

**MIRA INFORM REPORT**

<b>Report No. :</b>	531308
<b>Report Date :</b>	26.09.2018

**IDENTIFICATION DETAILS**

<b>Name :</b>	LEAKLESS GASKET INDIA PRIVATE LIMITED
<b>Registered Office :</b>	Plot No 124, Sector 6 Growth Centre, HSIDC Bawal, Rewari - 123501, Haryana, India
<b>Tel. No.:</b>	91-1284-264064
<b>Country :</b>	India
<b>Financials (as on) :</b>	31.03.2018
<b>Date of Incorporation :</b>	25.11.2005
<b>Capital Investment / Paid-up Capital :</b>	INR 84.459 Million
<b>CIN No.:</b> [Company Identification No.]	U34300HR2005PTC035931
<b>IEC No.:</b> [Import-Export Code No.]	0506007413
<b>PAN No.:</b> [Permanent Account No.]	AABCL1715D
<b>GSTN :</b> [Goods & Service Tax Registration No.]	Not Available
<b>Legal Form :</b>	Private Limited Liability Company
<b>Line of Business :</b>	Manufacturer of Jointing sheet. [Registered Activity]
<b>No. of Employees :</b>	Not Available

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

<b>MIRA's Rating :</b>	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Maximum Credit Limit :</b>	USD 1690000
<b>Status :</b>	Good
<b>Payment Behaviour :</b>	Usually correct
<b>Litigation :</b>	Clear
<b>Comments :</b>	<p>Subject is a wholly owned subsidiary of "US Leakless INC" and it was incorporated in the year 2005.</p> <p>Subject is engaged as a manufacturer of non-asbestos jointing sheets.</p> <p>For the financial year 2018, the company has reported a decline in its revenue as compared to its previous year but it has achieved good profit margin during year.</p> <p>Rating takes into consideration, the robust financial risk profile marked by healthy net worth base and strong debt protection metrics.</p> <p>Rating continues to derive strength from established track record of its business operations backed by strong managerial and financial support from its holding entity.</p> <p>Payment seems to be usually correct.</p> <p>In view of aforesaid, the company can be considered for business dealings at usual trade terms and conditions.</p>

#### ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
India	A1	A1

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
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**EXTERNAL AGENCY RATING****NOT AVAILABLE****RBI DEFAULTERS' LIST STATUS**

Subject's name is not enlisted as a defaulter in the publicly available RBI Defaulters' list.

**EPF (Employee Provident Fund) DEFAULTERS' LIST STATUS**

Subject's name is not enlisted as a defaulter in the publicly available EPF (Employee Provident Fund) Defaulters' list as of 31-03-2018.

**BIFR (Board for Industrial & Financial Reconstruction) LISTING STATUS**

Subject's name is not listed as a Sick Unit in the publicly available BIFR (Board for Industrial & Financial Reconstruction) list as of 26.09.2018

**IBBI (Insolvency and Bankruptcy Board of India) LISTING STATUS**

Subject's name is not listed in the publicly available IBBI (Insolvency and Bankruptcy Board of India) list as of report date.

**LOCATIONS**

<b>Registered Office :</b>	Plot No 124, Sector 6 Growth Centre, HSIDC Bawal Rewari - 123501, Haryana, India
<b>Tel. No.:</b>	91-1284-264064 / 264074 / 264084
<b>Fax No.:</b>	91-1284-264094
<b>E-Mail :</b>	<a href="mailto:secretarial@leaklessgasket.com">secretarial@leaklessgasket.com</a> <a href="mailto:info@leaklessgasket.com">info@leaklessgasket.com</a>

**DIRECTORS****AS ON 31.03.2018**

<b>Name :</b>	Mr. Arun Sharma
<b>Designation :</b>	Wholetime Director
<b>Address :</b>	F-13/12 Krishna Nagar, HO East Delhi Delhi – 110051, India
<b>Date of Appointment :</b>	01.01.2018
<b>DIN No.:</b>	08030439
<b>PAN No :</b>	AGKPS7948F
<b>Name :</b>	Mr. Koji Homma
<b>Designation :</b>	Director
<b>Address :</b>	1-2-1-2406 Urawa-Ku Takasago – 3300055, Japan
<b>Date of Appointment :</b>	06.01.2012
<b>DIN No.:</b>	00640301
<b>Name :</b>	Mr. Hideaki Ushio
<b>Designation :</b>	Director
<b>Address :</b>	2-2-4 Motojyuku Higashi Matsuyama City Saitama Prefectur E Saitama – 3550063, Japan
<b>Date of Appointment :</b>	28.08.2015
<b>DIN No.:</b>	07237201

