

## MIRA INFORM REPORT

<b>Report No. :</b>	516828
<b>Report Date :</b>	28.06.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	KRS ENTERPRISE
<b>Business Address :</b>	16 & 17, Persiaran Perindustrian Silibin 2, Kawasan Perindustrian Silibin Ringan Slibin, 30100 Ipoh, Perak
<b>Country :</b>	Malaysia
<b>Date of Incorporation :</b>	19.06.2015
<b>Com. Reg. No.:</b>	IP0433647-D
<b>Legal Form :</b>	Sole Proprietorship
<b>Line of Business :</b>	The subject is principally engaged in the cultivator, harvesting and trading of galangal, pineapple and other related products.
<b>No. of Employees :</b>	30 [2018]

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	<b>C</b>
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Credit Rating	Explanation	Rating Comments
C	Medium High Risk	Business dealings permissible preferably on secured basis

<b>Status :</b>	Moderate
<b>Payment Behaviour :</b>	Unknown
<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.

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**ECGC Country Risk Classification List**

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Malaysia	A2	A2

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

### **MALAYSIA - ECONOMIC OVERVIEW**

Malaysia, an upper middle-income country, has transformed itself since the 1970s from a producer of raw materials into a multi-sector economy. Under current Prime Minister NAJIB, Malaysia is attempting to achieve high-income status by 2020 and to move further up the value-added production chain by attracting investments in high technology, knowledge-based industries and services. NAJIB's Economic Transformation Program is a series of projects and policy measures intended to accelerate the country's economic growth. The government has also taken steps to liberalize some services sub-sectors. Malaysia is vulnerable to a fall in world commodity prices or a general slowdown in global economic activity.

The NAJIB administration is continuing efforts to boost domestic demand and reduce the economy's dependence on exports. Domestic demand continues to anchor economic growth, supported mainly by private consumption, which accounts for 53% of GDP. Nevertheless, exports - particularly of electronics, oil and gas, and palm oil - remain a significant driver of the economy. In 2015, gross exports of goods and services were equivalent to 73% of GDP. The oil and gas sector supplied about 22% of government revenue in 2015, down significantly from prior years amid a decline in commodity prices and diversification of government revenues. Malaysia has embarked on a fiscal reform program aimed at achieving a balanced budget by 2020, including rationalization of subsidies and the 2015 introduction of a 6% value added tax. Sustained low commodity prices throughout the period not only strained government finances, but also shrunk Malaysia's current account surplus and weighed heavily on the Malaysian ringgit, which was among the region's worst performing currencies during 2013-17. The ringgit hit new lows following the US presidential election amid a broader selloff of emerging market assets.

Bank Negara Malaysia (the central bank) maintains adequate foreign exchange reserves; a well-developed regulatory regime has limited Malaysia's exposure to riskier financial instruments, although it remains vulnerable to volatile global capital flows. In order to increase Malaysia's competitiveness, Prime Minister NAJIB raised possible revisions to the special economic and social preferences accorded to ethnic Malays under the New Economic Policy of 1970, but retreated in 2013 after he encountered significant opposition from Malay nationalists and other vested interests. In September 2013 NAJIB launched the new Bumiputra Economic Empowerment Program, policies that favor and advance the economic condition of ethnic Malays.

Malaysia signed the 12-nation Trans-Pacific Partnership (TPP) free trade agreement in February 2016, although the future of the TPP remains unclear following the US withdrawal from the agreement. Along with nine other ASEAN members, Malaysia established the ASEAN Economic Community in 2015, which aims to advance regional economic integration.

Source : CIA

## **EXECUTIVE SUMMARY**

REGISTRATION NO. : IP0433647-D  
GST NO. : N/A  
COMPANY NAME : **KRS ENTERPRISE**  
COMMENCEMENT DATE : 19/06/2015  
REGISTRATION DATE : 19/06/2015  
EXPIRY DATE : 07/01/2019  
COMPANY STATUS : ACTIVE  
BUSINESS : SOLE PROPRIETORSHIP  
CONSTITUTION

BUSINESS ADDRESS : 16 & 17, PERSIARAN PERINDUSTRIAN SILIBIN 2, KAWASAN  
PERINDUSTRIAN SILIBIN RINGAN SLIBIN, 30100 IPOH, PERAK,  
MALAYSIA.

