

## MIRA INFORM REPORT

<b>Report No. :</b>	536291
<b>Report Date :</b>	25.10.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	SOFTER COLOR - S.R.L.
<b>Registered Office :</b>	Via Innocenzo Golfarelli 88/D, 47122 Forli
<b>Country :</b>	Italy
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	12.03.1984
<b>Com. Reg. No.:</b>	FO0204326
<b>Legal Form :</b>	Limited liability company - SRL
<b>Line of Business :</b>	<ul style="list-style-type: none"> <li>• Manufacture of dyes and pigments</li> <li>• Subject is engaged in the manufacture and sale of basic inorganic chemicals</li> </ul>
<b>No. of Employees :</b>	23 [2017]

**RATING & COMMENTS**

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

**MIRA's Rating :**

A

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Status :</b>	Good
<b>Payment Behaviour :</b>	No Complaints
<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**

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

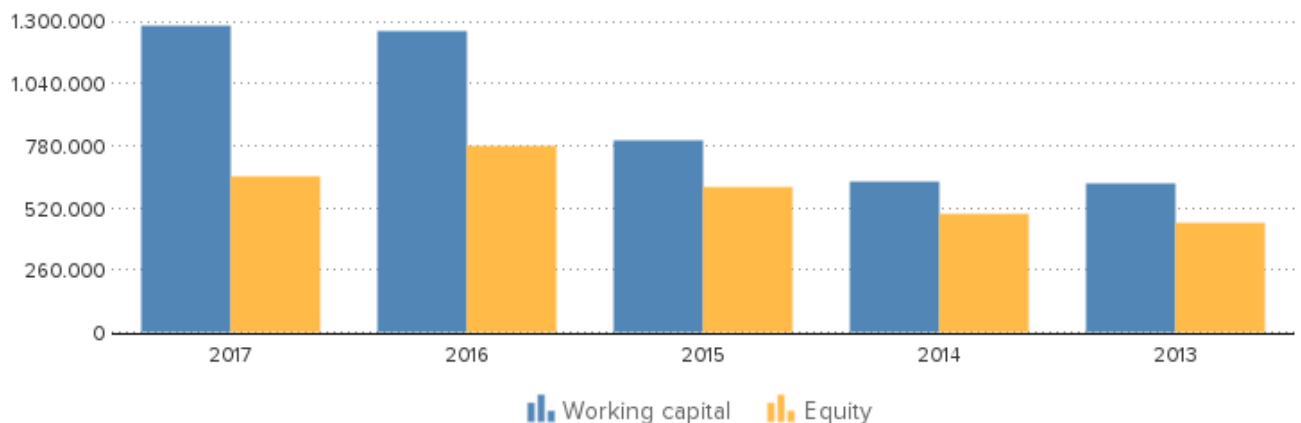
## COMPANY NAME

Name Softer Color - S.R.L.

## SUMMARY

**Company name** Softer Color - S.R.L.  
**Operative address** Via Innocenzo Golfarelli 88/D  
47122 Forli  
Italy  
**Status** Active  
**Legal form** Limited liability company - SRL  
**Registration number** Trade register number: FO0204326  
**VAT-number** IT01609630403

Year	2017	Mutation	2016	Mutation	2015
Fixed assets	374.461	125,55	166.020	12,72	147.282
Total equity	648.191	-16,55	776.726	27,76	607.940
Short term liabilities	4.094.080	7,12	3.821.937	10,47	3.459.843
Net result	-128.536	-176,15	168.789	52,12	110.961
Working capital	1.284.415	2,03	1.258.883	57,52	799.190
Quick ratio	0,77	1,32	0,76	-5,00	0,80



## CONTACT INFORMATION

**Company name** Softer Color - S.R.L.  
**Operative address** Via Innocenzo Golfarelli 88/D  
47122 Forli  
Italy

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Correspondence address Via Innocenzo Golfarelli 88/D  
47122 Forli  
Italy  
Telephone number +39 0543724650  
Fax number +39 0543 724650  
Website www.softercolor.it

