

MIRA INFORM REPORT

Report No. :	538190
Report Date :	03.11.2018

IDENTIFICATION DETAILS

Name :	GALFAR ENGINEERING AND CONTRACTING SAOG
Registered Office :	Building No. 760, Way No. 522 Al Omaran Street Ghala Industrial Area PO Box 533, Ruwi 113 Muscat 100
Country :	Oman
Financials (as on) :	31.12.2017
Date of Incorporation :	17.08.1975
Com. Reg. No.:	1/01513/3
Legal Form :	Omani Public Joint Stock Company
Line of Business :	Subject's operations are performed through the following divisions: <ul style="list-style-type: none"> • Oil & Gas Division • Structures & Buildings Division • Utilities & Services Division • Environmental Division • Roads & Bridges Division
No. of Employees :	7,600

RATING & COMMENTS

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

MIRA's Rating :	B
------------------------	---

Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Maximum Credit Limit :	US\$ 250,000
-------------------------------	--------------

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.

Status :	Moderate
Payment Behaviour :	Slow but Correct
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 (30.06.2018)	Current Rating (30.09.2018)
Oman	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

OMAN - ECONOMIC OVERVIEW

Oman is heavily dependent on oil and gas resources, which can generate between 68% and 85% of government revenue, depending on fluctuations in commodity prices. In 2016, low global oil prices drove Oman's budget deficit to \$13.8 billion, or approximately 20% of GDP, but the budget deficit is estimated to have reduced to 12% of GDP in 2017 as Oman reduced government subsidies. As of January 2018, Oman has sufficient foreign assets to support its currency's fixed exchange rates. It is issuing debt to cover its deficit.

Oman is using enhanced oil recovery techniques to boost production, but it has simultaneously pursued a development plan that focuses on diversification, industrialization, and privatization, with the objective of reducing the oil sector's contribution to GDP. The key components of the government's diversification strategy are tourism, shipping and logistics, mining, manufacturing, and aquaculture.

Muscat also has notably focused on creating more Omani jobs to employ the rising number of nationals entering the workforce. However, high social welfare benefits - that had increased in the wake of the 2011 Arab Spring - have made it impossible for the government to balance its budget in light of current oil prices. In response, Omani officials imposed austerity measures on its gasoline and diesel subsidies in 2016. These spending cuts have had only a moderate effect on the government's budget, which is projected to again face a deficit of \$7.8 billion in 2018.

Source : CIA

SUMMARY

Company Name	: GALFAR ENGINEERING AND CONTRACTING SAOG
Country of Origin	: Oman
Legal Form	: Omani Public Joint Stock Company
Registration Date	: 17th August 1975
Commercial Registration Number	: 1/01513/3
Authorised Capital	: RO 50,000,000
Issued Capital	: RO 41,522,000
Paid up Capital	: RO 41,522,000
Total Workforce	: 7,600
Activities	: Subject operates several divisions (see below for details)
Financial Condition	: Poor
Payments	: Slow but Correct
Recommended Credit Limit	: US\$ 250,000

COMPANY NAME

GALFAR ENGINEERING AND CONTRACTING SAOG

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Location : Building No. 760, Way No. 522
Street : Al Omaran Street
Area : Ghala Industrial Area

PO Box : 533, Ruwi 113

Town : Muscat 100
Country : Oman

Telephone : (968) 24525000 / 24703715 / 24703286 / 24502294 / 24595019
Facsimile : (968) 24525250 / 24706778 / 24502145
Mobile : (968) 99865515
Email : galfar@omantel.net.om / abdelbagi@galfar.com

Premises

Subject operates from a large suite of offices that are owned and located in the Central Business Area of Muscat.

Branch Office (s)

<u>Location</u>	<u>Description</u>
• Muttrah PO Box: 7577 Muscat Tel: (968) 24591055 / 24591921 Fax: (968) 24591676	Sales office premises
• PO Box: 72218 Abu Dhabi United Arab Emirates Tel: (971-2) 6336111 Fax: (971-2) 6334111 Email: galfar@emirates.net.ae	Sales office premises
• PO Box: 22170 Doha	Sales office premises

Qatar
Tel: (974) 44677518
Fax: (974) 44677519

- Kompleks Haji Tahir 2, No. 16, 2nd Floor
Jalan Gadong BE3519
PO Box: 568
Darussalam
Brunei
Tel: (673) 2422620
Fax: (673) 2424197

