

MIRA INFORM REPORT

| | |
|---------------|------------|
| Report No. : | 541093 |
| Report Date : | 21.11.2018 |

IDENTIFICATION DETAILS

| | |
|-------------------------|---|
| Name : | GENOVESE PELLETERIE S.R.L. |
| Registered Office : | Via Dei Mille 16 80121 Napoli |
| Country : | Italy |
| Financials (as on) : | 31.12.2017 |
| Date of Incorporation : | 31.05.1996 |
| Com. Reg. No.: | 07040900636 |
| Legal Form : | Limited liability company - SRL |
| Line of Business : | <ul style="list-style-type: none"> • Wholesale of household goods • Subject is engaged in the sale of leather and allied products |
| No. of Employees : | 14 (2017) |

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 | 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 while quoting report number, name and date.

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ECGC Country Risk Classification List

| Country Name | Previous Rating (30.06.2018) | Current Rating (30.09.2018) |
|--------------|---------------------------------|--------------------------------|
| Italy | A1 | A1 |

| 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 |

ITALY - ECONOMIC OVERVIEW

Italy's economy comprises a developed industrial north, dominated by private companies, and a less-developed, highly subsidized, agricultural south, with a legacy of unemployment and underdevelopment. The Italian economy is driven in large part by the manufacture of high-quality consumer goods produced by small and medium-sized enterprises, many of them family-owned. Italy also has a sizable underground economy, which by some estimates accounts for as much as 17% of GDP. These activities are most common within the agriculture, construction, and service sectors.

Italy is the third-largest economy in the euro zone, but its exceptionally high public debt and structural impediments to growth have rendered it vulnerable to scrutiny by financial markets. Public debt has increased steadily since 2007, reaching 131% of GDP in 2017. Investor concerns about Italy and the broader euro-zone crisis eased in 2013, bringing down Italy's borrowing costs on sovereign government debt from euro-era records. The government still faces pressure from investors and European partners to sustain its efforts to address Italy's longstanding structural economic problems, including labor market inefficiencies, a sluggish judicial system, and a weak banking sector. Italy's economy returned to modest growth in late 2014 for the first time since 2011. In 2015-16, Italy's economy grew at about 1% each year, and in 2017 growth accelerated to 1.5% of GDP. In 2017, overall unemployment was 11.4%, but youth unemployment remained high at 37.1%. GDP growth is projected to slow slightly in 2018.

Source : CIA

SUMMARY

Company name Genovese Pelletterie S.R.L.
Operative address Via Dei Mille 16
80121 Napoli
Italy
Status Active
Legal form Limited liability company - SRL
Registration number 07040900636
VAT-number IT07040900636

| Year | 2017 | Mutation | 2016 | Mutation | 2015 |
|------------------------|-------------|-----------------|-------------|-----------------|-------------|
| Fixed assets | 9.887 | -59,47 | 24.392 | -71,64 | 86.010 |
| Total receivables | 3.317.553 | 7,08 | 3.098.240 | -23,03 | 4.025.093 |
| Total equity | 7.654.312 | 0,76 | 7.596.683 | 111,98 | 3.583.693 |
| Short term liabilities | 2.599.131 | -17,43 | 3.147.736 | -34,40 | 4.798.446 |
| Net result | 57.631 | 0,10 | 57.576 | 42,32 | 40.454 |
| Working capital | 7.821.632 | -0,74 | 7.879.627 | -1,71 | 8.016.823 |
| Quick ratio | 1,94 | 20,50 | 1,61 | 37,61 | 1,17 |

CONTACT INFORMATION

Company name Genovese Pelletterie S.R.L.
Operative address Via Dei Mille 16
80121 Napoli
Italy
Correspondence address Via Dei Mille 16
80121 Napoli
Italy
Telephone number +39 0813133707
Website www.genovesepelletterie.it

REGISTRATION

Registration number 07040900636
VAT-number IT07040900636
Status Active
Establishment date 1996-05-31
Legal form Limited liability company - SRL

Subscribed share capital EUR 98.040

ACTIVITIES

NACE 4649: Wholesale of household goods
Goal Engaged in the sale of leather and allied products

RELATIONS

Shareholders
ULTIMATE GLOBAL SHAREHOLDER
Name: MR FRANCESCO GENOVESE
Address: VIA FRANCESCO PETRARCA 93
City: NAPOLI
Country: IT
Type: One or more named individuals or families
Share direct: 60.00%

