

## MIRA INFORM REPORT

<b>Report No. :</b>	534019
<b>Report Date :</b>	13.10.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	AO ODEZHDA 3000
<b>Registered Office :</b>	Vorontsovskaya Street 49/28, Building 1, Taganskiy District, 109147 Moscow
<b>Country :</b>	Russia
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	13.02.2006
<b>Com. Reg. No.:</b>	OGRN 1067746268732
<b>Legal Form :</b>	Joint Stock Company
<b>Line of Business :</b>	Retail sale of clothing in specialised stores
<b>No. of Employees :</b>	1,500

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	C
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Credit Rating	Explanation	Rating Comments
C	Medium High Risk	Business dealings permissible preferably on secured basis

<b>Status :</b>	Moderate
<b>Payment Behaviour :</b>	Slow
<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 (30.06.2018)	Current Rating (30.09.2018)
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

## **COMPANY SUMMARY**

<u>COMPANY NAME</u>	AO ODEZHDA 3000			
<u>REGISTERED ADDRESS</u>	Street	Area	Town	PO Box
	Vorontsovskaya Street 49/28,	Taganskiy District	Moscow	109147 Moscow
<u>TEL/FAX</u>	Verified Phones: (+7 495) 984 4111 / Fax: (+7 495) 642 8046			
<u>EMAIL/WEBSITE</u>	Email: info@modis.ru / Website: www.modis.ru			
<u>ACTIVITY</u>	NACE 4771 - Retail sale of clothing in specialised stores;			
<u>PRINCIPAL</u>	Sergey Yurievich Kochnev Managing Director			Workforce 1,500
<u>LEGAL INFO</u>	Date Of Est.	Reg. No.	Legal Form	Status
	13/02/2006	OGRN 1067746268732	Joint Stock Company	Active
<u>CAPITAL</u>	<b>CURRENCY</b>	<b>AMOUNT</b>		
	RUBLE (RUB)	10,000,000		

## **BUSINESS INFORMATION**

### **IDENTIFICATION**

<u>CO. NAME</u>	AO ODEZHDA 3000		
<u>TRADEMARK</u>	MODIS		
<u>ALSO KNOWN NAME (S)</u>	JSC ODEZHDA 3000		
<u>FORMER NAME</u>	ZAO ODEZHDA 3000		
<u>STREET</u>	Vorontsovskaya Street 49/28, Building 1		
<u>AREA</u>	Taganskiy District		
<u>POSTAL ADDRESS</u>	109147 Moscow		
<u>TOWN</u>	Moscow		
<u>COUNTRY</u>	Russia		
<u>TELEPHONE</u>	(+7 495) 984 4111 / (+7 495) 642 8043		
<u>FAX</u>	(+7 495) 642 8046		
<u>VERIFIED EMAIL</u>	info@modis.ru		
<u>WEBSITE</u>	www.modis.ru		
<u>BUSINESS HOURS</u>	<b>DAYS</b>	<b>OFFICE HOURS</b>	<b>BREAK TIME</b>
	Mon-Fri	09:00-18:00	13:00-14:00
<u>REGISTERED ADDRESS</u>	Vorontsovskaya Street 49/28, Building 1 Taganskiy District 109147 Moscow Russia		

CORPORATE ADDRESS

Business Center Wall Street, 4<sup>th</sup> Floor  
Valovaya Street 35  
Moscow  
Russia

FORMER ADDRESS

Subject previously was located at:  
  
Krasnoprudnaya Street 12/1, Building 1  
Room 15/17  
Moscow  
Russia

**SENIOR PERSONNEL**

MANAGEMENT

<b>NAME</b>	<b>POSITION</b>
Sergey Yurievich Kochnev Nationality: Russian Tax Code: INN 773115586454	Managing Director
History of Manager Changes	Change Date
Slutski Semen Aleksandrovich	27/01/2016
Kotov Andrei Ivanovich	
Verag Sebastyan Zhak Mishel	27/10/2014
Pisetski Anton Borisovich	07/05/2014
Dolmatov Denis Vadimovich	
Mirzayants Konstantin Yurevich	25/12/2013
Ten Khoonte Geert Yan	05/10/2009

