

MIRA INFORM REPORT

Report No. :	536332
Report Date :	24.10.2018

IDENTIFICATION DETAILS

Name :	SMALTOCHIMICA S.P.A.
Registered Office :	Via Del Crociale 52/54, 41042 Fiorano Modenese
Country :	Italy
Financials (as on) :	31.12.2017
Date of Incorporation :	03.02.1977
Com. Reg. No.:	MO0177709
Legal Form :	Joint Stock Company – SPA
Line of Business :	Subject is engaged in the manufacture and distribution of chemicals for silk-screen printing
No. of Employees :	41 [2017]

RATING & COMMENTS

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

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

Status :	Moderate
Payment Behaviour :	Slow but correct
Litigation :	Clear

NOTES :

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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.

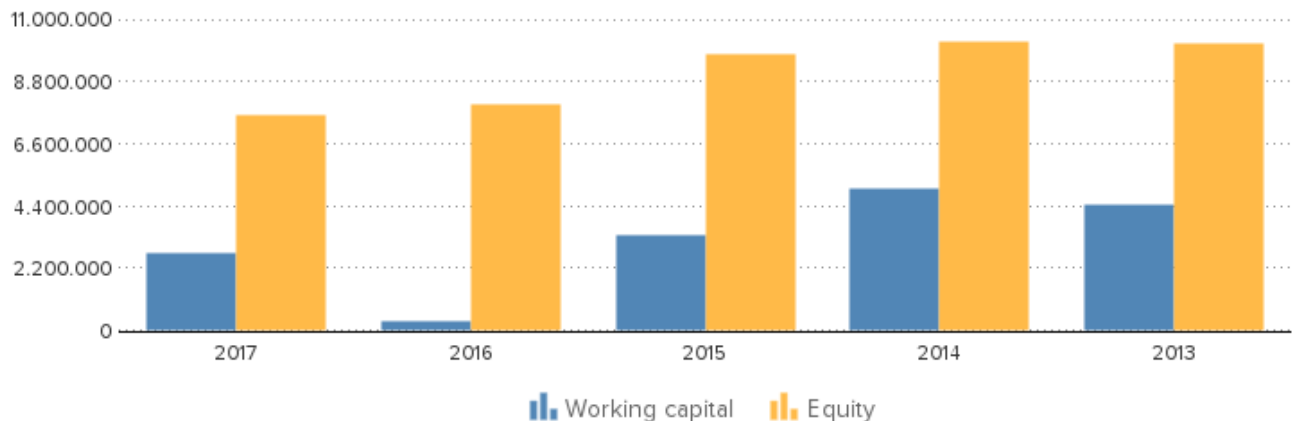
Italy is the third-largest economy in the euro zone, but its exceptionally high public debt and structural impediments to growth have rendered it vulnerable to scrutiny by financial markets. Public debt has increased steadily since 2007, reaching 131% of GDP in 2017. Investor concerns about Italy and the broader euro-zone crisis eased in 2013, bringing down Italy's borrowing costs on sovereign government debt from euro-era. 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	SMALTOCHIMICA S.P.A.
Operative address	Via Del Crociale 52/54 41042 Fiorano Modenese Italy
Status	Active
Legal form	Joint Stock Company - SPA
Registration number	Trade register number: MO0177709
VAT-number	IT00691170369

Year	2017	Mutation	2016	Mutation	2015
Fixed assets	10.279.876	-18,14	12.557.895	-13,89	14.583.813
Total receivables	5.860.287	20,66	4.856.808	-13,84	5.637.031
Total equity	7.636.687	-4,70	8.013.697	-17,78	9.746.524
Short term liabilities	10.936.832	-8,59	11.964.117	10,75	10.802.723
Net result	-377.011	78,24	-1.732.826	-283,31	-452.071
Working capital	2.713.972	750,85	318.972	-90,56	3.379.629
Quick ratio	0,96	20,00	0,80	-21,57	1,02



