

MIRA INFORM REPORT

Report No. :	538834
Report Date :	10.11.2018

IDENTIFICATION DETAILS

Name :	PALAZZANI.EU SRL
Registered Office :	Via Bruno Buozzi 5/A, 25125 Brescia
Country :	Italy
Financials (as on) :	31.12.2017
Date of Incorporation :	30.07.2012
Com. Reg. No.:	BS0535337
Legal Form :	Limited liability company
Line of Business :	Manufacture of other taps and valves
No. of Employees :	32

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 (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

ITAY - ECONOMIC OVERVIEW

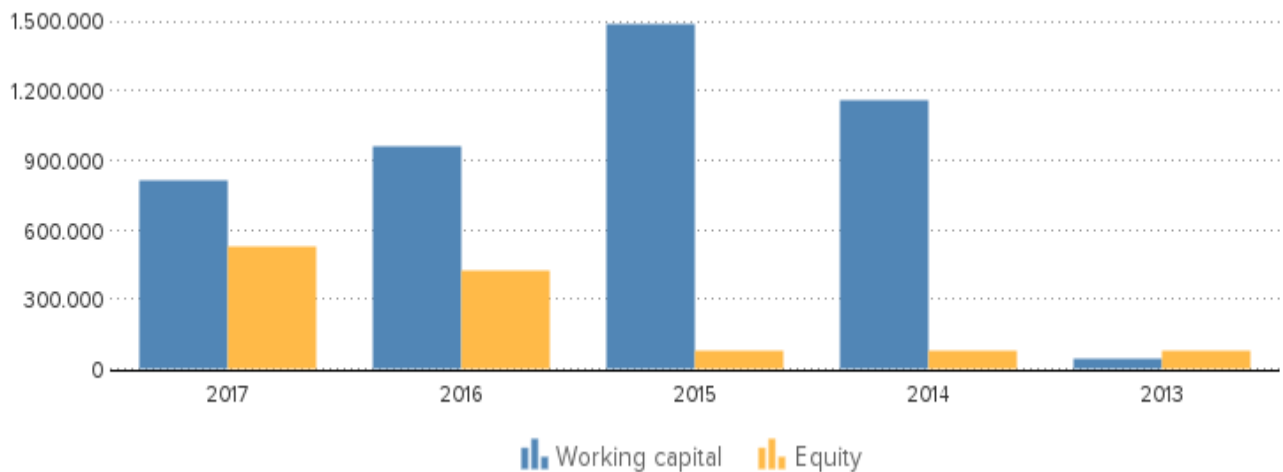
Italy's economy comprises a developed industrial north, dominated by private companies, and a less-developed, highly subsidized, agricultural south, with a legacy of unemployment and underdevelopment. The Italian economy is driven in large part by the manufacture of high-quality consumer goods produced 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. 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	PALAZZANI.EU SRL				
Operative address	Via Bruno Buozzi 5/A 25125 Brescia Italy				
Status	Active				
Legal form	Limited liability company - SRL				
Registration number	Trade register number: BS0535337				
VAT-number	IT03452000981				
Year	2017	Mutation	2016	Mutation	2015
Fixed assets	1.092.281	156,46	425.910	39,94	304.361
Total receivables	2.821.641	3,19	2.734.363		
Total equity	530.499	26,03	420.915	420,51	80.866
Short term liabilities	3.624.528	23,68	2.930.466	63,06	1.797.121
Net result	110.599	22,82	90.048	3.418,87	2.559
Working capital	809.412	-15,76	960.883	-35,25	1.484.038
Quick ratio	0,96	-7,69	1,04	-30,67	1,50



CONTACT INFORMATION

Company name	Palazzani.Eu SRL
Operative address	Via Bruno Buozzi 5/A 25125 Brescia Italy
Correspondence address	Via Bruno Buozzi 5/A 25125 Brescia Italy
Website	www.palazzani.eu

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REGISTRATION

Registration number	Trade register number: BS0535337
VAT-number	IT03452000981
Status	Active
Establishment date	2012-07-30
Legal form	Limited liability company - SRL
Subscribed share capital	EUR 300.000

