

SHANGHAI HU NAN FOREIGN ECONOMIC CORPORATION LTD. - 527174 PAGE NO. : 1

MIRA INFORM REPORT

| | |
|---------------|------------|
| Report No. : | 527174 |
| Report Date : | 30.08.2018 |

IDENTIFICATION DETAILS

| | |
|------------------------------|--|
| Name : | SHANGHAI HU NAN FOREIGN ECONOMIC CORPORATION LTD. |
| Registered Office : | No. 2776 Yuandong Road, Nanqiao Town, Fengxian District, Shanghai |
| Country : | China |
| Financials (as on) : | 30.06.2018 |
| Date of Incorporation : | 15.07.1993 |
| Unified Social Credit Code : | 91310120134032147F |
| Legal Form : | Limited Liabilities Company |
| Line of Business : | Registered business scope includes importing and exporting commodities and technologies, labor export agent, tender agent, inspection agent, inspection services, wholesaling and retailing metal materials, machinery and electronic products, hardware tools, building materials, chemical products (excluding hazardous chemicals, monitored chemicals, fireworks and firecrackers, civil explosives and poisonous chemicals) (with permit if needed) |
| No. of Employees : | 20 |

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

SHANGHAI HU NAN FOREIGN ECONOMIC CORPORATION LTD. - 527174 PAGE NO. : 2

RATING & COMMENTS

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

MIRA's Rating :

A

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

| | |
|----------------------------|---------------|
| Status : | Satisfactory |
| Payment Behaviour : | No Complaints |
| 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.

ECGC Country Risk Classification List

| Country Name | Previous Rating (31.12.2017) | Current Rating (01.04.2018) |
|--------------|---------------------------------|--------------------------------|
| China | A2 | 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 |

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

CHINA - ECONOMIC OVERVIEW

Since the late 1970s, China has moved from a closed, centrally planned system to a more market-oriented one that plays a major global role. China has implemented reforms in a gradualist fashion, resulting in efficiency gains that have contributed to a more than tenfold increase in GDP since 1978. Reforms began with the phaseout of collectivized agriculture, and expanded to include the gradual liberalization of prices, fiscal decentralization, increased autonomy for state enterprises, growth of the private sector, development of stock markets and a modern banking system, and opening to foreign trade and investment. China continues to pursue an industrial policy, state support of key sectors, and a restrictive investment regime. Measured on a purchasing power parity (PPP) basis that adjusts for price differences, China in 2016 stood as the largest economy in the world, surpassing the US in 2014 for the first time in modern history. China became the world's largest exporter in 2010, and the largest trading nation in 2013. Still, China's per capita income is below the world average.

After keeping its currency tightly linked to the US dollar for years, China in July 2005 moved to an exchange rate system that references a basket of currencies. From mid-2005 to late 2008, the renminbi appreciated more than 20% against the US dollar, but the exchange rate remained virtually pegged to the dollar from the onset of the global financial crisis until June 2010, when Beijing announced it would allow a resumption of gradual liberalization. From 2013 until early 2015, the renminbi (RMB) appreciated roughly 2% against the dollar, but the exchange rate fell 13% from mid-2015 until end-2016 amid strong capital outflows in part stemming from the August 2015 official devaluation; in 2017 the RMB resumed appreciating against the dollar – roughly 7% from end-of-2016 to end-of-2017. From 2013 to 2017, China had one of the fastest growing economies in the world, averaging slightly more than 7% real growth per year. In 2015, the People's Bank of China announced it would continue to carefully push for full convertibility of the renminbi, after the currency was accepted as part of the IMF's special drawing rights basket. However, since late 2015 the Chinese Government has strengthened capital controls and oversight of overseas investments to better manage the exchange rate and maintain financial stability.