TEL.NO. : N/A  
FAX.NO. : N/A  
MOBILE NO. : 0194712851  
EMAIL : KRSENTEPRISE@GMAIL.COM  
WEB SITE : WWW.KRS-ENTERPRISE.COM  
CONTACT PERSON : RUBAAVATHY A/P SUBRAMANIAM ( OWNER )

INDUSTRY CODE : 01229 46313  
PRINCIPAL ACTIVITY : CULTIVATOR, HARVESTING AND TRADING OF GALANGAL, PINEAPPLE  
AND OTHER RELATED PRODUCTS

STAFF STRENGTH : 30 [2018]  
BANKER (S) : AMBANK (M) BHD  
LITIGATION : CLEAR  
DEFAULTER CHECK : CLEAR  
PAYMENT : UNKNOWN  
MANAGEMENT : AVERAGE  
CAPABILITY

COMMERCIAL RISK : MODERATE  
CURRENCY EXPOSURE : MODERATE  
GENERAL REPUTATION : SATISFACTORY  
INDUSTRY OUTLOOK : MARGINAL GROWTH

## **HISTORY / BACKGROUND**

The Subject commenced its business on 19/06/2015 as a SOLE PROPRIETORSHIP.  
The Subject is a sole proprietorship, that is, it has a single owner whose liabilities are unlimited. In case the Subject is unable to meet all its obligations, the creditors can claim on the owner's personal assets. The sole proprietorship ceases upon the death of the owner or any time at the discretion of the owner. The ownership is

non-transferable. Under the law, the Subject has to file in its information with Registrar of Business but it is not required to file in its financial statements.

The Subject is principally engaged in the (as a / as an) cultivator, harvesting and trading of galangal, pineapple and other related products.

The Subject is not listed on Bursa Malaysia (Malaysia Stock Exchange).

The owner of the Subject are shown as follows :

**Current Shareholder(s) :**

<b>Name</b>	<b>Address</b>	<b>IC/PP/Loc No</b>	<b>Shareholding</b>	<b>(%)</b>
MS. RUBAAVATHY A/P SUBRAMANIAM	NO.63, PERSIARAN PUTRA 7/1 , 31400 IPOH, PERAK, MALAYSIA.	870123-08-6000	100.00	100.00
			-----	-----
			100.00	100.00
			=====	=====

+ Also Director

***OWNERS***

**OWNER(S) 1**

Name Of Subject : MS. RUBAAVATHY A/P SUBRAMANIAM  
Address : NO.63, PERSIARAN PUTRA 7/1, 31400 IPOH, PERAK, MALAYSIA.  
New IC No : 870123-08-6000  
Date of Birth : 23/01/1987  
Nationality : MALAYSIAN  
Date of : 19/06/2015  
Appointment  
Shareholding : 100%

**INTEREST CHECK**

Interest in : none in our databank companies  
Interest in business : see below

**INTEREST IN BUSINESS**

<b>Business</b>	<b>Position</b>	<b>Shareholding</b>	<b>As At</b>
KRS ENTERPRISE	SOLE PROPRIETORSHIP	100.00	28/05/2018
RS HOTEL AND RESORT MANAGEMENT SERVICES	SOLE PROPRIETORSHIP	100.00	28/05/2018

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## ***MANAGEMENT***

- 1) Name of : RUBAAVATHY A/P SUBRAMANIAM  
Subject  
Position : OWNER

## ***AUDITOR***

No Auditor found in our databank

## ***BANKING***

Banking relations are maintained principally with :

- 1) Name : AMBANK (M) BHD

## ***CIVIL LITIGATION CHECK - SUBJECT COMPANY AS A DEFENDANT***

*\* A check has been conducted in our databank against the Subject whether the Subject has been involved in any litigation. Our databank consists of 99% of the wound up companies in Malaysia.*

No legal action was found in our databank.