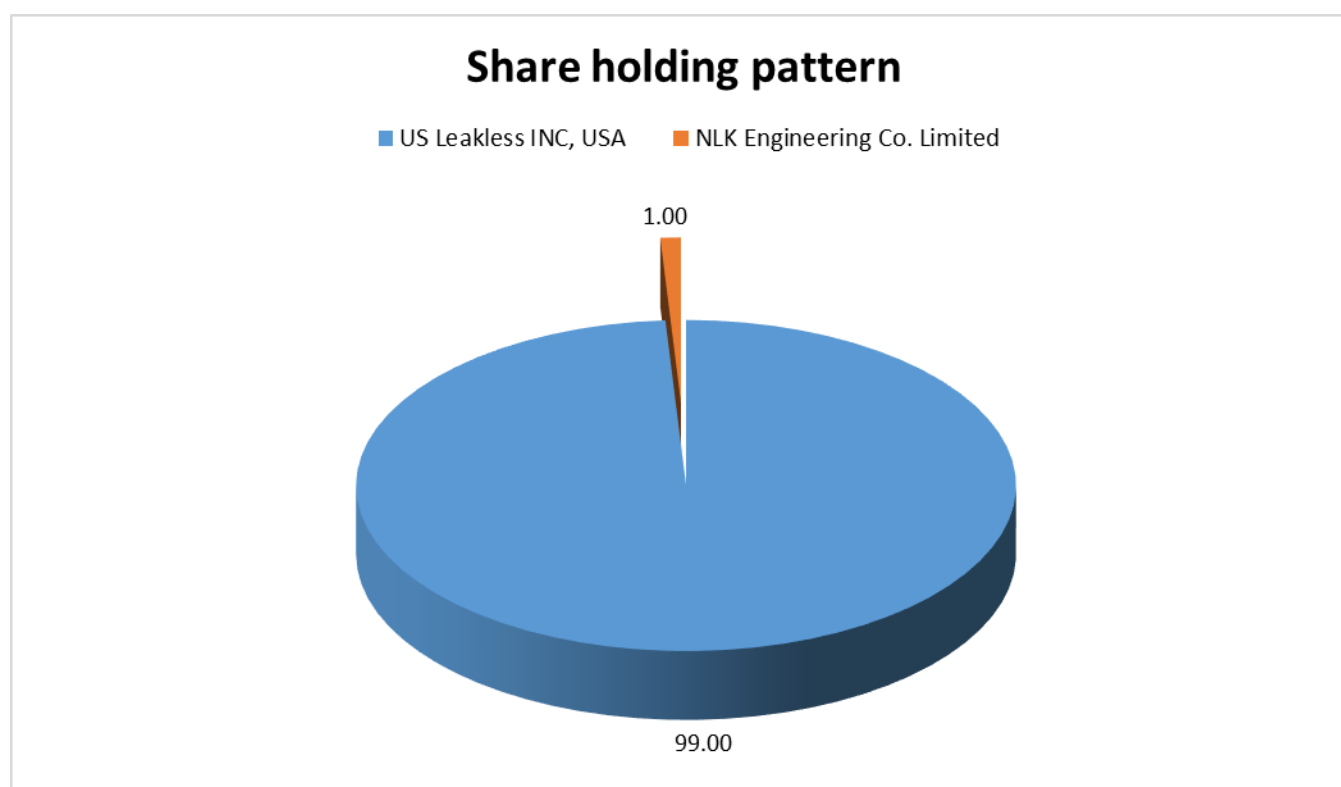
**KEY EXECUTIVES**

<b>Name :</b>	Mr. Neeraj Kumar Rawat
<b>Designation :</b>	Company Secretary
<b>Address :</b>	A-128, Joshi Marg, Sanjay Nagar Kalwar Road, Jhotwara Jaipur – 302012, Rajasthan, India
<b>Date of Appointment :</b>	05.06.2014
<b>PAN No.:</b>	AAEPR8180N

<b>MAJOR SHAREHOLDERS</b>
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AS ON 31.03.2018

