

## MIRA INFORM REPORT

<b>Report No. :</b>	529223
<b>Report Date :</b>	10.09.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	ARIANE PORCELAIN EUROPE S.R.L.
<b>Registered Office :</b>	Via San Pietro, 83 , 41049 – Sassuolo (MO) -IT-
<b>Country :</b>	Italy
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	24.06.2014
<b>Legal Form :</b>	Limited liability company
<b>Line of Business :</b>	Wholesale of china and porcelain
<b>No. of Employees :</b>	1 to 5

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

<b>Status :</b>	Moderate
<b>Payment Behaviour :</b>	Slow but Correct
<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.

### ECGC Country Risk Classification List

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

## **COMPANY NAME AND ADDRESS**

Ariane Porcelain Europe S.r.l.  
Via San Pietro, 83  
41049 - Sassuolo (MO) -IT-

## **SUMMARY**

Fiscal Code	:	03580800369
Legal Form	:	Limited liability company
start of Activities	:	24/06/2014
Equity	:	125.000
Turnover Range	:	6.500.000/7.750.000
Number of Employees	:	from 1 to 5

## **ACTIVITY**

Wholesale of china and porcelain

## **LEGAL DATA**

Legal Form : Limited liability company  
Fiscal Code : 03580800369  
Chamber of Commerce no. : 535862 of Bologna  
Chamber of Commerce no. : 400191 of Modena since 13/06/2014  
V.A.T. Code : 03580800369  
Establishment date : 03/06/2014  
Start of Activities : 24/06/2014  
Legal duration : 31/12/2050  
Nominal Capital : 10.000  
Subscribed Capital : 10.000  
Paid up Capital : 10.000

Legal mail : ARIANEPORCELAINEUROPE@SIRBOPEC.ORG

## **MEMBERS**

● Massaad Zeina

Position	Since	Shares Amount	% Ownership
Partner			

No Prejudicial events are reported  
No Protests registered

● Cava Giuliano

Born in Castel San Pietro Terme (BO) on 26/08/1957 - Fiscal Code : CVAGLN57M26C265B  
Residence: G. Leopardi , 8/A - 40024 Castel San Pietro Terme (BO) - IT -

Position	Since	Shares Amount	% Ownership
Sole Director	14/11/2016		

No Prejudicial events are reported  
No Protests registered

## **COMPANIES CONNECTED TO MEMBERS \***

\*checkings have been performed on a national scale.

In this module are listed the companies in which members hold or have holded positions.

● Cava Giuliano

Firm's Style	Seat	Fiscal Code	Position	Position Status	Firm's Status
M.c.m. S.r.l.	Castel San Pietro Terme (BO) - IT -	01600751208	Sole Director	Active	Registered
Neox Srl	Sassuolo (MO) - IT -	03503350369	Sole Director	Active	Registered
Neox Srl	Sassuolo (MO) - IT -	03503350369	Sole partner	Active	Registered

The indication "REGISTERED" as Firm Status could refer to Firms in Liquidation, Active, Inactive, etc.  
For more information, in this case, we advise to request further investigations.

## **CAPITAL SHAREHOLDERS**

Shareholders' list as at date of data collection:

Firm's Style / Name	Seat / Residence	Fiscal Code	Owned Shares	% Ownership
Saxod Jean-luc, Louis		SXDJLC59E14Z110V	1.000 .Eur	10,00
Desoutter Benoit Jean-marie Claude		DSTBTJ79R29Z110R	1.000 .Eur	10,00
Massaad Ariane		MSSRNA86D57Z133S	1.000 .Eur	10,00
Drecq Thierry		DRCTRR58D04Z110H	1.000 .Eur	10,00
Massaad Zeina		MSSZNE67H45Z133G	6.000 .Eur	60,00

## **DIRECT PARTICIPATIONS**

The Company under review has no participations in other Companies.

## **FIRM'S LOCATION AND STRUCTURE**

In order to carry out its activities the firm uses the following locations:

- Legal and operative seat

San Pietro , 83 - 41049 - Sassuolo (MO) - IT -

PHONE : 0536078199

FAX : 05361751593

Legal mail : ARIANEPORCELAINEUROPE@SIRBOPEC.ORG

- Branch (office) since 01/09/2017

V. Veneto , 9 - 40024 - Castel San Pietro Terme (BO) - IT -

Employees : 5

Stocks for a value of 460.000 Eur

## **PROTESTS**

Protests checking on the subject firm has given a negative result.