## **REGISTRATION**

Registration number Trade register number: FO0204326  
VAT-number IT01609630403  
Status Active  
Establishment date 1984-03-12  
Legal form Limited liability company - SRL  
Subscribed share capital EUR 124.800

## **ACTIVITIES**

NACE 2012: Manufacture of dyes and pigments  
Goal Engaged in the manufacture and sale of basic inorganic chemicals

## **RELATIONS**

Shareholders

Name: MR ADRIANO FABBRI  
Address: VIA MANARA 13  
City: FAENZA  
Country: IT  
Type: One or more named individuals or families  
Share direct: 50.00%

Name: MR ANTONIO SALZILLO  
Address: VIA MAZZINI 177  
City: FORLI'  
Country: IT  
Type: One or more named individuals or families  
Share direct: 50.00%

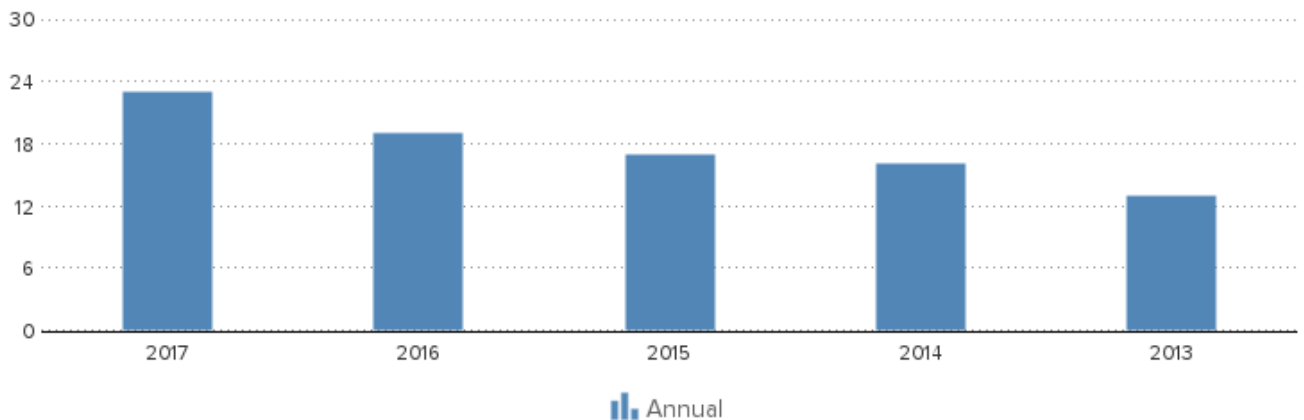
## **MANAGEMENT**

### **Management**

Fullname: Mr Adriano Fabbri  
Type: Individual  
Gender: Male  
date of birth: 1943/01/26  
Age: 75  
Country: Italy  
Number of involvements: 1  
Function: Director  
Level of responsibility: Member  
Appointment date: 2018/04/26