Names of Shareholders	No. of Shares	%age
US Leakless INC, USA	8361409	99.00
NLK Engineering Co. Limited	84459	1.00
<b>Total</b>	<b>8445868</b>	<b>100.00</b>



Equity Share Break up (Percentage of Total Equity)

AS ON 19.07.2018

Category	Percentage
Promoters [Bodies corporate]	100.00
<b>Total</b>	<b>100.00</b>

## BUSINESS DETAILS

<b>Line of Business :</b>	Manufacturer of Jointing sheet. [Registered Activity]	
<b>Products / Services :</b>	<b>Name and Description of main products / services</b>	<b>ITC Code</b>
	Non Asbestos Jointing Sheet	40081190
<b>Brand Names :</b>	Not Available	
<b>Agencies Held :</b>	Not Available	
<b>Exports :</b>	Not Available	
<b>Imports :</b>	Not Available	
<b>Terms :</b>	Not Available	

PRODUCTION STATUS – (NOT AVAILABLE)

## GENERAL INFORMATION

<b>Suppliers :</b>	<b>Reference :</b>	Not Available
	<b>Name of the Person :</b>	--
	<b>Contact No.:</b>	--
	<b>Since How Long Known :</b>	--
	<b>Maximum Limit Dealt :</b>	--
	<b>Experience :</b>	--
	<b>Remark :</b>	--
<b>Customers :</b>	<b>Reference :</b>	Not Available
	<b>Name of the Person :</b>	--
	<b>Contact No.:</b>	--
	<b>Since How Long Known :</b>	--
	<b>Maximum Limit Dealt :</b>	--
	<b>Experience :</b>	--
	<b>Remark :</b>	--
<b>No. of Employees :</b>	Not Available	
<b>Bankers :</b>	<b>Banker Name :</b>	Not Available
	<b>Branch :</b>	

	Person Name (With Designation) :	--
	Contact Number :	--
	Name of Account Holder :	--
	Account Number :	--
	Account Since (Date/Year of Account Opening) :	--
	Average Balance Maintained :	--
	Credit Facilities Enjoyed (CC/OD/Term Loan) :	--
	Account Operation :	--
	Remark :	--

<b>Auditors :</b>	
<b>Name :</b>	Kumar Vijay Gupta and Company Chartered Accountants
<b>Address :</b>	879 Basement Sector-40, Haryana, India
<b>PAN No.:</b>	AABFV2413K
<b>Memberships :</b>	Not Available
<b>Collaborators :</b>	Not Available
<b>Holding Companies:</b>	<ul style="list-style-type: none"> <li>US Leakless Inc, United States</li> </ul>
<b>Associates Companies:</b>	<ul style="list-style-type: none"> <li>Vietnam Leakless Co. Limited, Vietnam</li> <li>Leakless Do Brasil Limited, Brazil</li> <li>Thai Leakless Corporation, Thailand</li> <li>Guangzhou Leakless Automobile Parts Company Limited, China</li> <li>PT NLK Indonesia</li> <li>NIPPON Leakless Corporation, Japan</li> </ul>
<b>Related Party :</b>	<ul style="list-style-type: none"> <li>Nippon Leakless Talbros Private Limited, India</li> </ul>

**CAPITAL STRUCTURE**

AS ON 19.07.2018

**Authorised Capital :**

No. of Shares	Type	Value	Amount
10000000	Equity Shares	INR 10/- each	INR100.000 Million

**Issued, Subscribed & Paid-up Capital :**

No. of Shares	Type	Value	Amount
8445868	Equity Shares	INR 10/- each	INR 84.459 Million

