

CREDIBILITY & BACKGROUND CHECK REPORT

BASIC DETAILS

Name of Company : ABC PRIVATE LIMITED
Address : NNNNNNNNNNNNNNNNNNN
Tel. No.: NNNNNNNNNNNNNNNNNNN

IDENTIFICATION DETAILS

Name : ABC PRIVATE LIMITED
Registered Office : NNNNNNNNN
Country : India
Financials (as on) : 31.03.2008
Date of Incorporation : 01.03.1995
Com. Reg. No.: NNNNNNNNN
CIN No.: NNNNNNNNN
[Company Identification No.]
TAN No.: NNNNNNNNN
[Tax Deduction & Collection Account No.]
PAN No.: [Permanent Account No.] NNNNNNNNNNN
Legal Form : Private Limited Liability Company
Line of Business : To provide wide variety of software, hardware, digital technology services, maintenances including custom application development, engineering services, ecommerce, internet retailing and services, application set up, modification, conversion and interface development and train and placement of professionals to impart computer software and technology in India and abroad.
Subject is also engaged in development of CAD, CAM, Software Jobs.

RATING & COMMENTS

STC's Rating : B

| RATING | STATUS | PROPOSED CREDIT LINE |
|---------|---|----------------------|
| 26-40 B | Unfavorable & favorable factors carry similar weight in credit consideration. Capability to overcome financial difficulties seems comparatively below average/normal. | Small |

Maximum Credit Limit : USD 430 000

Status : Moderate

Payment Behavior : Usually correct

Litigation : Clear

Comments : Subject is an established company having moderate track records. It's profit margin is under pressure. Payments are usually correct and as per commitments.

The company can be considered for small to mediocre business dealings at usual trade terms and conditions.

LOCATIONS

Registered Office / NNNNNNNNNNNNNNNNNNNN

Head Office :

Tel. No.: NNNNNNNNNNNNNNNNNNNN

Fax No.: NNNNNNNNNNNNNNNNNNNN

E-Mail : NNNNNNNNNNNNNNNNNNNN

Website : www.NNNNNNNNNNNNN.com

Branches : Located at :

- Bangalore
- Munich, Germany
- Göteborg, Sweden
- Michigan, USA
- Romania
- France

DIRECTORS

Name : Mr. NNNNNNNNNNNNNNNNNNNNN
Designation : Managing Director
Address : NNNNNNNNNNNNNNNNNNNNN
Date of Birth/Age : 03.08.1959
Date of Appointment : 01.05.1999

Name : Mr. NNNNNNNNNNNNNNNNNNNNN
Designation : Chairman
Address : NNNNNNNNNNNNNNNNNNNNN
Date of Birth/Age : 26.09.1939
Date of Appointment : 01.05.2007

Name : Mr. NNNNNNNNNNNNNNNNNNNNN
Designation : Director
Address : NNNNNNNNNNNNNNNNNNNNN
Date of Birth/Age : 05.11.1969
Date of Appointment : 01.03.1996

Name : Mr. NNNNNNNNNNNNNNNNNNNNN
Designation : Director
Address : NNNNNNNNNNNNNNNNNNNNN
Date of Birth/Age : 18.10.1969
Date of Appointment : 26.12.2006

Name : Mr. NNNNNNNNNNNNNNNNNNNNN
Designation : Director

Name : Mr. NNNNNNNNNNNNNNNNNNNNN
Designation : Managing Director, ABC Private Limited Deutschland

Name : Mr. NNNNNNNNNNNNNNNNNNNNN
Designation : Director, ABC Private Limited Europe

Name : Mr. NNNNNNNNNNNNNNNNNNNNN
Designation : Director, NNNNNNNNNNNNNNNNNNNNN Private Limited

KEY EXECUTIVES

Name : Mr. NNNNNNNNNNNNNNNNNNNNN
Designation : Company Secretary

Name : Mr. NNNNNNNNNNNNNNNNNNNNN
Designation : President and Chief Mentor

Name : Mr. NNNNNNNNNNNNNNNNNNNNN
Designation : Senior Advisor

Name : Mr. NNNNNNNNNNNNNNNNNNNNN
Designation : Senior Advisor, ABC Private Limited

Name : Mr. NNNNNNNNNNNNNNNNNNNNN
Designation : Director

Name : Ms. NNNNNNNNNNNNNNNNNNNNN
Designation : Business Development Manager
Email : NNNNNNNNNNNNNNNNNNNNN

