANKER 5
LITIGATION	: CLEAR
FINANCIAL CONDITION	: FAIR
PAYMENT	: AVERAGE
MANAGEMENT CAPABILITY	: AVERAGE
COMMERCIAL RISK	: N/A
CURRENCY EXPOSURE	: N/A
GENERAL REPUTATION	: SATISFACTORY
CREDIT RATING	: BB (Please refer to appendix)

HISTORY / BACKGROUND**Share Capital History**

Date	Authorised Shared Capital	Issue & Paid Up Capital
Mar 2020	IND 300,000,000.00	IND 111,279,000.00

Shareholder

The major shareholder(s) of the Subject are shown as follows :

Name	Address	IC/PP/Loc No	Shareholding	(%)
SHAREHOLDER	-	-	2,980,873.00	26.79
SHAREHOLDER +	STREET, INDIA	-	2,779,080.00	24.97
SHAREHOLDER +	STREET, INDIA	-	1,064,850.00	9.57
SHAREHOLDER	-	-	906,878.00	8.15
SHAREHOLDER	-	-	360,979.00	3.24
SHAREHOLDER	-	-	265,800.00	2.39
SHAREHOLDER	-	-	261,000.00	2.35
SHAREHOLDER	-	-	256,200.00	2.30
SHAREHOLDER	-	-	207,000.00	1.86
SHAREHOLDER	-	-	191,400.00	1.72
SHAREHOLDER	-	-	173,779.00	1.56
SHAREHOLDER	-	-	115,200.00	1.04
SHAREHOLDER	-	-	113,400.00	1.02
SHAREHOLDER	-	-	27,000.00	0.24
SHAREHOLDER	-	-	19,800.00	0.18
REMAINING SHAREHOLDERS	-	-	1,404,671.00	12.62
			-----	-----
			11,127,910.00	100.00
			=====	=====

+ Also Director

Related Companies

Associates / Enterprises over which directors and /Or their relatives has significant influence :

Abc Private Limited

Abc Limited

DIRECTORS (30/03/2021)**DIRECTOR 1**

Name Of Subject : DIRECTOR
Address : STREET, INDIA
Date of Birth : 04/11/1940
Date of Appointment : 16/06/2006

DIRECTOR 2

Name Of Subject : DIRECTOR
Address : STREET, INDIA
Date of Birth : 21/03/1966
Date of Appointment : 10/06/2019

DIRECTOR 3

Name Of Subject : CDIRECTOR
Address : STREET, INDIA
Date of Appointment : 01/05/2018

DIRECTOR 4

Name Of Subject : DIRECTOR
Address : STREET, INDIA
Date of Appointment : 10/01/2018

DIRECTOR 5

Name Of Subject : DIRECTOR
Address : STREET, INDIA
Date of Birth : 25/03/1958
Date of Appointment : 19/08/2019

DIRECTOR 6

Name Of Subject : DIRECTOR
Address : STREET, INDIA
Date of Birth : 24/02/1994
Date of Appointment : 19/08/2019

DIRECTOR 7

Name Of Subject : DIRECTOR
Address : STREET, INDIA
Date of Birth : 22/11/1970
Date of Appointment : 25/03/2006

MANAGEMENT

- 1) Name of Subject : PERSON NAME
Position : CHAIRMAN
- 2) Name of Subject : PERSON NAME
Position : MANAGING DIRECTOR
- 3) Name of Subject : PERSON NAME
Position : CHIEF FINANCE OFFICER

AUDITOR

Auditor : AUDITOR
Auditor' Address : N/A

Auditor : AUDITOR
Auditor' Address : STREET, INDIA

Auditor : AUDITOR
Auditor' Address : STREET, INDIA

COMPANY SECRETARIES

1) **Company Secretary** : SECRETARY
Address : STREET, INDIA

BANKING

Banking relations are maintained principally with :

- 1) Name : BANKER 1
Address : STREET, INDIA
- 2) Name : BANKER 2
Address : STREET, INDIA
- 3) Name : BANKER 3
Address : STREET, INDIA
- 4) Name : BANKER 4
Address : STREET, INDIA
- 5) Name : BANKER 5
Address : STREET, INDIA

ENCUMBRANCE (S)

No encumbrance was found in our databank at the time of investigation.

CIVIL LITIGATION CHECK

No legal action was found in our affiliate's company databank.