CONTACT INFORMATION

Company name	Smaltochimica S.P.A.
Operative address	Via Del Crociale 52/54 41042 Fiorano Modenese Italy
Correspondence address	Via Del Crociale 52/54 41042 Fiorano Modenese

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Telephone number Italy
Email address +39 0536843600
Website info@smaltochimica.it
www.smaltochimica.it

REGISTRATION

Registration number Trade register number: MO0177709
VAT-number IT00691170369
Status Active
Establishment date 1977-02-03
Legal form Joint stock company - SPA
Subscribed share capital EUR 2.800.000

ACTIVITIES

NACE 2030: Manufacture of paints, varnishes and similar coatings,
printing ink a mastics
Goal Engaged in the manufacture and distribution of chemicals for silk-
screen printing

RELATIONS

Shareholders ULTIMATE GLOBAL SHAREHOLDER
Name: PICCININI FAMILY
Country: IT
Type: One or more named individuals or families
Share direct: 100.00%
Share total: 100.00%

SHAREHOLDERS
Name: PICCININI FAMILY
Country: IT
Type: One or more named individuals or families
Share direct: 100.00%

Structure SUBSIDIARIES
Name: EUROMECCANICA ESPANA
Country: ES
Type: Corporate
Share direct: 100.00%

Name: SMALTOCHIMICA DO BRASIL LTDA

National id number: 04.175.748/0001-86
Address: R TRES DISTRITO INDUSTRIAL I
City: CORDEIROPOLIS
Country: BR
Type: Corporate
Share direct: 100.00%
Turnover: 4.78612694 mil. EUR
Number of employees: 36

Name: SMALTOCHIMICA POLSKA SP. Z O.O.
National id number: 0000294789
Address: Sosnowa 95
City: TOMASZOW MAZOWIECKI
Country: PL
Type: Corporate
Phone: +48 41 3726030
Website: www.smaltochimica.pl
Share direct: 100.00%
Turnover: 0.8450446 mil. EUR
Total assets: 0.54193077 mil. EUR
Profit loss before tax: 0.09653624 mil. EUR
Profit loss after tax net income: 0.07887665 mil. EUR
Shareholders funds: 0.330812 mil. EUR

Name: SMALTOCHIMICA KYMIA
Country: TR
Type: Corporate
Share direct: 99.00%

Name: P.T SMALTOCHIMICA ASIA
Country: ID
Type: Corporate
Share direct: 98.75%

Name: SMALTOCHIMICA INDIA PRIVATE LIMITED
National id number: U51909DL2008PTC183826
Address: 1ST FLOOR
City: NEW DELHI
Country: IN
Type: Corporate
Share direct: 85.00%
Turnover: 2.53484177 mil. EUR
Total assets: 2.90898816 mil. EUR
Profit loss before tax: 0.1199083 mil. EUR
Profit loss after tax net income: 0.13840984 mil. EUR
Shareholders funds: 0.65427446 mil. EUR

Name: SMALTOCHIMICA AMERICA SA DE CV
National id number: SAM 060421 IU3

Address: Acceso III No. 52 Bodega 16
City: QUERÉTARO
Country: MX
Type: Corporate
Phone: +52 4423120839;+52 4423120831
Website: www.smaltochimica.com.mx
Share direct: >50.00%
Turnover: 0.75877622 mil. EUR
Total assets: 0.85049642 mil. EUR
Profit loss before tax: 0.0681356 mil. EUR
Profit loss after tax net income: 0.04949722 mil. EUR
Shareholders funds: 0.53876197 mil. EUR