**FINANCIAL DATA**  
[all figures are in INR Million]

**ABRIDGED BALANCE SHEET**

SOURCES OF FUNDS	31.03.2018	31.03.2017	31.03.2016
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share Capital	84.459	84.459	84.459
(b) Reserves & Surplus	508.589	802.114	697.249
(c) Money received against share warrants	0.000	0.000	0.000
(2) Share Application money pending allotment	0.000	0.000	0.000
<b>Total Shareholders' Funds (1) + (2)</b>	<b>593.048</b>	<b>886.573</b>	<b>781.708</b>
(3) Non-Current Liabilities			
(a) long-term borrowings	0.000	0.000	0.000
(b) Deferred tax liabilities (Net)	29.233	39.868	38.577
(c) Other long term liabilities	0.000	0.000	0.000
(d) long-term provisions	8.670	4.823	4.402
<b>Total Non-current Liabilities (3)</b>	<b>37.903</b>	<b>44.691</b>	<b>42.979</b>
(4) Current Liabilities			
(a) Short term borrowings	0.000	0.000	0.000
(b) Trade payables	39.827	32.674	20.072
(c) Other current liabilities	4.156	9.698	9.028
(d) Short-term provisions	0.309	0.378	0.326
<b>Total Current Liabilities (4)</b>	<b>44.292</b>	<b>42.750</b>	<b>29.426</b>
<b>TOTAL</b>	<b>675.243</b>	<b>974.014</b>	<b>854.113</b>
<b>II. ASSETS</b>			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	288.047	292.602	306.398
(ii) Intangible Assets	0.000	0.000	0.000
(iii) Capital work-in-progress	0.000	0.000	0.000
(iv) Intangible assets under development	0.000	0.000	0.000
(b) Non-current Investments	0.000	0.000	0.000
(c) Deferred tax assets (net)	0.000	0.000	0.000
(d) Long-term Loan and Advances	16.822	16.434	4.096

(e) Other Non-current assets	0.000	0.000	0.000
<b>Total Non-Current Assets</b>	<b>304.869</b>	<b>309.036</b>	<b>310.494</b>
(2) Current assets			
(a) Current investments	0.000	0.000	0.000
(b) Inventories	69.516	68.341	64.978
(c) Trade receivables	146.448	142.241	132.049
(d) Cash and cash equivalents	151.404	438.286	335.686
(e) Short-term loans and advances	2.402	9.137	2.029
(f) Other current assets	0.604	6.973	8.877
<b>Total Current Assets</b>	<b>370.374</b>	<b>664.978</b>	<b>543.619</b>
<b>TOTAL</b>	<b>675.243</b>	<b>974.014</b>	<b>854.113</b>

<b>PROFIT &amp; LOSS ACCOUNT</b>
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	<b>PARTICULARS</b>	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
	<b>SALES</b>			
	Income	487.869	520.617	466.229
	Other Income	26.946	30.233	27.408
	<b>TOTAL</b>	<b>514.815</b>	<b>550.850</b>	<b>493.637</b>
<b>Less</b>	<b>EXPENSES</b>			
	Cost of Materials Consumed	241.277	242.881	226.412
	Purchases of Stock-in-Trade	20.966	20.162	13.315
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	7.017	(2.784)	(11.456)
	Employees benefits expense	32.157	25.911	25.758
	CSR expenses	3.277	3.417	3.858
	Other expenses	89.908	84.184	76.377
	Extraordinary items before tax	0.000	0.000	0.262
	<b>TOTAL</b>	<b>394.602</b>	<b>373.771</b>	<b>334.526</b>
	<b>PROFIT/ (LOSS) BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION</b>	<b>120.213</b>	<b>177.079</b>	<b>159.111</b>
<b>Less</b>	<b>FINANCIAL EXPENSES</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
	<b>PROFIT / (LOSS) BEFORE TAX, DEPRECIATION AND AMORTISATION</b>	<b>120.213</b>	<b>177.079</b>	<b>159.111</b>
<b>Less/ Add</b>	<b>DEPRECIATION/ AMORTISATION</b>	<b>17.804</b>	<b>16.262</b>	<b>16.305</b>

	<b>PROFIT/ (LOSS) BEFORE TAX</b>	<b>102.409</b>	<b>160.817</b>	<b>142.806</b>
<b>Less</b>	<b>TAX</b>	21.411	55.952	56.864
	<b>PROFIT/ (LOSS) AFTER TAX</b>	<b>80.998</b>	<b>104.865</b>	<b>85.942</b>
	<b>EARNINGS IN FOREIGN CURRENCY</b>	57.567	119.834	107.059
	<b>IMPORTS</b>			
	Raw Materials	15.174	106.406	110.217
	<b>TOTAL IMPORTS</b>	<b>15.174</b>	<b>106.406</b>	<b>110.217</b>
	<b>Earnings / (Loss) Per Share (INR)</b>	<b>9.59</b>	<b>12.42</b>	<b>10.18</b>

#### CURRENT MATURITIES OF LONG TERM DEBT DETAILS

Particulars	31.03.2018	31.03.2017	31.03.2016
Current Maturities of Long term debt	NA	NA	NA
Cash generated from operations	105.478	137.162	240.171
Net cash flow from (used in) operations	85.658	81.210	183.046