## **EMPLOYEES**

Year	2017	2016	2015	2014	2013
Annual	23	19	17	16	13



## **FINANCIAL ANALYSIS**

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

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## KEY FIGURES

Year	2017	2016	2015	2014	2013
Quick ratio	0,77	0,76	0,80	0,71	0,82
Current ratio	1,31	1,33	1,23	1,15	1,18
Working capital/ balance total	0,22	0,24	0,18	0,13	0,15
Equity / balance total	0,11	0,15	0,14	0,10	0,11
Equity / Fixed assets	1,73	4,68	4,13	3,20	2,70
Working capital	1.284.415	1.258.883	799.190	628.653	621.982
Equity	648.191	776.726	607.940	496.978	457.047
Mutation equity	-16,55	27,76	22,33	8,74	
Mutation short term liabilities	7,12	10,47	-16,11	19,60	
Return on total assets (ROA)	-2,08	5,14	4,77	2,40	2,27
Return on equity (ROE)	-18,50	34,72	34,60	23,71	21,09
Gross profit margin	-1,36	4,68	3,89	2,35	2,45
Net profit margin	-1,93	2,58	1,65	0,76	0,70
Average collection ratio	1,62	1,71	1,94	1,90	1,83
Equity turnover ratio	10,25	8,42	11,04	15,78	13,78
Total assets turnover ratio	1,16	1,25	1,52	1,60	1,49
Fixed assets turnover ratio	17,75	39,37	45,57	50,48	37,17
Inventory conversion ratio	3,00	2,98	4,49	4,33	5,12
Turnover	6.646.023	6.536.238	6.711.210	7.844.304	6.298.528
Operating result	-90.510	305.973	261.241	184.207	154.404
Net result after taxes	-128.536	168.789	110.961	59.931	43.812
Cashflow	-66.563	221.743	162.789	103.481	83.421
Gross profit	850.356	1.163.666	992.929	910.854	836.882
EBITDA	-28.537	358.927	313.069	227.757	194.013

### Summary

The 2017 financial result structure is a positive working capital of 1.284.415 euro, which is in agreement with 22 % of the total assets of the company.

The working capital has increase with 2.03 % compared to previous year. The ratio with respect to the total assets of the company has however, declined.

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

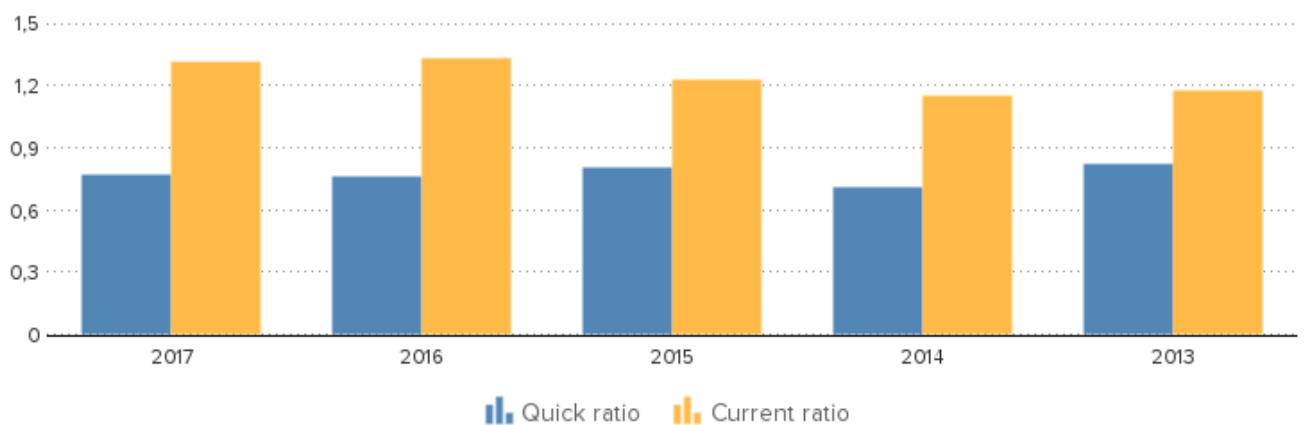
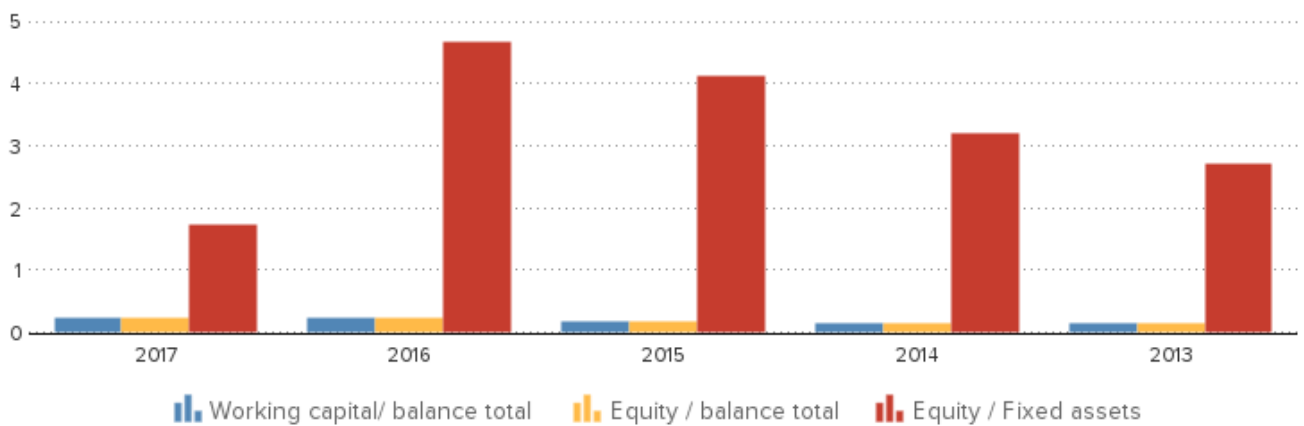
The current ratio of the company in 2017 was 1.31. When the current ratio is below 1.5, the company may have problems meeting its short-term obligations.