Name: RAK CHIMICA LLC
Country: AE
Type: Corporate
Share direct: 44.00%

Name: DELTA CHEMICALS LIMITED
Country: CN
Type: Corporate
Share direct: 30.00%

Name: GARDENIA-QUIMICA SA
National id number: A12405577
Address: AVENIDA REAL DE EXTREMADURA, 25
City: ONDA
Country: ES
Type: Corporate
Phone: +34 964604000
Fax: +34 964603101
Website: www.gardeniaquimica.com
Turnover: 5.30310439 mil. EUR
Total assets: 7.93093966 mil. EUR
Profit loss before tax: 0.78375329 mil. EUR
Profit loss after tax net income: 0.58761622 mil. EUR
Shareholders funds: 6.51454309 mil. EUR
Number of employees: 25

Branches

Name: SMALTOCHIMICA S.P.A.
National id number: 05.708.893/0001-48
Country: BR

MANAGEMENT

Management

Fullname: Mr Ivano Piccinini
Type: Individual

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Gender: Male
date of birth: 1943/03/03
Age: 75
Country: Italy
Number of involvements: 1
Function: Chairman of the Board of Directors
Level of responsibility: President / Chairman
Appointment date: 2016/06/27
Resignation date: 2018/12/31

Fullname: Mr Ivano Piccinini
Type: Individual
Gender: Male
date of birth: 1943/03/03
Age: 75
Country: Italy
Number of involvements: 1
Function: Adviser
Level of responsibility: Other & unspecified
Appointment date: 2016/06/27
Resignation date: 2018/12/31

Fullname: Mr Federico Piccinini
Type: Individual
Gender: Male
date of birth: 1975/12/15
Age: 42
Country: Italy
Number of involvements: 2
Function: Adviser
Level of responsibility: Other & unspecified
Appointment date: 2016/06/27
Resignation date: 2018/12/31

Fullname: Mr Federico Piccinini
Type: Individual
Gender: Male
date of birth: 1975/12/15
Age: 42
Country: Italy
Number of involvements: 2
Function: Chief Executive Officer
Level of responsibility: Highest executive
Appointment date: 2016/06/27
Resignation date: 2018/12/31

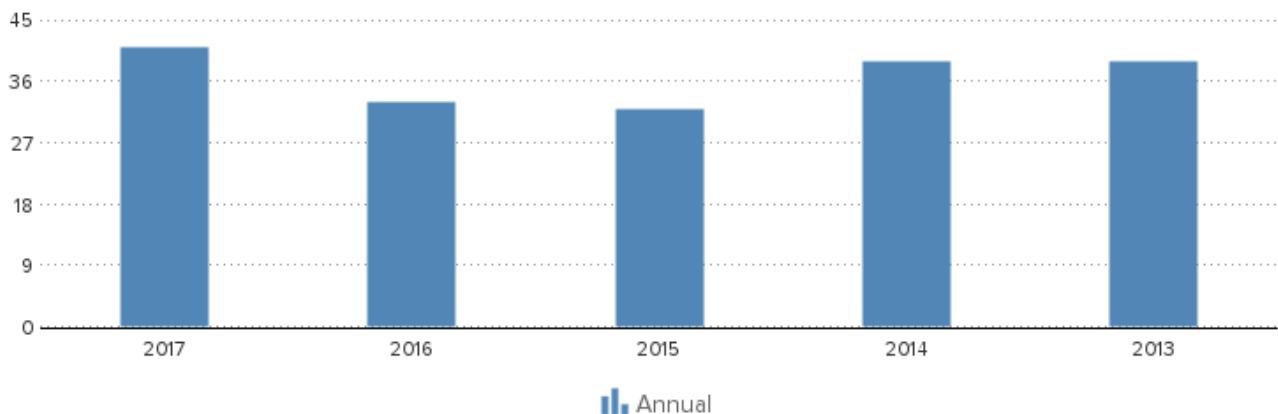
Fullname: Ms Chiara Piccinini
Type: Individual
Gender: Female

date of birth: 1977/09/13
Age: 41
Country: Italy
Number of involvements: 1
Function: Adviser
Level of responsibility: Other & unspecified
Appointment date: 2016/06/27
Resignation date: 2018/12/31

