

MIRA INFORM REPORT

Report No. :	535573
Report Date :	23.10.2018

IDENTIFICATION DETAILS

Name :	PT. INDAH JAYA TEXTILE INDUSTRY
Formerly Known As :	PT. INDUSTRI TEXTILE INDAH DJAJA
Registered Office :	Jl. Pajajaran 14 No.62, Kelurahan Gandasari, Kecamatan Jatiuwung, Kota Tangerang 15137, Banten
Country :	Indonesia
Date of Incorporation :	30.10.1962
Legal Form :	Private Limited Liability Company or Perseroan Terbatas (PT)
Line of Business :	<ul style="list-style-type: none"> • Manufacture of textiles • Manufacture of wearing apparel • Manufacture of other technical and industrial textiles • Manufacture of underwear
No. of Employees :	4500 [2018]

RATING & COMMENTS

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

MIRA's Rating :

A

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

Maximum Credit Limit :	USD 1,000,000
Status :	Satisfactory
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)
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 materialized.

Source : CIA

COMPANY IDENTIFICATION

Company Name	PT. Indah Jaya Textile Industry (Previous Name : PT. Industri Textile Indah Djaja)
Address	Jl. Pajajaran 14 No.62 Kelurahan Gandasari, Kecamatan Jatiuwung Kota Tangerang 15137 Banten - Indonesia
Telephone	+62215918888
Fax	+62215918830
Mobile Phone	N.A.
Email	marketing@indahjaya.co.id santo_mardjata@yahoo.com
Web	www.indahjayatextile.com

PROFILE

Address	Jl. Pajajaran 14 No.62 Kelurahan Gandasari, Kecamatan Jatiuwung Kota Tangerang 15137 Banten - Indonesia
Office Building	a. Area - Industrial b. Status - Leased
Date Of Establishment	- 30 October 1962 as PT. Industri Textile Indah Djaja - 21 April 2010 as PT. Indah Jaya Textile Industry
Start Operation	1963
Legal Status	Private Limited Liability Company or Perseroan Terbatas (PT)
Legalization (historical)	<u>No. J.A.5/41/24</u> <i>Dated, 24 April 1963</i> <u>No. Y.A.5/319/4</u> <i>Dated, 03 June 1976</i> <u>No. C2-7442.HT.01.04-TH.97</u> <i>Dated, 31 July 1997</i> <u>No. AHU-11833.AH.01.02.Tahun 2008</u> <i>Dated, 31 March 2008</i> <u>No. AHU-26176.AH.01.02.Tahun 2010</u> <i>Dated, 24 May 2010</i> <u>No. AHU-0933526.AH.01.02.Tahun 2015</u> <i>Dated, 2015</i>

