

## MIRA INFORM REPORT

Report No. :	519883
Report Date :	18.07.2018

### IDENTIFICATION DETAILS

Name :	ENVOY TEXTILES LTD.
Registered Office :	Envoy Tower (5 <sup>th</sup> -8 <sup>th</sup> Floor), 18/E, Lake Circus, Kalabagan, West Panthapath, Dhaka-1205
Country :	Bangladesh
Financials (as on) :	31.03.2018
Date of Incorporation :	15.06.1995
Com. Reg. No.:	C-28622
Legal Form :	Public Listed Co
Line of Business :	Manufacturer Distributor Exporter and Importer of Denim Fabrics.
No. of Employees :	720

### 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+	Low Risk	Business dealings permissible with low risk of default

Status :	Excellent
Payment Behaviour :	Regular
Litigation :	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.

**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.

**ECGC Country Risk Classification List**

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Bangladesh	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

**BANGLADESH - ECONOMIC OVERVIEW**

Bangladesh's economy has grown roughly 6% per year since 2005 despite prolonged periods of political instability, poor infrastructure, endemic corruption, insufficient power supplies, and slow implementation of economic reforms. Although more than half of GDP is generated through the services sector, almost half of Bangladeshis are employed in the agriculture sector, with rice as the single-most-important product.

Garment exports, the backbone of Bangladesh's industrial sector, accounted for more than 80% of total exports and surpassed \$28 billion in FY 2016-17. The sector continues to grow despite the need for improvements in factory safety conditions and workers' rights to avert further high-profile accidents that killed more than 1,000 workers in 2012 and 2013. In FY 2016-17, steady export growth in the garment sector, combined with \$13 billion in remittances from overseas Bangladeshis, contributed to Bangladesh's rising foreign exchange reserves.

The recent influx of over 700,000 additional refugees from Burma will place pressure on the Bangladeshi government's budget and the country's rice supplies, which declined in 2017 in part because of record flooding. Recent improvements to energy infrastructure, including the start of liquefied natural gas imports in 2018, represent a major step forward in resolving a key growth bottleneck.

Source : CIA

## **EXECUTIVE SUMMARY**

### **IDENTIFICATION DETAILS**

**Correct company Name** : **Envoy Textiles Ltd.**  
**Head Office** : Envoy Tower (5<sup>th</sup>-8<sup>th</sup> Floor), 18/E, Lake Circus, Kalabagan, West  
Panthapath, Dhaka-1205, Bangladesh.  
**Tel No** : 88-02-9102583- 90  
**Fax No** : 88-02-9103128-29  
**E-mail** : enquiry@envoytextiles.com  
**Website** : www.envoytextiles.com  
**Date/ Year of** : 15.06.1995  
**Incorporation**  
**Incorporation No.** : C-28622  
**Hong Kong Business** : 55558757-000-04-16-3  
**Registration No**  
**Legal Form (General)** :  Public Listed Co  Public (but not listed)  Private Co  State-owned  
Co  
 Sole Proprietorship  Partnership  Not Registered  
 others (please specify) \_\_\_\_\_  
**Legal form (Specific)** :  LTD  CORP  INC  CO  
 others (please specify) \_\_\_\_\_  
**Issuing Authority** :  Registrar of Joint Stock Companies & Firms  City Corporation  
 Municipal Administration  Union Council  
 Cantonment Board  Chief Controller of Import &  
Export (CCIE)

## **OTHER REGISTRY & CERTIFICATION DETAILS**

**Taxpayer's Identification No (Tin)** : 657558493737 **Date Of Registration** : N/A  
**Issuing Authority** : National Board Of Revenue  
**Value Added Tax(Vat) No** : 18061005834/ **Date Of Registration** : N/A  
5141029861-Old  
**Issuing Authority** : National Board Of Revenue  
**Value Added Tax(Bin) No** : 000333127 **Date Of Registration** : N/A  
**Issuing Authority** : National Board Of Revenue  
**Organization Name** : Bangladesh Textile Mills Association (BTMA)  
International Chamber Of Commercial-Bangladesh.  
Bangladesh Association Of Publicly Listed Company  
**Membership No** : N/A

## **FINANCIALS- SUMMARY**

Year	Turnover/ Sales	Assets	Income
30 <sup>th</sup> June'2017	BDT 4481679635 (31 <sup>st</sup> March'2017)	BDT 16060338647	BDT 220851124 (31 <sup>st</sup> March'2017)
31 <sup>st</sup> March'2018	BDT 5493341476	BDT 16486261863	BDT 236098501

