

## MIRA INFORM REPORT

Report No. :	542425
Report Date :	01.12.2018

### IDENTIFICATION DETAILS

Name :	CIA. HERING
Registered Office :	Rua Hermann Hering, 1790 - Bom Retiro 89010-900 - Blumenau/SC
Country :	Brazil
Financials (as on) :	30.09.2018
Date of Incorporation :	30.09.2018
Legal Form :	Publicly held corporation
Line of Business :	Manufacture of textiles.
No. of Employees :	6867

### RATING & COMMENTS

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

MIRA's Rating :	A
-----------------	---

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Good
Payment Behaviour :	No Complaints
Litigation :	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.

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**ECGC Country Risk Classification List**

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
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%.

The economy has been negatively affected by multiple corruption scandals involving private companies and government officials, including the impeachment and conviction of Former President Dilma ROUSSEFF in August 2016. 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 succeeding TEMER administration has implemented a series of fiscal and structural reforms to restore credibility to government finances. Congress approved legislation in December 2016 to cap public spending. Government spending growth had pushed public debt to 73.7% of GDP at the end of 2017, up from over 50% in 2012. The government also boosted infrastructure projects, such as oil and natural gas auctions, in part to raise revenues. Other economic reforms, proposed in 2016, aim to reduce barriers to foreign investment, and to improve labor conditions. Policies to strengthen Brazil's workforce and industrial sector, such as local content requirements, have boosted employment, but at the expense of investment.

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 NAME**

CIA. HERING

## **ADDRESSES**

**MAIN ADDRESS:**  
ZIP CODE/CITY:

RUA HERMANN HERING, 1790 - BOM RETIRO  
89010-900 - BLUMENAU/SC

PHONE:  
E-MAIL:  
WEB SITE:

47 3321-3544  
exportciahering@heringnet.com.br  
www.ciahering.com.br

**BRANCHES:**

ADDRESS:  
ZIP CODE/CITY:

RUA DO ROCIO, 430 - VILA OLIMPIA  
04552-000 SÃO PAULO/SP

ADDRESS:  
ZIP CODE/CITY:

RUA VPR 3 - S/Nº.  
75133-600 ANÁPOLIS/GO

ADDRESS:  
ZIP CODE/CITY:  
PHONE:  
CNPJ:

RUA HERMANN HERING, 1542 - BOM RETIRO  
89010-900 BLUMENAU/SC  
251.235.076  
78.876.950/0002-52

ADDRESS:  
ZIP CODE/CITY:  
CNPJ:

RUA ITORORO,95 A - OLD NEIGHBORHOOD CENTER  
89045-330 BLUMENAU/SC  
78.876.950/0005-03

THE SUBJECT HAS 276 STORES THROUGHOUT BRAZIL.

## **LEGAL DATA**

**MAIN ACTIVITIES:**

MANUFACTURE OF TEXTILES.

**LEGAL FORM:**

**PUBLICLY HELD CORPORATION**

INCORPORATION DATE:  
REGISTER DATE:  
BALANCE SHEET FILING DATE:

19/08/1985  
21/08/1985  
31/12

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

TAX CONTRIBUTOR NUMBER(CNPJ): 78.876.950/0001-71  
STATE REGISTER: 251.213.749  
  
SHARE CAPITAL: R\$ 369.617.638,61  
LAST REGISTER OF CAPITAL: 18/08/2017

**BOARD OF DIRECTORS:**

FABIO HERING  
RAFAEL BOSSOLANI  
MARCIEL EDER COSTA  
EDGAR DE OLIVEIRA FILHO  
RONALDO LOOS  
MOACYR JOSE MATHEUSSI

PRESIDENT DIRECTOR  
INVESTORS RELATIONS DIRECTOR  
ADMINISTRATIVE DIRECTOR  
INDUSTRIAL DIRECTOR  
COMMERCIAL DIRECTOR  
DIRECTOR

***AUTHORIZED USE OF SIGNATURE:***

THE DIRECTORS ARE AUTHORIZED TO SIGN ON BEHALF OF THE COMPANY.