	<p><u>No. AHU-AH.01.03-0925087</u> <i>Dated, 2015</i></p>
	<p><u>No. AHU-AH.01.03-0925088</u> <i>Dated, 2015</i></p>
Government Permit (s)	<p><u>No. AHU-AH.01.03-0076195</u> <i>Dated, 31 August 2016</i> <u>Kementerian Perindustrian</u> Business License - 324/DJAI/IUT-III/Non PMA-PMDN/X/1992 <i>Dated, 02 October 1992</i></p> <p><u>Kementerian Perdagangan</u> TDP - 09031600120 <i>Dated, 11 September 1997</i> Business License - 225/DJAI/IUT-3/Non Fas/V/1984 <i>Dated, 29 May 1984</i></p> <p><u>Kementerian Perindustrian</u> Business License - 201/Daglu/Kp/III/88 <i>Dated, 09 March 1988</i></p> <p><u>Badan Koordinasi Penanaman Modal (BKPM)</u> PMDN - 394/I/PMDN/1997 <i>Dated, 25 July 1997</i></p> <p><u>Direktorat Jenderal Pajak</u> NPWP - 01.313.830.0-415.000</p>
Significant change	<p>Formerly named PT. Industri Textile Indah Djaja (note: "Djaja" is an old spelling for 'Jaya') was established in Tangerang-Banten on October 30, 1962, with the authorized capital of IDR 25,000,000 –of which IDR 5,000,000 was issued and paid-up capital. But we were unable to obtain information about the shareholder's composition of the Company.</p> <p>Legalization document of the Company has changed several times. Per June 23, 1997, the Company's authorized capital was increased to IDR 50,000,000 –of which 100% was issued and paid up by Mr. Johnny Pesik (8.6%), Mr. Eddy Pesik (13%), Mr. Johny Eduard Bernhard Rimbing (0.6%), Ms. Linawarti Tirta (56%), Mr. Howard Tika (5.8%), and Mr. Paulus Suryatika (16%).</p> <p>Per January 28, 2008, the Company's authorized capital was increased to IDR 25,000,000,000 –of which IDR 4,022,000,000 was issued and paid up by: Mr. Johnny Pesik (38.88%), Mr. Jonny Eduard Bernhard Rimbing (0.57%), Mr. Tony Pesik (38.88%), Mr. Andreas Ian Tika (2.88%), Ms. Margareth Astrid Tika (2.88%), and Ms. Magdalena Surya Tika (50.91%).</p> <p>On December 31, 2009, the authorized capital increased to IDR</p>

55,000 million of which fully issued and paid up by Mr. Johnny Pesik (39.08%), Mr. Tony Pesik (39.08%), Mr. Andreas Ian Tika (2.88%), Mr. Margaret Astrid Tika (2.88%), and Ms. Magdalena Surya Tika (16.08%).

On April 21, 2010, the Company was renamed, from PT. Industri Textile Indah Djaja to become PT. Indah Jaya Textile Industry. Meanwhile, its capitalization and shareholder structure remain unchanged.

On April 15, 2015, the Company published a notarial act. As written in the act, the authorized capital was increased to IDR 376,650,000,000 –of which 100% was issued and paid up by: Mr. Johnny Pesik (38.88%), Mr. Tony Pesik (0.57%), and PT. Terry Palmer Indonesia (50.91%).

On August 22, 2016, the Company published a notarial act. As written in the act, The company did not experience any change in capital structure, but its shareholders structure became PT. Terry Palmer Indonesia (85.398%), Mr. Johnny Pesik (7.301%) and Mr. Tony Pesik (7.301%).

As far as we know, there has been no more change in the Company's notarial act as published by the Ministry of Justice.

Capitalization

-Authorized Capital	IDR 376,650,000,000
-Issued Capital	IDR 376,650,000,000
- Paid Up Capital	IDR 376,650,000,000

SHAREHOLDERS & MANAGEMENT

Shareholders Total No. of Shareholders: 3
Shareholders as 31 August 2016
Total Shareholding private - 1,883,250 shares

Name of Shareholders

- Mr. Johnny Pesik
(137,500 shares) - 7.301%
- Mr. Tony Pesik
(137,500 shares) - 7.301%
- PT. Terry Palmer Indonesia
(1,608,250 shares) - 85.398%

Management Board

Name	Mr. Johnny Pesik
Position	President Director
Nationality	Indonesian
Name	Mr. Arifin Widjaja
Position	Director
Nationality	Indonesian
Name	Mr. Wiryadinata Gunawan
Position	Director

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PT. INDAH JAYA TEXTILE INDUSTRY - 535573