The quick ratio in 2017 of the company was 0.77. 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 1.258.883 euro, which is in agreement with 24 % of the total assets of the company.

The working capital has increased with 57.52 % compared to previous year. The ratio, with respect to the total assets of the

company has however, increased.  
The improvement between 2015 and 2016 has mainly been caused by a change of the current assets.  
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 0.76. A company with a Quick Ratio of less than 1 cannot currently pay back its current liabilities.



## **FINANCIAL STATEMENT**

**Auditor**

Name: Ortali Alessandra  
date: 2012-09-14

**Last annual account**

2017

**Remark annual account**

The company is obliged to file its financial statements.

**Type of annual account**

Corporate

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**Annual account**

**Softer Color - S.R.L.**

Via Innocenzo Golfarelli 88/D  
47122 Forli  
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
<b>Intangible fixed assets</b>	<b>61.095</b>	<b>40.339</b>	<b>38.774</b>	<b>34.923</b>	<b>41.443</b>
<b>Tangible fixed assets</b>	<b>313.216</b>	<b>125.531</b>	<b>108.358</b>	<b>120.333</b>	<b>127.858</b>
Other fixed assets	150	150	150	150	150
<b>Fixed assets</b>	<b>374.461</b>	<b>166.020</b>	<b>147.282</b>	<b>155.406</b>	<b>169.451</b>
<b>Total stock</b>	<b>2.215.121</b>	<b>2.190.626</b>	<b>1.494.936</b>	<b>1.809.661</b>	<b>1.230.485</b>
Liquid funds	152.041	96.330	3.977	49.994	86.771
Other current assets	3.011.333	2.793.864	2.760.120	2.893.068	2.752.829
<b>Current assets</b>	<b>5.378.495</b>	<b>5.080.820</b>	<b>4.259.033</b>	<b>4.752.723</b>	<b>4.070.085</b>
<b>Total assets</b>	<b>5.752.956</b>	<b>5.246.840</b>	<b>4.406.315</b>	<b>4.908.129</b>	<b>4.239.536</b>
<b>Total equity</b>	<b>648.191</b>	<b>776.726</b>	<b>607.940</b>	<b>496.978</b>	<b>457.047</b>
Provisions	7.142	7.142	6.254	5.904	5.186
<b>Long term liabilities</b>	<b>1.003.543</b>	<b>641.035</b>	<b>332.278</b>	<b>281.177</b>	<b>329.200</b>
Other short term liabilities	4.094.080	3.821.937	3.459.843	4.124.070	3.448.103
<b>Short term liabilities</b>	<b>4.094.080</b>	<b>3.821.937</b>	<b>3.459.843</b>	<b>4.124.070</b>	<b>3.448.103</b>
<b>Total liabilities</b>	<b>5.752.956</b>	<b>5.246.840</b>	<b>4.406.315</b>	<b>4.908.129</b>	<b>4.239.536</b>

**Summary**

The total assets of the company increased with 9.65 % between 2016 and 2017.