ACTIVITIES

NACE 2814: Manufacture of other taps and valves

RELATIONS

Shareholders

ULTIMATE GLOBAL SHAREHOLDER
Name: MR ITALO PALAZZANI
Address: VIA EDMONDO DE AMICIS 3
City: BRESCIA
Country: IT
Type: One or more named individuals or families
Share direct: 98.67%

SHAREHOLDERS
Name: MR ITALO PALAZZANI
Address: VIA EDMONDO DE AMICIS 3
City: BRESCIA
Country: IT
Type: One or more named individuals or families
Share direct: 98.67%

Name: MR ANDREA GUARNERI
Address: VIA MIGLIOLI 36
City: CASALBUTTANO ED UNITI
Country: IT
Type: One or more named individuals or families
Share direct: 0.33%

Name: MR DIEGO MINELLI
Address: VIA ORMEZZANI 38/C
City: CASALMORANO
Country: IT

Type: One or more named individuals or families
Share direct: 0.33%

Name: MR LUCA LANZA
Address: VIA PODESTA' 31/D
City: CASALBUTTANO ED UNITI
Country: IT

Type: One or more named individuals or families
Share direct: 0.33%

Name: MR MATTIA MARIA SALA
Address: VIA ANELLI 73/A
City: CASALMORANO
Country: IT

Type: One or more named individuals or families
Share direct: 0.33%

Structure

SUBSIDIARIES
Name: PALAZZANI USA INC.
Country: US
Type: Corporate
Share direct: 100.00%

MANAGEMENT

Management

Fullname: Mr Italo Palazzani
Type: Individual
Gender: Male
date of birth: 1936/05/18
Age: 82
Country: Italy
Number of involvements: 5
Function: Chairman of the Board of Directors
Level of responsibility: President / Chairman
Appointment date: 2018/05/07
Resignation date: 2018/12/31

Fullname: Mr Italo Palazzani
Type: Individual
Gender: Male
date of birth: 1936/05/18
Age: 82
Country: Italy
Number of involvements: 5
Function: Adviser
Level of responsibility: Other & unspecified
Appointment date: 2018/05/07
Resignation date: 2018/12/31

Fullname: Mr Italo Palazzani
Type: Individual
Gender: Male
date of birth: 1936/05/18
Age: 82
Country: Italy
Number of involvements: 5
Function: Managing Director
Level of responsibility: Unspecified executive
Appointment date: 2018/05/07
Resignation date: 2018/12/31

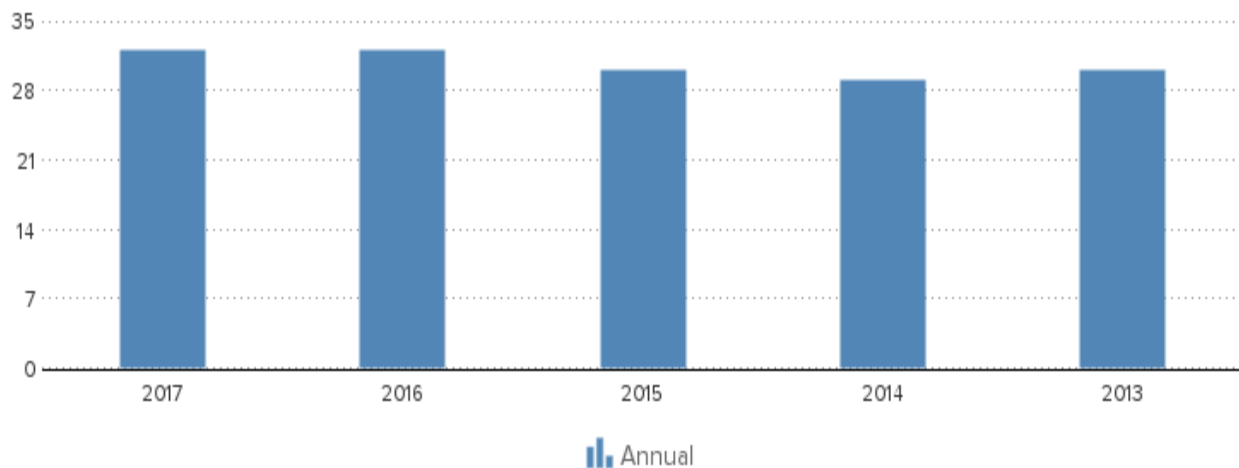
Fullname: Ms Leopolda Bonazzi Di Sannicandro
Type: Individual
Gender: Female
date of birth: 1973/02/21
Age: 45
Country: Italy
Number of involvements: 1
Function: Adviser
Level of responsibility: Other & unspecified
Appointment date: 2018/05/07
Resignation date: 2018/12/31