No winding up petition was found in our affiliate's company databank.

PAYMENT RECORD

The Subject refused to provide any name of trade/service supplier and we are unable to conduct any trade enquiry. However, from financial historical data we conclude that :

OVERALL PAYMENT HABIT

Prompt	[]	Good	[]	Average	[X]
Fair	[]	Poor	[]		

CLIENTELE

No data found in our affiliate's company databank.

PAYMENT RECORD

The Subject refused to provide any name of trade/service supplier and we are unable to conduct any trade enquiry. However, from financial historical data we conclude that :

OVERALL PAYMENT HABIT

Prompt	[]	Good	[]	Average	[X]
Fair	[]	Poor	[]		

CLIENTELE

No data found in our affiliate's company databank.

OPERATIONS

Total Number of Employees:

YEAR 2021

GROUP N/A
COMPANY 228

The Subject is principally engaged in the (as a / as an) manufacturing, processing and exporting of specialty fats like sal butter, sal fat, sal oil, sal stearine, mango butter, mango fat, mango oil, mango stearine, kokum butter, kokum oil, de-oiled cakes, mowrah fat and several value-added tailor made products that form the ingredients of cocoa butter equivalents (cbe).

Products / Services

NIC Code No. : 1040

Products/Services Description : Manufacturing of Specialty fats, Butters & de-oil cakes

CURRENT INVESTIGATION

In view of the current COVID-19 Pandemic, which has affected all the nations worldwide, the operations of most of the entities in the industry has been affected. It is therefore advisable to be extra cautious while dealing with the entities.

FINANCIAL ANALYSIS

Profitability

Turnover	: Erratic	[	2018 - 2020]
Profit/(Loss) Before Tax	: Increased	[	2018 - 2020]
Return on Shareholder Funds	: Acceptable	[	18.31%]
Return on Net Assets	: Acceptable	[	25.41%]

The fluctuating turnover reflects the fierce competition among the existing and new market players. The Subject's management have been efficient in controlling its operating costs. The Subject's management had generated acceptable return for its shareholders using its assets.

Working Capital Control

Stock Ratio	: Unfavourable	[	291 Days]
Debtor Ratio	: Favourable	[	32 Days]
Creditors Ratio	: Favourable	[	42 Days]

The Subject could be incurring higher holding cost. As its capital was tied up in stocks, it could face liquidity problems. The favourable debtors' days could be due to the good credit control measures implemented by the Subject. The Subject had a favourable creditors' ratio where the Subject could be taking advantage of the cash discounts and also wanting to maintain goodwill with its creditors.

Liquidity

Liquid Ratio	: Unfavourable	[	0.43 Times]
Current Ratio	: Unfavourable	[	1.44 Times]

A low liquid ratio means that the Subject may be facing working capital deficiency. If the Subject cannot obtain additional financing or injection of fresh capital, it may face difficulties in meeting its short term obligations.

Solvency

Interest Cover	: Nil	[	0.00 Times]
Gearing Ratio	: Acceptable	[	0.94 Times]

The Subject's interest cover was nil as it did not pay any interest during the year. The Subject's gearing was slightly high. The Subject is utilising the leverage concept to fund its expansion. However, the high gearing has added financial risks to the Subject. It will be more vulnerable in times of economy downturn.

Overall Assessment :

Although the turnover was erratic, the Subject had maintained a steady growth in its profit. This indicate the management's efficiency in controlling its costs and profitability. Due to its weak liquidity position, the Subject will be faced with problems in meeting all its short term obligations if no short term loan is obtained or additional capital injected into the Subject. The Subject did not make any interest payment during the year. The Subject was dependent on its shareholders' funds to finance its business needs. The Subject's gearing was slightly high and its financial risk was also high. If no plans are made to reduce its gearing, the Subject's performance may deteriorate in the coming year.

Overall financial condition of the Subject : FAIR

INDUSTRY ANALYSIS

SIC CODE

N/A :

The European region is the highest consumer of Chocolates, with an annual consumption of 11 kg per capita. The majority of chocolate sales are accounted for by the US manufacturers like Mondelez International, Mars Inc., etc.

The worldwide consumption of chocolates is fast growing and the market is led by behemoths like Mars, Mondelez International, Nestlé, Ferrero, Hershey, Lindt & Sprüngli.