The Chinese Government faces numerous economic challenges including: (a) reducing its high domestic savings rate and correspondingly low domestic household consumption; (b) managing its high corporate debt burden to maintain financial stability; (c) controlling off-balance sheet local government debt used to finance infrastructure stimulus; (d) facilitating higher-wage job opportunities for the aspiring middle class, including rural migrants and college graduates, while maintaining competitiveness; (e) dampening speculative investment in the real estate sector without sharply slowing the economy; (f) reducing industrial overcapacity; and (g) raising productivity growth rates through the more efficient allocation of capital and state-support for innovation. Economic development has progressed further in coastal provinces than in the interior, and by 2016 more than 169.3 million migrant workers and their dependents had relocated to urban areas to find work. One consequence of China's population control policy known as the "one-child policy" - which was relaxed in 2016 to permit all families to have two children - is that China is now one of the most rapidly aging countries in the world. Deterioration in the environment - notably air pollution, soil erosion, and the steady fall of the water table, especially in the North - is another long-term problem. China continues to lose arable land because of erosion and urbanization. The Chinese Government is seeking to add energy production capacity from sources other than coal and oil, focusing on natural gas, nuclear, and clean energy development. In 2016, China ratified the Paris Agreement, a multilateral agreement to combat climate change, and committed to peak its carbon dioxide emissions between 2025 and 2030.

The government's 13th Five-Year Plan, unveiled in March 2016, emphasizes the need to increase innovation and boost domestic consumption to make the economy less dependent on government investment, exports, and heavy industry. However, China has made more progress on subsidizing innovation than rebalancing the economy. Beijing has committed to giving the market a more decisive role in allocating resources, but the Chinese Government's policies continue to favor state-owned enterprises and emphasize stability. Chinese leaders in 2010 pledged to double China's GDP by 2020, and the 13th Five Year Plan includes annual economic

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.



MIRA INFORM PRIVATE LIMITED

605, Palmspring, Near D'Mart, Link Road,

Malad (West), Mumbai - 400 064. INDIA

Tel : 91-22-40448000 (44 lines)

Fax : 91-22-40448045 / 40448046

E-mail : mira@mirainform.com

info@mirainform.com

Website : <http://www.mirainform.com><http://www.miraglobalcheck.com><http://www.miraglobalcollections.com>

SHANGHAI HU NAN FOREIGN ECONOMIC CORPORATION LTD. - 527174 PAGE NO. : 4

growth targets of at least 6.5% through 2020 to achieve that goal. In recent years, China has renewed its support for state-owned enterprises in sectors considered important to "economic security," explicitly looking to foster globally competitive industries. Chinese leaders also have undermined some market-oriented reforms by reaffirming the "dominant" role of the state in the economy, a stance that threatens to discourage private initiative and make the economy less efficient over time. The slight acceleration in economic growth in 2017—the first such uptick since 2010—gives Beijing more latitude to pursue its economic reforms, focusing on financial sector deleveraging and its Supply-Side Structural Reform agenda, first announced in late 2015.

Source : CIA

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

COMPANY NAME AND ADDRESS

| | |
|---------------------------|---|
| COMPANY NAME | Shanghai Hu Nan Foreign Economic Corporation Ltd. |
| CURRENT ADDRESS | Room 501, No. 5088 Hangnan Road, Fengxian District, Shanghai 201400 PR China |
| REGISTERED ADDRESS | No. 2776 Yuandong Road, Nanqiao Town, Fengxian District, Shanghai |
| TEL. NO. | 86 (0) 21-33659066/33659068 |
| FAX NO. | 86 (0) 21-33659069 |

EXECUTIVE SUMMARY

| | |
|----------------------------|--|
| DATE OF REGISTRATION | : JULY 15, 1993 |
| UNIFIED SOCIAL CREDIT CODE | : 91310120134032147F |
| LEGAL FORM | : LIMITED LIABILITIES COMPANY |
| CHIEF EXECUTIVE | : ZHANG DEMEI (LEGAL REPRESENTATIVE) |
| REGISTERED CAPITAL | : CNY 1,500,000 |
| STAFF | : 20 |
| BUSINESS CATEGORY | : TRADING |
| REVENUE | : CNY 206,423,000 (FROM JAN. 1, 2018 TO JUN. 30, 2018) |
| EQUITIES | : CNY 19,576,000 (AS OF JUN. 30, 2018) |
| WEBSITE | : www.sh-hunan.com.cn |
| E-MAIL | : hunan@sh-hunan.com.cn |
| PAYMENT | : NO COMPLAINTS |
| MARKET CONDITION | : AVERAGE |
| FINANCIAL CONDITION | : STABLE |
| OPERATIONAL TREND | : FAIRLY STEADY |
| GENERAL REPUTATION | : AVERAGE |