MAJOR SHAREHOLDERS / SHAREHOLDING PATTERN

AS ON 30.09.2004

| Names of Shareholders | No. of Shares |
|-----------------------|---------------|
| NNNNNNNNNNNNNNNNNNNN | 947510 |
| NNNNNNNNNNNNNNNNNNNN | 10 |
| NNNNNNNNNNNNNNNNNNNN | 42520 |
| NNNNNNNNNNNNNNNNNNNN | 10 |
| Total | 990050 |

AS ON 30.09.2007

| Equity Share Breakup | Percentage of Holding |
|-------------------------------------|-----------------------|
| Category | |
| Directors or relatives of directors | 100.00 |

BUSINESS DETAILS

Line of Business : To provide wide variety of software, hardware, digital technology services, maintenances including custom application development, engineering services, ecommerce, internet retailing and services, application set up, modification, conversion and interface development and train and placement of professionals to impart computer software and technology in India and abroad.

Subject is also engaged in development of CAD, CAM, Software Jobs.

Products : • Software Development and Design Charges

Exports :

Products : Develops software projects

Countries : USA

GENERAL INFORMATION

No. of Employees : About 20

Bankers :

- ⇒ Kotak Mahindra Bank Limited
36-38 A, Nariman Bhavan, 227 D, Nariman Point,
Mumbai – 400 021, Maharashtra, India
- ⇒ ABN Amro Bank
- ⇒ Nordea Bank, Helsinki
- ⇒ Hypo Gereins Bank, Munich

Facilities : The Company enjoys mortgage facilities of Rs. 41.000 millions from Kotak Mahindra Bank Limited dated 30.11.2006.

Banking Relations : Satisfactory

Auditors :

Name : NNNNNNNNNNNNNNNNNNNN
Chartered Accountants

Address : NNNNNNNNNNNNNNNNNNNN

Phone: NNNNNNNNNNNNNNNNNNNN

Subsidiaries :

- ABC Private Limited Europe OY, Finland
- ABC Private Limited Inc, USA

CAPITAL STRUCTURE

Authorized Capital:

| No. of Shares | Type | Value | Amount |
|---------------|-------------------|---------------|-----------------------------|
| 9750000 | Equity Shares | Rs. 10/- each | Rs. 97.500 millions |
| 250000 | Preference Shares | Rs. 10/- each | Rs. 2.500 millions |
| | Total | | Rs. 100.000 millions |

Issued, Subscribed & Paid-up Capital:

| No. of Shares | Type | Value | Amount |
|---------------|---------------|---------------|---------------------|
| 9500000 | Equity Shares | Rs. 10/- each | Rs. 95.000 millions |

FINANCIAL DATA

[All figures are in Rupees Millions]

ABRIDGED BALANCE SHEET

| SOURCES OF FUNDS | 31.03.2007 | 31.03.2006 |
|-----------------------------|-------------------|-------------------|
| SHAREHOLDERS FUNDS | | |
| 1) Share Capital | 95.000 | 9.900 |
| 2) Share Application Money | 0.000 | 0.000 |
| 3) Reserves & Surplus | 12.898 | 0.000 |
| 4) (Accumulated Losses) | 0.000 | (3.652) |
| NETWORTH | 107.898 | 6.248 |
| LOAN FUNDS | | |
| 1) Secured Loans | 19.502 | 0.354 |
| 2) Unsecured Loans | 17.352 | 73.429 |
| TOTAL BORROWING | 36.854 | 73.783 |
| TOTAL | 144.752 | 80.031 |
| APPLICATION OF FUNDS | | |
| FIXED ASSETS [Net Block] | 34.012 | 23.044 |
| Capital work-in-progress | 0.000 | 0.000 |
| INVESTMENT | 5.777 | 1.879 |

| | | |
|---|-----------------------|----------------------|
| Foreign Exchange Translation Reserve | 0.000 | 0.507 |
| CURRENT ASSETS, LOANS & ADVANCES | | |
| Inventories | <i>0.884</i> | <i>0.928</i> |
| Sundry Debtors | <i>51.707</i> | <i>22.393</i> |
| Cash & Bank Balances | <i>8.871</i> | <i>4.949</i> |
| Other Current Assets | <i>8.821</i> | <i>5.525</i> |
| Loans & Advances | <i>72.557</i> | <i>34.264</i> |
| Total Current Assets | <i>142.840</i> | <i>68.059</i> |
| <u>Less</u> : CURRENT LIABILITIES & PROVISIONS | | |
| Current Liabilities | <i>34.246</i> | <i>12.215</i> |
| Provisions | <i>4.091</i> | <i>1.243</i> |
| Total Current Liabilities | <i>38.337</i> | <i>13.458</i> |
| Net Current Assets | <i>104.503</i> | <i>54.601</i> |
| MISCELLANEOUS EXPENSES | 0.460 | 0.000 |
| TOTAL | 144.752 | 80.031 |