## **FULLCHECK REPORT DETAILS**

### **Information Parted By**

**Name** : Mr. M. Saiful Islam Chowdhury  
**Designation** : Company Secretary  
**Contract No** : N/A

### **Locations Details**

**Operating Address** : Envoy Tower (5<sup>th</sup>-8<sup>th</sup> Floor), 18/E, Lake Circus, Kalabagan, West  
Panthapath, Dhaka-1205, Bangladesh.  
**Tel No** : 88-02-9102583- 90  
**Fax No** : 88-02-9103128-29  
**E-mail** : enquiry@envoytextiles.com  
**Website** : www.envoytextiles.com

**Location** : Owned  Rented  Leased  Area 4500 Sq. ft.

**Type of Office** : Commercial Area.  Semi-commercial office Bldg.  
Retail shop  Industrial Park  
Business Center  Home Office  
Residential Bldg.

### **Factory Address:**

**Address** : Jamirdia, Bhaluka, Mymensingh, Bangladesh.  
**Tel No** : 88-0682-555037-40  
**Fax No** : 0682-555008

### **Representative Office Address:**

**Address** : King Place Plaza (16<sup>th</sup> Floor), Unit-H, 55, King Yip Street Kwun Tong,

Tel No : Hong Kong  
: +852-23779860, 23779870  
Fax No : +852-23779899

**Employee:**

No. of In Office : 145 In Factory : 575  
Employees In Branch: : N/A Total : 720

**Details:**

## **OWNERSHIP/SHAREHOLDERS**

<b>Names of Shareholders</b>	<b>No. of Share</b>	<b>Country</b>
Sponsors/promoters and Director	71385527	Bangladesh.
Institution	55585892	Bangladesh.
Public	22897400	Bangladesh.
Foreign	6746277	Bangladesh.
General Public	7830754	Bangladesh.

## **DIRECTORS**

**Name** : Mr. Kutubuddin Ahmed  
**Designation** : Chairman  
**Nationality** : Bangladeshi.  
**Email address** : N/A  
**Other details** : N/A

**Name** : Mr. Abdus Salam Murshedy  
**Designation** : Managing Director  
**Nationality** : Bangladeshi.  
**Email address** : N/A  
**Other details** : N/A

**Name** : Mrs. Sharmin Salam  
**Designation** : Director  
**Nationality** : Bangladeshi.  
**Email address** : N/A  
**Other details** : N/A

---

**ENVOY TEXTILES LTD. - 519883**

**PAGE NO. : 7**

---

Name : Mrs. Rashida Ahmed  
Designation : Director  
Nationality : Bangladeshi.  
Email address : N/A  
Other details : N/A

Name : Mr. Tanvir Ahmed  
Designation : Director  
Nationality : Bangladeshi.  
Email address : N/A  
Other details : N/A

Name : Barrister Shehrin Salam Oishee  
Designation : Director  
Nationality : Bangladeshi.  
Email address : N/A  
Other details : N/A

Name : Ms. Sumayyah Ahmed  
Designation : Director  
Nationality : Bangladeshi.  
Email address : N/A  
Other details : N/A

Name : Mr. Ishmam Salam  
Designation : Director  
Nationality : Bangladeshi.  
Email address : N/A  
Other details : N/A

Name : Mr. Abul Kalam Azad  
Designation : Independent Director  
Nationality : Bangladeshi.  
Email address : N/A  
Other details : N/A

Name : Mr. SK Bashir Ahmed  
Designation : Independent Director  
Nationality : Bangladeshi.  
Email address : N/A  
Other details : N/A

## ***MANAGEMENT***

Name : Mr. Abdus Salam Murshedy  
Job Description : Managing Director  
Nationality : Bangladeshi.

**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.

**ENVOY TEXTILES LTD. - 519883**

**PAGE NO. : 8**

Email address : N/A  
Other details : N/A  
  
Name : Mr. Nurul Haq  
Job Description : Assistant General Manager (Store)  
Nationality : Bangladeshi.  
Email address : N/A  
Other details : N/A

Name : Mr. Muhammad Nayem Hasan  
Job Description : Senior Manager  
Nationality : Bangladeshi.  
Email address : N/A  
Other details : N/A

Name : Mr. Atiqur Rahman  
Job Description : Deputy General Manager (Commercial)  
Nationality : Bangladeshi.  
Email address : N/A  
Other details : N/A

Name : Mr. Tushar Tripathi  
Job Description : Chief Executive Officer  
Nationality : Bangladeshi.  
Email address : N/A  
Other details : N/A

Name : Mr. Siddiqur Rahman  
Job Description : Head of Admin  
Nationality : Bangladeshi.  
Email address : N/A  
Other details : N/A

***BUSINESS OPERATIONS***

Nature of Activity : Manufacturer  Trader  Dealer  Distributor   
Exporter  Importer  Services  Others

**Range of products :**

Products : Denim Fabrics.  
Production Capacity : 20.00 Million Meter.  
Last Year Production : Do.

