

## MIRA INFORM REPORT

Report No. :	532975
Report Date :	05.10.2018

### IDENTIFICATION DETAILS

Name :	P.T. DYSTAR COLOURS INDONESIA
Registered Office :	Menara Global 22 <sup>nd</sup> Floor, Jalan Jend. Gatot Subroto Kav. 27, Jakarta 12930
Country :	Indonesia
Date of Incorporation :	16.06.1982
Com. Reg. No.:	AHU-AH.01.03-0169789
Legal Form :	P.T. (Perseroan Terbatas) or Limited Liability Company
Line of Business :	Textile Chemical (Dyestuff) Industry Trading, Import and Distribution of Textile Chemicals
No. of Employees :	473

### RATING & COMMENTS

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

MIRA's Rating :	A
-----------------	---

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

Status :	Satisfactory
Payment Behaviour :	No Complaints
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)
Indonesia	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

**INDONESIA - ECONOMIC OVERVIEW**

Indonesia, the largest economy in Southeast Asia, has seen a slowdown in growth since 2012, mostly due to the end of the commodities export boom. During the global financial crisis, Indonesia outperformed its regional neighbors and joined China and India as the only G20 members posting growth. Indonesia's annual budget deficit is capped at 3% of GDP, and the Government of Indonesia lowered its debt-to-GDP ratio from a peak of 100% shortly after the Asian financial crisis in 1999 to 34% today. In May 2017 Standard & Poor's became the last major ratings agency to upgrade Indonesia's sovereign credit rating to investment grade.

Poverty and unemployment, inadequate infrastructure, corruption, a complex regulatory environment, and unequal resource distribution among its regions are still part of Indonesia's economic landscape. President Joko WIDODO - elected in July 2014 – seeks to develop Indonesia's maritime resources and pursue other infrastructure development, including significantly increasing its electrical power generation capacity. Fuel subsidies were significantly reduced in early 2015, a move which has helped the government redirect its spending to development priorities. Indonesia, with the nine other ASEAN members, will continue to move towards participation in the ASEAN Economic Community, though full implementation of economic integration has not yet

Source : CIA

## **COMPANY SUMMERY**

**Name of Company :**

**P.T. DYSTAR COLOURS INDONESIA**

**Address :**

Head Office

Menara Global 22<sup>nd</sup> Floor  
Jalan Jend. Gatot Subroto Kav. 27  
Jakarta 12930  
Indonesia

Phone - (62-21) 5270550 (Hunting)  
Fax - (62-21) 5270520  
Email - [info@dystar.com](mailto:info@dystar.com)  
Website - <http://www.dystar.com>  
Building Area - 28 storey  
Office Space - 220 sq. meters  
Region - Commercial  
Status - Rental

**Factory**

Jalan Raya Citeras Rangkasbitung Km. 3.8  
Desa Gabus, Serang, Banten Province  
Indonesia

Phones - (62-254) 401741 (16 lines)  
Fax - (62-254) 401751  
Land area - 530,145 sq. meters  
Factory space - 220,540 sq. meters  
Region - Industrial Zone  
Status - Owned

**Branches**

- a. Jalan Kopo Jaya II No. 2  
Komplek Kopo Jaya  
Bandung, West Java  
Phones - (62-22) 5405222 (9 lines)  
Fax - (62-22) 5407140, 5403324
- b. Jalan Dr. Setia Budi 77  
Solo 77134, Central Java  
Phones - (62-271) 712738, 719584  
Fax - (62-271) 712738
- c. Jalan Porong No. 14  
Surabaya 60241  
East Java  
Phones - (62-31) 5666390 (Hunting)  
Fax - (62-31) 5666154

**Date of Incorporation :**

- a. 16 June 1982 as P.T. HOECHST CILEGON KIMIA
- b. 4 January 1996 as P.T. DYSTAR CILEGON
- c. 15 May 2001 as P.T. DYSTAR COLOURS INDONESIA

