

MIRA INFORM REPORT

Report No. :	525611
Report Date :	17.08.2018

IDENTIFICATION DETAILS

Name :	FUGA COUROS SA
Registered Office :	R Jose Fuga 1155 Constante Fuga 99150 Marau
Country :	Brazil
Financials (as on) :	31.12.2016
Date of Incorporation :	16.08.1966
Com. Reg. No.:	91.302.349/0001-33
Legal Form :	Closed joint Stock Company
Line of Business :	Tanning and Dressing of Leather; Dressing and Dyeing of Fur
No. of Employees :	451 (2016)

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 :	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.

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ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Brazil	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

BRAZIL - ECONOMIC OVERVIEW

Brazil is the eighth-largest economy in the world, but is recovering from a recession in 2015 and 2016 that ranks as the worst in the country's history. In 2017, Brazil's GDP grew 1%, inflation fell to historic lows of 2.9%, and the Central Bank lowered benchmark interest rates from 13,75% in 2016 to 7% in 2017.

Economic reforms, proposed in 2016, aim to slow the growth of government spending and reduce barriers to foreign investment. Government spending growth pushed public debt to 73.7% of GDP at the end of 2017, up from over 50% in 2012. Policies to strengthen Brazil's workforce and industrial sector, such as local content requirements, have boosted employment at the expense of investment.

Former President Dilma ROUSSEFF was impeached and convicted in August 2016 for moving funds among government budgets; the economy has also been affected by multiple corruption scandals involving private companies and government officials. Sanctions against the firms involved — some of the largest in Brazil — have limited their business opportunities, producing a ripple effect on associated businesses and contractors but creating opportunities for foreign companies to step into what had been a closed market. The following TEMER administration implemented a series of fiscal and structural reforms to restore credibility to government finances. Congress approved legislation in December 2016 to cap public spending, and in mid-2017 passed labor reforms. The government also boosted infrastructure projects, such as oil and natural gas auctions, in part to raise revenues.

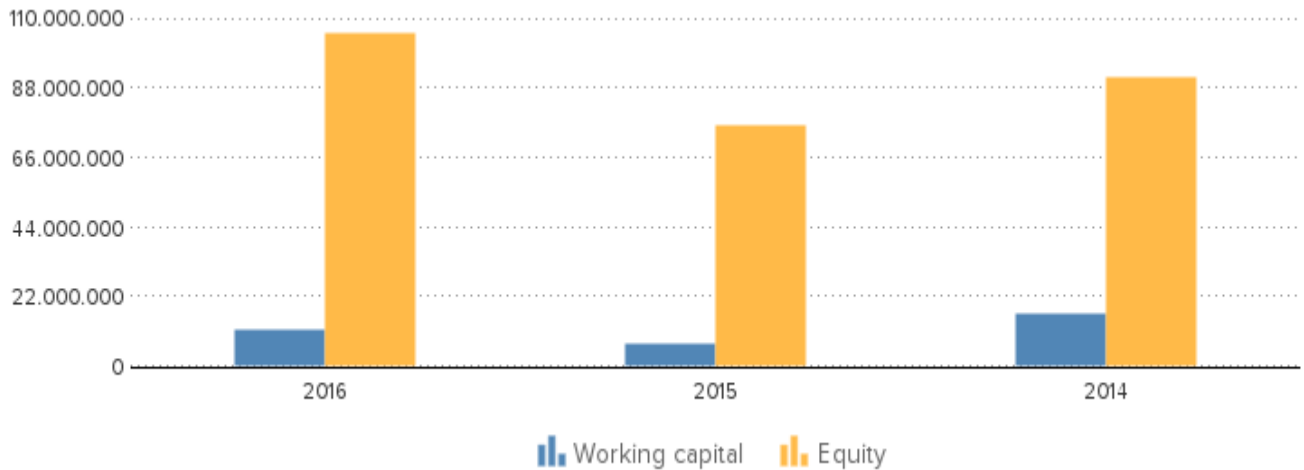
Brazil is a member of the Common Market of the South (Mercosur), a trade bloc that includes Argentina, Paraguay and Uruguay - Venezuela's membership in the organization was suspended In August 2017. After the Asian and Russian financial crises, Mercosur adopted a protectionist stance to guard against exposure to volatile foreign markets and it currently is negotiating Free Trade Agreements with the European Union and Canada.