**Trading Terms:**

<b>Purchasing Terms:</b>	L/C	√	Cash	Others			
	Credit :		30 days	60 days	√	90 days	days
<b>Selling Terms :</b>	L/C		Cash	√	Others		
	Credit :	√	30 days	60 days		90 days	days

**DETAILED DATA**

Trade Reference & Related Parties	: Overseas Clients	: Tema H & M VF Asia Wal-Mart Carrefour Li & Fung Marks & Spencer
	Local Clients	: N/A
	Overseas Suppliers	: N/A
	Local Suppliers	: N/A
Trade Markets	: Exports(Country)	: USA, Canada, Italy, Germany
	Imports(Country)	: China, India, Pakistan
Brand Name	: N/A	
Certified	: N/A	
Statutory Auditors	: M/S AHMED & AKHTER Chartered Accountants BCIC Bhaban, 30-31, Dilkhusha C/A, Dhaka-1000, Bangladesh.	
Corporate Governance Auditors	: M/S ARTISAN Chartered Accountants Shah Ali Tower (6 <sup>th</sup> Floor), 33, Karwan Bazar, Dhaka-1215, Bangladesh.	
Operation Status	: Active	

**CAPITAL STRUCTURE**

<b>Authorized Capital</b>	: BDT 4000 Million
<b>Paid-up Capital</b>	: BDT 1644458500
<b>No. of Shares</b>	: 164445850
<b>Share Value</b>	: BDT10.00Each

**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.

Main Assets : BDT 16486261863

## **FINANCIAL STATEMENT- DETAILED**

### Balance Sheet:

Currency : BDT  
Denomination : 1  
Financial Year Ending : 31<sup>st</sup> March'2018

Financial Highlights	31 <sup>st</sup> March'2018	30 <sup>th</sup> June'2017
<b>Assets</b>		
<b>Non-Current Assets</b>	<b>10,922,100,126</b>	<b>10,770,972,855</b>
Property, Plant & Equipment, Net Of Depreciation	9,491,810,798	9,004,214,391
Capital Work In Process	1,430,289,328	1,766,758,465
<b>Current Assets</b>	<b>5,564,161,737</b>	<b>5,289,365,791</b>
Inventories & Stores	2,177,809,098	2,155,076,681
Material In Transit	444,756,391	225,497,732
Trade And Others Receivable	2,674,169,879	2,643,632,850
Advance, Deposits & Prepayments	162,128,032	137,246,819
Investment	57,774,022	45,707,026
Cash And Cash Equivalents	47,524,316	82,204,684
<b>Total Assets</b>	<b>16,486,261,863</b>	<b>16,060,338,647</b>
<b>Equity &amp; Liabilities</b>		
<b>Authorized Capital</b>	<b>4,000,000,000</b>	<b>4,000,000,000</b>
275,000,000 Ordinary Shares Of Tk.10/= Each.	2,750,000,000	2,750,000,000
125,000,000 Redeemable Preference Shares Of Tk.10/= Each.	1,250,000,000	1,250,000,000
<b>Shareholders Equity</b>	<b>6,157,364,781</b>	<b>6,030,896,848</b>
Paid Up Share Capital	1,644,458,500	1,566,150,960
Share Premium	1,120,000,000	1,120,000,000
Revaluation Surplus	1,715,878,284	1,724,109,853
Retained Earnings	1,349,105,808	1,292,713,844
Tax Holiday Reserve	327,922,190	327,922,190
<b>Non-Current Liabilities</b>	<b>3,829,994,706</b>	<b>3,802,929,300</b>
Secured Loan	3,803,190,600	3,755,175,717
Provision For Deferred Tax	26,804,107	47,753,583
<b>Current Liabilities</b>	<b>6,498,902,375</b>	<b>6,226,512,499</b>
Secured Loan (Current Portion)	163,830,953	689,750,204
Short Term Liabilities	5,694,731,895	4,850,981,612
Accounts Payable	404,482,623	555,651,234
Provision For Expenses	149,660,572	84,773,302
Provision For Current Tax	86,196,332	45,356,147
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>16,486,261,863</b>	<b>16,060,338,647</b>