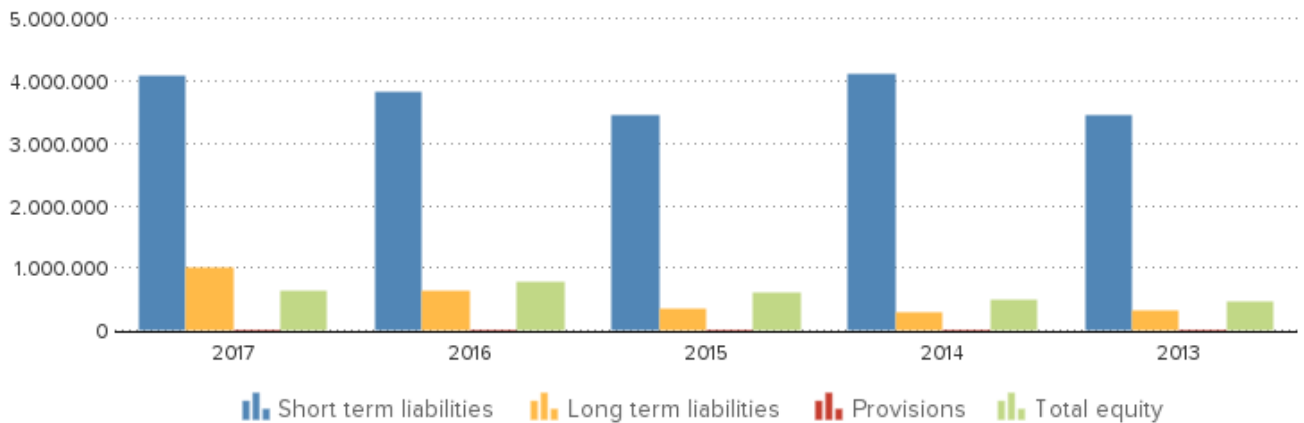
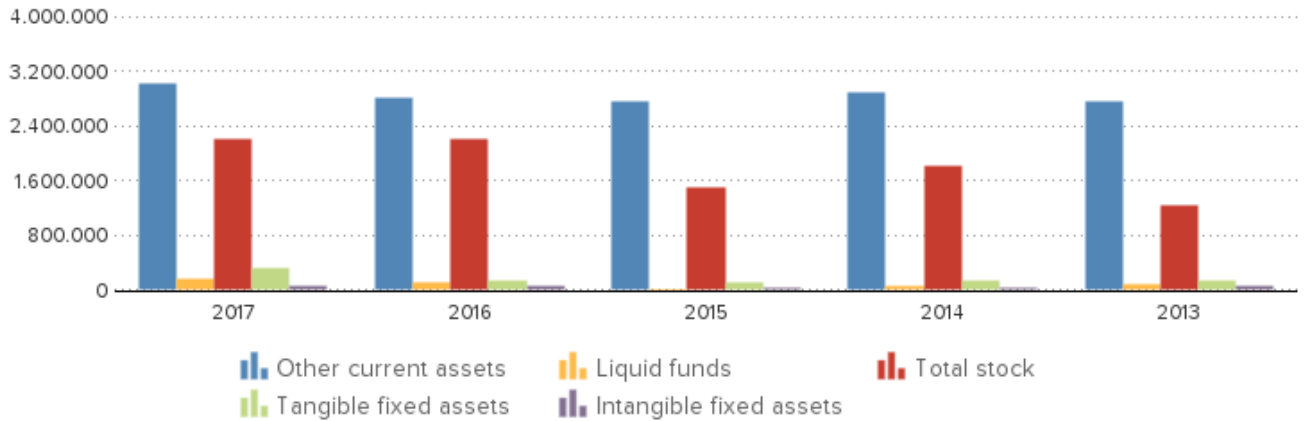
The total asset increase is retrievable in the fixed asset growth of 125.55 %.