**Legal Form :**

P.T. (Perseroan Terbatas) or Limited Liability Company

**Company Reg. No. :**

*The Ministry of Law and Human Rights*

- No. C2-4957.HT.01.01.TH.83  
Dated 6 June 1983
- No. AHU-66911.AH.01.02.TH.2008  
Dated 22 September 2008
- No. AHU-AH.01.10-02989  
Dated 5 February 2010
- No. AHU-AH.01.10-14871  
Dated 18 May 2011
- No. AHU-AH.01.10-48390  
Dated 13 November 2013
- No. AHU-0942780.AH.01.02.TH.2015  
Dated 23 September 2015
- No. AHU-AH.01.03-0169789  
Dated 8 September 2017

**Company Status :**

Foreign Investment (PMA) Company

**Permit by the Government Department :**

*The Department of Finance*

NPWP No. 01.000.719.3-052.000

*The President of the Republic of Indonesia*

No. B-26/Pres/1/1982

Dated 30 June 1982

*The Capital Investment Coordinating Board*

- No. 1806/III/PMA/2000  
Dated 11 December 2000
- No. 14/II/PMA/2001  
Dated 26 January 2001
- No. 595/III/PMA/2001  
Dated 17 May 2001
- No. 485/III/PMA/2007  
Dated 13 April 2007

**Related Company :**

DYSTAR GLOBAL HOLDINGS (SINGAPORE) PTE, LTD. (Investment Holding)

## **CAPITAL AND OWNERSHIP**

### **Capital Structure :**

Authorized Capital	: US\$ 44,500,000.-
Issued Capital	: US\$ 44,500,000.-
Paid up Capital	: US\$ 44,500,000.-

### **Shareholders/Owners :**

<b>a. DYSTAR GLOBAL HOLDINGS (Singapore) Pte, Ltd.</b>	<b>- US\$ 44,484,000.-</b>
Address : 1A International Business Park #10-01 Singapore, 609933	
<b>b. Mr. Sunarto Djuardi</b>	<b>- US\$ 16,000.-</b>
Address : Jl. TRS Martanegara No. 17 Kelurahan Gumuruh, Kecamatan Batununggal Bandung, West Java, Indonesia	

## **BUSINESS ACTIVITIES**

### **Lines of Business :**

- Textile Chemical (Dyestuff) Industry
- Trading, Import and Distribution of Textile Chemicals

### **Production Capacity :**

- Dyestuff - 24,750 tons p.a.
- Trading, Import and Distribution of Textile Chemicals

### **Total Investment :**

a. Equity Capital	- US\$ 40.8 million
b. Reinvested Profits	- US\$ 8.0 million
c. <u>Loan Capital</u>	- US\$ <u>59.7 million</u>
d. Total Investment	- US\$ 108.5 million

### **Started Operation :**

March 1986

### **Brand Name :**

DYSTAR

### **Technical Assistance :**

DYSTAR Textilefarben GmbH of Germany

### **Number of Employee :**

473 persons

**Marketing Area :**

Domestic (Local) - 20%  
Export - 80% (Australia, Japan, Asian countries)

**Main Customers :**

- a. The BATIK KERIS Group
- b. The DAMATEX Group
- c. Textile industries, Etc.

**Market Situation :**

Very Competitive

**Main Competitors :**

- a. P.T. CLARIANT INDONESIA
- b. P.T. COLORINDO ANEKA CHEMICAL
- c. P.T. MATSUMOTOYUSHI INDONESIA
- d. Etc.

**Business Trend :**

Growing

## ***BANKER, AUDITOR & LITIGATION***

**Bankers :**

- a. DEUTSCHE Bank AG  
Deutsche Bank Building  
Jalan Imam Bonjol 80  
Jakarta 10310  
Indonesia
- b. P.T. Bank DANAMON INDONESIA Tbk  
Menara Bank Danamon 5<sup>th</sup> Floor  
Jalan Prof. Dr. Satrio Kav. E4 No. 6  
Mega Kuningan  
Jakarta Selatan, 12950  
Indonesia
- c. P.T. Bank MANDIRI Tbk  
Jalan Jend. Gatot Subroto Kav. 36-38  
Jakarta Selatan  
Indonesia
- d. P.T. Bank SBI INDONESIA  
Plaza Bumi Daya 1st Floor  
Jalan Imam Bonjol No. 61  
Jakarta Pusat  
Indonesia