PAGE NO. : 7

Nationality	Indonesian
Name	Mr. Thavasi Vijayakumar
Position	Director
Nationality	Indonesian
Name	Mr. Victor Pesik
Position	Director
Nationality	Indonesian
Name	Mr. Ivan Pesik
Position	Director
Nationality	Indonesian
Name	Ms. Liana Liesty
Position	Director
Nationality	Indonesian
Supervisory Board	
Name	Mr. Tony Pesik
Position	Commissioner
Nationality	Indonesian
Management Assessment	The management is deemed to have sufficient experience and industry expertise to manage subject properly.
Authorized Signatories	Mr. Johnny Pesik as President Director, Mr. Arifin Widjaja, Mr. Wiryadinata Gunawan, Mr. Thavasi Vijayakumar, Mr. Victor Pesik, Mr. Ivan Pesik, Ms. Liana Liesty as Directors of the Company which must be approved by shareholders meeting.
Affiliate (s) / Associate (s)	<ul style="list-style-type: none"> - PT. Terry Palmer Indonesia (Preparation and spinning of textile fibres) - PT. Indah Jaya Garment (Manufacture of other wearing apparel and accessories n.e.c.) - PT. Spinmill Indah Industry (Preparation and spinning of textile fibres)

KEY DATA ON OPERATIONS

Registered Activities	SIC Code 13 : Manufacture of textiles
	SIC Code 14 : Manufacture of wearing apparel
Employee	Per 2018 Approximately - 4500
Bussiness Category	SIC Code 13.9 : Manufacture of other textiles
	SIC Code 14.1 : Manufacture of wearing apparel, except fur apparel
Line of Business	SIC Code 13.96 : Manufacture of other technical and industrial textiles
	SIC Code 14.14 : Manufacture of underwear
Product & Capacity	<ul style="list-style-type: none"> - Pants - 4,800,000 pcs p.a - Towels - 1,200,000 pcs p.a - T-Shirts - 720,000 pcs p.a

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PT. INDAH JAYA TEXTILE INDUSTRY - 535573

PAGE NO. : 8

Status of Investment	- Poloshirts - 720,000 pcs p.a - Pajamas - 600,000 pcs p.a Non-facilities based Company
Sales Territory	Local 50% International 50%
Main Items Imported And Country Origin Main Items Exported And Country Destination	- Machinery - Taiwan - Textile Product - Malaysia - Textile Product - Europe - Textile Product - Singapore - Textile Product - USA - Textile Product - South Africa
Major Customers	- Qs Wholesale, Inc of USA - PT. Metropolitan Retailmart - PT. Alam Hotel Semesta - PT. Jaya Mandiri Agung - PT. Ascott International Management Indonesia - PT. Laguna Indonesia - PT. Wonderful Indah Jaya
Major Suppliers	- PT. Drive Automation Center - PT. Biporin Agung
Terms of Payment	Purchase Payment Domestic : Telegraphic Transfer (T.T) with credit term 30-60 days or based on agreement Overseas : Telegraphic Transfer (T.T) with credit term 30-60 days or based on agreement Sale Term Domestic : Telegraphic Transfer (T.T) with credit term 30-60 days or based on agreement Overseas : Telegraphic Transfer (T.T) with credit term 30-60 days or based on agreement
Activity Comment	PT. Indah Jaya Textile Industry (the Company) is a non-facilities based company that is engaged in textile industry. The Company started the operation commercially in 1963. Head office, registered address and factory of the Company are located in an industrial area precisely at Jl. Pajajaran 14 No.62, Kelurahan Gandasari, Kecamatan Jatiuwung, Kota Tangerang 15137, Banten - Indonesia. As we learned that the Factory Size (sq. ft.) is as follow: Factory Land 35 Ha, Factory Space 20 Ha. We believe this location is leased by the Company. Based on the information, at the beginning of its establishment,

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the Company was only producing towels for meeting the domestic demand. According to our source, currently, the Company divided its business into three division namely Garment, Towel, and Yarn. For production activities, the Company obtained the raw materials from local suppliers such as PT. Drive Automation Center and PT. Biporin Agung.

Based on the Coordination Board of Investment (BKPM), the Company has a monthly capacity: 1,300 tons (towel); 14,000 tons (Yarn) with equipment & machinery: spinning, knitting, weaving, and dyeing finishing machines. Meanwhile, based on our database, the Company has an annual basic capacity to produce Polo shirt 720,000 pieces, T-Shirt 720,000 pieces, Pants 4,800,000 pieces, Pajamas Sets 600,000 pieces, and towels 1,200,000 pieces.