**SHAREHOLDERS / PARTNERS:**

SOMERSET CAPITAL MANAGEMENT	5,062000%
INV. E PART. INPASA S/A	7,393000%
IVO HERING	7,271000%
ATMOS CAPITAL GESTAO DE RECURSOS	10,021000%
CORONATION FUND MANAGERS LTD.	4,975000%
OTHERS	54,042000%
DYNAMO ADMINISTRACAO DE RECURSOS LTDA	5,757000%
VELT PARTNERS INVESTIMENTOS LTDA	5,479000%

**AFFILIATES / SUBSIDIARIES:**

HRG SERVICOS DE INTERMEDIACOES FINANCEIRAS LTDA	99,99%
HERING INTERNATIONAL SAFI (URUGUAY)	100,00%

***COMPANY'S BACKGROUND***

THE CONCERN WAS ORIGINALLY ESTABLISHED AS GEBRUEDER HERING (HERING BROTHERS), IN BLUMENAU, STATE OF SANTA CATARINA IN 1880 BY TWO BROTHERS, HERMANN AND BRUNO HERING.

IN 1915 THE SUBJECT'S CORPORATE NAME CHANGED TO "HERING & CO. AND IN 1929 MODIFIED ITS STYLE INTO JOINT-STOCK COMPANY AND NAME TO "CIA HERING".

ON MAY 24, 1941, ALTERED ITS NAME TO INDÚSTRIA TEXTIL COMPANHIA HERING.

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

IN 1963, ACQUIRED THE LICENSE TO MANUFACTURE PRODUCTS UNDER THE "DISNEY" BRAND (THE FIRST COMPANY IN SOUTH AMERICA). FROM 1967, THE COMPANY REORGANIZED MODERNIZED AS WELL AS ENLARGED ITS INDUSTRIAL PLANT BY ACQUIRING LOCAL TEXTILE INDUSTRIES SUCH AS MAFISA - MALHARIA BLUMENAU S/A AND BROADENING ITS LICENSED TRADEMARKS SUCH AS "WRANGLER" THUS BECOMING ONE OF, IF NOT, THE LARGEST TEXTILE INDUSTRIES IN LATIN AMERICA.

IN 1973 SET-UP CEVAL ALIMENTOS S/A, COMPANY ENGAGED IN THE CEREALS PROCESSING, ESPECIALY SOY, GRAINS, OILS AND BYPRODUCTS. IN SEPTEMBER 1997, THE SUBJECT ESTABLISHED THE CEVAL PARTICIPAÇÕES S/A, WHICH BECAME THE HOLDING COMPANY OF CEVAL ALIMENTOS S/A. IN 1997, UPON THE SHAREHOLDERS' DECISION TO FOCUS ON THE TEXTILE INDUSTRY, THEY SOLD-UP CEVAL PARTICIPAÇÕES TO THE BUNGE GROUP.

THE SUBJECT WAS REGISTERED ON AUGUST 19, 1985, AT THE STATE OF SANTA CATARINA REGISTRATION OFFICE, UNDER # 42300020401.

IN APRIL 1999, THE COMPANIES CIA HERING AND HERING S/A COMÉRCIO EXTERIOR WERE TAKEN OVER BY HERING TÊXTIL S/A AND AT THE SAME DATE THE REGISTERED NAME WAS CHANGED TO CIA HERING, WHICH OPERATES TO DATE.

TRADING STYLE: HERING

FURTHER DETAILS ABOUT THE SUBJECT'S HISTORY ARE SO FAR NOT KNOWN.

**PUBLIC INFORMATION:**

**PROTESTS:**

14 PROTESTS, TOTAL AMOUNT R\$ 65.665,00  
DATE OF FIRST PROTEST: MAY/2016  
DATE OF HIGHEST PROTEST: NOVEMBER/2018

**DETAILS OF LATEST PROTESTS:**

NOTARY OFFICE:	DATE:	VALUE:
CARTORIO DE SP-SAO ROQUE	06/06/2018	R\$ 677,00
1º CARTORIO DE SC-BLUMENAU	05/11/2018	R\$ 11.142,00
2º CARTORIO DE SC-BLUMENAU	30/08/2018	R\$ 430,00
4º CARTORIO DE SP-SAO PAULO	23/11/2017	R\$ 2.505,00
1º CARTORIO SC-BLUMENAU	16/10/2018	R\$ 9.195,00

***FINANCIAL INFORMATION***

GENERAL BALANCE SHEETS AS OF 30/09/2018, 31/12/2017 AND 31/12/2016.  
( FIGURES ARE IN THOUSANDS OF REAIS ).