## **DATA BASE PREJUDICIAL EVENTS SEARCH**

Search performed on a National Scale

● Prejudicial Events Search Result: NEGATIVE

Search performed on a specialized data base.

## **LEGAL PROCEDURES**

None reported, standing to the latest received edition of the Official Publications.

## **NATIONAL REAL ESTATES SURVEY**

The requested subject is not present c/o the CADASTRE OFFICES.

All responsibilities are declined regarding any possible omissions concerning the given results. Therefore, we advise to request for "Hypothecating Survey Inspection" c/o the locally competent RR.II. Immovables Registry, as this service doesn't fully guarantees the actual title of the Real Estates of the requested Subject.

## **FINANCIAL AND ECONOMICAL ANALYSIS**

Subject under review started the activities in 2014.

An eco-fin analysis has been made on the base od the b/s fo the years 2015, 2016 and 2017.

Under an economic point of view, profits were registered during the last years with a r.o.e. of 2,63% in 2017 with a good increase in turnover (+19,14% in 2017 compared to 2016 and +38,3% in 2016 compared to 2015).

The return on Investment in the last financial year was positive (1,1%) falling within the field's average.

An operating result of Eur. 40.594 has been registered. with a -42,34% drop.

During the latest financial year the gross operating margin amounted to Eur. 92.343 ,with no change if compared to the year before.

Financial condition is not balanced as own capitals do not cover debts, indebtedness level is in fact high (24,68) which tends upward.

It's shareholders funds amount to Eur. 123.800 on stable levels.

In the year 2017 total debts amounted to Eur. 3.549.034 , rising as opposed to the previous year (+63,96%).

Liquidity is good.

Eur. 55.006 is the value of cash flow during the year 2017

Subordinate employment cost is of Eur. 168.953, i.e. 2,59% on total production costs. , whereas the incidence of such costs on sales revenues is equal to 2,58%.

Financial charges have a limited incidence (-0,24%) on sales volume.

## **FINANCIAL DATA**

● Complete balance-sheet for the year al 31/12/2017 (in Eur x 1)

Item Type	Value
Sales	6.550.867
Profit (Loss) for the period	3.257

● Complete balance-sheet for the year al 31/12/2016 (in Eur x 1)

Item Type	Value
Sales	5.498.186
Profit (Loss) for the period	51.689

● Complete balance-sheet for the year al 31/12/2015 (in Eur x 1)

Item Type	Value
Sales	3.975.380
Profit (Loss) for the period	58.456

● Complete balance-sheet for the year al 31/12/2014 (in Eur x 1)

Item Type	Value
Sales	283.035
Profit (Loss) for the period	-80.603

## **FINANCIALS**

### Balance Sheets

From our constant monitoring of the relevant Public Administration offices, no more recent balance sheets result to have been filed.

- Balance Sheet as at 31/12/2017 - 12 Mesi - Currency: - Amounts x 1
- Balance Sheet as at 31/12/2016 - 12 Mesi - Currency: - Amounts x 1
- Balance Sheet as at 31/12/2015 - 12 Mesi - Currency: - Amounts x 1

Years	2017	2016	2015
<b>BALANCE SHEET ACCOUNTS</b>			
<b>ASSETS</b>			
<b>CREDITS VS PARTNERS</b>			
. Deposits not yet withdrawn			
. Deposits already withdrawn			
Total credits vs partners			
<b>FIXED ASSETS</b>			
. INTANGIBLE FIXED ASSETS			
. . Start-up and expansion expenses			
. . Research,develop. and advert.expenses.			
. . Industrial patent rights			

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. . Concessions,licenses,trademarks,etc.			
. . Goodwill			
. . Assets in formation and advance paymen.			
. . Other intangible fixed assets			
. Total Intangible Fixed Assets	69.935	99.495	90.242
. TANGIBLE FIXED ASSETS			
. . Real estate			
. . Plant and machinery			
. . Industrial and commercial equipment			
. . Other assets			
. . Assets under construction and advances			
. Total Tangible fixed assets	97.227	66.051	32.401
. FINANCIAL FIXED ASSETS			
. . Equity investments			
. . . Equity invest. in subsidiary companies			
. . . Equity invest. in associated companies			
. . . Equity invest. in holding companies			
. . . Equity invest. in other companies			
. . Financial receivables			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . . Receivab due from subsidiaries			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . . Receivables due from assoc.comp.			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . . Receivables due from holding comp.			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . . Receivables due from third parties			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . Other securities			
. . Own shares			
. . . Total nominal value			
. Total financial fixed assets			
Total fixed assets	167.162	165.546	122.643
CURRENT ASSETS			
. INVENTORIES			
. . Raw materials and other consumables			
. . Work in progress and semimanufactured			
. . Work in progress on order			
. . Finished goods			387.117
. . Advance payments			
. Total Inventories	458.775	399.056	387.117
. CREDITS NOT HELD AS FIXED ASSETS			
. . Within 12 months	2.615.047	1.580.207	1.256.903
. . Beyond 12 months			