Source : CIA

COMPANY SUMMARY

Company name	Fuga Couros SA
Operative address	R Jose Fuga 1155 Constante Fuga 99150 Marau Brazil
Status	Active
Specification	This company can meet all its obligations.
Legal form	Closed joint stock company
Registration number	VAT/Tax number: 91.302.349/0001-33
VAT-number	91.302.349/0001-33

Year	2016	Mutation	2015	Mutation	2014
Fixed assets	103.228.581	34,77	76.598.844	-11,95	86.997.577
Total receivables	23.484.378	1,51	23.134.885	-3,54	23.983.203
Total equity	105.451.588	38,78	75.986.908	-16,74	91.262.756
Short term liabilities	47.891.091	5,99	45.185.090	7,26	42.128.360
Net result	12.353.378	42,32	8.679.969	-15,03	10.214.953
Working capital	11.220.206	56,85	7.153.442	-56,00	16.258.586
Quick ratio	0,82	9,33	0,75	-15,73	0,89



CONTACT INFORMATION

Company name	Fuga Couros SA
Operative address	R Jose Fuga 1155 Constante Fuga 99150 Marau Brazil
Correspondence address	R Jose Fuga 1155 Constante Fuga 99150 Marau Brazil

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Email address fugacouros@terra.com.br
Website www.fuga-couros.com.br

REGISTRATION

Registration number VAT/Tax number: 91.302.349/0001-33
VAT-number 91.302.349/0001-33
Status Active
Establishment date 1966-08-16
Legal form Closed joint stock company
Subscribed share capital BRL 62.629.469

ACTIVITIES

NACE 1511: Tanning and dressing of leather; dressing and dyeing of fur
Goal Engaged in the production of cow leather

RELATIONS

Shareholders
ULTIMATE GLOBAL SHAREHOLDER
Name: FUGA COUROS SA
National id number: 91.302.349/0001-33
Address: R JOSE FUGA 1155
City: MARAU
Country: BR
Website: www.fuga-couros.com.br
Type: Corporate
Share direct: 100.00%
Share total: 100.00%
Turnover: 188.1795682 mil. BRL
Total assets: 162.33760693 mil. BRL
Profit loss before tax: 10.24502345 mil. BRL
Profit loss after tax net income: 42.4311755 mil. BRL
Shareholders funds: 362.20335239 mil. BRL

Structure

SUBSIDIARIES
Name: FUGA ITALIA S.R.L.
National id number: VI0379281
Address: VIA CARDUCCI 16
City: ARZIGNANO
Country: IT
Type: Corporate
Status: UO

Branches

Share direct: 95.00%
Name: FUGA COUROS SA
National id number: 91.302.349/0004-86
Country: BR

Name: FUGA COUROS SA
National id number: 91.302.349/0006-48
Address: R SALUSTIANO PUPIN 20
City: JALES
Country: BR
Phone: +55 17 36326788

Name: FUGA COUROS SA
National id number: 91.302.349/0008-00
Address: EST DA GUARITA, KM 04 SN SALA A
City: VARZEA GRANDE
Country: BR
Phone: +55 65 30263340,+55 65 30263325,+55 65 36864077

Name: FUGA COUROS SA
National id number: 91.302.349/0010-24
Address: R TAPES 1110
City: NOVO HAMBURGO
Country: BR

Name: FUGA COUROS SA
National id number: 91.302.349/0011-05
Address: ROD BR 158 KM 99
City: PARANAIBA
Country: BR

Name: FUGA COUROS SA
National id number: 91.302.349/0013-77
Address: ROD BR-153 - FAZENDA SAO GERMANO KM 1.323,50
City: HIDROLANDIA
Country: BR
Phone: +55 62 35538700,+55 62 35538701

Name: FUGA COUROS SA
National id number: 91.302.349/0014-58
Address: ROD VITORIO PRANDI KM 1
City: JALES
Country: BR