**Auditor :**

Siddharta & Widjaja (KPMG)

**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.

**Litigation :**

No litigation record in our database

## **FINANCIAL FIGURE**

**Annual Sales (estimated):**

2015 – US\$ 116.0 million  
2016 – US\$ 122.0 million  
2017 – US\$ 131.0 million  
2018 – US\$ 69.5 million (January – June)

**Net Profit (Loss) :**

2015 – US\$ 8.0 million  
2016 – US\$ 9.1 million  
2017 – US\$ 9.7 million  
2018 – US\$ 4.2 million (January – June)

**Payment Manner :**

No Complaints

**Financial Comments :**

Fairly strong

## **KEY EXECUTIVES**

**Board of Management :**

President Director - Mr. Sunarto Djuardi  
Directors - a. Mr. Bin Luo  
b. Mr. Shankerbhai Rughnathbhai Patel  
c. Mr. Yao Jianfang

**Board of Commissioner :**

President Commissioner - Mr. Yalin Xu  
Commissioners - a. Mr. Ng Pei Fern AKA Huang Peifen  
b. Mr. Sureshkumar Savajibhai Gondalia

**Signatories :**

President Director (Mr. Sunarto Djuardi) or one of the Directors (Mr. Bin Luo, Mr. Shankerbhai Rughnathbhai Patel or Mr. Yao Jianfang) which must be approved by Board of Commissioners

## **CAPABILITIES**

### **Management Capability :**

Good

### **Business Morality :**

Good

## **OVERALL PERFORMANCE**

P.T. DYSTAR COLOURS INDONESIA (ex P.T. HOECHST CILEGON KIMIA) established in 1982 in Jakarta with an authorized capital of US\$ 11,000,000 issued capital of US\$ 2,200,000 was fully paid up. Founders and original shareholders are HOECHST AG of Germany, a state owned bank P.T. Bank Pembangunan Indonesia (BAPINDO), P.T. PIONEER KIMIA AGUNG and P.T. GAJAH PURA INDAH and now it was renamed P.T. FADJARPURNAMA PRATAMANTI, and both are private national companies. Its articles association was converted for several times. Only a short time after its establishment, the company had been joined by a new shareholder of the foreign party named DEITSCHKE Finanzierungsgesellschaft Fuer Beteiligungen in Enwickklungslaerdern GmbH, a financing company of Germany.

In January 1996 the company was renamed P.T. DYSTAR CILEGON, and concurrently joined in new shareholder DYSTAR Textilfarben GmbH of Germany (joint venture for textile dyes of BAYER and HOECHST in dyes textile, July 1995). In April 1998 the whole shares had been controlled by DYSTAR Textilfarben GmbH of Germany, P.T. BAPINDO and P.T. PIONEER KIMIA AGUNG, both of Indonesia. In July 1998 the authorized capital was raised again to US\$ 16,500,000 issued and paid up capital to US\$ 12,500,000. On the same occasion P.T. BAPINDO pulled out and the whole share owned by DYSTAR Textilfarben GmbH of Germany and P.T. PIONEER KIMIA AGUNG.

In December 2000, P.T. DYSTAR CILEGON merged with P.T. DYSTAR INDONESIA and the company taking the merger was P.T. DYSTAR CILEGON. In May 2001 the company was renamed P.T. DYSTAR COLOURS INDONESIA (P.T. DCI) and concurrently the authorized capital was raised to US\$ 44,500,000 wholly issued and paid up. On the same occasion the whole share owned by DYSTAR Textilfarben GmbH of Germany and Mrs. Susilowati Poorwo Soedarmo (Susilowati Priyono) of Indonesia. Later in April 2007, Mrs. Susilowati Poerwo Soedarmo pulled out and whole shares are sold to Mr. Bambang Nurcahyo, an indigenous businessman.