Sales office premises

KEY PRINCIPALS

<u>Name</u>	<u>Position</u>
• Majid Salim Said Hamad Al Fannah Al Araimi	Chairman
• Mohiuddin Mohamad Ali	Vice Chairman
• Salman Rashid Al Fannah Al Araimi	Director
• Badr Mohammed Rashid Al Fannah Al Araimi	Director
• Ganesan Sridhar	Director
• Kalat Ghuloom Hassan Al Bulooshi	Director
• Maqbool Hussein Salih Al Zadjali	Director
• Mohamed Taqi Ibrahim Al Jamalani	Director
• Saeed Salim Ali Al Hajri	Director
• Dr Hans Erlings	Chief Executive Officer
• Ram Mohan N	Chief Financial Officer
• A Naushad	Business Development Manager
• S K Khuntia	Commercial Manager
• Mohamed Al Ruzaigi	Human Resources Manager
• Suresh Menon	IT Manager

- | | |
|-------------------------|---|
| • E A Sheriff | Purchasing Manager |
| • T S Janardhanan | Manager – Oil & Gas Division |
| • J K Salvi
Division | Manager - Structures & Buildings |
| • J K Mitra | Manager - Utilities & Services Division |
| • T Varadarajan | Manager - Roads & Bridges Division |
| • Joginder Singh | Manager – Environmental Division |

LEGAL FORM & OWNERS

Date of Establishment : 17th August 1975

Legal Form : Sharikat Al Mousahama Al Omania (Societe Anonyme Omani
General - SAOG) (Omani Public Joint Stock Company)

Commercial Reg. No. : 1/01513/3

Authorised Capital : RO 50,000,000

Issued Capital : RO 41,522,000

Paid up Capital : RO 41,522,000

<i>Name of Shareholder (s)</i>	<i>Percentage</i>
• Salem S H Al Araimi	18.00%
• Al Siraj Investment & Projects Co	12.50%
• Emaar United for Investment & Projects Co	12.00%
• P Mohammed Ali	10.00%
• PMA International Co Ltd	5.00%
• Qhassya Projects & Investment Co	2.50%
• Members of the general public & private investors	40.00%

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.

AFFILIATED COMPANIES

<u>Name</u>	<u>Percentage Held</u>
<ul style="list-style-type: none"> Al Datoor Contracting & Trading LLC Honda Road Muttrah PO Box: 7577 Muscat Tel: (968) 24703715 Fax: (968) 24591921 	-
<ul style="list-style-type: none"> Arabian Industries LLC Jalan House Al Khuwair PO Box: 51 Al Rusayl 124 Tel: (968) 24626294 / 24626295 Fax: (968) 24626297 	-
<ul style="list-style-type: none"> Mushrif Trading & Enterprises LLC Al Khuwair PO Box: 1289 Muscat Tel: (968) 24693619 / 24786835 Fax: (968) 24604600 	-
<ul style="list-style-type: none"> National Drilling & Services 	-
<ul style="list-style-type: none"> Al Khalij Heavy Equipment & Engineering LLC 	52.20%
<ul style="list-style-type: none"> Oman Drilling & Services 	-
<ul style="list-style-type: none"> Musandam Building Materials 	-
<ul style="list-style-type: none"> Galfar Training Institute LLC 	99.50%
<ul style="list-style-type: none"> Galfar Engineering & Contracting Kuwait KSC Kuwait 	-
<ul style="list-style-type: none"> Galfar Wasen Contracting Company Libya 	-
<ul style="list-style-type: none"> Galfar Engineering and Contracting India Pvt Ltd India 	100%
<ul style="list-style-type: none"> Galfar Aspire Projects & Services LLC 	100%

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.

Oman

- Mahakaleshwar Tollways Pvt Ltd -
India
- Ghaziabad Aligarh Expressway Pvt Ltd -
India
- Shree Jagannath Expressways Pvt Ltd -
India
- Galfar Aspire Readymix LLC 100%

OPERATIONS

Activities: Subject's operations are performed through the following divisions:

- **Oil & Gas Division**

Engaged in the design, supply, construction, erection and maintenance of pipelines and flow lines, and tank farms. Subject is also involved in station works - static & rotary equipment, erection and structural works, industrial & marine coating, as well as large equipment contracts & service contract works.