Name: FUGA COUROS SA
National id number: 91.302.349/0016-10
Address: ROD RS 132 KM 7,5
City: CAMARGO
Country: BR

Phone: +55 54 33571500,+55 54 33423277,+55 54 33423323

Name: FUGA COUROS SA
National id number: 91.302.349/0017-09
Address: CH CHACARA 08 A SETOR AEROPORTO
City: JI-PARANA
Country: BR
Phone: +55 69 34243200

MANAGEMENT

Management

Fullname: Ms Constante Caetano Fuga
Type: Individual
Gender: Female
Number of involvements: 19
Function: President
Level of responsibility: President / Chairman; Unspecified executive

Fullname: Mr Luis Eduardo Fuga
Type: Individual
Gender: Male
Number of involvements: 17
Function: Director
Level of responsibility: Member; Unspecified executive

Fullname: Ms Patricia Fuga Bebber
Type: Individual
Gender: Female
Number of involvements: 14
Function: Director
Level of responsibility: Member; Unspecified executive

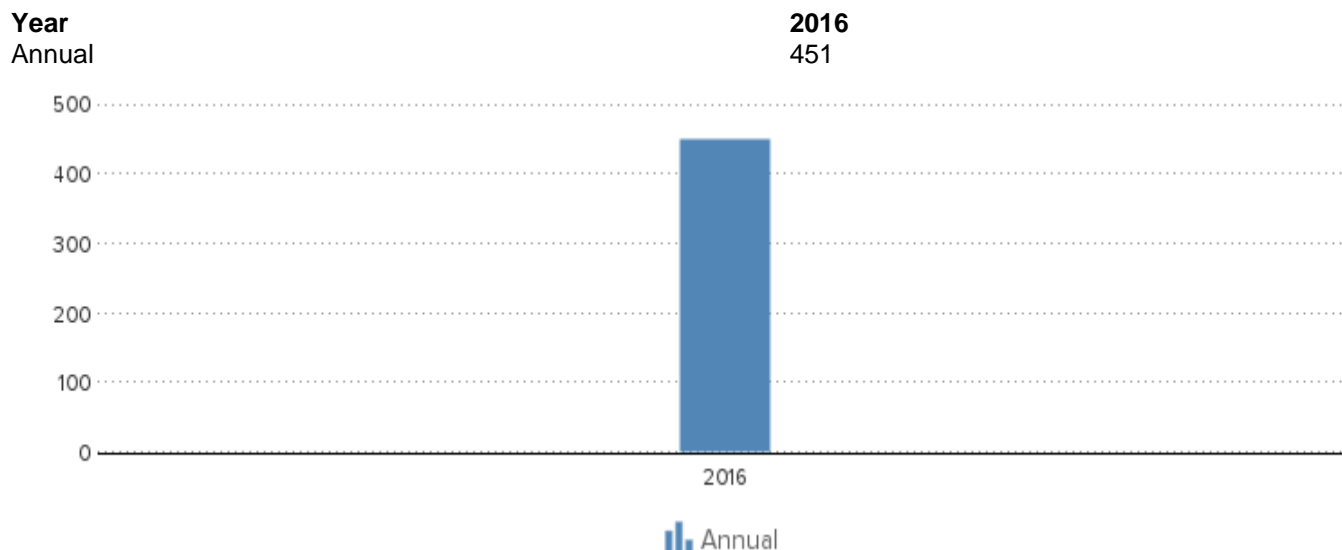
Fullname: Mr Iedo Claudino Fuga
Type: Individual
Gender: Male
Number of involvements: 18
Function: Director
Level of responsibility: Member; Unspecified executive

Fullname: Mr Ivanor Antonio Benedetti
Type: Individual
Gender: Male
Number of involvements: 18
Function: Director
Level of responsibility: Member; Unspecified executive

Fullname: Mr Paulo Sergio Magnabosco
Type: Individual
Gender: Male
Number of involvements: 11
Function: Director
Level of responsibility: Member; Unspecified executive

Fullname: Ms Lidia Segat Fuga
Type: Individual
Gender: Female
Number of involvements: 10
Function: Director
Level of responsibility: Member; Unspecified executive