Adopted abbreviations (as follows)

SC - Subject Company (the company inquired by you)

N/A – Not available

CNY – China Yuan Ren Min Bi

OPERATIONAL TREND & GENERAL REPUTATION

This section aims at indicating the relative positions of SC in respect of its operational trend & general reputation

| | |
|----------------------------|-----------------------------|
| Operational Trend:- | General Reputation:- |
| Upward | Excellent |
| Steady | Good |
| Fairly Steady | Fairly Good |
| Ordinary | Average |
| Fair | Fair |
| Stagnant | Detrimental |
| Downward | Not known |
| Not known | Not yet be determined |
| Not yet be determined | |

LEGAL STATUS & HISTORY

SC was established as a limited liabilities company of PRC with State Administration of Industry & Commerce (SAIC) under Unified Social Credit Code: 91310120134032147F.

SC's Import and Export Enterprise Code: 3100134032147

SC's registered capital: CNY 1,500,000

SC's paid-in capital: CNY 1,500,000

Registration Change Record:-

| Date | Change of Contents | Before the change | After the change |
|-------------|---|---|---|
| -- | Registered Capital Legal Form | CNY 600,000 State-Owned Enterprise | CNY 1,500,000 Limited Liabilities Company |
| 1999-6-18 | Company Name | Shanghai Hu Nan Foreign Economic Co., Ltd. | Shanghai Dechen Foreign Economic and Trade Co., Ltd. |
| 1999-7-29 | Company Name | Shanghai Dechen Foreign Economic and Trade Co., Ltd. | Shanghai Hu Nan Foreign Economic Co., Ltd. |
| -- | Registration No. Registration No./Unified Social Credit Code | 3102261013141 310226000046938 | 310226000046938 91310120134032147F |

Current Co search indicates SC's shareholders & chief executives are as follows:-

| Name of Shareholder (s) | % of Shareholding |
|--|--------------------------|
| Shanghai Luang Information Service Co., Ltd. | 13.33 |

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

SHANGHAI HU NAN FOREIGN ECONOMIC CORPORATION LTD. - 527174 PAGE NO. : 7

Shanghai Foreign Investment Service Center of Fengxian District 86.67

SC's Chief Executives:-

Position

Legal Representative and Chairman
Director

Name

Zhang Demei
Wang Yinfang
Yu Miaoshan
Zou Jingling
Shen Xiaobo

Supervisor

RECENT DEVELOPMENT

No recent development was found during our checks at present.

SHAREHOLDER CHART & BACKGROUND

| <i>Name</i> | <i>% of Shareholding</i> |
|---|--------------------------|
| Shanghai Luang Information Service Co., Ltd. | 13.33 |
| Shanghai Foreign Investment Service Center of Fengxian District | 86.67 |

+ Shanghai Luang Information Service Co., Ltd.

Date of Registration: February 20, 2003
Unified Social Credit Code: 91310120747296786U
Chief Executive: Zhang Demei
Registered Capital: CNY 500,000

+ Shanghai Foreign Investment Service Center of Fengxian District

Date of Registration: June 18, 1992
Unified Social Credit Code: 913101201340240245
Chief Executive: Zhang Demei
Registered Capital: CNY 200,000

MANAGEMENT

Zhang Demei, Legal Representative and Chairman

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

SHANGHAI HU NAN FOREIGN ECONOMIC CORPORATION LTD. - 527174 PAGE NO. : 8

- Gender: F
- Nationality: China
- Age: 71
- ID# 310226470310002
- Qualification: University
- Working experience (s):

From 1993 to present, working in SC as legal representative and chairman, also working in Shanghai Luang Information Service Co., Ltd. as representative