**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.

NAV Per Share	37.44	38.51
Restated NAV Per Share	-	36.67

**Income Statement:**

**Currency** : **BDT**  
**Denomination** : **1**  
**Financial Year Ending** : **31<sup>st</sup> March'2018**

<b>Financial Highlights</b>	<b>31<sup>st</sup> March'2018</b>	<b>31<sup>st</sup> March'2017</b>
Revenue	5,493,341,476	4,481,679,635
Less: Cost Of Goods Sold	4,547,445,006	3,686,816,776
<b>Gross Profit</b>	<b>945,896,470</b>	<b>794,862,859</b>
<b>Less: Operating Expenses</b>	<b>219,467,505</b>	<b>222,277,075</b>
Administrative General Expenses	173,328,775	172,692,842
Selling & Distribution Expenses	46,138,730	49,584,233
<b>Profit/ (Loss) From Operation</b>	<b>726,428,966</b>	<b>572,585,784</b>
Less: Financial Expenses	458,362,536	319,049,522
<b>Profit/ (Loss) After Financial Expenses</b>	<b>268,066,430</b>	<b>253,536,263</b>
Add: Other Income/ Expenses	722,241	679,661
<b>Net Profit/(Loss) Before WPPF</b>	<b>268,788,670</b>	<b>254,215,923</b>
Less: Provision For Workers Profit Participation Fund	12,799,460	12,105,520
<b>Net Profit Before Tax</b>	<b>255,989,210</b>	<b>242,110,403</b>
Less: Provision For Current Tax	40,840,185	32,564,174
Less: Provision For Deferred Tax	(20,949,476)	(11,304,895)
<b>Profit After Tax</b>	<b>236,098,501</b>	<b>220,851,124</b>
Earnings Per Share (Eps)	1.44	1.41
Restated Earnings Per Share (REPS)	-	1.34

**ASSOCIARES/SUBSIDIARIES/ RELATED PARTIES**

<b>Name of The Group</b>	: Envoy Group
<b>Name of Mother Company</b>	: Nil
<b>Subsidiary</b>	: Nil
<b>Sister Concerns</b>	: Platinum Suits Olio Apparels Ltd. Envoy Design Ltd. Sheltech (Pvt.) Ltd Fountain Water Ltd. Pastel Apparels Ltd. Envoy Fashions Ltd. Manta Apparels Ltd. Update Aviation Ltd

**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.

Regal Garments Ltd  
Nadia Garments Ltd.  
Envoy Garments Ltd.  
Epoch Garments Ltd.  
Astras Garments Ltd.  
Emerald Trading Ltd  
Fontina Fashions Ltd.  
Dornick Apparels Ltd.  
The Premier Bank Ltd  
Armour Garments Ltd.  
Supreme Apparels Ltd.  
Laundry Industries Ltd  
Envoy Towers Limited  
Lunar International Ltd  
Lunar International Ltd  
Peridot International Ltd.  
Pinata Air International Ltd.  
OIA Global Logistics (BD) Ltd  
National System Solutions (Pvt.) Ltd  
Information Technology Consultants Ltd.

## ***BANKING***

**Bank Name** : Pubali Bank Ltd.  
**Bank Address** : Mohakhali Branch  
73, Mohakhali Comm. Area, Dhaka-1212, Bangladesh  
Tel: 88-02-8811044

**Bank Name** : HSBC Limited  
**Bank Address** : Gulshan Office  
Anchor tower, 1/1-B, Sonargoan, Dhaka-1212, Bangladesh  
Tel : 88-02-9890123

**Bank Name** : BRAC Bank Limited  
**Bank Address** : Gulshan Branch  
House# 50 (GF), Road# 03, Gulshan-1, Dhaka-1212, Bangladesh  
Tel: 88-02-8818624

**Bank Name** : Standard Charterad Bank Ltd.  
**Bank Address** : Gulshan Branch  
SCB House# 67, Gulshan Avenue, Gulshan-1212, Bangladesh

**Bank Name** : Mutual Trust Bank Limited

**Bank Address** : MTB Center, 26, Gulshan Avenue, Dhaka-1212, Bangladesh.

## **ADVERSE DATA MONITORING**

**Dishonored Checks** : No Record Found  
**Debt** : No Record Found  
**Litigation** : Clear  
**Performance Defaults** : No Record Found  
**Adverse Coverage/History** : No Record Found  
**Local Adverse** : No Record Found  
**Media Filling** : No Record Found

## **SITE VISIT COMMENTARY**

Our Representative Visited the subject company address at Envoy Tower (5th-8th Floor), 18/E, Lake Circus, Kalabagan, West Panthapath, Dhaka-1205, Bangladesh. It is situated at Residential Area.

## **GENERAL COMMENTS**

Based on the financial statements, SC's financial performance appears to be Strong. SC has been in its line of business for about 6 years. Taking into account its long-standing history, reputation in the market, as well as its financial condition, we recommend that Credit can proceed with favorable terms in Large amount.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.30
UK Pound	1	INR 90.52
Euro	1	INR 80.10
BDT	1	INR 0.81

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	PRI
<b>Report Prepared by :</b>	TRU

**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)