EMPLOYEES



FINANCIAL ANALYSIS

Trend	Fluctuating
Profitability	More than sufficient
Solvability	More than sufficient
Liquidity	Limited
Show amount in	Euro

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KEY FIGURES

Year	2016	2015	2014
Quick ratio	0,82	0,75	0,89
Current ratio	1,23	1,16	1,39
Working capital/ balance total	0,07	0,06	0,11
Equity / balance total	0,65	0,59	0,63
Equity / Fixed assets	1,02	0,99	1,05
Working capital	11.220.206	7.153.442	16.258.586
Equity	105.451.588	75.986.908	91.262.756
Mutation equity	38,78	-16,74	
Mutation short term liabilities	5,99	7,26	
Return on total assets (ROA)	1,84	1,29	4,58
Return on equity (ROE)	2,83	2,18	7,30
Gross profit margin	0,78	7,18	5,68
Net profit margin	6,56	5,24	5,64
Average collection ratio	3,93	3,67	4,30
Average payment ratio	8,01	7,16	7,55
Equity turnover ratio	1,78	2,18	1,98
Total assets turnover ratio	1,16	1,28	1,24
Fixed assets turnover ratio	1,82	2,16	2,08
Inventory conversion ratio	9,43	8,91	8,67
Turnover	188.181.498	165.628.137	180.976.052
Gross margin	15.016.325	22.710.747	22.507.923
Operating result	1.476.589	11.895.252	10.271.272
Net result after taxes	12.353.378	8.679.969	10.214.953
Cashflow		8.864.167	10.340.950
EBITDA		12.079.451	10.397.268

Summary

The 2016 financial result structure is a positive working capital of 11.220.206 euro, which is in agreement with 7 % of the total assets of the company.

The working capital has increased with 56.85 % compared to previous year. The ratio, with respect to the total assets of the company has however, increased.

The improvement between 2015 and 2016 has mainly been caused by a change of the current assets.

The current ratio of the company in 2016 was 1.23. When the current ratio is below 1.5, the company may have problems meeting its short-term obligations.

The quick ratio in 2016 of the company was 0.82. A company with a Quick Ratio of less than 1 cannot currently pay back its current liabilities.

The 2015 financial result structure is a positive working capital of 7.153.442 euro, which is in agreement with 6 % of the total assets of the company.