Fullname: Mr Andrea Guarneri
Type: Individual
Gender: Male
date of birth: 1989/04/02
Age: 29
Country: Italy
Number of involvements: 1
Function: Adviser
Level of responsibility: Other & unspecified
Appointment date: 2018/05/07
Resignation date: 2018/12/31

Fullname: Mr Luca Lanza
Type: Individual
Gender: Male
date of birth: 1986/06/10
Age: 32
Country: Italy
Number of involvements: 1
Function: Adviser
Level of responsibility: Other & unspecified
Appointment date: 2018/05/07
Resignation date: 2018/12/31

EMPLOYEES

Year	2017	2016	2015	2014	2013
Annual	32	32	30	29	30



FINANCIAL ANALYSIS

Trend	Constant
Profitability	Positive
Solvability	Limited
Liquidity	Limited
Show amount in	Euro

Key figures

Year	2017	2016	2015	2014	2013
Quick ratio	0,96	1,04	1,50	1,68	1,02
Current ratio	1,22	1,33	1,83	1,90	1,03
Working capital/ balance total	0,15	0,22	0,41	0,44	0,02
Equity / balance total	0,10	0,10	0,02	0,03	0,04
Equity / Fixed assets	0,49	0,99	0,27	0,38	0,63
Working capital	809.412	960.883	1.484.038	1.155.662	42.634
Equity	530.499	420.915	80.866	78.308	76.138
Mutation equity	26,03	420,51	3,27	2,85	
Mutation short term liabilities	23,68	63,06	40,22	-21,75	
Return on total assets (ROA)	2,70	2,97	1,30	1,39	1,94
Return on equity (ROE)	28,09	30,46	57,47	46,90	45,87
Gross profit margin	2,63	2,61	1,00	0,86	0,77
Net profit margin	1,64	1,40	0,04	0,04	0,30

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Average collection ratio	1,86	2,19	3,51	3,97	2,73
Average payment ratio	2,40	2,35			3,45
Equity turnover ratio	12,74	15,24	78,09	64,99	58,68
Total assets turnover ratio	1,22	1,49	1,76	1,93	2,48
Fixed assets turnover ratio	6,19	15,07	20,75	24,97	37,03
Inventory conversion ratio	7,13	7,58	10,90	18,32	343,17
Turnover	6.759.491	6.416.444	6.314.762	5.089.324	4.467.790
Operating result	177.976	167.636	63.060	43.515	34.275
Net result after taxes	110.599	90.048	2.559	2.168	13.625
Cashflow	306.932	191.027	76.191	104.193	37.897
Gross profit	1.494.727	1.370.586	1.376.187	1.109.372	1.029.404
EBITDA	374.309	268.615	136.692	145.540	58.547
Summary	The 2017 financial result structure is a positive working capital of 809.412 euro, which is in agreement with 15 % of the total assets of the company.				

The working capital has diminished with -15.76 % compared to previous year. The ratio, with respect to the total assets of the company has however, declined.

The deterioration between 2016 and 2017 has mainly been caused by a change of the current liabilities.

The current ratio of the company in 2017 was 1.22. When the current ratio is below 1.5, the company may have problems meeting its short-term obligations.

The quick ratio in 2017 of the company was 0.96. A company with a Quick Ratio of less than 1 cannot currently pay back its current liabilities.