The Indian chocolate market has seen a gradual shift of consumer preferences from traditional Indian sweets to contemporary substitutes, of which chocolates are the prominent ones. Six of the top-10 global chocolate manufacturers have already entered the Indian chocolate market, even as chocolates are gradually becoming a part of everyday consumption rather than occasional consumption. Moulded chocolates continue to be the favourite of the Indian market due to its rich taste and ease of availability in neighbourhood kirana shops, convenience stores and even chemist outlets.

The increasing tradition of chocolate gifting and the fear of adulteration in traditional sweets is also expected to be a major driver for the industry. Further, innovation in chocolate marketing and introduction of premium chocolates is also one of the biggest growth drivers for the Indian Chocolate Industry.

CREDIT RISK EVALUATION & RECOMMENDATION

Incorporated in 2005, the Subject is focusing on manufacturing, processing and exporting of specialty fats like sal butter, sal fat, sal oil, sal stearine, mango butter, mango fat, mango oil, mango stearine, kokum butter, kokum oil, de-oiled cakes, mowrah fat and several value-added tailor made products that form the ingredients of Cocoa Butter Equivalent (CBE). With its long establishment in the market, the Subject has received strong support from its stable customers base. Its business position in the market is quite stable and it is expected to enjoy better market shares over its rivals.

The Subject is a fairly large and rapidly growing company with over 228 staff in its operations. Overall, we regard that the Subject's management capability is average. This indicates that the Subject has greater potential to improve its business performance and raising income for the Subject.

We noted that both the turnover and profits have increased compared to the previous year. The higher profit could be due to increase in turnover and better control over its operating costs. Return on shareholders' funds of the Subject was at an acceptable range which indicated that the management was efficient in utilising its funds to generate income. Due to its weak liquidity position, the Subject may face working capital deficiency in meeting its short term financial obligations if no fresh capital are injected into the Subject. The gearing level of the Subject is slightly high, therefore it faces moderate financial risk. Given a positive net worth standing at INR 1,272,589,000, the Subject should be able to maintain its business in the near terms.

The Subject's payment habit is average. With its adequate working capital, the Subject should be able to pay its short term debts.

Based on the above condition, we recommend credit be granted to the Subject normally.

~ END OF REPORT ~

DISCLAIMER : This report is based on information obtained by us from sources believed to be true. However we do not make any representation as to its accuracy. Any advice or recommendation contained in this report or any sales or purchase of securities has been given without regard to the specific investment objectives, financial situations and the particular needs of any specific addressee. This report is for the information of the addressee only and is not to be construed as an offer or solicitation of an offer to buy/sell securities or to approve/reject any credit application. We accept no liability whatsoever for any direct or consequential loss arising from any use of this report or further communication given in relation to this report.

PROFIT AND LOSS ACCOUNT

ABC LIMITED

Financial Year End	2020-03-31	2019-03-31	2018-03-31
Months	12	12	12
Consolidated Account	Company	Company	Company
Audited Account	YES	YES	YES
Unqualified Auditor's Report (Clean Opinion)	YES	YES	YES
Financial Type	FULL	FULL	FULL
Currency	IND	IND	IND
TURNOVER	1,882,429,000	1,028,757,000	2,192,441,000
Other Income	59,505,000	31,834,000	16,843,000
	-----	-----	-----
Total Turnover	1,941,934,000	1,060,591,000	2,209,284,000
	-----	-----	-----
PROFIT/(LOSS) FROM OPERATIONS	323,359,000	259,370,000	159,249,000
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PROFIT/(LOSS) BEFORE TAXATION	323,359,000	259,370,000	159,249,000
Taxation	(90,309,000)	(68,765,000)	(59,931,000)
	-----	-----	-----
PROFIT/(LOSS) AFTER TAXATION	233,050,000	190,605,000	99,318,000
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BALANCE SHEET