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. . Trade receivables			919.537
. . . . Within 12 months			919.537
. . . . Beyond 12 months			
. . Receivables due from subsid. comp.			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . Receivables due from assoc. comp.			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . Receivables due from holding comp.			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . Fiscal Receivables			96.869
. . . . Within 12 months			96.869
. . . . Beyond 12 months			
. . Receivables for anticipated taxes			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . Receivables due from third parties			240.497
. . . . Within 12 months			240.497
. . . . Beyond 12 months			
. Total Credits not held as fixed assets	2.615.047	1.580.207	1.256.903
. FINANCIAL ASSETS			
. . Equity invest. in subsidiary comp.			
. . Equity invest. in associated companies			
. . Equity invest. in holding companies			
. . Other equity investments			
. . Own shares			
. . . Total nominale value			
. . Other securities			
. Total Financial Assets			
. LIQUID FUNDS			
. . Bank and post office deposits			166.537
. . Checks			
. . Banknotes and coins			125
. Total Liquid funds	448.669	144.663	166.662
Total current assets	3.522.491	2.123.926	1.810.682
ADJUSTMENT ACCOUNTS			
. Discount on loans			
. Other adjustment accounts	12.935	2.723	1.110
Total adjustments accounts	12.935	2.723	1.110
TOTAL ASSETS	3.702.588	2.292.195	1.934.435
LIABILITIES			
STOCKHOLDERS' EQUITY			
. Capital stock	10.000	10.000	10.000
. Additional paid-in capital			
. Revaluation reserves			
. Legal reserve	2.000	2.000	
. Reserve for Own shares			

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. Statute reserves			
. Other reserves	108.543	56.855	398
. Accumulated Profits (Losses)			
. Profit( loss) of the year	3.257	51.689	58.456
. Advances on dividends			
. Partial loss of the year Coverage			
Total Stockholders'Equity	123.800	120.544	68.854
RESERVES FOR RISKS AND CHARGES			
. . Reserve for employee termination indem.			
. . Taxation fund, also differed			
. . Other funds			
Total Reserves for Risks and Charges			
Employee termination indemnities	17.031	3.423	937
ACCOUNTS PAYABLE			
. . . . Within 12 months	3.503.447	2.146.060	1.863.336
. . . . Beyond 12 months	45.587	18.422	
. . Bonds			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . Convertible bonds repayable			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . Due to shareholders for financing			734.009
. . . . Within 12 months			734.009
. . . . Beyond 12 months			
. . Due to banks			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . Due to other providers of finance			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . Advances from customers			166.111
. . . . Within 12 months			166.111
. . . . Beyond 12 months			
. . Trade payables			953.024
. . . . Within 12 months			953.024
. . . . Beyond 12 months			
. . Securities issued			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . Due to subsidiary companies			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . Due to associated companies			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . Due to holding companies			
. . . . Within 12 months			
. . . . Beyond 12 months			