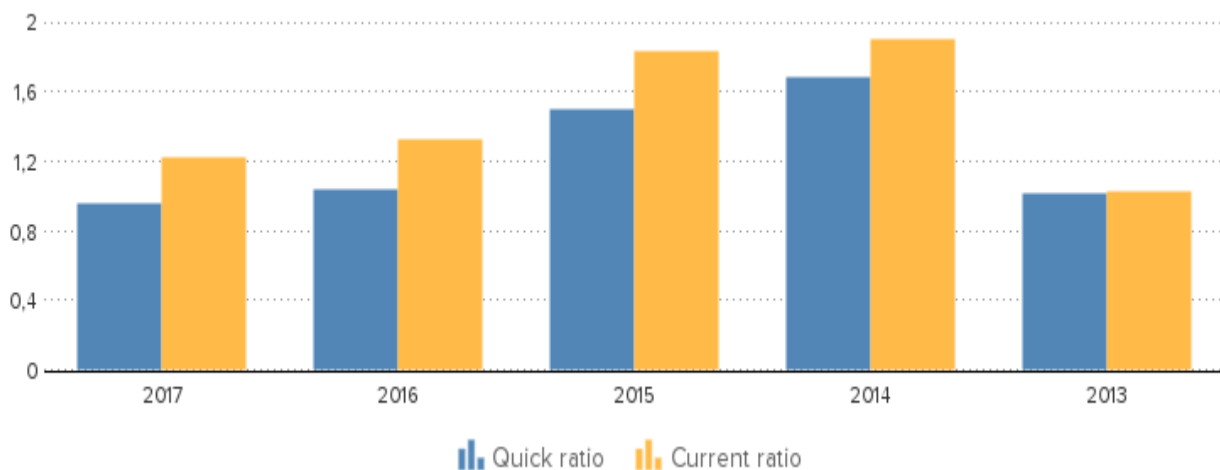
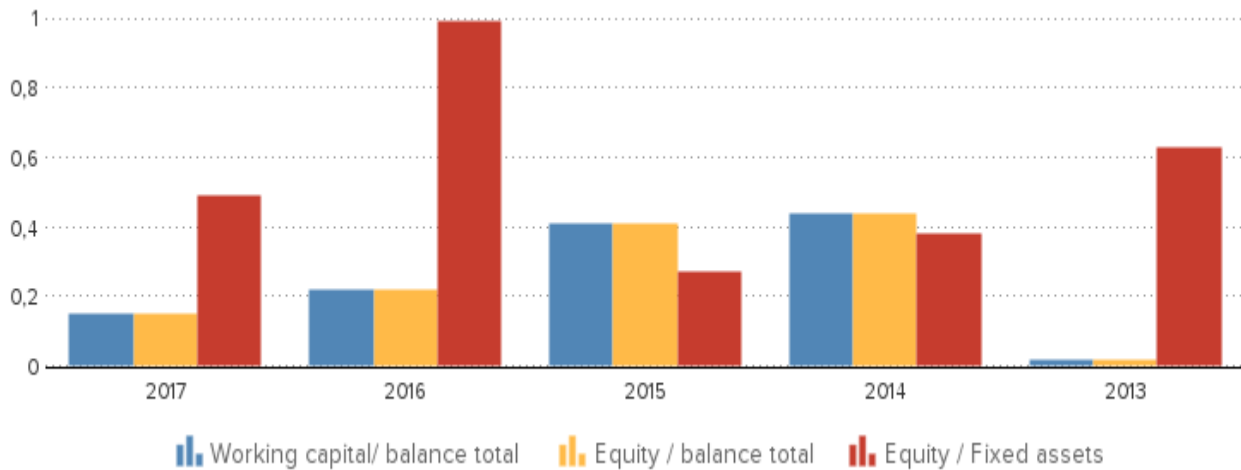
The 2016 financial result structure is a positive working capital of 960.883 euro, which is in agreement with 22 % of the total assets of the company.

The working capital has diminished with -35.25 % compared to previous year. The ratio, with respect to the total assets of the company has however, declined.