Director

Wang Yinfang ID# 340503530614044
Yu Miaoshan ID# 440505450908001
Zou Jingling ID# 310226581007004

Supervisor

Shen Xiaobo ID# 310226720525002

BUSINESS OPERATION

SC's registered business scope includes importing and exporting commodities and technologies, labor export agent, tender agent, inspection agent, inspection services, wholesaling and retailing metal materials, machinery and electronic products, hardware tools, building materials, chemical products (excluding hazardous chemicals, monitored chemicals, fireworks and firecrackers, civil explosives and poisonous chemicals) (with permit if needed)

SC is mainly engaged in selling textiles and garments, light industrial products, machinery and electronic products, etc.

SC's products mainly include: knitwear, household products, travel supplies, machinery & equipments, etc.

SC sources the products 90% from domestic market and 10% from overseas market. SC sells 40% of its products in domestic market, and 60% to overseas market, mainly U.S.A., etc.

The buying terms of SC include Check, T/T, L/C and Credit of 30-60 days. The payment terms of SC include Check, T/T, L/C and Credit of 30-60 days.

Major Customers

American River Transportation Co.
Distribuciones Santa Cruz S.A.
Chestnut Investment Group Inc.
Fath Inc.
National Travel Product, Inc.
Fashiontex Inc.

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

SHANGHAI HU NAN FOREIGN ECONOMIC CORPORATION LTD. - 527174 PAGE NO. : 9

Staff & Office:

SC is known to have approx. 20 staff at present.

SC rents an area as its operating office, but the detailed information is unknown.

RELATED COMPANY

SC is not known to have any subsidiary at present.

PAYMENT

Overall payment appraisal:

Excellent Good Average Fair Poor Not yet be determined

The appraisal serves as a reference to reveal SC's payments habits and ability to pay. It is based on the 3 weighed factors: Trade payment experience (through current enquiry with SC's suppliers), our delinquent payment records and our debt collection record concerning SC.

Trade payment experience: SC did not provide any name of trade/service suppliers and we have no other sources to conduct the enquiry at present.

Delinquent payment record: None in our database.

Debt collection record: No overdue amount owed by SC was placed to us for collection within the last 6 years.

BANKING

Basic Bank:

Bank of China Fengxian Sub-branch

AC#: 435159236338

FINANCIALS

Financial Summary

Unit: CNY'000

Total assets

As of Jun. 30, 2018

88,642

Total liabilities

69,066

Equities

19,576

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

SHANGHAI HU NAN FOREIGN ECONOMIC CORPORATION LTD. - 527174 PAGE NO. : 10

| | |
|---------------|---|
| Unit: CNY'000 | ----- |
| | From Jan. 1, 2018 to Jun. 30, 2018 |
| Revenue | 206,423 |
| Profits | 1,352 |

Important Ratios

=====

| | |
|-----------------------------|----------------------------|
| | As of Jun. 30, 2018 |
| *Liabilities to assets | 0.78 |
| *Net profit margin (%) | 0.65 |
| *Return on total assets (%) | 1.53 |
| *Revenue/Total assets | 2.33 |

FINANCIAL COMMENTS

PROFITABILITY: AVERAGE

- The revenue of SC appears fairly good in its line.
- SC's net profit margin is average.
- SC's return on total assets is average.

LIQUIDITY: AVERAGE

- SC's revenue is in a fairly good level, comparing with the size of its total assets.

LEVERAGE: AVERAGE

- The debt ratio of SC is average.
- The risk for SC to go bankrupt is average.

Overall financial condition of the SC: Stable.

CONCLUSIONS

SC is considered small-sized in its line with stable financial conditions.

SHANGHAI HU NAN FOREIGN ECONOMIC CORPORATION LTD. - 527174 PAGE NO. : 11

FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | INR 70.50 |
| UK Pound | 1 | INR 90.63 |
| Euro | 1 | INR 82.34 |
| CNY | 1 | INR 10.34 |

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

INFORMATION DETAILS

| | |
|-----------------------------|-----|
| Analysis Done by : | VIV |
| Report Prepared by : | SYL |

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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)