The technology supports such as paper pattern system that supported the company in making a pattern and receiving the electronic pattern, help them run this factory smoothly.

The Company produces Terry Towel & Similar of Other Textile Materials – specially woven fabric and Sanitary Towels and Tampons of Wadding. The products are marketed with brand labels: TERRY PALMER, TERRY PALMER PREMIUM, TERRY PALMER CONCEPT, TERRY PALMER EXCLUSIVE (specifically made for Metro Dept. Store), TERRY PALMER HIGHHEND (specifically made for Metro Department Store), MERAH PUTIH, COTTON CLUB, PIOM SHAPELY, BINGBANG, MARLION, WELCOME HOME (bathmat), HOME SWEET HOME (bathmat).

The brand 'Terry Palmer' is already licensed for the marketing in Shanghai and Beijing.

Later, in line with its development, in 1988 the Company started to export its products to the European market and then expanding its export market to other countries. In 2017, the Company distribute its product abroad about 50% to various countries such as to USA, Singapore, Malaysia, Europe, South Africa, etc. such as for Qs Wholesale, Inc of USA.

We learned from some information sources, the Company's products are seizing 50 % of the local market, and dominating in 4-star hotels or above, such as PT. Alam Hotel Semesta (Westin Hotel), PT. Jaya Mandiri Agung (Mandarin Oriental Hotel), PT. Ascott International Management Indonesia (Ascott Hotel), PT. Laguna Indonesia (Laguna Hotel), PT. Mulia Graha Tata Lestari (Mulia Hotel), PT. Permadani Khatulistiwa Nusantara (Four Seasons Hotel), Ayana Bali Hotel, PT. Bumi Shangri-La Jaya (Shangri-La Hotel), PT. Millennium Hotel (Millennium Hotel), PT. Kresna Sakti Winangun (Jimbaran Puri Hotel), etc.

For transaction activity, the Company uses term-payment with Telegraphic Transfer with credit term 30-60 days or based on the agreement with suppliers and customers.

We learned that the Company is increasing rapidly on the revenue since 2015 in line with increasing demands for the product and

affected with the Company marketing strategy to improving to penetrate the export market. The increasing condition continues to this 2018.

The Company also keeps the health of its cash flow. Despite several times experienced a late payment problem, but it has never disrupted the Company's cash flow.

In addition, the Company received an award from OEKO-TEX STANDARD 100, GS1 Indonesia, Sanitized Certification, Museum of World Record Indonesia (MURI) Award, the Best Company (Female Labor Supervisor) Award, textiles and textile products (TPT) National Award, Charter awards 2006, Metro Group Buying High Standard and Quality award 2003, Metro Group Buying High Standard and Quality award 2004, Metro Group Buying High Standard and Quality award 2005, Matahari Best Supplier award. In addition, The Company received ISO 9001 Certification in 2000 for quality aspect, and ISO 14001 Certification in 2001 for safety, health, and work environment aspect.

In addition, based on the data from Top Brand Award Phase II 2017, Terry Palmer's products produced by the Company are ranked third in the towel category and have a market share of 12.3%. With the market share, the Company's products included into the TOP product lineup.

In September 2018, the Company received a license named The Cotton USA from Cotton Council International (CCI) because the Company's products has been known in USA market.

Litigation

At the time of writing this report, this Company has not been involved in any criminal or civil cases. This statement is based on the search result for cases conducted at the State Court in the area, where the Company was established and operates today.

Sources

Ms. Irene Irawati (Manager Marketing of the company, contacted on October 22, 2018) and public sources.