SHAREHOLDERS
Name: MR FRANCESCO GENOVESE
Address: VIA FRANCESCO PETRARCA 93
City: NAPOLI
Country: IT
Type: One or more named individuals or families
Share direct: 60.00%

Name: MRS MARIA PERISANO
Address: VIA F.PETRARCA 93
City: NAPOLI
Country: IT
Type: One or more named individuals or families
Share direct: 40.00%

Structure
SUBSIDIARIES
Name: CIS - CENTRO INGROSSO SVILUPPO CAMPANIA
GIANNI NAPPI - S.P.A. IN FORMA ABBREVIATA CIS S.P.A.
National id number: NA0305784
Address: VIA PAOLO EMILIO IMBRIANI 30
City: NAPOLI
Country: IT
Type: Corporate
Phone: +39 0818269357
Website: cisnet.it
Share direct: 0.76%
Turnover: 16.9432229 mil. EUR

Total assets: 95.85595001 mil. EUR
Profit loss before tax: -4.39742923 mil. EUR
Profit loss after tax net income: -4.50252474 mil. EUR
Shareholders funds: 28.72338968 mil. EUR
Number of employees: 13

MANAGEMENT

Management

Fullname: Mr Francesco Genovese
Type: Individual
Gender: Male
date of birth: 1946/11/19
Age: 72
Country: Italy
Number of involvements: 1
Function: Director
Level of responsibility: Member
Appointment date: 1996/05/16

Fullname: Mr Francesco Genovese
Type: Individual
Gender: Male
date of birth: 1946/11/19
Age: 72
Country: Italy
Number of involvements: 1
Function: Delegato Al Ritiro Capitale Versato
Level of responsibility: Chief Officer; Executive
Appointment date: 1996/05/16

EMPLOYEES

| Year | 2017 | 2016 | 2015 | 2014 | 2013 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual | 14 | 17 | 23 | 14 | 14 |

FINANCIAL ANALYSIS

Trend Fluctuating
Profitability Positive

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| | |
|----------------|----------------------|
| Solvability | More than sufficient |
| Liquidity | More than sufficient |
| Show amount in | Euro |

KEY FIGURES

| Year | 2017 | 2016 | 2015 | 2014 | 2013 |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|
| Quick ratio | 1,94 | 1,61 | 1,17 | 1,15 | 1,30 |
| Current ratio | 4,01 | 3,50 | 2,67 | 2,71 | 2,85 |
| Working capital/ balance total | 0,75 | 0,71 | 0,62 | 0,63 | 0,64 |
| Equity / balance total | 0,73 | 0,69 | 0,28 | 0,04 | 0,05 |
| Equity / Fixed assets | 774,18 | 311,44 | 41,67 | 4,72 | 3,16 |
| Working capital | 7.821.632 | 7.879.627 | 8.016.823 | 8.416.271 | 8.434.478 |
| Equity | 7.654.312 | 7.596.683 | 3.583.693 | 593.355 | 626.757 |
| Mutation equity | 0,76 | 111,98 | 503,97 | -5,33 | |
| Mutation short term liabilities | -17,43 | -34,40 | -2,54 | 7,87 | |
| Return on total assets (ROA) | 0,94 | 1,06 | 1,30 | 2,92 | -1,47 |
| Return on equity (ROE) | 1,28 | 1,55 | 4,68 | 66,33 | -30,93 |
| Gross profit margin | 2,40 | 2,75 | 3,65 | 11,44 | 1,75 |
| Net profit margin | 0,83 | 0,76 | 0,64 | -0,54 | -7,79 |
| Average collection ratio | 2,69 | 2,40 | 1,32 | 1,25 | 1,26 |
| Average payment ratio | 2,11 | 2,44 | 1,57 | 1,56 | 1,34 |
| Equity turnover ratio | 0,91 | 0,99 | 1,77 | 10,34 | 9,15 |
| Total assets turnover ratio | 0,67 | 0,68 | 0,49 | 0,46 | 0,43 |
| Fixed assets turnover ratio | 706,40 | 309,47 | 73,68 | 48,82 | 28,89 |
| Inventory conversion ratio | 1,30 | 1,26 | 0,88 | 0,80 | 0,81 |
| Turnover | 6.984.212 | 7.548.490 | 6.337.426 | 6.133.783 | 5.731.962 |
| Operating result | 167.453 | 207.424 | 231.420 | 701.988 | 100.185 |
| Net result after taxes | 57.631 | 57.576 | 40.454 | -33.402 | -446.528 |
| Cashflow | 76.815 | 88.378 | 71.627 | 12.230 | -397.503 |
| Gross profit | 474.813 | 524.931 | 521.612 | 621.341 | 184.264 |
| EBITDA | 186.637 | 238.226 | 262.593 | 747.620 | 149.210 |