06/06/2008

06/07/2006

WORKFORCE

**NO. OF EMPLOYEES**  
1,500

**PERIOD**  
01.2018

**FINANCIAL SUMMARY**

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TURNOVER

**31/12/2017**  
RUBLE 11,028,353,000

**31/12/2016**  
RUBLE 9,366,520,000

NET PROFIT / (LOSS)

**31/12/2017**  
RUBLE 2,226,000

**31/12/2016**  
RUBLE 1,135,898,000

NOTES

Balance sheets as at 31 December 2017 showed :

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

ASSETS

Non-current assets		
Intangible assets	180,000	228,000
Fixed assets	538,067,000	659,263,000
Deferred tax assets	1,123,806,000	1,278,276,000
Other non-current assets	290,538,000	277,862,000
Total non-current assets	1,952,591,000	2,215,629,000
Current assets		
Stock	2,724,726,000	2,421,634,000
Value added tax on purchased valuables	23,551,000	19,770,000
Trade receivables	781,957,000	490,225,000
Financial investments	29,000	450,000
Cash equivalents	317,395,000	510,425,000
Total current assets	3,847,658,000	3,442,504,000
<b>TOTAL ASSETS</b>	<b>5,800,249,000</b>	<b>5,658,133,000</b>

EQUITY & LIABILITIES

Equity		
Share capital	10,000,000	10,000,000
Retained earnings	(3,901,355,000)	(3,903,581,000)
Total equity	(3,891,355,000)	(3,893,581,000)
Total long-term liabilities	0	0
Short-term Liabilities		
Borrowings	8,212,263,000	8,164,691,000
Accounts payable	1,397,245,000	1,284,419,000
Other liabilities	1,969,000	3,780,000
Total Short-term		

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liabilities	9,691,604,000	9,551,714,000
TOTAL EQUITY & LIABILITIES	5,800,249,000	5,658,133,000

**INCOME STATEMENT**

Revenue	11,028,353,000	9,366,520,000
Cost of Sales	(5,919,693,000)	(5,261,240,000)
Gross Profit	5,108,660,000	4,105,280,000
Commercial expenses	(4,206,738,000)	(3,503,254,000)
Profit(loss) from sales	901,922,000	602,026,000
Other income and expenses		
Interest income	11,519,000	4,150,000
Interest payable	(428,005,000)	(317,108,000)
Other income	372,350,000	3,257,958,000
Other expenses	(654,311,000)	(2,638,010,000)
Profit(loss) before taxation	203,475,000	909,016,000
Change in deferred tax assets	(155,454,000)	226,882,000
Current income tax	(45,795,000)	0
Net Profit(loss)	2,226,000	1,135,898,000

31 December.

FISCAL YEAR-END

**LEGAL STATUS**

INCORPORATION  
REGISTRATION NO.

13/02/2006  
**C.R. NUMBER**  
OGRN 1067746268732

**ISSUED BY**  
Federal Tax  
Service

OTHER REGISTRATION NO.

INN 7708589562 (Tax Code) / KPP 770901001 /  
OKPO 93468084 (Statistics Code) / OKTMO 45381000000

AUTHORISED CAPITAL

**AMOUNT**  
10,000,000

**CURRENCY**  
RUBLE

PAID-UP CAPITAL

**AMOUNT**  
10,000,000

**CURRENCY**  
RUBLE

BUSINESS HISTORY

The Company was incorporated in Russia on 13 February 2006 as a Closed Joint Stock Company under the name "ZAO ODEZHDA 3000" with the following shareholders:

Igor Vladimirovich Sosin – 50%  
Mirzayants Konstantin Yurevich – 50%

In 2009, subject changed its shareholding structure to the following:

LEGAL FORM

STATUS

SOLE SHAREHOLDER

Fashion Bazaar B.V. (100%). Later on, subject's shareholding structure changed to the present. On 22 February 2017, subject was converted into a Joint Stock Company and changed its name to the present style. Joint Stock Company

Active

**NAME**

Modis Fashion Retail Group Limited  
Anthoupoli 11Ko  
Lakatameia 2302  
Cyprus  
C.R. No.: C293074

**PERCENTAGE**

100.00%

## **OPERATION**

BANKERS

PAO Promsvyazbank  
Smirnovskaya Street 10  
Moscow 109052  
Russia  
Telephone: (+7 495) 787 3333

AUDITORS

Subject also has an account with other local banks.  
OOO Ernst & Young  
Sadovnicheskaya Street 77, Building 1  
Moscow  
Russia  
Phone: (+7 495) 755 9700

ACTIVITY CODE (NACE)

4771 - Retail sale of clothing in specialised stores;

LINE OF BUSINESS

Owners and operators federal chain of multi-brand fashion clothing stores offering classic and casual wear and accessories for women, men, youth and kids.

IMPORT FROM

Worldwide, mainly from China, India, Bangladesh and Uzbekistan.

EXPORT TO

Subject does not export, all sales are domestic.

TRADE REFERENCES

1. Jiaxing Ek Fashion Co., Ltd  
Room 2101, Hai Zhou Zhi Xing Building,  
No.2323 Hongxing Road, Jiaxing  
China
2. Xiamen Kingland Co., Ltd.  
C And D International Building 16/F, No1699  
East, Huandao Road, Xiamen  
China
3. Union Source Co.,Ltd  
A315b Room, Shenggang Building, Union Area,  
Development Area, Ningbo

- China
4. Wuhu Weltex Trade Co., Ltd  
Room 701-704, Building 2, Jinghu Wanda Plaza,  
Wuhu, Anhui  
China
5. Ningbo Mandarin Foreign Trade Company Limited  
Room 15-2, No.1 Jia Li Square, High-Tech  
District, Ningbo  
China
6. Jinjiang Jspeed Garment Co.,Ltd  
No.32-38 (Longchi Building), Linhai Road,  
Dongan New Village Jinjiang, Shenhui, Fujian  
China
7. Source Well, Co.,Ltd.  
2nd Floor NO.113,qiushi Road, BeiYuan  
District Yiwu  
China
8. Knit & Knit Wears Ltd  
Sarder Complex (5th Floor) 1, South Kamlapur  
Dhaka-1217  
Bangladesh
9. JuRong HuaXin Art&Crafts Caps Factory  
No.8, Baitu Industry Zone, Baitu Town, Jurong  
City, Jiangsu  
China
10. Dird Composite Textile Ltd  
Shatiabari, Dhaladia, Rajendrapur, Sreepur,  
Gazipur  
Bangladesh
11. AKSHARAA KNIT CREATIONS  
No.9, Lakshmi Nagar East Extn. Main Road,  
Tirupur - 641 602  
India
12. OOO Betlis Tekstil  
Tashkent  
Uzbekistan
13. APEX IMPEX  
Unit No.2, A/2, Shah & Nahar Indl. Estate, S.  
J. Marg, Lower Parel (W), Mumbai -

FACILITIES

Maharashtra  
India

Premises comprising administrative offices located at the heading address as well as 140 retail stores located throughout Russia.

RELATED COMPANIES

Associate

OOO PROMAKTIV  
Proezd Botkinsky 7/1, Room 33  
125284 Moscow  
Russia  
Est.: 18/12/2017  
C.R. No.: OGRN 5177746342890  
Tax Code: INN 7714420476

**PAYMENT**

CREDIT OPINION

We consider it is acceptable to deal with subject.

**SPECIAL REMARKS**

INTERVIEWED

Subject's employees.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.30
UK Pound	1	INR 97.65
Euro	1	INR 85.30
RUB	1	INR 1.12

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

**INFORMATION DETAILS**

Analysis Done by :	PRI
Report Prepared by :	KET

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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)