PROFIT & LOSS ACCOUNT

| PARTICULARS | 31.03.2007 | 31.03.2006 |
|--------------------------|-------------------|-------------------|
| Total Income | 130.089 | 74.923 |
| Profit/(Loss) Before Tax | 16.201 | 11.362 |
| Provision for Taxation | -- | |
| Profit/(Loss) After Tax | 16.201 | 11.362 |
| Total Expenditure | 113.888 | 63.561 |

KEY RATIOS

| PARTICULARS | | 31.03.2007 | 31.03.2006 |
|--|-----|------------|------------|
| PAT / Total Income | (%) | 12.45 | 15.16 |
| Net Profit Margin (PBT/Sales) | (%) | 12.45 | 15.16 |
| Return on Total Assets (PBT/Total Assets} | (%) | 9.16 | 12.47 |
| Return on Investment (ROI) (PBT/Networth) | | 0.15 | 1.82 |
| Debt Equity Ratio (Total Liability/Networth) | | 0.70 | 13.96 |
| Current Ratio (Current Asset/Current Liability) | | 3.73 | 5.06 |

LOCAL AGENCY FURTHER INFORMATION

Registered Office of the company has been shifted from NNNNNNNNNNNNNNNNNNNN, Maharashtra, India to the present address w.e.f. 05.02.2007

As Per Web:

Corporate Profile

ABC Private Limited is an entrepreneurial venture based on the belief of its founders and realized through the passion and dedication of its stake holders.

ABC Private Limited is headquartered in NNNNNNNNNNNNNNNNNNNN and has offices in 7 countries throughout Europe and North America. It has a pool of trained manpower resources of 270 which includes 40 European nationals.

ABC Private Limited is a pioneer in engineering services outsourcing having recognized the benefits of a global engineering model, long before it was hailed as the "new wave" in the India success story. From its inception in 1999, as a two-engineer start-up, ABC Private Limited has striven to be an engineering knowledge management company, rather than an

offshore provider of low-end digitizing and drafting services. The other differentiator has been its focus on Europe rather than North America.

The management of this privately held group is comprised of experienced independent professionals of varying nationality. In fact, ABC Private Limited was among the first Indian companies in the outsourcing sector to have a multinational board of directors.

ABC Private Limited's global delivery model has evolved over time to include an optimized mix of on-site, off-site, near shore and offshore engineering support that best meets the need of its international clientele. NNNNNNNNNNNNNNNNNNN are just a few of ABC Private Limited's 25 marquee relationships.

ABC Private Limited's services range from concept design, solid & surface 3D model generation, 2D detailing & drafting to product development and customized software solutions. Analysis services include mesh generation, static (linear & non – linear), buckling, dynamic, structural, acoustic & thermal analysis.

ABC Private Limited's concurrent engineering solutions cuts across industry verticals: automotive, aerospace, heavy engineering, oil & natural gas, marine & tool design. To each of these sectors the company brings to the table, industry specific knowledge and past experience of having dealt with leading international OEM's and their System Suppliers.

ABC Private Limited is an ISO 9001:2000 certified company.

The Company's Fixed Assets of important value includes:

- Air Conditioner
- Fax
- Hot and Cold Water Dispenser
- EPBAX
- Fire Extinguisher
- Aqua Guard Filter
- Exide FX Power Box
- Access Control Systems
- Fire Alarm Systems
- Paper Shredding Machine
- LCD Projector
- Computer Software
- Fiat Siena
- Mitsubishi Lancer
- Two Wheeler – M-80
- Maruti Esteem
- Electrical Fitting
- Electronic Vacuum Cleaner
- Furniture and Fixtures

Board of Directors

Mr. NNNNNNNNNNNNNNNNNNN, Chairman

Mr. NNNNNNNNNNNNNNNNNNN is a highly reputed Chartered Accountant and Financial Consultant based in Bombay, India.

Executive:

Mr. NNNNNNNNNNNNNNNNNNN, Managing Director

Mr. NNNNNNNNNNNNNNNNNNN has an MBA from the US, and 27 years of experience in Information Systems and Finance in the USA, West Asia and India, including 15 years of experience in IT-related outsourced services. Mr. XXXX has also been a visiting professor for MBA students in Pune, India

Mr. NNNNNNNNNNNNNNNNNNN, Director

Mr. NNNNNNNNNNNNNNNNNNN is a successful entrepreneur in the Indian engineering industry, having promoted various businesses involving international collaboration with Germany, the USA and Sweden.