Summary

The 2017 financial result structure is a positive working capital of 7.821.632 euro, which is in agreement with 75 % of the total assets of the company.

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

The unchanged capital can be explained by an increase in current assets and a decrease in current liabilities.

The current ratio of the company in 2017 was 4.01. If the current ratio exceeds 3.0, the company may not be using its current assets

or its short-term financing facilities efficiently .

The quick ratio in 2017 of the company was 1.94. A company with a Quick Ratio of more than 1 can currently pay back its current liabilities.

The 2016 financial result structure is a positive working capital of 7.879.627 euro, which is in agreement with 71 % of the total assets of the company.

The working capital has diminished with -1.71 % compared to previous year. The ratio, with respect to the total assets of the company has however, increased.

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

The current ratio of the company in 2016 was 3.5. If the current ratio exceeds 3.0, the company may not be using its current assets or its short-term financing facilities efficiently .

The quick ratio in 2016 of the company was 1.61. A company with a Quick Ratio of more than 1 can currently pay back its current liabilities.

FINANCIAL STATEMENT

| | |
|-------------------------------|---|
| Last annual account | 2017 |
| Remark annual account | The company is obliged to file its financial statements. |
| Type of annual account | Corporate |
| Annual account | Genovese Pelletterie S.R.L. Via Dei Mille 16 80121 Napoli Italy |

BALANCE

| Year | 2017 | 2016 | 2015 | 2014 | 2013 |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| End date | 2017-12-31 | 2016-12-31 | 2015-12-31 | 2014-12-31 | 2013-12-31 |
| Type of annual account | Corporate | Corporate | Corporate | Corporate | Corporate |
| Tangible fixed assets | 9.887 | 24.392 | 54.424 | 94.067 | 166.816 |
| Other fixed assets | | | 31.586 | 31.586 | 31.586 |

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| | | | | | |
|---------------------------------------|------------|------------|------------|------------|------------|
| Fixed assets | 9.887 | 24.392 | 86.010 | 125.653 | 198.402 |
| Total stock | 5.368.349 | 5.969.386 | 7.207.875 | 7.689.575 | 7.054.279 |
| Total receivables | 3.317.553 | 3.098.240 | 4.025.093 | 3.922.265 | 4.273.816 |
| Liquid funds | 304.590 | 382.713 | 123.063 | 169.251 | 38.867 |
| Other current assets | 1.430.271 | 1.577.024 | 1.459.238 | 1.558.465 | 1.631.414 |
| Current assets | 10.420.763 | 11.027.363 | 12.815.269 | 13.339.556 | 12.998.376 |
| Total assets | 10.430.650 | 11.051.755 | 12.901.279 | 13.465.209 | 13.196.778 |
| Total equity | 7.654.312 | 7.596.683 | 3.583.693 | 593.355 | 626.757 |
| Long term liabilities | 177.207 | 307.336 | 4.519.140 | 7.948.569 | 8.006.123 |
| Accounts payable | 1.995.144 | 2.676.845 | 4.039.472 | 4.258.962 | 3.755.244 |
| Liabilities towards credit institutes | 365.973 | 353.183 | 608.742 | 12.614 | 634.686 |
| Other short term liabilities | 238.014 | 117.708 | 150.232 | 651.709 | 173.968 |
| Short term liabilities | 2.599.131 | 3.147.736 | 4.798.446 | 4.923.285 | 4.563.898 |
| Total liabilities | 10.430.650 | 11.051.755 | 12.901.279 | 13.465.209 | 13.196.778 |

Summary

The total assets of the company decreased with -5.62 % between 2016 and 2017.

This downturn is mainly retrievable in the fixed asset decrease of -59.47 %.