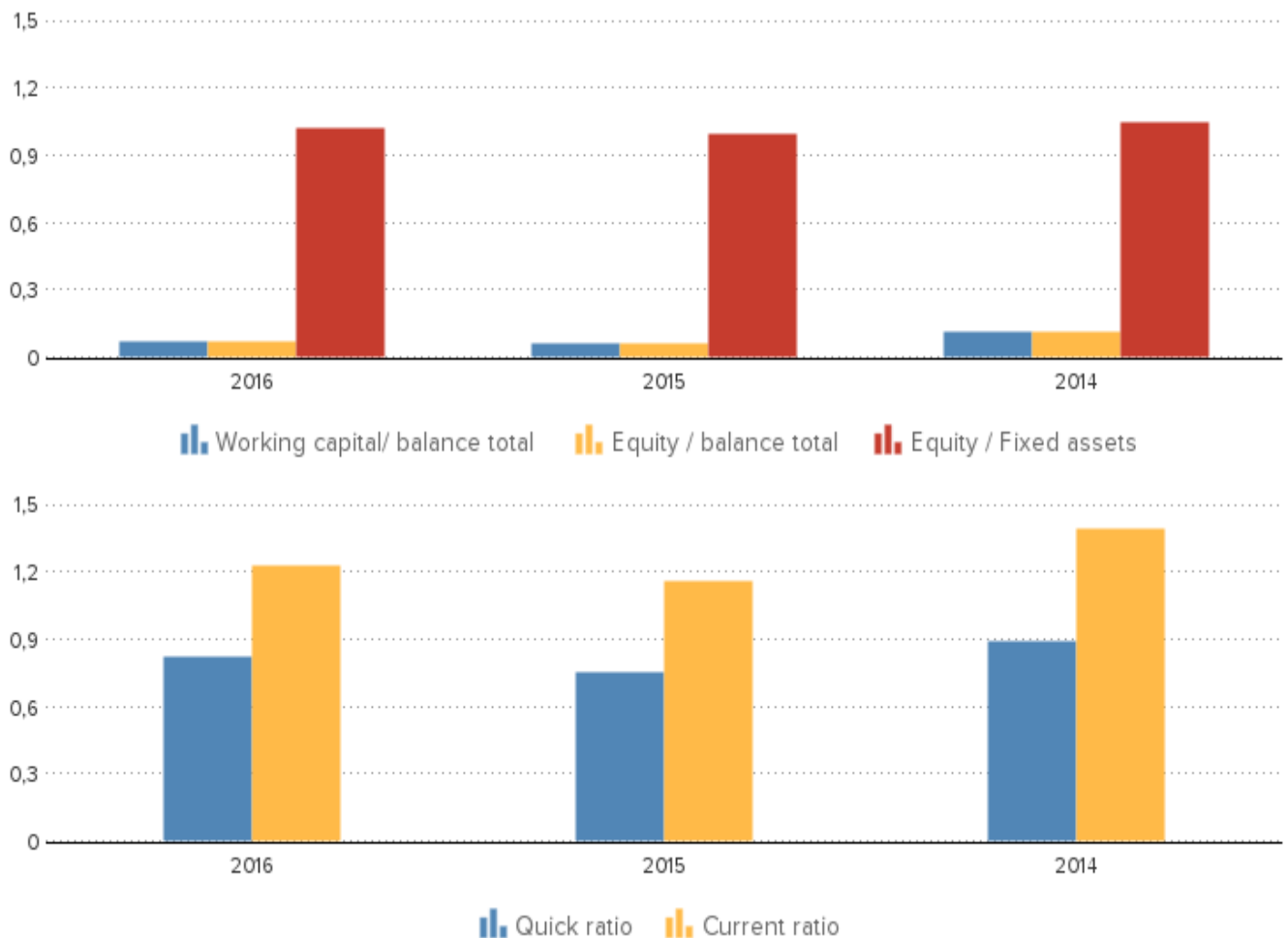
The working capital has diminished with -56 % compared to

previous year. The ratio, with respect to the total assets of the company has however, declined.

The deterioration between 2014 and 2015 has mainly been caused by a change of the current liabilities.

The current ratio of the company in 2015 was 1.16. When the current ratio is below 1.5, the company may have problems meeting its short-term obligations.

The quick ratio in 2015 of the company was 0.75. A company with a Quick Ratio of less than 1 cannot currently pay back its current liabilities.



FINANCIAL STATEMENT

Last annual account	2016
Remark annual account	The company is obliged to file its financial statements.
Type of annual account	Consolidated
Annual account	Fuga Couros SA R Jose Fuga 1155 Constante Fuga 99150 Marau Brazil

FINANCIALS

Balance

Year	2016	2015	2014
End date	2016-12-31	2015-12-31	2014-12-31
Type of annual account	Consol.	Consol.	Consol.
Intangible fixed assets	55.853	63.114	103.836
Tangible fixed assets	36.601.265	29.930.101	38.596.823
Other fixed assets	66.571.462	46.605.629	48.296.918
Fixed assets	103.228.581	76.598.844	86.997.577
Total stock	19.964.130	18.579.469	20.881.650
Total receivables	23.484.378	23.134.885	23.983.203
Liquid funds	2.147.130	1.651.595	5.658.414
Other current assets	13.515.660	8.972.584	7.863.679
Current assets	59.111.297	52.338.532	58.386.946
Total assets	162.339.878	128.937.376	145.384.523
Total equity	105.451.588	75.986.908	91.262.756
Provisions	4.414.145	3.666.220	4.927.362
Long term liabilities	4.583.053	4.099.157	7.066.044
Accounts payable	6.051.839	4.144.139	5.299.699
Liabilities towards credit institutes	4.139.305	4.237.948	2.074.225
Other short term liabilities	37.699.947	36.803.004	34.754.436
Short term liabilities	47.891.091	45.185.090	42.128.360
Total liabilities	162.339.878	128.937.376	145.384.523
Summary			

The total assets of the company increased with 25.91 % between 2015 and 2016.