Fullname: Ms Deborah Righetti
Type: Individual
Gender: Female
date of birth: 1977/06/14
Age: 41
Country: Italy
Number of involvements: 3
Function: Chairman of the Board of Statutory Auditors
Level of responsibility: President / Chairman; Auditor
Appointment date: 2016/09/12
Resignation date: 2018/12/31

EMPLOYEES

Year	2017	2016	2015	2014	2013
Annual	41	33	32	39	39



FINANCIAL ANALYSIS

Trend	Fluctuating
Profitability	Negative
Solvability	Sufficient
Liquidity	Limited
Show amount in	Euro

KEY FIGURES

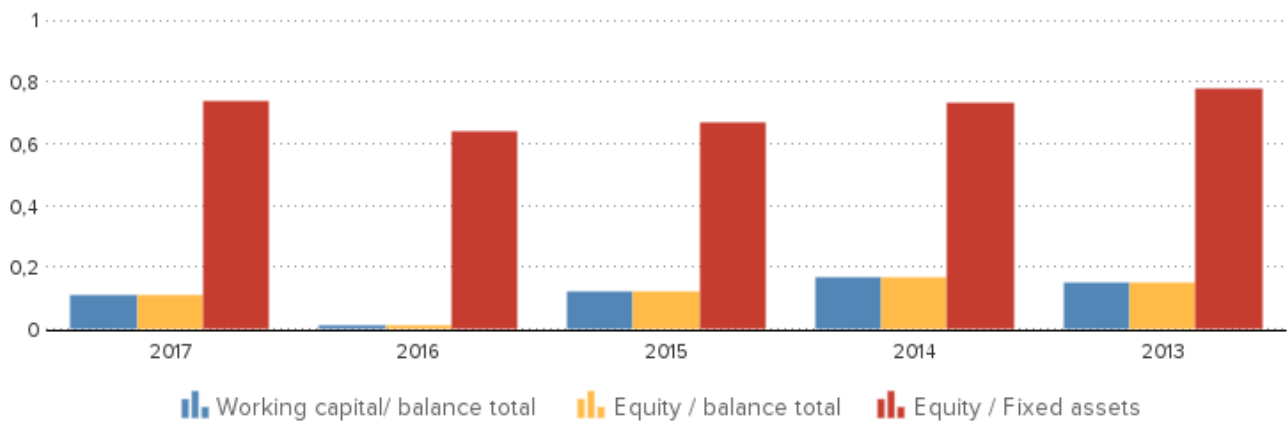
Year	2017	2016	2015	2014	2013
Quick ratio	0,96	0,80	1,02	1,19	1,07
Current ratio	1,25	1,03	1,31	1,48	1,39
Working capital/ balance total	0,11	0,01	0,12	0,17	0,15
Equity / balance total	0,32	0,32	0,34	0,35	0,35
Equity / Fixed assets	0,74	0,64	0,67	0,73	0,78
Working capital	2.713.972	318.972	3.379.629	5.035.331	4.446.665
Equity	7.636.687	8.013.697	9.746.524	10.198.597	10.158.062
Mutation equity	-4,70	-17,78	-4,43	0,40	
Mutation short term liabilities	-8,59	10,75	3,10	-8,77	
Return on total assets (ROA)	-1,57	-6,57	-0,92	0,70	-0,53
Return on equity (ROE)	-4,91	-20,36	-2,71	2,03	-1,50
Gross profit margin	-2,21	-8,28	-1,91	2,23	0,14
Net profit margin	-2,82	-12,72	-3,18	0,22	-1,40
Average collection ratio	1,22	1,14	1,32	1,76	1,60
Average payment ratio	2,28	2,81	2,52	2,72	2,87
Equity turnover ratio	1,75	1,70	1,46	1,80	1,81
Total assets turnover ratio	0,56	0,55	0,49	0,62	0,63
Fixed assets turnover ratio	1,30	1,08	0,98	1,32	1,40
Inventory conversion ratio	4,24	5,00	4,56	6,10	5,08
Turnover	13.364.622	13.624.305	14.229.743	18.407.901	18.381.358
Operating result	-295.657	-1.128.169	-271.722	409.795	26.409
Net result after taxes	-377.011	-1.732.826	-452.071	40.533	-256.852
Cashflow	345.569	-847.270	-11.854	297.669	226.514
Gross profit	2.997.646	1.915.562	2.795.145	3.592.461	3.421.247
EBITDA	426.923	-242.613	168.495	666.931	509.775