In 2017 the assets of the company were 0.09 % composed of fixed assets and 99.91 % by current assets. The assets are being financed by an equity of 73.38 %, and total debt of 26.62 %.

The total assets of the company decreased with -14.34 % between 2015 and 2016.

This downturn is mainly retrievable in the fixed asset decrease of -71.64 %.

In 2016 the assets of the company were 0.22 % composed of fixed assets and 99.78 % by current assets. The assets are being financed by an equity of 68.74 %, and total debt of 31.26 %.

PROFIT AND LOSS

| Year | 2017 | 2016 | 2015 | 2014 | 2013 |
|------------------------------|-----------|-----------|-----------|-----------|-----------|
| Revenues | 6.613.542 | 6.616.239 | 6.071.223 | 5.848.760 | 5.564.916 |
| Net turnover | 6.984.212 | 7.548.490 | 6.337.426 | 6.133.783 | 5.731.962 |
| Wages and salaries | 313.208 | 305.027 | 301.897 | 296.292 | 298.805 |
| Amorization and depreciation | 19.184 | 30.802 | 31.173 | 45.632 | 49.025 |
| Production costs | 5.184.240 | 5.504.185 | 4.259.796 | 3.500.594 | 3.885.790 |
| Operating result | 167.453 | 207.424 | 231.420 | 701.988 | 100.185 |
| Financial income | 12.996 | 1.115 | 593 | 2.828 | 653 |
| Financial expenses | 82.779 | 90.906 | 64.289 | 311.235 | 294.666 |
| Financial result | -69.783 | -89.791 | -63.696 | -308.407 | -294.013 |

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| | | | | | |
|---|--------|---------|----------|----------|----------|
| Result on ordinary operations before taxes | 97.670 | 117.633 | 167.724 | 393.581 | -193.828 |
| Taxation on the result of ordinary activities | 40.039 | 60.057 | 24.856 | 10.951 | 222 |
| Result of ordinary activities after taxes | 57.631 | 57.576 | 142.868 | 382.630 | -194.050 |
| Extraordinary income | | | 13.221 | 3.068 | 193.947 |
| Extraordinary expense | | | 115.635 | 419.100 | 446.425 |
| Extraordinary result before taxation | | | -102.414 | -416.032 | -252.478 |
| Net result | 57.631 | 57.576 | 40.454 | -33.402 | -446.528 |

Summary

The turnover of the company decreased by -7.48 % between 2016 and 2017.

The operating result of the company declined with -19.27 % between 2016 and 2017. This evolution implies an decrease of the company's economic profitability.

The result of these changes is a reduction of the company's Economic Profitability of -11.32 % of the analysed period, being equal to 0.94 in the year 2017.

This fall has contributed to a asset turnover decrease, whose index evolved from -1.47 to a level of 0.67.

The Net Result of the company has not changed between 2016 and 2017.

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 -17.42 % of the analysed period, being 1.28 in the year 2017.

The company's financial profitability has been positively affected by its financial structure.

The turnover of the company grew with 19.11 % between 2015 and 2016.

The operating result of the company declined with -10.37 % between 2015 and 2016. This evolution implies an decrease of the company's economic profitability.

The result of these changes is a reduction of the company's Economic Profitability of -18.46 % of the analysed period, being equal to 1.06 in the year 2016.

Despite the decline the assets turnover increased by 38.78 % reaching 0.68.

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 -66.88 % of the analysed period, being 1.55 in the year 2016.

The company's financial profitability has been positively affected by its financial structure.

COUNTRY INFORMATION

| | |
|----------------|---------------|
| Population | 60.7 million |
| GDP per capita | 30507 USD |
| Country risk | Below average |
| Company risk | Low |

PUBLICATIONS

| | |
|---------|--|
| Remarks | Status: Active Category: Medium sized company Last year: 2017 Turnover last year: 6.984.212 EUR Result last year: 57.631 EUR TOTAL assets last year: 10.430.650 EUR Number of employees: 14 Number of shareholders: 2 Number of subsidiaries: 1 Number of branches: 0 |
|---------|--|

FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | INR 71.33 |
| UK Pound | 1 | INR 91.72 |
| Euro | 1 | INR 81.69 |
| Euro | 1 | INR 81.10 |

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

INFORMATION DETAILS

| | |
|----------------------|-----|
| Analysis Done by : | PRI |
| 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)