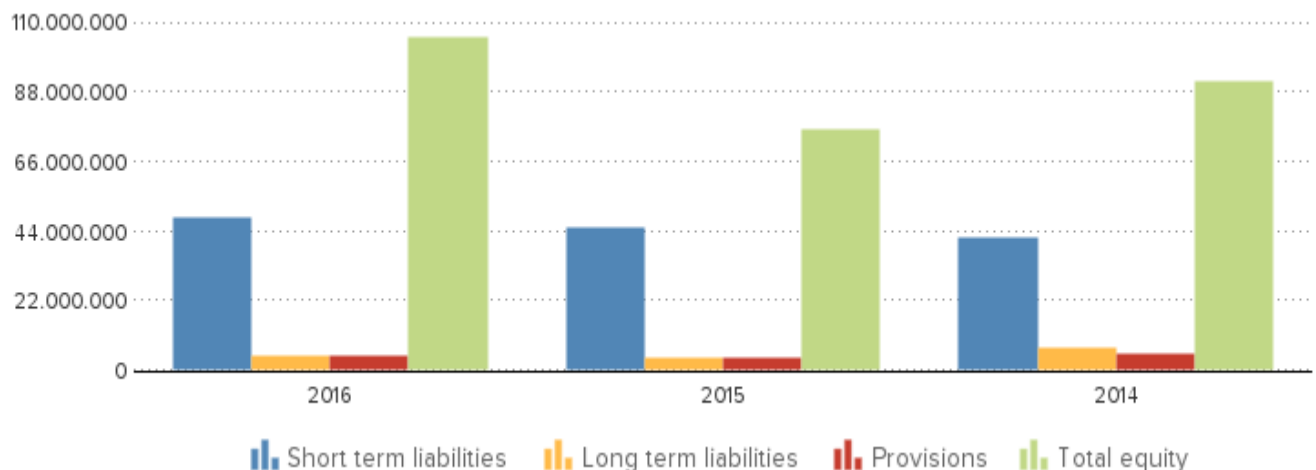
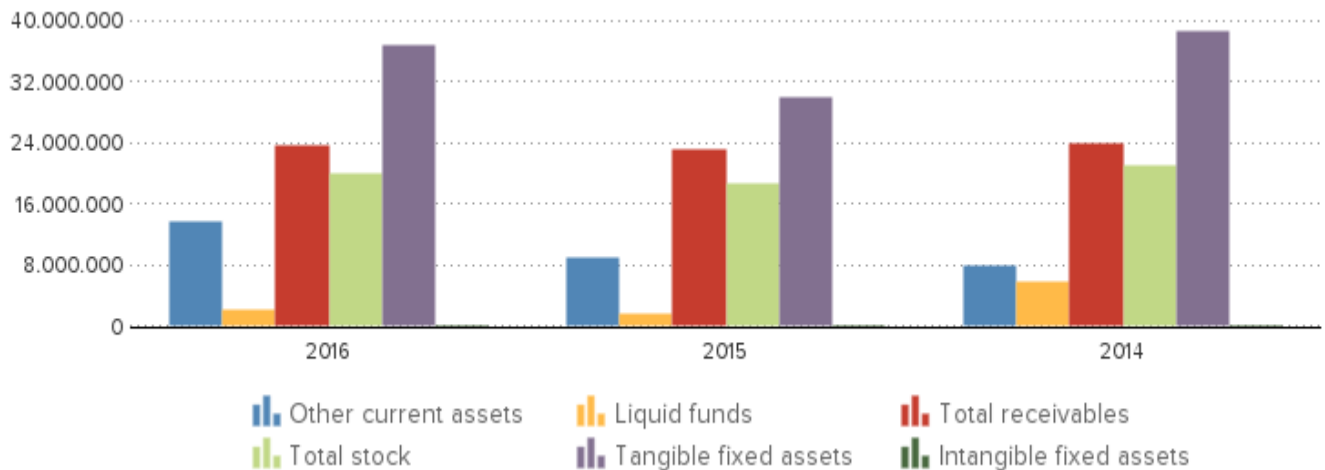
The total asset increase is retrievable in the fixed asset growth of 34.77 %.