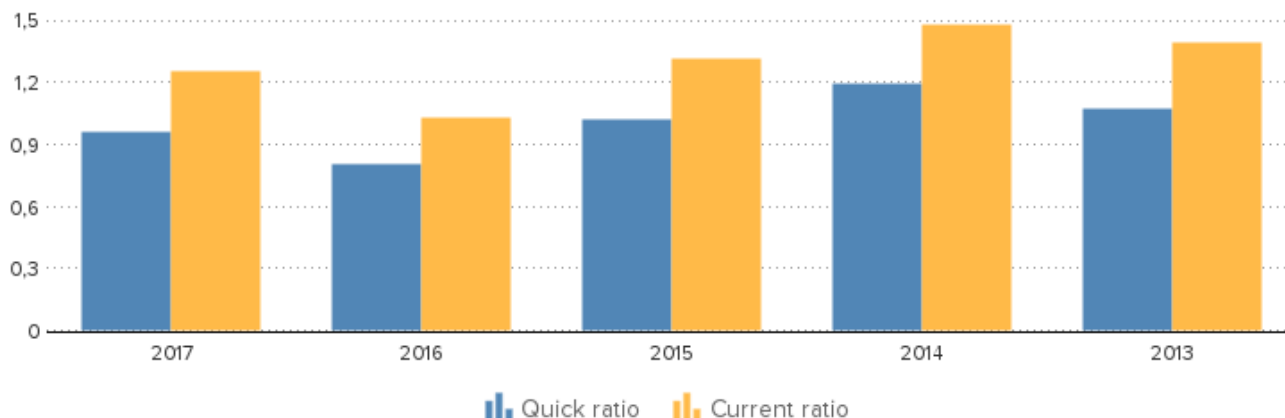
Summary

The 2017 financial result structure is a positive working capital of 2.713.972 euro, which is in agreement with 11 % of the total assets of the company. The working capital has increased with 750.85 % compared to previous year. The ratio, with respect to the total assets of the company has however, increased. The improvement between 2016 and 2017 has mainly been caused by a change of the current assets. The current ratio of the company in 2017 was 1.25. 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 318.972 euro, which is in agreement with 1 % of the total assets of the company. The working capital has diminished with -90.56 % 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 1.03. 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 0.8. A company with a Quick Ratio of less than 1 cannot currently pay back its current liabilities.





FINANCIAL STATEMENT

Auditor

Name: Bergonzini Giuseppe
date: 2017-10-04

Name: Bortolomasi Antonella
date: 2016-09-12

Name: Indino Vania Maria
date: 2016-09-12

Name: Venturi Daniele
date: 2016-09-12
2017

Last annual account

Remark annual account

Type of annual account

Annual account

The company is obliged to file its financial statements.

Corporate

Smaltochimica S.P.A.