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**ASSETS**

<b>CURRENT:</b>	30/09/2018	31/12/2017	31/12/2016
CASH AND BANKS	313.642	147.883	201.988
CLIENTS	424.609	455.029	448.835
INVENTORY	370.258	349.535	308.086
RECOVERABLE TAXES	73.304	51.599	25.352
PRE PAID EXPENSES	5.521	1.120	1.678
DERIVATIVES OPERATIONS	3.906	545	
OTHER CREDITS	3.433	12.739	18.926
	-----	-----	-----
<b>TOTAL CURRENT ASSETS</b>	<b>1.194.673</b>	<b>1.018.450</b>	<b>1.004.865</b>

**LONG-TERM RECEIVABLES:**

INVESTMENTS	4.770	5.237	4.824
ACCOUNTS RECEIVABLE	15.955	15.913	18.154
DEFERRED TAXES	40.909	46.249	42.680
RECOVERABLE TAXES	15.999	13.099	24.631
CLIENTS	8.174	7.399	4.078
	-----	-----	-----
<b>TOTAL LONG-TERM RECEIVABLES</b>	<b>85.807</b>	<b>87.897</b>	<b>94.367</b>

**FIXED ASSETS:**

INVESTMENTS	2.618	2.745	2.702
FIXED ASSETS	295.713	315.452	310.353
INTANGIBLE	110.115	115.121	115.995
	-----	-----	-----
<b>TOTAL FIXED ASSETS</b>	<b>408.446</b>	<b>433.318</b>	<b>429.050</b>
	=====	=====	=====
<b>TOTAL ASSETS</b>	<b>1.688.926</b>	<b>1.539.665</b>	<b>1.528.282</b>

**LIABILITIES:**

<b>CURRENT:</b>	30/09/2018	31/12/2017	31/12/2016
SOCIAL / LABOR OBLIGATIONS	53.759	40.314	44.733
SUPPLIERS	221.961	127.172	172.034
TAX LIABILITIES	13.123	24.174	20.529
LOANS AND FINANCING	27.801	27.293	2.123
DIVIDENDS	783	740	627
TAX INCENTIVES	165	1.554	1.501
INSTALLMENTS TAXES PAYABLE	972	959	987
ACCOUNTS PAYABLE	15.159	8.619	2.378
PROVISIONS	29.818	55.412	26.865
DEBT WITH RELATED PARTIES	2.070	1.707	1.548
DERIVATIVES OPERATIONS			1.525
	-----	-----	-----
<b>TOTAL CURRENT LIABILITIES</b>	<b>365.611</b>	<b>287.944</b>	<b>274.850</b>

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**LONG TERM LIABILITIES:**

TAX INCENTIVES	772	619	2.029
INSTALLMENTS TAXES PAYABLE	1.795	2.505	3.339
OTHER OBLIGATIONS	1.576	1.387	154
PROVISIONS	13.962	14.298	12.891
LOANS AND FINANCING			25.612
	-----	-----	-----
TOTAL LONG TERM LIABILITIES	18.105	18.809	44.025

**NET EQUITY:**

SHARE CAPITAL	369.618	369.618	359.424
CAPITAL RESERVES	28.383	30.815	21.471
PROFIT RESERVES	825.485	825.458	822.864
OTHER COMPREHENSIVE INCOME	6.844	7.021	7.258
COMPREHENSIVE INCOME	667		-1.610
ACCRUED PROFIT (LOSS)	74.213		
	-----	-----	-----
TOTAL NET EQUITY	1.305.210	1.232.912	1.209.407
	=====	=====	=====
TOTAL LIABILITIES	1.688.926	1.539.665	1.528.282