In 2016 the assets of the company were 63.59 % composed of fixed assets and 36.41 % by current assets. The assets are being financed by an equity of 64.96 %, and total debt of 35.04 %.

The total assets of the company decreased with -11.31 % between 2014 and 2015.

This downturn is mainly retrievable in the fixed asset decrease of - 11.95 %.

In 2015 the assets of the company were 59.41 % composed of fixed assets and 40.59 % by current assets. The assets are being financed by an equity of 58.93 %, and total debt of 41.07 %.



Profit and loss

Year	2016	2015	2014
Revenues	188.181.498	165.258.787	180.690.975
Net turnover	188.181.498	165.628.137	180.976.052
Cost of sales	173.165.173	142.917.390	158.468.129
Gross margin	15.016.325	22.710.747	22.507.923
Amorization and depreciation		184.198	125.996
Operating expenses	13.539.737	10.815.495	12.236.650

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Operating result	1.476.589	11.895.252	10.271.272
Financial income	5.745.261	2.164.232	1.508.414
Financial expenses	4.239.122	12.399.769	5.118.083
Financial result	1.506.138	-10.235.537	-3.609.669
Result on ordinary operations before taxes	2.982.727	1.659.716	6.661.603
Taxation on the result of ordinary activities	-216.440	-237.840	1.504.807
Result of ordinary activities after taxes	3.199.167	1.897.556	5.156.796
Extraordinary income	9.154.211	6.782.413	5.058.157
Extraordinary result before taxation	9.154.211	6.782.413	5.058.157
Net result	12.353.378	8.679.969	10.214.953

Summary

The turnover of the company grew with 13.62 % between 2015 and 2016.

The gross profit of the company decreased by -33.88 % between 2015 and 2016.

The operating result of the company declined with -87.59 % between 2015 and 2016. This evolution implies an decrease of the company's economic profitability.

The result of these changes is an increase of the company's Economic Profitability of 42.64 % of the analysed period, being equal to 1.84 in the year 2016.

Despite the growth the assets turnover decreased, whose index evolved with -9.38 % to a level of 1.16.

The Net Result of the company increased by 42.32 % between 2015 and 2016.

The company's Financial Profitability has been positively affected by the financial activities in comparison to the EBITs behaviour. The result of these variations is a profitability increase of 29.82 % of the analysed period, being 2.83 in the year 2016.

The company's financial structure has slowed down its financial profitability.

The turnover of the company decreased by -8.48 % between 2014 and 2015.

The gross profit of the company has remained the same between 2014 and 2015.

The operating result of the company grew with 15.81 % between 2014 and 2015. This evolution implies an increase of the company's economic profitability.