Via Del Crociale 52/54

41042 Fiorano Modenese

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
Intangible fixed assets	1.549.268	2.055.854	2.439.513	1.895.800	1.524.738
Tangible fixed assets	4.822.729	4.993.549	4.899.078	4.978.651	4.921.209

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Other fixed assets	3.907.879	5.508.492	7.245.222	7.112.222	6.657.222
Fixed assets	10.279.876	12.557.895	14.583.813	13.986.673	13.103.169
Total stock	3.152.271	2.727.543	3.119.868	3.017.246	3.620.369
Total receivables	5.860.287	4.856.808	5.637.031	6.776.741	6.408.610
Liquid funds	105.940	1.797	46.439	213.886	2.084
Other current assets	4.532.306	4.696.941	5.379.014	5.504.887	5.900.453
Current assets	13.650.804	12.283.089	14.182.352	15.512.760	15.931.516
Total assets	23.930.680	24.840.984	28.766.165	29.499.433	29.034.685
Total equity	7.636.687	8.013.697	9.746.524	10.198.597	10.158.062
Provisions	275.815	351.335	50.000	50.000	51.806
Long term liabilities	5.081.346	4.511.835	8.166.918	8.773.407	7.339.966
Accounts payable	4.800.103	4.170.233	4.190.315	3.825.348	4.129.193
Liabilities towards credit institutes	5.285.379	7.053.295	5.948.215	5.793.148	6.441.754
Other short term liabilities	851.350	740.589	664.193	858.933	913.904
Short term liabilities	10.936.832	11.964.117	10.802.723	10.477.429	11.484.851
Total liabilities	23.930.680	24.840.984	28.766.165	29.499.433	29.034.685
Summary					

The total assets of the company decreased with -3.66 % between 2016 and 2017.

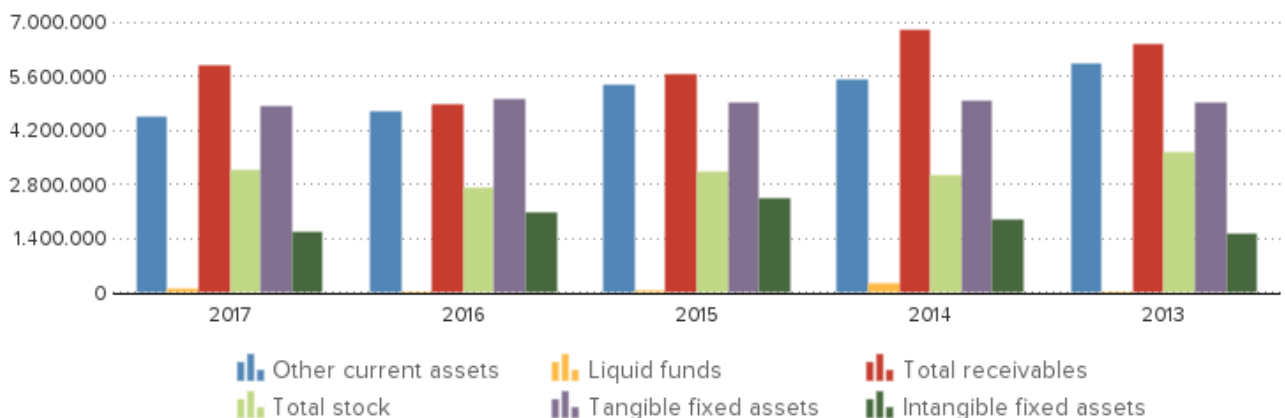
This downturn is mainly retrievable in the fixed asset decrease of -18.14 %.