#### KEY RATIOS

##### EFFICIENCY RATIOS

PARTICULARS	31.03.2018	31.03.2017	31.03.2016
Average Collection Days (Sundry Debtors / Income * 365 Days)	109.57	99.72	103.38
Account Receivables Turnover (Income / Sundry Debtors)	3.33	3.66	3.53
Average Payment Days (Sundry Creditors / Purchases * 365 Days)	55.43	45.34	30.56
Inventory Turnover (Operating Income / Inventories)	1.73	2.59	2.45
Asset Turnover (Operating Income / Net Fixed Assets)	0.42	0.61	0.52

##### LEVERAGE RATIOS

PARTICULARS	31.03.2018	31.03.2017	31.03.2016
Debt Ratio <i>((Borrowing + Current Liabilities) / Total Assets)</i>	0.07	0.04	0.03
Debt Equity Ratio <i>(Total Liability / Networth)</i>	0.00	0.00	0.00
Current Liabilities to Networth <i>(Current Liabilities / Net Worth)</i>	0.07	0.05	0.04
Fixed Assets to Networth <i>(Net Fixed Assets / Networth)</i>	0.49	0.33	0.39
Interest Coverage Ratio <i>(PBIT / Financial Charges)</i>	0.00	0.00	0.00

**PROFITABILITY RATIOS**

PARTICULARS		31.03.2018	31.03.2017	31.03.2016
PAT to Sales <i>((PAT / Sales) * 100)</i>	%	16.60	20.14	18.43
Return on Total Assets <i>((PAT / Total Assets) * 100)</i>	%	12.00	10.77	10.06
Return on Investment (ROI) <i>((PAT / Networth) * 100)</i>	%	13.66	11.83	10.99

**SOLVENCY RATIOS**

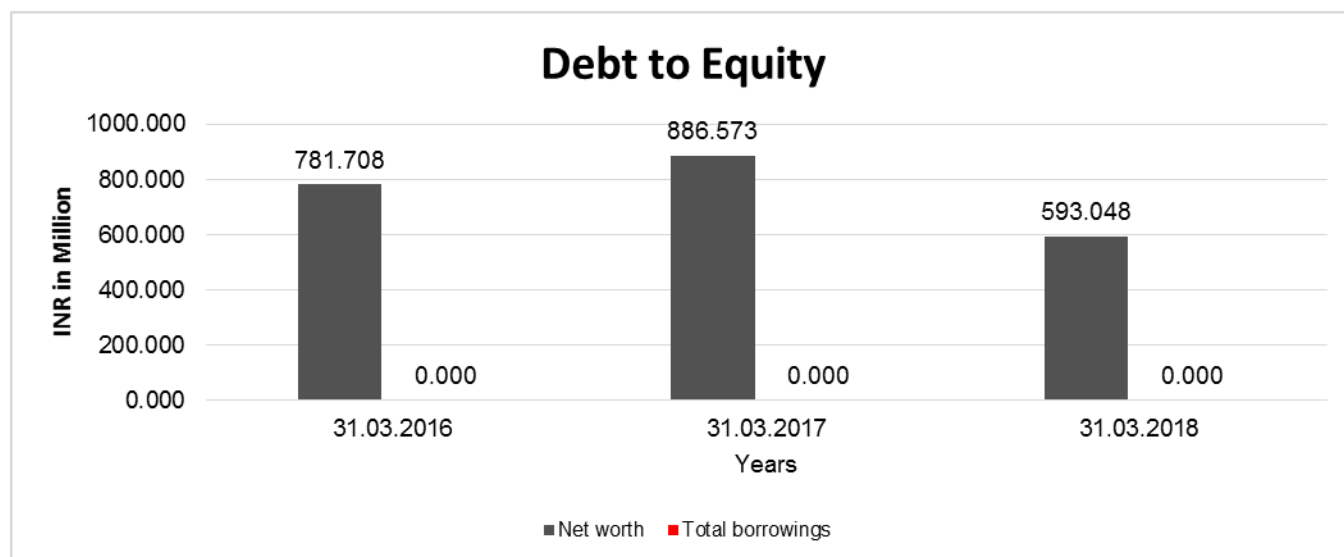
PARTICULARS	31.03.2018	31.03.2017	31.03.2016
Current Ratio <i>(Current Assets / Current Liabilities)</i>	8.36	15.56	18.47
Quick Ratio <i>((Current Assets – Inventories) / Current Liabilities)</i>	6.79	13.96	16.27
G-Score Ratio Financial <i>(Networth / Total Assets)</i>	0.88	0.91	0.92
G-Score Ratio Debt <i>(Debts / Equity Capital)</i>	0.00	0.00	0.00
G-Score Ratio Liquidity <i>(Total Current Assets / Total Current Liabilities)</i>	8.36	15.56	18.47