- **Structures & Buildings Division**

Engaged in the design, supply, construction, and erection of the following:

- Harbours, jetties and marine works hydro structures
- Buildings & commercial complexes, stadiums, hospitals, monuments, forts, palaces.
- Industrial civil works for oil and gas, petrochemical plants, infrastructure projects, environmental engineering and desalination plants.
- Water supply & distribution works

- **Utilities & Services Division**

The Utilities & Services Division specialises in electrical works (such as switch gears, sub stations, overhead lines, cathodic protection, and startups), as well as instrumentation works, HVAC works, building management systems, environmental engineering works and maintenance contracts.

- **Environmental Division**

The Environmental Division specialises in waste water, sewage and sanitation contracting works.

In March 1999, subject was awarded a US\$ 80 million project covering the construction of a waste water network in Salalah. The project is the first of its kind in Oman and consists of 10,000 house connections, 350 kilometres of collection sewers, 5,500 manholes and 21 local pumping stations.

• **Roads & Bridges Division**

The Roads and Bridges Division offers contracting services in relation to roads, highways, bridges, earthmoving and reclamation works, asphaltting works, preparation of rig locations and access roads.

All of subject's operations are ISO 9002 certified.

Contracts Awarded

In December 2010, subject was awarded the project for the construction of the Courts Complex in Nizwa, at the sum of RO 10,110,548 as per the letter of the Ministry of Justice No. MOJ/PO/2010/422 dated 18 December 2010. The completion period is 12 months in addition to 30 days for mobilization.

Subject was also awarded Tender No. 150/2010 TB on "Design, Procure, Supply & Installation of Package Sewage Treatment Plant at Al Duqum" for the Ministry of Regional Municipalities and Water Resources vide their letter No. DGCW / 21/M/9/2345/2010, for a total sum of RO 1,399,289. The completion period is 365 days in addition to 60 days for mobilization.

In October 2010, subject was awarded a contract by Petronas Carigali (Oman) Ltd vide their letter No. PCOL/SCM/2010/OCT/020 received on 23/10/2010 for "Provision of Civil Constructions and Services at Drilling campaign, onshore Sultanate of Oman" for a total sum of RO 1,350,000. The contract period is (3) years.

In September 2012, subject has also been awarded the contract No. MUK-CA-2012-CW-001 "Mukhaizna Airfield Upgrade" for Occidental Mukhaizna LLC. The contract value is RO 6,890,591.

Subject was also awarded the Tender No. TB 292/2011 for the "construction of a Fishing Harbour in the wilayat of Barka" for The Ministry of Agriculture & Fisheries Wealth, valued at RO 10,913,437.

Subject was awarded Tender No. 59/2013 for "Construction of the Catering Building Project at Muscat International Airport (MC 13)" by the Ministry of Transport & Communications, via their award letter No. MTC/TCD/T/4519/2013 received on 26th November 2013 for a total sum of RO 67,366,652. The completion period of the project is 548 days in addition to 90 days for the design.

BP Exploration (Epsilon) Limited Oman has awarded Galfar Engineering and Contracting SAOG a contract for the construction and installation of gas gathering system (Phase II). The contract term is for 33 Months starting from 15 March 2018 and including mobilization and is valued at US\$ 95million.

Subject was awarded a contract for the execution of EPC building works of package 1 & 3 on the Duqum refinery project. It was awarded on 4th October 2018 and is worth US\$ 50.6 million.

Subject has also been awarded the following projects:

Barka – Nakhal Road - RO 65 Million
Dualization of Nizwa-Ibri Road - RO 28 Million
Batinah Tunnel - RO 22 Million

Import Countries: United Kingdom, Germany and France

International Suppliers:

- Delta Accessories & Domestic Switchgear Ltd United Kingdom
- Gent Fire Alarm Systems Ltd United Kingdom
- BICC United Kingdom
- Ottermill Switchgear United Kingdom
- Egon Hillbrand Light Fitting Ltd United Kingdom
- Esto Leuchtenfabric Germany
- Legrand France

Subject has a workforce of approximately 7,600 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: Riyal Omani (RO 000's)

Balance Sheet

	Subject Company		Consolidated	
	31/12/2017	31/12/2016	31/12/2017	
31/12/2016				
ASSETS				
Non-current Assets				
Property, plant and equipment	63,769	76,139	75,041	88,300
Intangible assets	43	396	48,642	41,310
Investment in subsidiaries	14,652	11,937	-	-
Investment in associates	8,049	8,302	5,457	5,244
Investment available for sale	125	125	145	145
Retentions receivables	29,122	33,468	29,185	33,525
	115,760	130,367	158,470	
	168,524			
Current Assets				
Inventories	10,059	10,109	11,931	12,355
Contract work in progress	39,756	47,529	40,672	48,068
Contract and trade receivables	178,209	206,900	186,201	
	214,226			
Advances, prepayments and other receivables	13,988	17,429	22,774	26,094
Deposits with bank	3,953	8,892	3,957	8,896
Cash and bank balances	1,773	3,687	4,062	6,636
	247,738	294,546	269,597	
	316,275			
Total Assets	363,498	424,913	428,067	
	484,799			

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.