Non Executive:

Mr. NNNNNNNNNNNNNNNNNNN, Director

Mr. NNNNNNNNNNNNNNNNNNN has been the former Director, International Operations & Technology Transfer with Hertel AG. He has been involved with training and building design know-how/transfer projects between Germany, India and Asia. He has supported several German/India/Asia know how projects. He is based in Nurnberg, Germany.

Dr. NNNNNNNNNNNNNNNNNNN, Director

Dr NNNNNNNNNNNNNNNNNNN is a former senior engineering management leader at BMW, who now manages a reputed family owned concern, Lodenfrey GmbH, the well known German clothing company. NNNNNNNNNNNNNNNNNNN area of expertise is automotive engineering & general management.

Senior Advisors:

Mr. NNNNNNNNNNNNNNNNNNN

Mr. NNNNNNNNNNNNNNNNNNN is the former Vice President – NNNNNNNNNNNNNNNNNNN of MTU Aero Engines. He was also previously involved with NNNNNNNNNNNNNNNNNNN. Mr. NNNNNNNNNNNNNNNNNNN is a well-known authority in the field of aero engines & simulation. He is based in Munich, Germany.

Mr. NNNNNNNNNNNNNNNNNNN

Mr. NNNNNNNNNNNNNNNNNNN is an engineer and entrepreneur with over 25 years experience in Machine Tools and Accessory Manufacture. He was involved with the Indian Machine Tool Manufacturers' association in various capacities.

Product

Concept Design:

- Product visualization
- Product layout
- Assembly design
- Assembly analysis: Interference, clearance and mass properties
- Engineering production drawings
- Assembly layout drawings
- Dimensional tolerances & surface finishes
- Bill of Materials

Mechanism Design:

- Kinematic study of assemblies
- Definition of driver mechanisms, linkages and joints
- Interference and clearance checks

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 judgment 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

STC 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 | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | Rs.39.95 |
| UK Pound | 1 | Rs.79.46 |
| Euro | 1 | Rs.63.80 |

SCORE & RATING EXPLANATIONS

| SCORE FACTORS | RANGE | POINTS |
|-----------------------------|--------|-----------|
| HISTORY | 1~10 | 6 |
| PAID-UP CAPITAL | 1~10 | 5 |
| OPERATING SCALE | 1~10 | 4 |
| FINANCIAL CONDITION | | |
| --BUSINESS SCALE | 1~10 | 4 |
| --PROFITABILITY | 1~10 | 4 |
| --LIQUIDITY | 1~10 | 4 |
| --LEVERAGE | 1~10 | 4 |
| --RESERVES | 1~10 | 4 |
| --CREDIT LINES | 1~10 | 4 |
| --MARGINS | -5~5 | -- |
| DEMERIT POINTS | | |
| --BANK CHARGES | YES/NO | YES |
| --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 |
| TOTAL | | 39 |

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 and their relative weights (as indicated through %) are as follows:

Financial condition (40%) Ownership background (20%) Payment record (10%)
Credit history (10%) Market trend (10%)
Operational size (10%)

| RATING EXPLANATIONS | | |
|---------------------|--|----------------------------|
| RATING | STATUS | PROPOSED CREDIT LINE |
| >86 | Aaa Possesses an extremely sound financial base with the strongest capability for timely payment of interest and principal sums | Unlimited |
| 71-85 | Aa Possesses adequate working capital. No caution needed for credit transaction. It has above average (strong) capability for payment of interest and principal sums | Large |
| 56-70 | A Financial & operational base are regarded healthy. General unfavourable factors will not cause fatal effect. Satisfactory capability for payment of interest and principal sums | Fairly Large |
| 41-55 | Ba Overall operation is considered normal. Capable to meet normal commitments. | Satisfactory |
| 26-40 | B Unfavourable & favorable factors carry similar weight in credit consideration. Capability to overcome financial difficulties seems comparatively below average/normal. | Small |
| 11-25 | Ca Adverse factors are apparent. Repayment of interest and principal sums in default or expected to be in default upon maturity | Limited with full security |
| <10 | C Absolute credit risk exists. Caution needed to be exercised | Credit not recommended |
| NR | In view of the lack of information, we have no basis upon which to recommend credit dealings | No Rating |