*Total Liability = Short-term Debt + Long-term Debt + Current Maturities of Long-term debts*

**FINANCIAL ANALYSIS**  
[all figures are in INR Million]

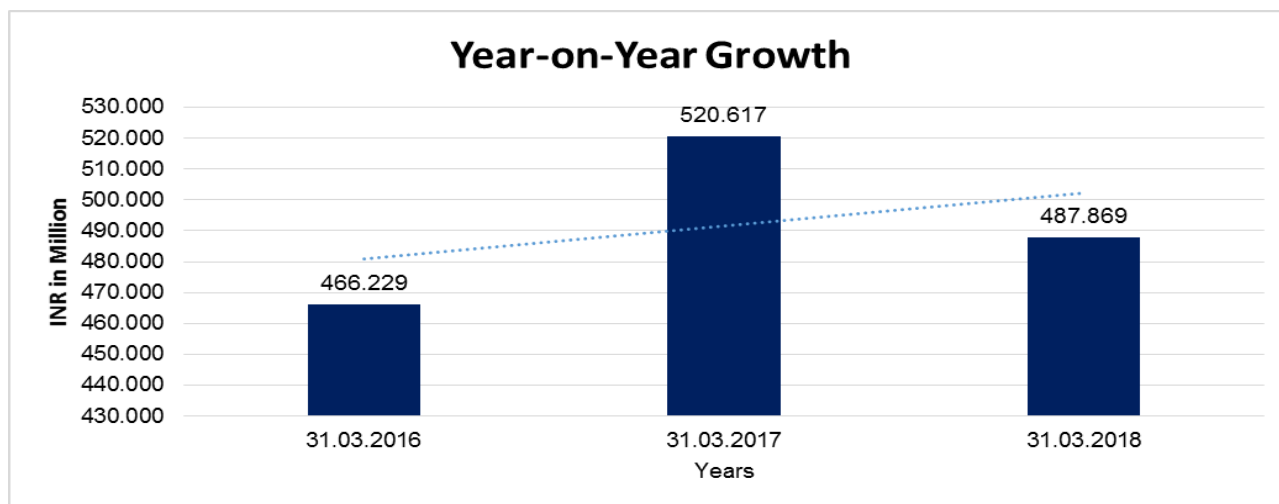
**DEBT EQUITY RATIO**

Particular	31.03.2016	31.03.2017	31.03.2018
	INR In Million	INR In Million	INR In Million
Share Capital	84.459	84.459	84.459
Reserves & Surplus	697.249	802.114	508.589
Share Application money pending allotment	0.000	0.000	0.000
<b>Net worth</b>	<b>781.708</b>	<b>886.573</b>	<b>593.048</b>
Long Term borrowings	0.000	0.000	0.000
Short Term borrowings	0.000	0.000	0.000
<b>Total borrowings</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Debt/Equity ratio</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>