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

The current ratio of the company in 2016 was 1.33. 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 1.04. A company with a Quick Ratio of more than 1 can currently pay back its current liabilities.



FINANCIAL STATEMENT

Last annual account
Remark annual account
Type of annual account
Annual account

2017
The company is obliged to file its financial statements.
Corporate
Palazzani.Eu SRL
Via Bruno Buozzi 5/A
25125 Brescia
Italy

Balance

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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
Intangible fixed assets	116.298	40.125	17.591	20.220	24.027
Tangible fixed assets	957.789	367.591	252.614	149.480	90.378
Other fixed assets	18.194	18.194	34.156	34.156	6.250
Fixed assets	1.092.281	425.910	304.361	203.856	120.655
Total stock	948.362	846.436	579.452	277.856	13.019
Total receivables	2.821.641	2.734.363			1.295.047
Liquid funds	379.068	40.957	100.460	215.128	39.777
Other current assets	284.869	269.593	2.601.247	1.944.357	332.694
Current assets	4.433.940	3.891.349	3.281.159	2.437.341	1.680.537
Total assets	5.526.221	4.317.259	3.585.520	2.641.197	1.801.192
Total equity	530.499	420.915	80.866	78.308	76.138
Provisions	70.625	62.800	745.752	47.150	40.000
Long term liabilities	1.300.569	903.078	961.781	1.234.060	47.151
Accounts payable	2.169.560	1.869.681			1.308.220
Liabilities towards credit institutes	972.506	666.639			9.565
Other short term liabilities	482.462	394.146	1.797.121	1.281.679	320.118
Short term liabilities	3.624.528	2.930.466	1.797.121	1.281.679	1.637.903
Total liabilities	5.526.221	4.317.259	3.585.520	2.641.197	1.801.192
Summary	The total assets of the company increased with 28 % between 2016 and 2017.				

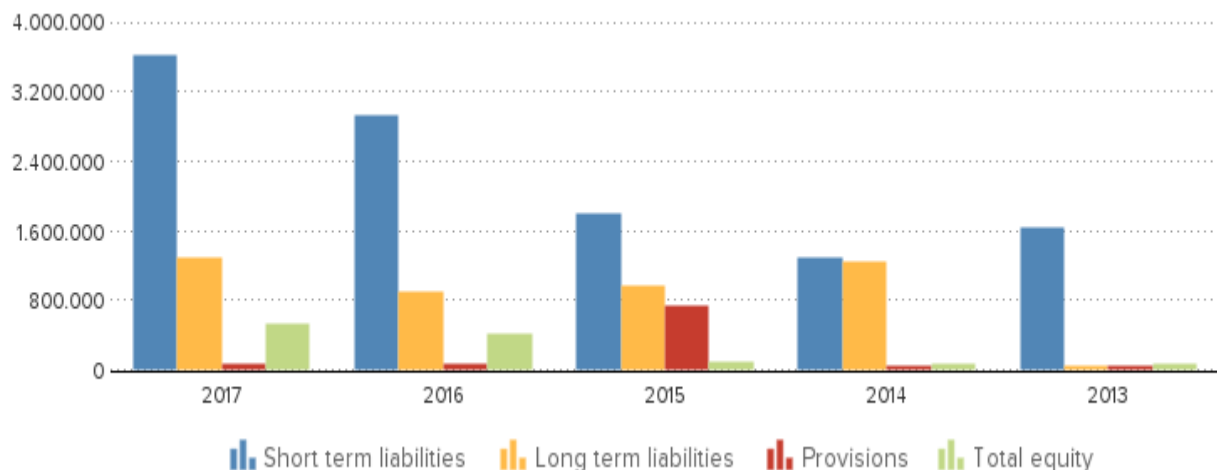
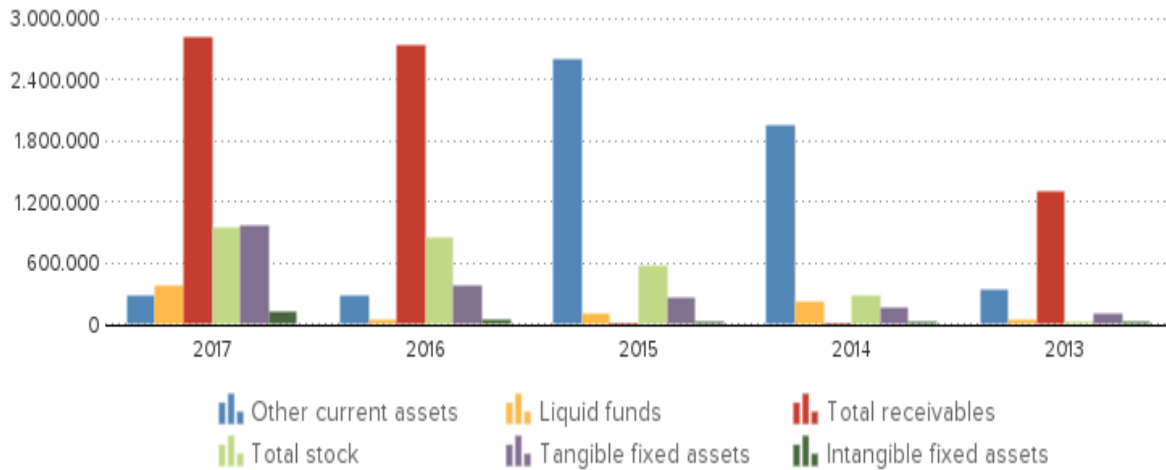
The total asset increase is retrievable in the fixed asset growth of 156.46 %.