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. . Due to the tax authorities			7.372
. . . . Within 12 months			7.372
. . . . Beyond 12 months			
. . Due to social security and welfare inst.			1.330
. . . . Within 12 months			1.330
. . . . Beyond 12 months			
. . Other payables			1.490
. . . . Within 12 months			1.490
. . . . Beyond 12 months			
Total accounts payable	3.549.034	2.164.482	1.863.336
<b>ADJUSTMENT ACCOUNTS</b>			
. Agio on loans			
. Other adjustment accounts	12.723	3.746	1.308
Total adjustment accounts	12.723	3.746	1.308
<b>TOTAL LIABILITIES</b>	3.702.588	2.292.195	1.934.435
<b>MEMORANDUM ACCOUNTS</b>			
Third party goods			
Investment accounts			
Risk accounts			
Civil and fiscal norms relation			
<b>PROFIT AND LOSS ACCOUNTS</b>			
<b>VALUE OF PRODUCTION</b>			
. Revenues from sales and services	6.550.867	5.498.186	3.975.380
. Changes in work in progress			
. Changes in semi-manufact. products			
. Capitalization of internal work			
. Other income and revenues	5.803	27	3.644
. . Contributions for operating expenses			
. . Different income and revenues	5.803	27	3.644
Total value of production	6.556.670	5.498.213	3.979.024
<b>PRODUCTION COSTS</b>			
. Raw material, other materials and consum.	4.854.939	4.336.801	3.121.554
. Services received	1.345.080	848.464	
. Leases and rentals	71.229	71.057	854.222
. Payroll and related costs	168.953	67.945	24.799
. . Wages and salaries	122.302	50.558	18.433
. . Social security contributions	32.082	14.877	5.342
. . Employee termination indemnities	14.569	2.486	1.024
. . Pension and similar		24	
. . Other costs			
. Amortization and depreciation	51.749	44.250	29.666
. . Amortization of intangible fixed assets	31.772	30.748	22.747
. . Amortization of tangible fixed assets	19.977	8.910	2.627
. . Depreciation of tangible fixed assets			
. . Writedown of current receiv. and of liquid		4.592	4.292
. Changes in raw materials	-59.719	-11.939	-136.317
. Provisions to risk reserves			
. Other provisions			
. Other operating costs	83.845	71.223	22.835

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Total production costs	6.516.076	5.427.801	3.916.759
Diff. between value and cost of product.	40.594	70.412	62.265
<b>FINANCIAL INCOME AND EXPENSE</b>			
. Income from equity investments			
. . In subsidiary companies			
. . In associated companies			
. . In other companies			
. Other financial income	10	19	6.842
. . Financ.income from receivables			
. . . Towards subsidiary companies			
. . . Towards associated companies			
. . . Towards holding companies			
. . . Towards other companies			
. . Financ.income from secur. t.f.assets			
. . Financ.income from secur. cur.assets			
. . Financ.income other than the above	10	19	6.842
. . . - Subsidiary companies			
. . . - Associated companies			
. . . - Holding companies			
. . . - Other companies	10	19	6.842
. Interest and other financial expense	-15.604	6.312	-46
. . Towards subsidiary companies			
. . Towards associated companies			
. . Towards holding companies			
. . Towards other companies			-46
Total financial income and expense	-15.594	6.331	6.796
<b>ADJUSTMENTS TO FINANCIAL ASSETS</b>			
. Revaluations			
. . Of equity investments			
. . Of financ.fixed assets not repres.E.I.			
. . Of securities incl.among current assets			
. Devaluation			
. . Of equity investments			
. . Of financial fixed assets (no equity inv)			
. . Of securities included among current ass			
Total adjustments to financial assets			
<b>EXTRAORDINARY INCOME AND EXPENSE</b>			
. Extraordinary income			
. . Gains on disposals			
. . Other extraordinary income			
. Extraordinary expense			-3.950
. . Losses on disposals			
. . Taxes relating to prior years			
. . Other extraordinary expense			-3.950
Total extraordinary income and expense			-3.950
Results before income taxes	25.000	76.743	65.111
. Taxes on current income	21.743	25.054	6.655
. . current taxes	21.743	25.054	6.655
. . differed taxes(anticip.)			

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. Net income for the period	3.257	51.689	58.456
. Adjustments in tax regulations pursuance			
. Provisions in tax regulations pursuance			
. Profit (loss) of the year	3.257	51.689	58.456