## ***CRIMINAL RECORDS CHECK - SUBJECT COMPANY AS A DEFENDANT***

*\* A check has been conducted in our databank against the Subject whether the Subject has been involved in any litigation. Our databank consists of 99% of the wound up companies in Malaysia.*

No criminal record was found in our databank.

## ***CIVIL LITIGATION CHECK - SUBJECT COMPANY AS A PLAINTIFF***

*\* A check has been conducted in our databank against the Subject whether the Subject has been involved in any litigation. Our databank consists of 99% of the wound up companies in Malaysia.*

No plaintiff record was found in our databank.

## ***CRIMINAL RECORDS CHECK - SUBJECT COMPANY AS A PLAINTIFF***

*\* A check has been conducted in our databank against the Subject whether the Subject has been involved in any litigation. Our databank consists of 99% of the wound up companies in Malaysia.*

No plaintiff record was found in our databank.

## ***DEFAULTER CHECK AGAINST SUBJECT***

*\* We have checked through the Subject in our defaulters' database which comprised of debtors that have been listed by our customers and debtors that have been placed or assigned to us for collection.*

No defaulter record & debt collection case was found in our defaulters' databank.

## ***RED ALERT FROM CENTRAL BANK OF MALAYSIA***

*\* A check has been conducted with the Central Bank of Malaysia whether the Subject has carried out any illegal or suspicious financial activities.*

The Subject has not been carried out any illegal money services business without licence under the Money Services Business Act 2011.

The Subject has not been placed under the Financial Consumer Alert list by the Central Bank of Malaysia.

## **INVESTOR ALERT BY SECURITIES COMMISSION MALAYSIA & BURSA MALAYSIA**

\* A check has been conducted with the Securities Commission Malaysia whether the Subject has involved in any unlicensed capital market activities under the Securities Laws and Bursa Malaysia should the Subject is listed as Practice Note (PN) 17 or Guidance Note (GN) 3.

The Subject has not been carried out any unlicensed capital market activities.

### **PAYMENT RECORD**

#### SOURCES OF RAW MATERIALS:

Local : N/A  
Overseas : N/A

The Subject refused to disclose its supplier information.

### **CLIENTELE**

Local : YES  
Domestic Markets : MALAYSIA  
Overseas : YES  
Export Market : INDIA  
  
CHINA  
  
MIDDLE EAST  
Credit Term : N/A  
Payment Mode : CHEQUES  
LETTER OF CREDIT (LC)

### **OPERATIONS**

Goods : GALANGAL, PINEAPPLE AND OTHER RELATED PRODUCTS  
Traded  
Services : CULTIVATOR, HARVESTING OF GALANGAL, PINEAPPLE

Total Number of Employees:

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YEAR 2018

GROUP N/A  
COMPANY 30

Branch : NO

Other Information:

The Subject is principally engaged in the (as a / as an) cultivator, harvesting and trading of galangal, pineapple and other related products.

The Subject is a cultivator, harvester and marketer of a spice called Galangal and a tropical fruit called Pineapple. Both are commercially important crops that are hugely demanded all over the world.

Pineapple has a pleasant flavor and taste, and is rich in vitamin A, vitamin B, vitamin C and minerals, such as iron, magnesium, potassium and calcium.

Galangal is a widely used ginger-like spice in Malaysia and Indonesia for adding gingery & peppery camphorous taste and flavor in several dishes. It is hugely in demand for its medicinal properties, tonic & antibacterial qualities.

## **RECENT DEVELOPMENT**

We have checked with the Malaysian National News Agency's (BERNAMA) database, but no recent development was noted during the time of inspection.

## **CURRENT INVESTIGATION**

Latest fresh investigations carried out on the Subject indicated that :

Telephone Number Provided By : 60-194712851

Client

Current Telephone Number : 0194712851

Match : YES

Address Provided by Client : CORPORATE OFFICE HEADQUARTERS NO 16 & 17, PERSIARAN PERINDUSTRIAN SILIBIN 2 KAWASAN PERINDUSTRIAN SILIBIN RINGAN SILIBIN, 30100 IPOH PERAK MALAYSIA

Current Address : 16 & 17, PERSIARAN PERINDUSTRIAN SILIBIN 2, KAWASAN PERINDUSTRIAN SILIBIN RINGAN SLIBIN, 30100 IPOH, PERAK, MALAYSIA.