ABC LIMITED

Financial Year End	2020-03-31	2019-03-31	2018-03-31
Months	12	12	12
Currency	IND	IND	IND
ASSETS EMPLOYED:			
FIXED ASSETS	513,778,000	63,341,000	32,624,000
LONG TERM INVESTMENTS/OTHER ASSETS			
Loans & advances - non-current	10,794,000	64,250,000	6,206,000
Deferred assets	-	6,033,000	-
Others	101,441,000	224,271,000	6,852,000
	-----	-----	-----
TOTAL LONG TERM INVESTMENTS/OTHER ASSETS	112,235,000	294,554,000	13,058,000
INTANGIBLE ASSETS			
Others	-	4,000	4,000
	-----	-----	-----
TOTAL INTANGIBLE ASSETS	-	4,000	4,000
	-----	-----	-----
TOTAL LONG TERM ASSETS	626,013,000	357,899,000	45,686,000
CURRENT ASSETS			
Stocks	1,500,571,000	370,000,000	180,341,000

Trade debtors	162,600,000	141,597,000	16,417,000
Short term loans & advances	18,766,000	23,741,000	677,000
Cash & bank balances	363,702,000	423,901,000	191,224,000
Others	102,761,000	17,793,000	19,511,000
	-----	-----	-----
TOTAL CURRENT ASSETS	2,148,400,000	977,032,000	408,170,000
	-----	-----	-----
TOTAL ASSET	2,774,413,000	1,334,931,000	453,856,000
	=====	=====	=====

CURRENT LIABILITIES

Trade creditors	217,885,000	14,715,000	2,381,000
Short term borrowings/Term loans	1,185,178,000	235,005,000	178,233,000
Other liabilities	89,359,000	38,562,000	26,430,000
	-----	-----	-----
TOTAL CURRENT LIABILITIES	1,492,422,000	288,282,000	207,044,000
	-----	-----	-----
NET CURRENT ASSETS/(LIABILITIES)	655,978,000	688,750,000	201,126,000
	-----	-----	-----

LONG TERM LIABILITIES

Long term loans	5,007,000	5,147,000	908,000
Deferred taxation	1,947,000	-	1,300,000
Others	2,448,000	2,263,000	1,536,000
	-----	-----	-----
TOTAL LONG TERM LIABILITIES	9,402,000	7,410,000	3,744,000
	-----	-----	-----
TOTAL NET ASSETS	1,272,589,000	1,039,239,000	243,068,000
	=====	=====	=====

FINANCED BY:

SHARE CAPITAL

Ordinary share capital	111,279,000	111,279,000	75,497,000
	-----	-----	-----
TOTAL SHARE CAPITAL	111,279,000	111,279,000	75,497,000

RESERVES

Others	1,161,310,000	927,960,000	167,571,000
	-----	-----	-----
TOTAL RESERVES	1,161,310,000	927,960,000	167,571,000

SHAREHOLDERS' FUNDS/EQUITY

	1,272,589,000	1,039,239,000	243,068,000
	=====	=====	=====
Total Liabilities	1,501,824,000	295,692,000	210,788,000
	=====	=====	=====

FINANCIAL RATIO

ABC LIMITED

Financial Year End	2020-03-31	2019-03-31	2018-03-31
Months	12	12	12
Currency	IND	IND	IND

TYPES OF FUNDS

Cash	363,702,000	423,901,000	191,224,000
Net Liquid Funds	363,702,000	423,901,000	191,224,000
Net Liquid Assets	(844,593,000)	318,750,000	20,785,000
Net Current Assets/(Liabilities)	655,978,000	688,750,000	201,126,000
Net Tangible Assets	1,272,589,000	1,039,235,000	243,064,000