In 2017 the assets of the company were 6.51 % composed of fixed assets and 93.49 % by current assets. The assets are being financed by an equity of 11.27 %, and total debt of 88.73 %.

The total assets of the company increased with 19.08 % between 2015 and 2016.

The fixed asset growth of 12.72 % is lower than the total asset growth.

In 2016 the assets of the company were 3.16 % composed of fixed assets and 96.84 % by current assets. The assets are being financed by an equity of 14.8 %, and total debt of 85.2 %.



## PROFIT AND LOSS

Year	2017	2016	2015	2014	2013
Revenues	6.624.580	6.509.472	6.670.024	7.801.530	6.283.680
<b>Net turnover</b>	<b>6.646.023</b>	<b>6.536.238</b>	<b>6.711.210</b>	<b>7.844.304</b>	<b>6.298.528</b>
Wages and salaries	879.737	802.938	725.146	684.573	635.394
Amorization and depreciation	61.973	52.954	51.828	43.550	39.609
Production costs	4.714.686	4.233.717	4.647.047	5.747.516	4.342.073
<b>Operating result</b>	<b>-90.510</b>	<b>305.973</b>	<b>261.241</b>	<b>184.207</b>	<b>154.404</b>
Financial income	3	14	1	408	8.440
Financial expenses	29.430	36.300	50.876	66.801	66.442
Financial result	-29.427	-36.286	-50.875	-66.393	-58.002
<b>Result on ordinary operations before taxes</b>	<b>-119.937</b>	<b>269.687</b>	<b>210.366</b>	<b>117.814</b>	<b>96.402</b>
Taxation on the result of ordinary activities	8.599	100.898	51.941	56.802	51.151
<b>Result of ordinary activities after taxes</b>	<b>-128.536</b>	<b>168.789</b>	<b>158.425</b>	<b>61.012</b>	<b>45.251</b>
Extraordinary expense			47.464	1.081	1.439
Extraordinary result before taxation			-47.464	-1.081	-1.439

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<b>Net result</b>	<b>-128.536</b>	<b>168.789</b>	<b>110.961</b>	<b>59.931</b>	<b>43.812</b>
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**Summary**

The turnover of the company grew with 1.68 % between 2016 and 2017.

The operating result of the company declined with -129.58 % 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 -140.47 % of the analysed period, being equal to -2.08 in the year 2017.

This fall has contributed to a asset turnover decrease, whose index evolved from -7.2 to a level of 1.16.

The Net Result of the company decreased by -176.15 % between 2016 and 2017.

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

The result of these variations is a profitability reduction of -153.28 % of the analysed period, being -18.5 in the year 2017.

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

The turnover of the company decreased by -2.61 % between 2015 and 2016.

The operating result of the company grew with 17.12 % 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 7.76 % of the analysed period, being equal to 5.14 in the year 2016.

Despite the growth the assets turnover decreased, whose index evolved with -17.76 % to a level of 1.25.

The Net Result of the company increased by 52.12 % 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 0 % of the analysed period, being 34.72 in the year 2016.

The company's financial profitability has not been 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: 6.646.023 EUR
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Result last year: -128.536 EUR  
TOTAL assets last year: 5.752.956 EUR  
Number of employees: 23  
Number of shareholders: 2  
Number of subsidiaries: 0  
Number of branches: 0

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.26
UK Pound	1	INR 95.05
Euro	1	INR 83.99
Euro	1	INR 83.58

**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>	SYL

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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)