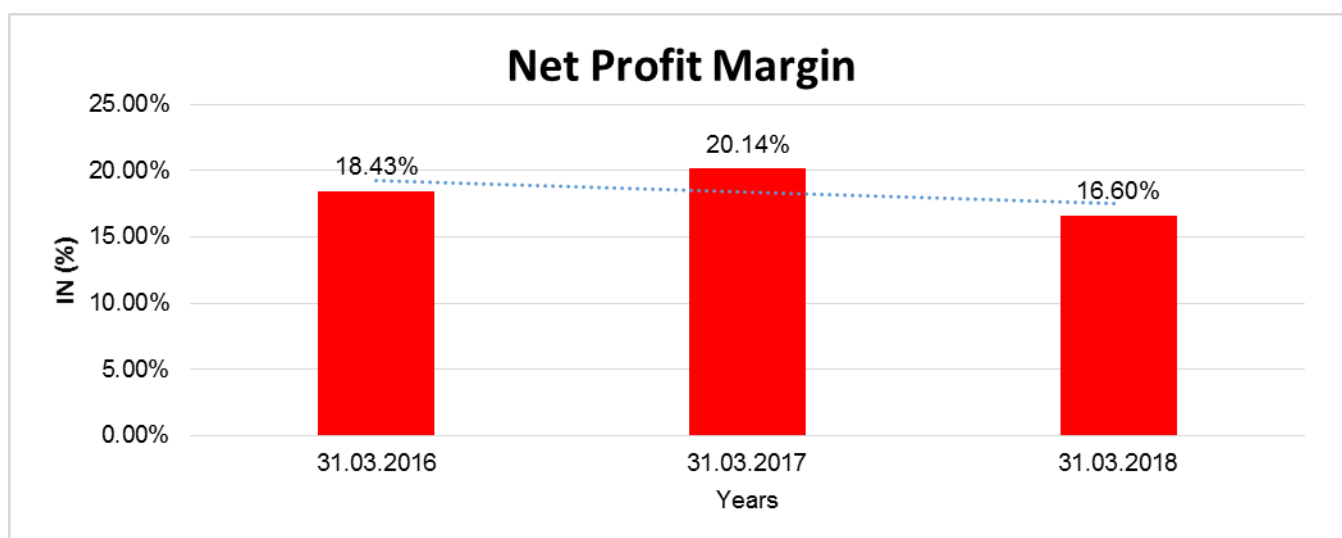
**YEAR-ON-YEAR GROWTH**

Year on Year Growth	31.03.2016	31.03.2017	31.03.2018
	INR In Million	INR In Million	INR In Million
Sales	466.229	520.617	487.869
		<b>11.666</b>	<b>-6.290</b>



**NET PROFIT MARGIN**

Net Profit Margin	31.03.2016	31.03.2017	31.03.2018
	INR In Million	INR In Million	INR In Million
Sales	466.229	520.617	487.869
Profit/(Loss)	85.942	104.865	80.998
	<b>18.43%</b>	<b>20.14%</b>	<b>16.60%</b>



## LOCAL AGENCY FURTHER INFORMATION

Sr. No.	Check list by info agents	Available in Report (Yes/No)
1	Year of establishment	Yes
2	Constitution of the entity -Incorporation details	Yes
3	Locality of the entity	Yes
4	Premises details	No
5	Buyer visit details	--
6	Contact numbers	Yes
7	Name of the person contacted	No
8	Designation of contact person	No
9	Promoter's background	Yes
10	Date of Birth of Proprietor / Partners / Directors	Yes
11	Pan Card No. of Proprietor / Partners	No
12	Voter Id Card No. of Proprietor / Partners	No
13	Type of business	Yes
14	Line of Business	Yes
15	Export/import details (if applicable)	No
16	No. of employees	No
17	Details of sister concerns	Yes
18	Major suppliers	No
19	Major customers	No
20	Banking Details	No
21	Banking facility details	No
22	Conduct of the banking account	--
23	Financials, if provided	Yes
24	Capital in the business	Yes
25	Last accounts filed at ROC, if applicable	Yes
26	Turnover of firm for last three years	Yes
27	Reasons for variation <> 20%	--
28	Estimation for coming financial year	No
29	Profitability for last three years	Yes
30	Major shareholders, if available	Yes
31	External Agency Rating, if available	No
32	Litigations that the firm/promoter involved in	--
33	Market information	--
34	Payments terms	No
35	Negative Reporting by Auditors in the Annual Report	No

**RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS**

Total Revenue decreased by 6.54% to INR 514.815 Million. Profit before Tax decreased by 36.32% to INR 102.409 Million. Net Profit after tax decreased by 22.76% to INR 80.998 Million.

There was a considerable reduction in export sales of the company which stood at INR 57.568 million in the current financial year as compared to INR 119.834 million in the previous financial year due to lower order from overseas market. The domestic sales have increased to INR 398.026 Million in the current financial year as compared to INR 371.762 million in the previous financial year. The Material cost has increased to 49.46% in comparison to sales in the current financial year as compared to 46.65% in the previous financial year due to appreciation of foreign currency against Indian rupee. As a result of increase in material cost and decrease in sales, the Net Profit after tax has decreased by 22.76% to INR 80.998 Million in the current financial year as compared to INR 104.865 million in the previous financial year.