However since February 2010, KIRI DYES AND CHEMICALS (KDCL) of India has acquired DYSTAR Group of Germany for €50 million. The buyout was executed through a special purpose vehicle, KIRI HOLDING SINGAPORE PRIVATE LTD, along with KDCL's joint venture partner, LONGSHENG Group of China. The deal includes the acquisition of DyStar's 200 live patents, IP rights, brand names, trademarks and subsidiaries in 22 countries. Legally in April 2011 some 99.99% of stakes holds by KIRI HOLDING SINGAPORE PRIVATE LTD., of Singapore and the rest 0.01% holds by Mr. Hari Sudiono.

Later based on notary deed Mrs. Irene Yulia, SH., no. 11 dated 9 October 2013 the whole shares took over by DYSTAR GLOBAL HOLDINGS (Singapore) Pte, Ltd., (99.96%) and Mr. Sunarto Djuardi (0.04%). The latest according to revision notary deed Mrs. Irene Yulia, SH., no. 36 dated 31 August 2017 the shareholders approved

**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.

changes the board of director and commissioner of the Company. The amendment was approved by the Ministry of Law and Human Rights in its decision letter No. AHU-AH.01.03-0169789 dated September 8, 2017.

P.T. DCI started with operation in March 1986 in synthetic organic dyestuff whose plant located at Kawasan Industry Berat, Krakatau Industrial Estate Cilegon, Banten Province. Before the merger, P.T. DYSTAR INDONESIA which had a factory in Serang produced dyestuff of the type of disperse dye, a dyestuff for polyester and P.T. DYSTAR CILEGON produced with a factory in the Heavy Industry Zone P.T. KSIC in Cilegon produced reactive dye, a textile dyestuff for cotton cloth. After the merger of P.T. DYSTAR INDONESIA in the end of December 2000, P.T. DCI took over and managed the plant located at Jalan Raya Citeras Rangkasbitung Km. 3.8, Gabus, Serang, Banten Province, standing on 530,145 square meters land. Both of the above plants (P.T. DCI) produce 24,750 tons of dyestuff per annum. The company produces High Quality Dyestuff through the Century for: Workwear, Uniform, Corporate Fashion, Sportswear, Military / Camouflage and Medical Textile. Having seen from its production, P.T. DCI concentrates on the production of reactive dyes for cellulosic fiber finishing and besides it has been undergone modernization program.

P.T. DCI's operation and technology is backed by its holding company DYSTAR Textilfarben GmbH of Germany. Some 80% of its products is exported to Australia, Japan and other Asian countries while the rest is marketed locally particularly to textile industries. The supplies of basic materials in the form of oxysulton blue, parabaester, H. acid TTRG and others is imported from Germany, Hong Kong, etc. Besides that, P.T. DCI is also engaged in trading and distribution of textile chemicals by importing textile chemical from Germany and other countries through companies owned by DYSTAR Group.

Based on the approval of the Commissioners of P.T. DCI dated 28 February 2012 (as legalized by notary public Chen Wen Woan Angela in Singapore on the same date and as acknowledged by the Indonesian Embassy in Singapore on 2 March 2012), the Commissioners of the Company approved and authorized the Directors of the Company to do the following actions:

- To close down the Company's factory is located in Cilegon, Banten and;
- To authorize the Directors of the Company to deal with and settle all of the consequences of such closing down of the Company's factory, including but not limited to the relevant employment matters and;
- To sell and/or dispose the land, building and other assets located at the factory, under the terms and conditions as deemed best by the Directors of the Company and for the best interest and benefits of the Company

According information from the management and staff explained the plant located at Krakatau Industrial Estate Cilegon, Jalan Australia I Block F 1, Cilegon, Banten has been close and there was no activity to present. In the next the plant has been sold to other party. Currently the Company just operates factory located at Jalan Raya Citeras Rangkasbitung Km. 3.8, Gabus, Serang, Banten Province, produces of dyestuff. The whole products sold to various textile industries in Cilegong, Tangerang, Bekasi, Cikarang, Karawang, Subang, West Java, Central Java and East Java. We observed that P.T. DCI is classified as a large sized company of its kind in the country of which the operation has been growing slowly in the last three years.