Match : NO

### Other Investigations

We have contacted one of the staff from the Subject and she provided some information.

The address is as per stated in the report.

The Subject can only be contacted via mobile phone.

The Subject does not use fax facilities.

## **FINANCIAL ANALYSIS**

We are unable to comment on the Subject financial position as the Subject is not required by the law to file its financial statement in the Registrar of Business.

**Overall financial condition of the Subject : N/A**

## **MALAYSIA ECONOMIC / INDUSTRY OUTLOOK**

Major Economic Indicators:	2014	2015	2016	2017*	2018**
Population ( Million )	30.0	31.0	31.6	32.1	32.9
<b>Gross Domestic Products ( % )</b>	<b>6.0</b>	<b>4.6</b>	<b>4.2</b>	<b>5.3</b>	<b>5.4</b>
Domestic Demand ( % )	6.4	6.2	4.3	6.3	6.4
<b>Private Expenditure ( % )</b>	<b>7.9</b>	<b>6.9</b>	<b>7.8</b>	<b>7.4</b>	<b>7.3</b>
Consumption ( % )	6.5	6.1	5.1	6.9	6.8
Investment ( % )	12.0	8.1	10.0	9.3	8.9
<b>Public Expenditure ( % )</b>	<b>2.3</b>	<b>4.2</b>	<b>3.3</b>	<b>5.3</b>	<b>5.5</b>
Consumption ( % )	2.1	4.3	2.0	2.7	1.3
Investment ( % )	2.6	(1.0)	1.1	3.4	3.8
Balance of Trade ( MYR Million )	82,480	91,577	88,145	94,593	96,993
Government Finance ( MYR Million )	(37,414)	(37,194)	(38,401)	(39,887)	(39,790)
<b>Government Finance to GDP / Fiscal Deficit ( % )</b>	<b>(3.4)</b>	<b>(3.2)</b>	<b>(3.1)</b>	<b>(3.0)</b>	<b>(2.8)</b>
Inflation ( % Change in Composite CPI)	3.2	4.0	2.1	3.5	3.0
Unemployment Rate	2.9	3.1	3.4	3.4	3.3
Net International Reserves ( MYR Billion )	428	441	451	450	423
Average Risk-Weighted Capital Adequacy Ratio ( % )	4.00	3.50	-	-	-
<b>Average 3 Months of Non-performing Loans ( % )</b>	<b>2.10</b>	<b>2.00</b>	<b>1.90</b>	-	-
Average Base Lending Rate ( % )	6.85	6.79	6.81	6.73	-
Business Loans Disbursed( % )	18.6	2.2	-	-	-
Foreign Investment ( MYR Million )	43,486.6	43,435.0	-	-	-
Consumer Loans ( % )	-	-	-	-	-
<b>Registration of New Companies ( No. )</b>	<b>49,203</b>	<b>45,658</b>	<b>43,255</b>	<b>47,871</b>	-
Registration of New Companies ( % )	6.1	(7.2)	(5.3)	10.7	-

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<b>Liquidation of Companies ( No. )</b>	<b>33,226</b>	<b>34,667</b>	<b>36,778</b>	<b>38,632</b>	-
Liquidation of Companies ( % )	0.5	4.3	6.1	5.0	-
<b>Registration of New Business ( No. )</b>	<b>332,723</b>	<b>364,230</b>	<b>376,720</b>	<b>484,029</b>	-
Registration of New Business ( % )	1.0	9.0	3.0	29.0	-
<b>Business Dissolved ( No. )</b>	<b>26,966</b>	-	-	-	-
Business Dissolved ( % )	48.5	-	-	-	-
Sales of New Passenger Cars ( ' 000 Unit )	588.3	591.3	514.6	527.8	-
Cellular Phone Subscribers ( Million )	44.0	44.2	44.0	-	-
Tourist Arrival ( Million Persons )	27.4	25.7	30.2	30.1	-
Hotel Occupancy Rate ( % )	63.6	58.8	61.2	-	-
Credit Cards Spending ( % )	5.8	6.8	6.3	-	-
Bad Cheque Offenders (No.)	-	-	-	-	-
Individual Bankruptcy ( No.)	22,351	18,457	19,588	18,227	-
Individual Bankruptcy ( % )	1.7	(17.4)	6.1	(7.0)	-