RATIOS	Value Type	as at 31/12/2017	as at 31/12/2016	as at 31/12/2015	Sector Average
<b>COMPOSITION ON INVESTMENT</b>					
Rigidity Ratio	Units	0,05	0,07	0,06	0,09
Elasticity Ratio	Units	0,95	0,93	0,94	0,89
Availability of stock	Units	0,12	0,17	0,20	0,26
Total Liquidity Ratio	Units	0,83	0,75	0,74	0,54
Quick Ratio	Units	0,12	0,06	0,09	0,03
<b>COMPOSITION ON SOURCE</b>					
Net Short-term indebtedness	Units	24,68	16,60	24,64	3,95
Self Financing Ratio	Units	0,03	0,05	0,04	0,17
Capital protection Ratio	Units	0,89	0,49	0,01	0,62
Liabilities consolidation quotient	Units	0,02	0,01	0,00	0,10
Financing	Units	28,67	17,96	27,06	4,85
Permanent Indebtedness Ratio	Units	0,05	0,06	0,04	0,29
M/L term Debts Ratio	Units	0,02	0,01	0,00	0,07
Net Financial Indebtedness Ratio	Units	n.c.	n.c.	8,24	1,04
<b>CORRELATION</b>					
Fixed assets ratio	Units	1,12	0,86	0,57	2,37
Current ratio	Units	1,01	0,99	0,97	1,18
Acid Test Ratio-Liquidity Ratio	Units	0,87	0,80	0,76	0,80
Structure's primary quotient	Units	0,74	0,73	0,56	1,48
Treasury's primary quotient	Units	0,13	0,07	0,09	0,04
Rate of indebtedness ( Leverage )	%	2990,78	1901,54	2809,47	602,26
Current Capital ( net )	Value	19.044	-22.134	-52.654	191.984
<b>RETURN</b>					
Return on Sales	%	0,84	1,74	2,22	2,03
Return on Equity - Net- ( R.O.E. )	%	2,63	42,88	84,90	6,31
Return on Equity - Gross - ( R.O.E. )	%	20,19	63,66	94,56	17,00
Return on Investment ( R.O.I. )	%	1,10	3,07	3,22	4,18
Return/ Sales	%	0,62	1,28	1,57	3,46
Extra Management revenues/charges incid.	%	8,02	73,41	93,88	27,96
Cash Flow	Value	55.006	95.939	88.122	44.823
Operating Profit	Value	40.594	70.412	62.265	74.603
Gross Operating Margin	Value	92.343	114.662	91.931	111.383
<b>MANAGEMENT</b>					
Credits to clients average term	Days	n.c.	n.c.	83,27	113,70
Debts to suppliers average term	Days	n.c.	n.c.	86,29	118,14
Average stock waiting period	Days	25,21	26,13	35,06	72,90
Rate of capital employed return ( Turnover )	Units	1,77	2,40	2,06	1,25

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**ARIANE PORCELAIN EUROPE S.R.L. - 529223**

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Rate of stock return	Units	14,28	13,78	10,27	4,88
Labour cost incidence	%	2,58	1,24	0,62	8,14
Net financial revenues/ charges incidence	%	-0,24	0,12	0,17	-1,38
Labour cost on purchasing expenses	%	2,59	1,25	0,63	8,25
Short-term financing charges	%	0,44	n.c.	0,00	2,76
Capital on hand	%	56,52	41,69	48,66	79,85
Sales pro employee	Value	1.310.173	2.749.093		397.742
Labour cost pro employee	Value	33.790	33.972		33.267

**REMARKS**

- 1) Protests checking (relative to the last five years) performed by crossing and matching the members names and the Firm's Style with the reported addresses, is supplied by the Informatic Registry managed by the Italian Chamber of Commerce. If the fiscal code is not indicated, the eventual homonymous cases are submitted to expert staff evaluation in order to limit wrong matching risks.
- 2) The Legal Data, supplied and retrieved from the Firm's Registry of the Italian Chamber of Commerce, are in line with the last registered modifications.
- 3) Risk evaluation and Credit Opinion have been performed on the base of the actual data at the moment of their availability.

**MARKET / TERRITORY DATA**

Population living in the province : 659.925  
Population living in the region : 4.151.369  
Number of families in the region : 1.748.359

Monthly family expenses average in the region (in Eur..) :

- per food products : 425
- per non food products : 2.063
- per energy consume : 143

**SECTOR DATA**

The values are calculated on a base of 9.175 significant companies.

The companies cash their credits on an average of 114 dd.

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The average duration of suppliers debts is about 118 dd.  
The sector's profitability is on an average of 2,03%.  
The labour cost affects the turnover in the measure of 8,14%.  
Goods are held in stock in a range of 73 dd.  
The difference between the sales volume and the resources used to realize it is about 1,25.  
The employees costs represent the 8,25% of the production costs.

## **STATISTICAL DETRIMENTAL DATA**

Statistically the trade activity shows periods of crisis.  
The area is statistically considered lowly risky.  
In the region 18.860 protested subjects are found; in the province they count to 3.557.  
The insolvency index for the region is 0,46, , while for the province it is 0,55.  
Total Bankrupt companies in the province : 2.526.  
Total Bankrupt companies in the region : 14.698.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupee
US Dollar	1	INR 71.90
UK Pound	1	INR 93.04
Euro	1	INR 83.67
Euro	1	INR 83.80

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	VIV
<b>Report Prepared by :</b>	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)