Factory and Registered Address

Jl. Pajajaran 14 No.62
Kelurahan Gandasari, Kecamatan Jatiuwung
Kota Tangerang 15137
Banten - Indonesia
Phone : +62215918888
Fax : +62215918830
Email : --

BANKING INFORMATION

Banker (s)

- PT. Bank Mandiri (Persero) Tbk
- PT. Bank Central Asia Tbk

Insurance

- Badan Penyelenggara Jaminan Sosial (BPJS)

BUSINESS PROSPECTS

Business Prospects

The business prospects of the textile sector are very promising. According to data from Indonesian Textile Association (Asosiasi Pertekstilan Indonesia), the growth of textile industry in Indonesia is predicted to continue to improve with annual average growth (CAGR) of 7.9%. Ministry of Industry noted that the textile industry can contribute to the foreign exchange of USD 11.87 billion or IDR 159.05 trillion (exchange rate IDR 13,400 /USD). That figure is equivalent to 8.2% of total national exports by 2016.

The textile products and industry in the first half of 2017 grew at 1.92% as compared with the same period in 2016. Meanwhile, the Ministry of Industry noted that the growth in 2016 is counted down by 0.13% as compared to the previous year. Meanwhile, the sales of the national textile industry in the third quarter recorded an increase in average demand by 30% in the domestic market. This resulted in an increase in the domestic production utilization of about 5%-10%.

To spur growth in the textile sector, it is necessary to provide the necessary incentives to boost the performance of the textile industry, among others, the reduction of electricity and gas energy tariffs, the protection of the domestic market from illegal imports and the ease of access to domestic sales and export incentives.

Ministry of Industry estimates that the exports of textile products and industry will grow an average of 11% per year. For 2017 set at USD 12.09 billion and in 2018 of USD 13.5 billion. Meanwhile, according to the data from Central Bureau of Statistics (Badan Pusat Statistik - BPS), the textile industry exports from January to August has reached USD 3.05 billion, while the exports for the apparel industry in the same period was recorded at USD 5.30 billion. BPS noted that the number of textile industry exports in the first 8 months of 2017 has reached USD 8.35 billion.

Ministry of Industry targets, in 2019 the growth rate of textile industry will increase by 3.56% with the value of textile industry exports worth USD 15 billion and absorb the workforce of 3.11 million labors.

To continue promoting the development of the textile industry, the Ministry of Industry cooperates with the Indonesian Textile Association and the Indonesian Synthetic Fiber Producers Association to prepare a roadmap for national textile products and industry integrated through ups and downstream all the way to the year 2035. Therefore, we believe that textile industry is still promising.

FINANCIAL STATEMENT

Sales Turn Over	- 2015 - IDR 662,750,000,000 (Estimated) - 2016 - IDR 710,467,500,000 (Estimated) - 2017 - IDR 725,000,000,000 (Estimated)
Total Assets	As the Company is not a publicly listed company, we are unable to give a detailed picture of the financial condition of the Company.
Other Financial Data	As the Company is not a publicly listed company, we are unable to provide details on the financial condition of the Company.

CREDITWORTHINESS

Management Capability	Good
Business Morality	Adequate
Payment Manner	Slow but correct
Financial Condition	Satisfactory
Operating Trend	Up
Conclusive remarks	<p>Based on the information shown above, we learned that the Company is engaged in the textile industry. And it started operation in 1963. The Company sells its products locally and overseas with the same percentage.</p> <p>Based on the information shown above, it looks like the Company does not have a decrease in sales performance despite the decline in economic conditions in Indonesia in 2015, including the textile industry. However, this condition do not affect the Company's performance. This is because the Company's product is well known in both the international and domestic markets. The Company's performance continues to grow to this 2018.</p> <p>In terms of financial performance, with 55 years of experience, the Company must already have a fairly good financial performance, so we believe the Company is able to manage the risk well.</p>
Maximum of Credit	For security reason, we advise those wishing to make cooperation with and to grant loans to the Company to ask for adequate collateral from the owners and management. USD 1,000,000

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.30
UK Pound	1	INR 95.93
Euro	1	INR 84.57
IDR	1	INR 0.0048

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

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	SYL

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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)