**PROFIT AND LOSS ACCOUNTS AS OF 30/09/2018, 31/12/2017 AND 31/12/2016.**  
( FIGURES ARE IN THOUSANDS OF REAIS ).

	30/09/2018	31/12/2017	31/12/2016
NET SALES	1,089.978	1,558.752	1,471.249
(-) COST OF SOLD GOODS	633.851	872.273	893.111
	-----	-----	-----
GROSS PROFIT	456.127	686.479	578.138
OPERATING REVENUE (EXPENSE)	-331.375	-487.087	-427.947
FINANCIAL REVENUE(EXPENSE)	23.922	79.071	46.985
	-----	-----	-----
OPERATIONAL PROFIT (LOSS)	148.674	278.463	197.176
CONTRIBUTION/INCOME TAX	-4.656	-14.682	2.241
	-----	-----	-----
NET PROFIT (LOSS)	144.018	263.781	199.417

**RATIOS:**

	30/09/2018	31/12/2017	31/12/2016
QUICK RATIO	2,25	2,32	2,54
CURRENT RATIO	3,27	3,54	3,66
ACCOUNTS RECEIVABLE TURNOVER	2,57	TIME S 3,43	TIME S 3,28
DAYS' SALES IN RECEIVABLES	105,18	DAYS 105,09	DAYS 109,83

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**CIA. HERING - 542425**

**PAGE NO. : 9**

INVENTORY TURNOVER	1,71	TIME	2,50	TIME	2,90	TIME
		S		S		S
ACCOUNTS PAYABLE PERIOD	94,55	DAYS	52,49	DAYS	69,34	DAYS
RETURN ON ASSETS	,65	TIME	1,01	TIME	,96	TIME
		S		S		S
SALES TURNOVER ON NET EQUITY	,84	TIME	1,26	TIME	1,22	TIME
		S		S		S
NET WORTH TIE-UP	,23		,26		,26	
INDEBTEDNESS	,29		,25		,26	
EQUITY RATIO	77,28	%	80,08	%	79,14	%
WORKING CAPITAL RATIO	226,76	%	253,70	%	265,60	%
GENERAL SOLVENCY	4,40		5,02		4,79	
RETURN ON NET EQUITY	11,03	%	21,40	%	16,49	%
RETURN ON SALES (PROFIT MARGIN)	13,21	%	16,92	%	13,55	%
GROSS PROFIT MARGIN	41,85	%	44,04	%	39,30	%
OPERATIONAL RESULT	13,64	%	17,86	%	13,40	%
SALES TURNOVER ON LIABILITIES	2,98	TIME	5,41	TIME	5,35	TIME
		S		S		S
FOREIGN CURRENCY ON ASSETS						
FOREIGN CURRENCY ON LIABILITIES						

**COMMENTS ON THE FINANCIAL INFORMATION:**

FOLLOWS ATTACHED WORKSHEET WITH MAIN FINANCIAL RATIOS.

THE FIGURES AVAILABLE FOR 2017 SHOWED A GOOD FINANCIAL STANDING. IT SHOWED HIGH LIQUIDITY RATIOS AND POSITIVE WORKING CAPITAL, AS WELL AS LOW LEVEL OF INDEBTEDNESS. IN ADDITION IT WAS NOTED GROWING SALES AND POSTED PROFIT.

THE QUARTERLY FIGURES FOR SEPTEMBER 2018 SHOW THAT THE LIQUIDITY RATIOS REMAINS HIGH AND LOW LEVEL OF INDEBTEDNESS. IT IS NOTED A DOWNWARD SALES TREND BUT POSTED PROFIT.

**REAL ESTATE:**

OWNED PREMISES ARE VALUED AT R\$ 156.300.000,00

**VEHICLES:**

OWNED VEHICLES ARE VALUED AT R\$ 2.362.000,00

**MACHINES:**

OWNED MACHINES AND EQUIPMENTS ARE VALUED AT R\$ 267.082.000,00

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

## **INSURANCE**

THE COMPANY MAINTAINS INSURANCE COVERAGE IN AMOUNT CONSIDERED SUFFICIENT BY THE MANAGEMENT TO COVER CONTINGENCY RISKS OVER ITS ASSETS AND/OR LIABILITIES.