<b>INDUSTRIES ( % of Growth ):</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017*</b>	<b>2018**</b>
<b>Agriculture</b>	<b>2.0</b>	<b>1.3</b>	<b>(5.1)</b>	<b>5.6</b>	<b>2.4</b>
Palm Oil	6.7	7.0	(12.7)	11.8	-
Rubber	(10.4)	(11.0)	(6.3)	10.8	-
Forestry & Logging	(4.2)	(7.2)	(3.0)	(15.0)	-
Fishing	2.7	2.1	2.2	0.2	-
Other Agriculture	6.2	6.0	5.1	2.4	-
<i>Industry Non-Performing Loans ( MYR Million )</i>	<i>303.8</i>	<i>343.7</i>	<i>420.3</i>	-	-
<i>% of Industry Non-Performing Loans</i>	<i>1.4</i>	<i>1.5</i>	<i>1.8</i>	-	-
<b>Mining</b>	<b>3.3</b>	<b>5.3</b>	<b>2.2</b>	<b>0.5</b>	<b>0.9</b>
Oil & Gas	3.0	3.5	4.5	-	-
Other Mining	46.6	47.1	42.6	-	-
<i>Industry Non-performing Loans ( MYR Million )</i>	<i>63.5</i>	<i>180.1</i>	<i>190.0</i>	-	-
<i>% of Industry Non-performing Loans</i>	<i>0.3</i>	<i>0.8</i>	<i>0.8</i>	-	-
<b>Manufacturing #</b>	<b>6.1</b>	<b>4.9</b>	<b>4.4</b>	<b>5.5</b>	<b>5.3</b>
<b>Exported-oriented Industries</b>	<b>7.1</b>	<b>6.5</b>	<b>4.3</b>	<b>6.5</b>	-
Electrical & Electronics	11.8	9.2	6.8	9.3	-
Rubber Products	(1.3)	5.1	5.0	6.9	-
Wood Products	7.8	7.0	7.8	7.3	-
Textiles & Apparel	10.8	7.5	7.5	7.4	-
<b>Domestic-oriented Industries</b>	<b>7.7</b>	<b>4.7</b>	<b>3.4</b>	<b>6.2</b>	-
Food, Beverages & Tobacco	6.1	8.9	7.5	11.0	-
Chemical & Chemical Products	1.4	3.5	4.5	3.5	-
Plastic Products	2.7	3.9	5.1	-	-
Iron & Steel	2.8	1.6	2.2	-	-
Fabricated Metal Products	2.8	4.6	5.6	4.6	-
Non-metallic Mineral	6.9	6.8	6.3	5.4	-
Transport Equipment	14.4	5.2	(3.1)	4.7	-

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Paper & Paper Products	4.7	3.2	5.4	5.8	-
Crude Oil Refineries	13.0	14.3	13.7	-	-
Industry Non-Performing Loans ( MYR Million )	5,730.8	4,243.7	4,214.1	-	-
% of Industry Non-Performing Loans	25.6	19.0	18.5	-	-
<b>Construction</b>	<b>11.7</b>	<b>8.2</b>	<b>7.4</b>	<b>7.6</b>	<b>7.5</b>
Industry Non-Performing Loans ( MYR Million )	1,666.4	1,638.0	1,793.9	-	-
% of Industry Non-Performing Loans	7.5	7.3	7.9	-	-
<b>Services</b>	<b>6.6</b>	<b>5.1</b>	<b>5.6</b>	<b>5.9</b>	<b>5.8</b>
Electric, Gas & Water	3.8	3.6	5.4	2.5	2.6
Transport, Storage & Communication	7.70	7.55	6.85	7.35	7.30
Wholesale, Retail, Hotel & Restaurant	7.70	6.65	6.65	7.05	6.65
Finance, Insurance & Real Estate	5.15	2.90	4.70	5.70	5.90
Government Services	6.3	4.0	4.9	4.4	4.5
Other Services	4.8	4.7	4.8	5.3	5.3
Industry Non-Performing Loans ( MYR Million )	5,373.5	6,806.6	7,190.6	-	-
% of Industry Non-Performing Loans	24.1	30.5	31.5	-	-

\* Estimate / Preliminary

\*\* Forecast

# Based On Manufacturing Production Index

## **INDUSTRY ANALYSIS**

### **MSIC CODE**

01229 : Growing of other tropical and subtropical fruits n.e.c.