**ECONOMIC SCENARIO AND OUTLOOK**

According to a SIAM presentation, the sales growth of passenger vehicles in FY19 is expected to be at 8-10 per cent, the two-wheeler industry is slated to deliver a better performance at 11-13 per cent, with motorcycles up by 9-11 per cent and scooters growing higher between 13-16 per cent.


A revival of the economy post-demonetization and enforcement of GST are putting the country back on track. The GDP and economic reform programmes of the government are indicating positive signs of recovery. Bank recapitalization, rural revival, and reforms such as Insolvency and Bankruptcy Code by the government will also be expected to give a fillip to the auto sector.

The Performance of your company to a large extent depends on the demand of Jointing Sheet by the Gasket manufacturer in India and Overseas market mainly for two wheeler industry. We expect a moderate growth in domestic and International market of our products in the financial year 2018-19.

**INDEX OF CHARGES:**

NO CHARGES EXISTS FOR COMPANY

**FIXED ASSETS:**

- Land
  - Building
  - Plant and Machinery
  - Furniture and Fixture
  - Office Equipment
  - Computer
  - Vehicles
- 

**CMT REPORT (Corruption, Money Laundering & Terrorism]**

The Public Notice information has been collected from various sources including but not limited to: *The Courts, India Prisons Service, Interpol, etc.*

**1] INFORMATION ON DESIGNATED PARTY**

No records exist designating subject or any of its beneficial owners, controlling shareholders or senior officers as terrorist or terrorist organization or whom notice had been received that all financial transactions involving their assets have been blocked or convicted, found guilty or against whom a judgement or order had been entered in a proceedings for violating money-laundering, anti-corruption or bribery or international economic or anti-terrorism sanction laws or whose assets were seized, blocked, frozen or ordered forfeited for violation of money laundering or international anti-terrorism laws.

**2] Court Declaration :**

No records exist to suggest that subject is or was the subject of any formal or informal allegations, prosecutions or other official proceeding for making any prohibited payments or other improper payments to government officials for engaging in prohibited transactions or with designated parties.

**3] Asset Declaration :**

No records exist to suggest that the property or assets of the subject are derived from criminal conduct or a prohibited transaction.

**4] Record on Financial Crime :**

Charges or conviction registered against subject: **None**

**5] Records on Violation of Anti-Corruption Laws :**

Charges or investigation registered against subject: **None**

**6] Records on Int'l Anti-Money Laundering Laws/Standards :**

Charges or investigation registered against subject: **None**

**7] Criminal Records**

No available information exist that suggest that subject or any of its principals have been formally charged or convicted by a competent governmental authority for any financial crime or under any formal investigation by a competent government authority for any violation of anti-corruption laws or international anti-money laundering laws or standard.

**8] Affiliation with Government :**

No record exists to suggest that any director or indirect owners, controlling shareholders, director, officer or employee of the company is a government official or a family member or close business associate of a Government official.

**9] Compensation Package :**

Our market survey revealed that the amount of compensation sought by the subject is fair and reasonable and comparable to compensation paid to others for similar services.

**10] Press Report :**

No press reports / filings exists on the subject.

**CORPORATE GOVERNANCE**

MIRA INFORM as part of its Due Diligence do provide comments on Corporate Governance to identify management and governance. These factors often have been predictive and in some cases have created vulnerabilities to credit deterioration.

Our Governance Assessment focuses principally on the interactions between a company's management, its Board of Directors, Shareholders and other financial stakeholders.

**CONTRAVENTION**

Subject is not known to have contravened any existing local laws, regulations or policies that prohibit, restrict or otherwise affect the terms and conditions that could be included in the agreement with the subject.

**FOREIGN EXCHANGE RATES**

Currency	Unit	INR
US Dollar	1	INR 72.64
UK Pound	1	INR 95.73
Euro	1	INR 85.47

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	VIV R
<b>Report Prepared by :</b>	RNA

**SCORE FACTORS**

SCORE FACTORS		
DEMERIT POINTS		
--BANK CHARGES	YES/NO	NO
--LITIGATION	YES/NO	NO
--OTHER ADVERSE INFORMATION	YES/NO	NO
MERIT POINTS		
--SOLE DISTRIBUTORSHIP	YES/NO	NO
--EXPORT ACTIVITIES	YES/NO	NO
--AFFILIATION	YES/NO	YES
--LISTED	YES/NO	NO
--OTHER MERIT FACTORS	YES/NO	YES

**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)