ON SEPTEMBER 30, 2018, THE COVERAGE AGAINST OPERATIONAL RISKS WAS COMPRISED BY R\$ 178.758.000,00 FOR MATERIAL DAMAGE, R\$ 214.514.000,00 FOR CEASING PROFIT AND R\$ 27.000.000,00 FOR CIVIL LIABILITY.

## **BANKING REFERENCES**

	<b>BRANCH/PHONE:</b>
BANCO DO BRASIL S/A	47 3321-2300
BANCO BRASDESCO S/A	47 3326-6388
BANCO ABC BRASIL S/A	41 3312-1635
BANCO BRADESCO S/A	47 3326-1689
BANCO SANTANDER (BRASIL) S/A	41 3255-6810
BANCO COMERCIAL URUGUAI	47 3433-7700
BANCO SAFRA S/A	47 3326-9022

REMARKS: IN BRAZIL THE BANKS ARE PROHIBITED BY LAW TO PROVIDE INFORMATION OR ANY KIND OF COMMENTS ABOUT THEIR CLIENTS. DUE TO THIS LAW PROHIBITION WE ARE UNABLE TO PROVIDE ANY BANKING DETAILS.

ACCORDING TO THE CENTRAL BANK OF BRAZIL OFFICIAL REPORT, THE COMPANY HAS NO RETURNED CHECKS UP TO DATE. (IN THE TERMS OF "CIRCULAR 1682 BRAZILIAN CENTRAL BANK").

## **ACTIVITIES COMMENTS**

SUBJECT IS ENGAGED IN THE MANUFACTURE OF TEXTILES, WITH ITS CORE PRODUCTS BEING T-SHIRTS, BLOUSES, TROUSERS, SHORTS, TWIN SET, JACKET, PAJAMAS, NIGHTDRESS, UNDERWEAR CLOTHES, BACKPACKS, BAGS, SUITCASES, WALLETS, HATS, CAPS, GLASSES, WATCHES, SLIPPERS, ETC.

### **IMPORT AND EXPORT:**

#### **IMPORTS FROM:**

ARGENTINA, UNITED STATES, PARAGUAY, GERMANY AND SWITZERLAND.

#### **EXPORTS TO:**

UNITED STATES, GERMANY, ITALY, ENGLAND, LATIN AMERICA, ARGENTINA, PARAGUAY AND CHILE.

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**MAIN CLIENTS:**

**DOMESTIC CLIENTS:**

ARTHUR LUNDGREN TECIDOS S/A (CASAS PERNAMBUCANAS)  
CARREFOUR COM. E IND. LTDA  
CIA BRASILEIRA DE DISTRIBUIÇÃO (PÃO DE AÇÚCAR)  
LOJA AMERICANAS S/A  
LOJAS RENNER S/A  
MAKRO ATACADISTA S/A  
MALHASPARIS LTDA  
MUNDO DAS CAMISETAS LTDA  
PALMA & SANTOS LTDA  
SONAE DISTRIBUIÇÃO BRASIL S/A

**STAFF:**

THE COMPANY HAS: 6867 EMPLOYEE(S)

## **CONCEPT AND FULFILMENT**

THE SUBJECT IS A WELL-ESTABLISHED COMPANY, OPERATING SINCE 1985. SO FAR IT HAS A CLEAR TRADE HISTORY AND EXCELLENT PAYMENT BEHAVIOR. IT IS ONE OF THE MOST IMPORTANT COMPANIES IN ITS LINE OF BUSINESS IN BRAZIL AND SO FAR ITS REPUTATION IS EXCELLENT.

THE COMPANY HAS TRADE RELATIONS WITH SEVERAL SUPPLIERS IN BRAZIL. THE SUPPLIERS EXTEND CREDIT FACILITIES TO THE SUBJECT IN TERMS AND AMOUNTS ACCORDING TO THE COMPANY'S NEEDS AND SO FAR NO PAYMENT PROBLEMS ARE NOTED.