Net Monetary Assets	(853,995,000)	311,340,000	17,041,000
PROFIT & LOSS ITEMS			
Earnings Before Interest & Tax (EBIT)	323,359,000	259,370,000	159,249,000
Earnings Before Interest, Taxes, Depreciation And Amortization (EBITDA)	323,359,000	259,370,000	159,249,000
BALANCE SHEET ITEMS			
Total Borrowings	1,190,185,000	240,152,000	179,141,000
Total Liabilities	1,501,824,000	295,692,000	210,788,000
Total Assets	2,774,413,000	1,334,931,000	453,856,000
Net Assets	1,272,589,000	1,039,239,000	243,068,000
Net Assets Backing	1,272,589,000	1,039,239,000	243,068,000
Shareholders' Funds	1,272,589,000	1,039,239,000	243,068,000
Total Liabilities And Shareholders' Funds	2,774,413,000	1,334,931,000	453,856,000
Total Share Capital	111,279,000	111,279,000	75,497,000
Total Reserves	1,161,310,000	927,960,000	167,571,000
Cash Convertible Assets (CCA)	526,302,000	565,498,000	207,641,000
Tangible Net Worth (TNW)	1,272,589,000	1,039,235,000	243,064,000
Free Cash Flow (FCF)	0	0	0
GROWTH RATIOS (Year on Year) (%)			
Revenue	82.98	(53.08)	-
Profit/(Loss) Before Tax	24.67	62.87	-
Profit/(Loss) After Tax	22.27	91.91	-
Total Assets	107.83	194.13	-
Total Liabilities	407.90	40.28	-
LIQUIDITY (Times)			
Cash Ratio	0.24	1.47	0.92
Liquid Ratio	0.43	2.11	1.10
Current Ratio	1.44	3.39	1.97
Debt to EBITDA	0	0	0
WORKING CAPITAL CONTROL (Days)			
Stock Ratio	290.96	131.27	30.02
Debtors Ratio	31.53	50.24	2.73
Creditors Ratio	42.25	5.22	0.40
SOLVENCY RATIOS (Times)			
Gearing Ratio	0.94	0.23	0.74
Liabilities Ratio	1.18	0.28	0.87
Times Interest Earned Ratio	0	0	0
Assets Backing Ratio	11.44	9.34	3.22
PERFORMANCE RATIO (%)			
Operating Profit Margin	17.18	25.21	7.26
Net Profit Margin	12.38	18.53	4.53
Return On Net Assets	25.41	24.96	65.52
Return On Capital Employed	25.22	24.78	64.52
Return On Shareholders' Funds/Equity	18.31	18.34	40.86
Dividend Pay Out Ratio (Times)	0	0	0
NOTES TO ACCOUNTS			
Contingent Liabilities	0	0	0

APPENDIX

RATING	CREDIT SCORE	CREDIT RISK	CREDIT RECOMMENDATION	PROPOSED CREDIT LIMIT (in concerned business field)
AA	86 - 100	Very Low	Credit can be proceeded with favourable terms	Large amount
A	71 - 85	Low	Credit can be proceeded promptly	Fairly large amount
BB	56 - 70	Below Average	Credit can be proceeded normally	Moderate amount
B	41 - 55	Average	Credit can be proceeded with close monitoring	Small amount periodically
C	26 - 40	Above Average	Credit can be extended under guarantee	Cash on Delivery to small amount
D	11- 25	High	Credit is not recommended	Cash on Delivery
E	< 11	Very High	Not qualified for credit assessment	Deposit or advance payment

CREDIT RATING DEFINITION

The credit rating scale is an ordinal measure of risk where successive move down the scale represents an exponential increase in credit risk.

The rating reflects the credit risk and confidence level of Subject and serves as a guide in setting the amount of credit to be extended.

It is calculated from a composite weighted scores obtained from each of the macro and micro analyses as epitomized by the 6 Cs.

<ul style="list-style-type: none"> ● CHARACTER (15%) <p>It refers to the study of Subject years of establishment, legal status and its shareholders or owners.</p>	<ul style="list-style-type: none"> ● CREDIBILITY (20%) <p>It refers to the Subject's credibility in honoring its obligations through an evaluation of its payment records and credit history.</p>
<ul style="list-style-type: none"> ● CAPITAL (40%) <p>It refers to an evaluation of the financial position of the Subject by taking consideration of its capital adequacy, management efficiency, earning, liquidity and leverage position.</p>	<ul style="list-style-type: none"> ● CONDITION (10%) <p>It refers to the benchmarking and trend analysis of Subject performance against the macro-economic and industry data.</p>
<ul style="list-style-type: none"> ● CAPACITY (10%) <p>It refers to the study of the management capacity in performing contracts or undertaking projects and the degree of client diversification.</p>	<ul style="list-style-type: none"> ● CONTIGENCY (5%) <p>It refers to the study of the asset quality and the readiness of the Subject in facing any untoward event in the future.</p>

In case of unlimited companies, currently commenced companies, lack of financial data or businesses, more weight is given to other 5 Cs(non-financial measures) in our analysis.

CREDIT LIMIT DEFINITION

The credit limit is determined with consideration of Subject's financial health, payment record, industry outlook, credit history and adjusted accordingly with reference to the credit rating identified.

The proposed credit limit of evaluated Subject is the recommended outstanding total amount of credit to the Subject at any time.