Generally, the demand for textile chemicals such as dyestuff, textile auxiliaries, and others tended to be fluctuating within the last five years in line with the fluctuating of Indonesian textile industry in general. There are eleven domestic dyestuff producers which are still active with a combined production capacity of 45,620 tons per annum. Some of the largest producers are P.T. DYSTAR COLOURS INDONESIA, P.T. CLARIANT INDONESIA and P.T. COLORINDO ANEKA CHEMICAL. The country's garment industry is facing serious marketing problem not only in the country but also abroad.

**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.

The world economic conditions in 2017 grew by 3% after the global crisis and this year according to the International Monetary Fund (IMF) is predicted to grow 3.6% or 3.9% in the next 2 years. These rise in projection is in line with US tax-cutting policies expectations impact. Indonesia has not been able to take full advantage of this momentum. According to IMF, the potential for strengthening economic growth will be seen in major exporting countries. While Indonesia export contribution to PDB only 25%. The Bank of Indonesia projects the Indonesian economy will grow between 5.1% - 5.5% in 2018. To achieve these growth targets, the steps are taken to achieve these targets by adopting monetary policy & macro prudential policy, structural reform, and rupiah payment & money management system policy that carried out to maintain macroeconomic stability and financial system.

According to the Indonesian Textile Association (API), Indonesia's textile industry is projected to grow by 1.6% - 1.8% in 2018 or better than the previous year. Some of the factors that support this growth are Ministry of Industry policy that established Regulation of the Minister of Industry No. 1 year 2018, one of its contents is to provide incentives of corporate income tax (Income) of 30% for 6 years or 5% per year for various manufacturing industries, one of which is Textile and Textile Products (TPT). The export volume and value of the national TPT products in 2010 to 2017 are pictured on the following table.

**Export Volume and Value of Textile and Apparel Indonesia, 2010 – 2017\***

Year	Spun Yarns		Textile Products (Apparel)	
	(Thousand Ton)	(US\$ Million)	(Thousand Ton)	(US\$ Million)
2010	521.0	1,600.3	374.8	5,558.4
2011	475.5	1,775.9	373.4	6,565.2
2012	554.8	1,733.0	366.3	6,106.4
2013	691.4	1,948.6	363.7	6,216.9
2014	733.8	2,041.6	375.5	6,256.0
2015	776.5	1,927.6	378.6	6,410.9
2016	709.0	1,695.4	337.4	5,627.4
2017*	748,0	1,785.2	354.9	5,920.0

Until this time P.T. DCI has not been registered with Indonesian Stock Exchange, so that they had not obliged to announce their financial statement. The management of P.T. DCI is very reclusive towards outsiders and rejected to disclose its financial condition. We observed that total sales turnover of the company in 2015 amounted to US\$ 116.0 million increased to US\$ 122.0 million in 2016 rose to US\$ 131.0 million in 2017. As from January to June 2018 the sales turnover has reached at least US\$ 69.5 million with a net profit of at least US\$ 4.2 million and projected to go on rising by at least 5% in 2019. The company has an estimated total network of at least US\$ 125.0 million.

We observe that P.T. DCI is supported by foreign partner with has financially strong and sound behind it. So far, we did not heard that the company having been black listed by the Central Bank (Bank Indonesia). The company usually pays its debts punctually to suppliers.

P.T. DCI's management is led by Mr. Sunarto Djuardi (58), a professional manager with has experience for more than 22 year in dyestuff industry and trade. He has been worked and begun his career as Business Management Reactive since 2001. Daily, he is assisted by Mr. Bin Luo (47), Mr. Shankerbhai Rughnathbhai Patel (49) and Mr. Yao Jianfang (44) as Directors. The management is handled by experienced professional managers in dyestuff trading industry, trading and distribution having wide relation with home and overseas private businessmen as well as with the government sectors. So far, we have never heard of the management of the company being filed to the district court for detrimental cases. We are convinced that P.T. DYSTAR COLOURS INDONESIA is fairly good for business cooperation.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupee
US Dollar	1	INR73.75
UK Pound	1	INR 95.39
Euro	1	INR 84.63
IDR	1	INR 0.0049

**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>	KET

**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)