In 2017 the assets of the company were 19.77 % composed of fixed assets and 80.23 % by current assets. The assets are being financed by an equity of 9.6 %, and total debt of 90.4 %.

The total assets of the company increased with 20.41 % between 2015 and 2016.

The total asset increase is retrievable in the fixed asset growth of 39.94 %.

In 2016 the assets of the company were 9.87 % composed of fixed assets and 90.13 % by current assets. The assets are being financed by an equity of 9.75 %, and total debt of 90.25 %.



Profit and loss

Year	2017	2016	2015	2014	2013
Revenues	6.577.256	5.978.573	6.010.472	4.814.104	4.423.778
Net turnover	6.759.491	6.416.444	6.314.762	5.089.324	4.467.790
Wages and salaries	1.120.275	1.122.832	1.257.173	965.193	938.780
Amorization and depreciation	196.333	100.979	73.632	102.025	24.272
Production costs	3.243.003	2.994.680	2.787.775	2.046.928	1.694.075
Operating result	177.976	167.636	63.060	43.515	34.275
Financial income	3	5	11	92	934
Financial expenses	28.951	39.413	16.595	6.877	286
Financial result	-28.948	-39.408	-16.584	-6.785	648
Result on ordinary operations before taxes	149.028	128.228	46.476	36.730	34.923
Taxation on the result of ordinary activities	38.429	38.180	26.228	33.700	52.504
Result of ordinary activities after taxes	110.599	90.048	20.248	3.030	-17.581
Extraordinary income			21.321		35.584

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Extraordinary expense			39.010	862	4.378
Extraordinary result before taxation			-17.689	-862	31.206
Net result	110.599	90.048	2.559	2.168	13.625
Summary					

The turnover of the company grew with 5.35 % between 2016 and 2017.

The operating result of the company grew with 6.17 % between 2016 and 2017. 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 -9.09 % of the analysed period, being equal to 2.7 in the year 2017.

This fall has contributed to a asset turnover decrease, whose index evolved from -18.12 to a level of 1.22.

The Net Result of the company increased by 22.82 % 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 -7.78 % of the analysed period, being 28.09 in the year 2017.

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

The turnover of the company grew with 1.61 % between 2015 and 2016.

The operating result of the company grew with 165.84 % between 2015 and 2016. This evolution implies an increase of the company's economic profitability.

The result of these changes is an increase of the company's Economic Profitability of 128.46 % of the analysed period, being equal to 2.97 in the year 2016.