OUR INVESTIGATION THROUGH THE PUBLIC RECORDS SHOWED SOME DETRIMENTAL FILES REGISTERED AGAINST THE SUBJECT BUT DUE TO THE SUBJECT'S HIGH FINANCIAL STRENGTH AND HIGH SCALE OF OPERATIONS THE DETRIMENTAL FILES DO NOT AFFECT ITS TRADE REPUTATION.

**MAIN SUPPLIERS:**

**DOMESTIC SUPPLIERS:**

BASF S/A  
CIBA - GEIGY QUÍMICA S/A  
CLARIANT S/A  
COATS CORRENTE LTDA  
COMPANHIA DE TECIDOS SANTAENSE S.A.  
COMPANHIA VALENÇA INDUSTRIAL  
COOP AGROP. PROD. INTEGRADA DO PARANÁ LTDA  
COTEMINAS - CIA DE TECIDOS NORTE DE MINAS  
COTONIFICIO KURASHIKI DO BRASIL LTDA  
DAIWA DO BRASIL TÊXTIL LTDA  
DU PONT DO BRASIL S/A  
DYSTAR LTDA

**PHONE:**

11 3234-5122  
11 3532-7043  
11 3525-9322  
47 3331-8707

11 3421-8122  
11 3525-7552

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

FÁBRICA DE CADARÇOS E BORDADOS HACO LTDA  
FÁBRICA DE TECIDOS CARLOS RENAUX  
FIAÇÃO E TECELAGEM KANEBO DO BRASIL S/A  
HACO ETIQUETAS LTDA  
MALIBER IND. E COM. TÊXTIL S.A.  
MINASA TRADING INTERNATIONAL S/A  
QUIMISA S/A INDÚSTRIA E COMÉRCIO  
SANTISTA TÊXTIL S.A.  
SUAP TÊXTIL S/A  
TÊXTIL BEZERRA S/A  
TÊXTIL UNIÃO S/A  
UNITIKA DO BRASIL INDÚSTRIA TÊXTIL LTDA

47 3350-1010

**PAYMENT HISTORY:**

53 SUPPLIERS REPORTED PAYMENTS:  
TOTAL AMOUNT: R\$ 21.187.341,00

AMOUNT OF INVOICES PAID: 3681  
TOTAL OF PROMPT PAYMENTS: 99,9%  
TOTAL OF DELAYED PAYMENTS: 0,1%

HIGHEST INVOICE: R\$ 559.821,00  
HIGHEST CREDIT: R\$ 559.821,00

**OUTSTANDING INVOICES DUE WITHIN THE NEXT 91 DAYS:**

-----	<b>SUPPLIERS:</b>	<b>INVOICES:</b>	<b>TOTAL AMOUNT:</b>
DUE WITHIN 30 DAYS	10	73	R\$ 1.203.510,96
DUE WITHIN 60 DAYS	4	77	R\$ 52.290,27
DUE WITHIN 90 DAYS	3	193	R\$ 240.873,97
DUE WITHIN 91 DAYS	2	271	R\$ 491.709,07

***FINAL OPINION***

THE SUBJECT IS A WELL-ESTABLISHED AND WELL-KNOWN COMPANY IN BUSINESS FOR SEVERAL YEARS. UP TO DATE IT HAS A CLEAR TRADE HISTORY AND VERY GOOD PAYMENT BEHAVIOR.

BASED ON THE GENERAL INFORMATION AVAILABLE IT IS BELIEVED THAT GOOD TRADE RELATIONS MAY BE ESTABLISHED. CREDIT FACILITIES MAY BE EXTENDED WITHIN TERMS AND AMOUNTS ADEQUATE TO THE COMPANY'S FINANCIAL STRENGTH.

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.66
UK Pound	1	INR 89.08
Euro	1	INR 79.36
BRL	1	INR 18.04

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

**INFORMATION DETAILS**

Analysis Done by :	PRI
Report Prepared by :	TRU

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**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)