46313 : Wholesale of fruits

### **INDUSTRY AGRICULTURE**

:

Agriculture in Malaysia makes up 8.1% of the nation's GDP. 16% of the population of Malaysia is employed through some sort of agriculture. Agriculture remained a key factor for economic growth and under the 11th Malaysia Plan, the GDP for the sector is projected to achieve RM93.2 billion and the figure is estimated to reach RM110.7 billion by 2020. Agriculture remains a key facet of the country's macroeconomic profile, with an improved performance from the industry in 2017 likely to support growth in downstream industries such as food and edible oil processing.

The agriculture sector expanded at a slower pace of 5.9% in second quarter 2017 after 8.3% in the second quarter 2016.

Under Budget 2017, to assist paddy farmers, RM1.3 billion allocated to subsidise paddy price, seeds and fertilisers including hill paddy. In addition, for Agropreneur programme, RM100 million allocated to produce 3,000 young entrepreneurs. A sum of RM1.3 billion is allocated to increase food production at a competitive price. The allocation is to develop agricultural infrastructure such as drainage and irrigation, farm roads and marketing of agricultural products. High impact programmes including paddy estates, aquaculture integrated zone and cage fish farms will be continued.

In addition, under Budget 2017, RM140 million allocated for Distribution of Necessary Goods Programme,

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opening of four MyFarmOutlets and upgrading of 150 Agrobazaar Rakyat 1Malaysia premises. Furthermore, the Government also encourages the development of dairy industry as well as madu kelulut and coconut, while reducing the dependability of imported animal feed through the development of corn plantation as a pilot project in Terengganu and Kedah.

The Ministry of Agriculture and Agro-based Industry is very committed to address the trade balance deficit of RM17 billion and lessen the country's dependency on food imports and is developing various plans to increase the country's Self Sufficiency Level (SSL) for food.

Conclusively, the agriculture sector is a strong contributor to Malaysia's GDP and total employment.

**OVERALL INDUSTRY OUTLOOK : Marginal Growth**

## ***CREDIT RISK EVALUATION & RECOMMENDATION***

Incorporated in 2015, the Subject is a Sole Proprietorship, focusing on cultivator, harvesting and trading of galangal, pineapple and other related products. The Subject has been in business for less than 5 years and it has slowly been building up contact with its clients while competing in the industry. However, it has yet to enjoy a stable market shares as it need to compete many well established players in the same field.

Investigation revealed, the Subject has penetrated into both the local and overseas market. The Subject has positioned itself in the global market and is competing in the industry. Its stable clientele base will enable the Subject to further enhance its business in the near term. The Subject's business operation is supported by 30 employees. Overall, we regard that the Subject's management capability is average. This indicates that the Subject has greater potential to improve its business performance and raising income for the Subject.

As the Subject is registered as a sole-proprietorship, its financial statement are not available for analysis. As such, we are unable to ascertain the Subject's financial health. The Subject's ability to meet its obligations is very much dependent on the owner's financial strength.

The industry has reached its maturity stage and only enjoying a marginal growth. The steady growth of the country's economy will further enhance the industry activities. Thus, the Subject's future performance is very much depend on its marketing strategies in order to retain its position in the market.

Based on the above unfavourable condition, we regard granting credit to the Subject to be quite risky. Hence, credit is not recommended.

## ***FINANCIAL ACCOUNT***

No latest financial accounts are available at the Registry Office.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.52
UK Pound	1	INR 90.60
Euro	1	INR 79.87
MYR	1	INR 17.02

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

**INFORMATION DETAILS**

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