EQUITY AND LIABILITIES

Equity				
Share capital	41,522	41,522	41,522	41,522
Share premium	18,337	18,337	18,337	18,337
Statutory reserve	13,840	13,840	14,278	14,278
Foreign currency translation reserve	-	-	(1,979)	(2,766)
Accumulated losses (10,459)	(14,359)	(10,660)	(16,238)	
Equity attributable to shareholders	59,340	63,039	55,920	60,912
Non-controlling interest	-	-	901	965
Total Equity	59,340	63,039	56,821	61,877
Non-current Liabilities				
Term loans	24,505	45,262	62,746	75,833
Employees' end of service benefits	13,630	13,232	13,871	13,478
Advance from customers	19,214	22,494	19,214	22,494
Deferred tax liability	-	-	700	715
	57,349	80,988	96,531	
		112,520		
Current Liabilities				
Term loans -current portion	21,422	30,271	23,577	30,924
Short term loans	30,900	55,600	36,777	59,318
Bank borrowings	51,368	47,759	52,308	48,369
Trade Payables	82,527	87,654	94,256	94,209
Other payables and provisions	60,587	58,426	67,310	73,833
Provision for taxation	5	1,176	487	3,749
	246,809	280,886	274,715	
	310,402			
Total Liabilities	304,158	361,874	371,246	
422,922				
Total Equity and Liabilities	363,498	424,913	428,067	
484,799				

Income Statement

Contract revenue	273,264	320,337	274,719	
323,384				
Sales and services income	4,461	3,678	21,422	17,493
Total revenue	277,725	324,015	296,141	
340,877				
Other income	3,372	2,726	3,529	2,913
Cost of contracts and sales	(261,126)	(307,003)	(274,498)	
(320,598)				
Gross profit	19,9671	19,738	25,172	23,192
General and administrative expenses	(10,197)	(10,965)	(13,068)	
(13,274)				
Profit from operations before impairment of receivables and contract work in progress	9,774	8,773	12,104	9,918
Provision for impairment of receivables and contract work in progress	(4,952)	(6,813)	(5,807)	(7,002)

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.

GALFAR ENGINEERING AND CONTRACTING SAOG - 538190

PAGE NO. : 13

Profit from operations	4,822	1,960	6,297	2,916
Financing costs, net	(8,182)	(7,829)	(11,730)	(8,951)
Share in loss of associates	-	-	(108)	(4,268)
Impairment loss for investment in associate and subsidiary	(339)	(6,118)	-	-
Loss before tax	(3,699)	(11,987)	(5,541)	
(10,303)				
Income tax expense	-	322	(302)	(520)
Loss for the year	(3,699)	(11,665)	(5,843)	
(10,823)				

Local sources consider subject's financial condition to be Poor.

BANKERS

- Oman International Bank
PO Box: 467
Azaiba 130
Tel: (968) 24596671 / 24596672
Fax: (968) 24596653
- Bank Muscat SAOG
Ruwi Main Branch
PO Box: 6326
Muscat
Tel: (968) 24561399 / 24708543
Fax: (968) 24561036
- National Bank of Oman Limited (SAOG)
Al Azaiba Roundabout
PO Box: 52, Mina Al Fahal 116
Muscat
Tel: (968) 24591340 / 24591341
Fax: (968) 24591340

PAYMENT HISTORY

Slow but Correct

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.

GENERAL COMMENTS

The subject and its shareholders/owners have been searched in the following databases; Office of Foreign Assets Control (OFAC), United Nations Security Council Sanctions, Australian Sanctions List, US Consolidated Sanctions List, EU Financial Sanctions List and UK Financial Sanctions List and nothing adverse could be found on the exact names listed within the report.

According to local sources subject is making steady progress in the local business market and nothing detrimental has been reported regarding the manner in which payments are fulfilled. However due to the losses that the subject is currently making we suggest that a measure of caution be taken.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.88
UK Pound	1	INR 94.75
Euro	1	INR 83.23
OMR	1	INR 189.48

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

INFORMATION DETAILS

Analysis Done by :	VIVR
Report Prepared by :	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)