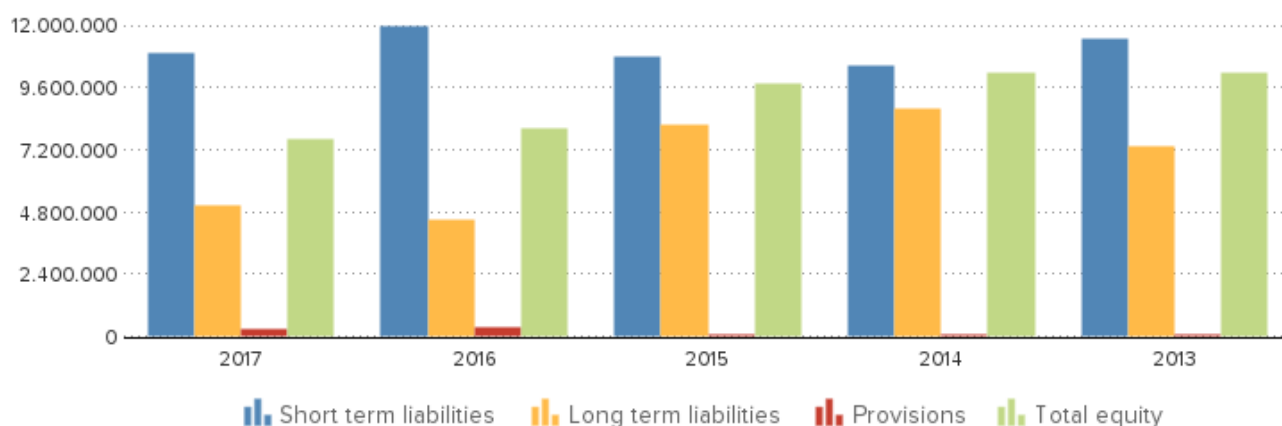
In 2017 the assets of the company were 42.96 % composed of fixed assets and 57.04 % by current assets. The assets are being financed by an equity of 31.91 %, and total debt of 68.09 %.

The total assets of the company decreased with -13.65 % between 2015 and 2016.

This downturn is mainly retrievable in the fixed asset decrease of -13.89 %.

In 2016 the assets of the company were 50.55 % composed of fixed assets and 49.45 % by current assets. The assets are being financed by an equity of 32.26 %, and total debt of 67.74 %.





PROFIT AND LOSS

Year	2017	2016	2015	2014	2013
Revenues	12.853.905	13.027.014	13.608.698	17.616.562	17.834.933
Net turnover	13.364.622	13.624.305	14.229.743	18.407.901	18.381.358
Wages and salaries	2.181.820	2.080.324	2.231.082	2.709.635	2.794.891
Amorization and depreciation	722.580	885.556	440.217	257.136	483.366
Production costs	8.473.834	8.590.840	8.985.116	11.649.404	11.617.361
Operating result	-295.657	-1.128.169	-271.722	409.795	26.409
Financial income	388.903	77.851	2.416.784	166.186	160.929
Financial expenses	468.391	581.305	2.408.951	369.430	340.073
Financial result	-79.488	-503.454	7.833	-203.244	-179.144
Result on ordinary operations before taxes	-375.145	-1.631.623	-263.889	206.551	-152.735
Taxation on the result of ordinary activities	1.866	101.203	84.685	215.727	60.125
Result of ordinary activities after taxes	-377.011	-1.732.826	-348.574	-9.176	-212.860
Extraordinary income			14.073	97.539	83.898
Extraordinary expense			117.570	47.830	127.890
Extraordinary result before taxation			-103.497	49.709	-43.992
Net result	-377.011	-1.732.826	-452.071	40.533	-256.852

Summary
The turnover of the company decreased by -1.91 % between 2016 and 2017.

The operating result of the company grew with 73.79 % between 2016 and 2017. 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 76.1 % of the analysed period, being equal to -1.57 in the year 2017.

This growth has contributed to the increase in assets turnover, increasing by 1.82 % reaching 0.56.

The Net Result of the company increased by 78.24 % 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 75.88 % of the analysed period, being -4.91 in the year 2017.

The company's financial structure has slowed down its financial profitability.

The turnover of the company decreased by -4.25 % between 2015 and 2016.

The operating result of the company declined with -315.19 % 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 -614.13 % of the analysed period, being equal to -6.57 in the year 2016.