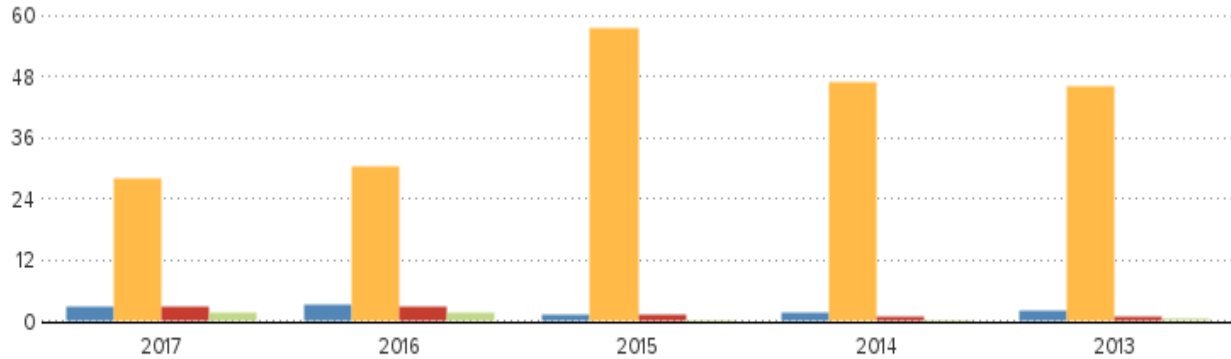
Despite the growth the assets turnover decreased, whose index evolved with -15.34 % to a level of 1.49.

The Net Result of the company increased by 3418.87 % between 2015 and 2016.

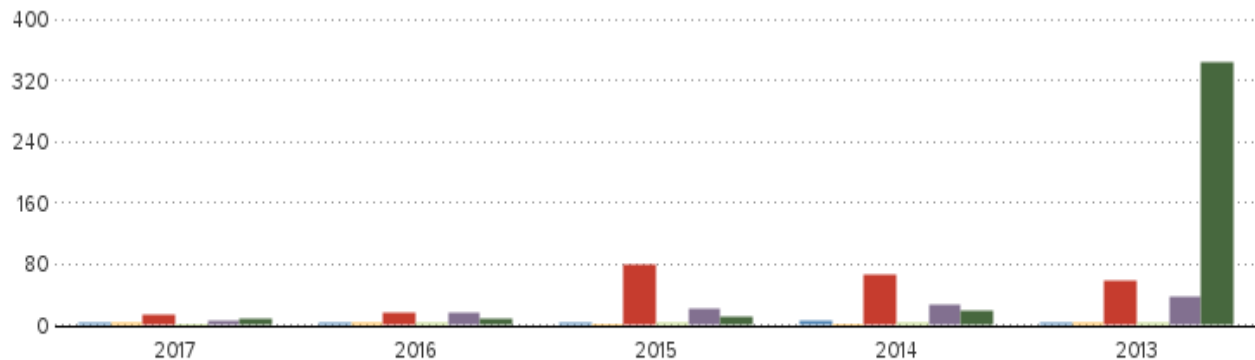
The company's Financial Profitability has been positively affected by the financial activities in comparison to the EBITs behaviour.

The result of these variations is a profitability increase of -47 % of the analysed period, being 30.46 in the year 2016.

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



Return on total assets (ROA) Return on equity (ROE) Gross profit margin
Net profit margin



Average collection ratio Average payment ratio Equity turnover ratio
Total assets turnover ratio Fixed assets turnover ratio Inventory conversion ratio

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
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Last year: 2017
Turnover last year: 6.759.491 EUR
Result last year: 110.599 EUR
TOTAL assets last year: 5.526.221 EUR
Number of employees: 32
Number of shareholders: 5
Number of subsidiaries: 1
Number of branches: 0

FOREIGN EXCHANGE RATES

Currency	Unit	INR
US Dollar	1	INR 72.73
UK Pound	1	INR 94.87
Euro	1	INR 82.52
EURO	1	INR 82.17

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	SDA

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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)