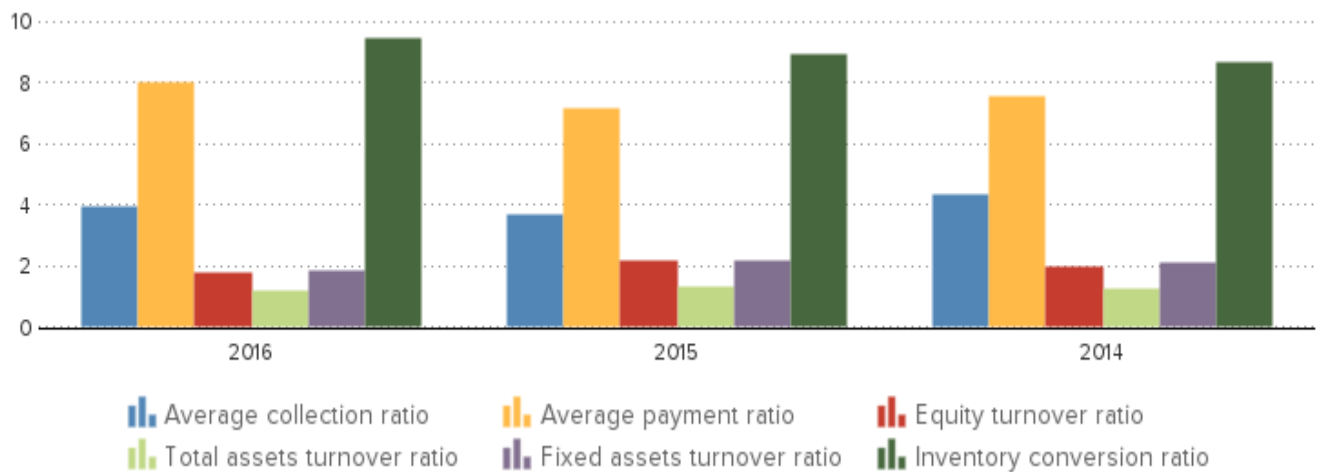
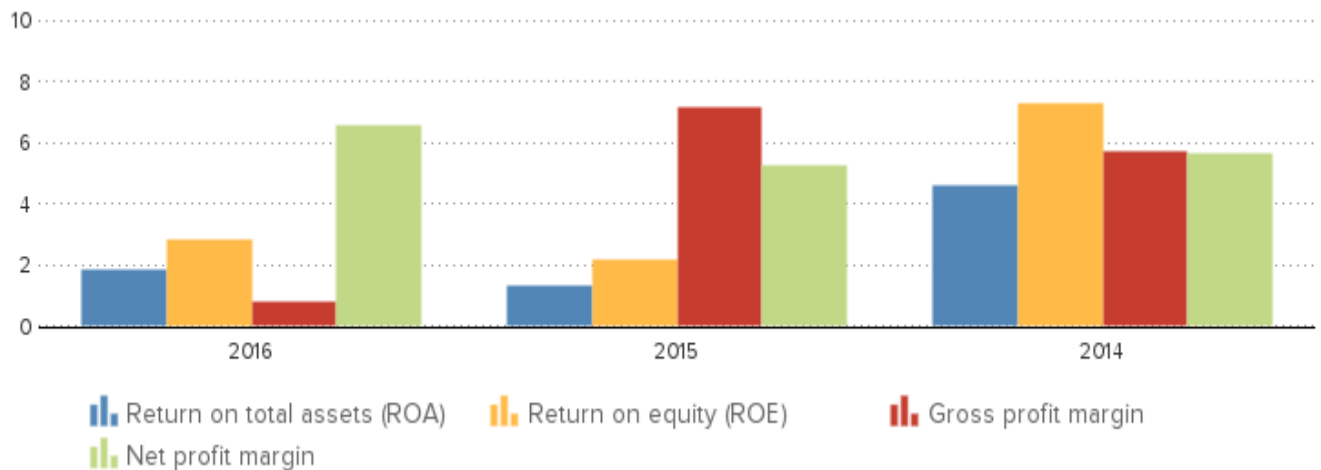
The result of these changes is a reduction of the company's Economic Profitability of -71.83 % of the analysed period, being equal to 1.29 in the year 2015.

Despite the decline the assets turnover increased by 3.23 % reaching 1.28.

The Net Result of the company decreased by -15.03 % between 2014 and 2015.

The company's Financial Profitability has been negatively affected by the financial activities in comparison to the EBITs behaviour. The result of these variations is a profitability reduction of -70.14 % of

the analysed period, being 2.18 in the year 2015.
The company's financial profitability has been positively affected by its financial structure.



COUNTRY INFORMATION

Population	206.1 million
GDP per capita	8.727 USD
Country risk	Average
Company risk	Below average

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PUBLICATIONS

Remarks

Status: Active
Category: Very large company
Last year: 2016
Turnover last year: 188.181.498 EUR
Result last year: 12.353.378 EUR
TOTAL assets last year: 162.339.878 EUR
Number of employees: 451
Number of shareholders: 0
Number of subsidiaries: 1
Number of branches: 9

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.23
UK Pound	1	INR 89.37
Euro	1	INR 79.97
BRL	1	INR 17.95

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

INFORMATION DETAILS

Analysis Done by :	PRI
Report Prepared by :	PRN

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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)