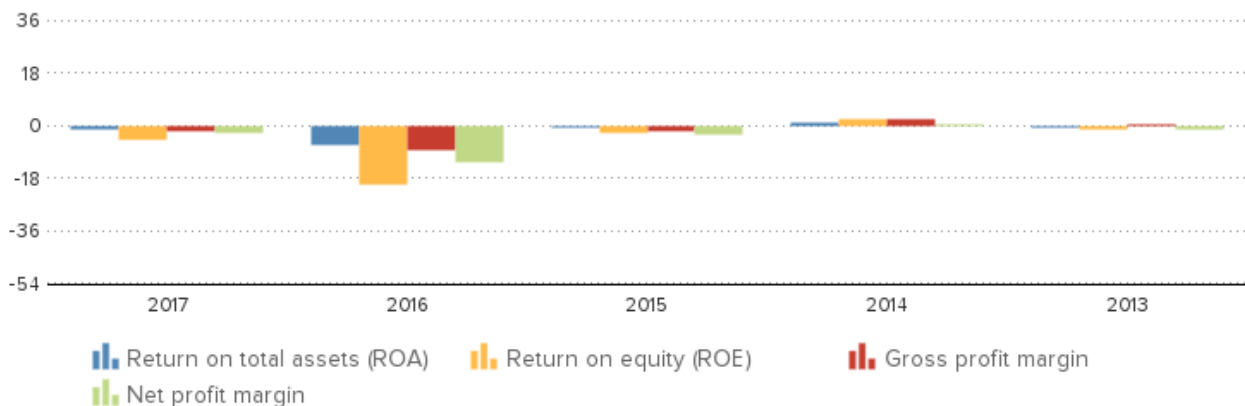
Despite the decline the assets turnover increased by 12.24 % reaching 0.55.

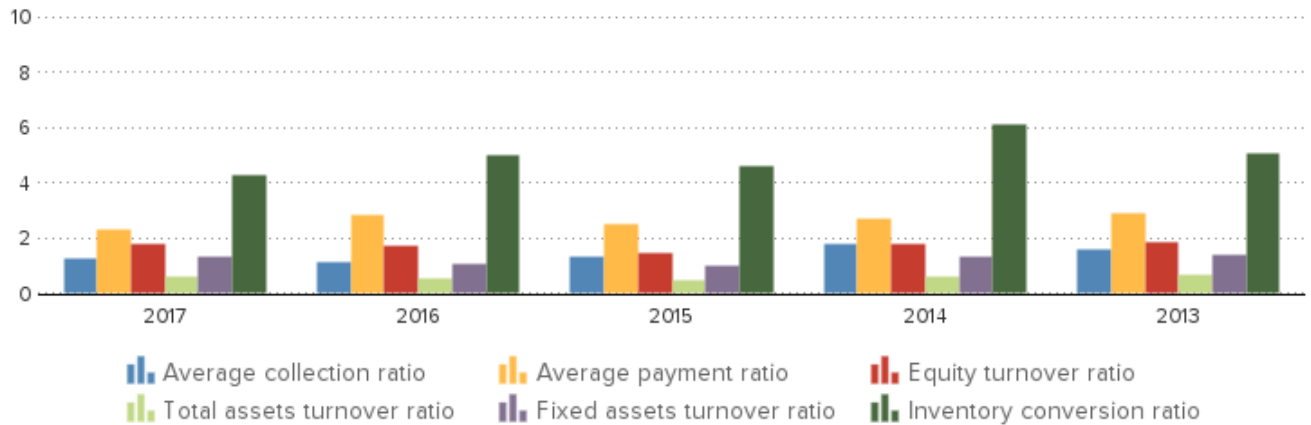
The Net Result of the company decreased by -283.31 % between 2015 and 2016.

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 -651.29 % of the analysed period, being -20.36 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: Large company
	Last year: 2017
	Turnover last year: 13.364.622 EUR
	Result last year: -377.011 EUR
	TOTAL assets last year: 23.930.680 EUR
	Number of employees: 41
	Number of shareholders: 1
	Number of subsidiaries: 10
	Number of branches: 1

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.78
UK Pound	1	INR 95.55
Euro	1	INR 84.47
Euro	1	INR 84.02

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

INFORMATION DETAILS

Analysis Done by :	PRI
Report Prepared by :	TPT

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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)