

MIRA INFORM REPORT

Report No. :	538072
Report Date :	03.11.2018

IDENTIFICATION DETAILS

Name :	NINGXIA QIYUAN PHARMACEUTICAL CO., LTD.
Registered Office :	No. 1 Qiyuan Street, Wangyuan Industrial Area, Yinchuan, Ningxia Hui Autonomous Region 750002 PR
Country :	China
Financials (as on) :	30.06.2017
Date of Incorporation :	21.01.2001
Unified Social Credit Code :	916400007150706192
Legal Form :	Limited Liabilities Company
Line of Business :	Registered business scope includes manufacturing and selling chemical raw materials, chemical raw materials intermediate (Erythromycin Thiocyanate), chemical medicine preparation; Chinese medicine development, production, marketing, the export business of technology; processing and selling medlar, Qizhenxibao capsule, Qizhensenbao capsule, Qiyuan Qisheng capsule, Fuyanning plug; manufacturing and selling pesticides (Avermectin TC), feed, feed additives, food additives, fertilizer; corn acquisition, processing and its subsidiary product processing; engaging in import business of its own products, the necessary raw and auxiliary materials, machinery and equipment, instruments, spare parts and related technology; processing with imported materials, processing with imported samples, assembling with imported parts, and compensation trade in agreement; processing system box, barrel, gland; packaging and decorating printed matters; heating.
No. of Employees :	1,643

RATING & COMMENTS

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

MIRA's Rating :

A

Credit Rating	Explanation	Rating Comments
---------------	-------------	-----------------

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.

A	Acceptable Risk	Business dealings permissible with moderate risk of default
---	-----------------	---

Status :	Good
Payment Behaviour :	No Complaints
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)
China	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

CHINA - ECONOMIC OVERVIEW

Since the late 1970s, China has moved from a closed, centrally planned system to a more market-oriented one that plays a major global role. China has implemented reforms in a gradualist fashion, resulting in efficiency gains that have contributed to a more than tenfold increase in GDP since 1978. Reforms began with the phaseout of collectivized agriculture, and expanded to include the gradual liberalization of prices, fiscal decentralization, increased autonomy for state enterprises, growth of the private sector, development of stock markets and a modern banking system, and opening to foreign trade and investment. China continues to pursue an industrial policy, state support of key sectors, and a restrictive investment regime. From 2013 to 2017, China had one of the fastest growing economies in the world, averaging slightly more than 7% real growth per year. Measured on a purchasing power parity (PPP) basis that adjusts for price differences, China in 2017 stood as the largest economy in the world, surpassing the US in 2014 for the first time in modern history. China became the world's largest exporter in 2010, and the largest trading nation in 2013. Still, China's per capita income is below the world average.

In July 2005 moved to an exchange rate system that references a basket of currencies. From mid-2005 to late 2008, the renminbi (RMB) appreciated more than 20% against the US dollar, but the exchange rate remained virtually pegged to the dollar from the onset of the global financial crisis until June 2010, when Beijing announced it would resume a gradual appreciation. From 2013 until early 2015, the renminbi held steady against the dollar, but it depreciated 13% from mid-2015 until end-2016 amid strong capital outflows; in 2017 the RMB resumed appreciating against the dollar – roughly 7% from end-of-2016 to end-of-2017. In 2015, the People's Bank of China announced it would continue to carefully push for full convertibility of the renminbi, after the currency was accepted as part of the IMF's special drawing rights basket. However, since late 2015 the Chinese Government has strengthened capital controls and oversight of overseas investments to better manage the exchange rate and maintain financial stability.

The Chinese Government faces numerous economic challenges including: (a) reducing its high domestic savings rate and correspondingly low domestic household consumption; (b) managing its high corporate debt burden to maintain financial stability; (c) controlling off-balance sheet local government debt used to finance infrastructure stimulus; (d) facilitating higher-wage job opportunities for the aspiring middle class, including rural migrants and college graduates, while maintaining competitiveness; (e) dampening speculative investment in the real estate sector without sharply slowing the economy; (f) reducing industrial overcapacity; and (g) raising productivity growth rates through the more efficient allocation of capital and state-support for innovation. Economic development has progressed further in coastal provinces than in the interior, and by 2016 more than 169.3 million migrant workers and their dependents had relocated to urban areas to find work. One consequence of China's population control policy known as the "one-child policy" - which was relaxed in 2016 to permit all families to have two children - is that China is now one of the most rapidly aging countries in the world. Deterioration in the environment - notably air pollution, soil erosion, and the steady fall of the water table, especially in the North - is another long-term problem. China continues to lose arable land because of erosion and urbanization. The Chinese Government is seeking to add energy production capacity from sources other than coal and oil, focusing on natural gas, nuclear, and clean energy development. In 2016, China ratified the Paris Agreement, a multilateral agreement to combat climate change, and committed to peak its carbon dioxide emissions between 2025 and 2030.

The government's 13th Five-Year Plan, unveiled in March 2016, emphasizes the need to increase innovation and boost domestic consumption to make the economy less dependent on government investment, exports, and heavy industry. However, China has made more progress on subsidizing innovation than rebalancing the economy. Beijing has committed to giving the market a more decisive role in allocating resources, but the Chinese Government's policies continue to favor state-owned enterprises and emphasize stability. Chinese leaders in 2010 pledged to double China's GDP by 2020, and the 13th Five Year Plan includes annual economic growth targets of at least 6.5% through 2020 to achieve that goal. In recent years, China has renewed its support

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.



MIRA INFORM PRIVATE LIMITED
605, Palmspring, Near D'Mart, Link Road,
Malad (West), Mumbai - 400 064. INDIA
Tel : 91-22-40448000 (44 lines)
Fax : 91-22-40448045 / 40448046
E-mail : mira@mirainform.com
info@mirainform.com
Website : <http://www.mirainform.com>
<http://www.miraglobalcheck.com>
<http://www.miraglobalcollections.com>

for state-owned enterprises in sectors considered important to "economic security," explicitly looking to foster globally competitive industries. Chinese leaders also have undermined some market-oriented reforms by reaffirming the "dominant" role of the state in the economy, a stance that threatens to discourage private initiative and make the economy less efficient over time. The slight acceleration in economic growth in 2017—the first such uptick since 2010—gives Beijing more latitude to pursue its economic reforms, focusing on financial sector deleveraging and its Supply-Side Structural Reform agenda, first announced in late 2015.

Source : CIA

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.

COMPANY NAME AND ADDRESS

COMPANY NAME Ningxia Qiyuan Pharmaceutical Co., Ltd.
CURRENT ADDRESS/ REGISTERED ADDRESS No. 1 Qiyuan Street, Wangyuan Industrial Area, Yinchuan, Ningxia Hui Autonomous Region 750002 PR China
TEL. NO. 86 (0) 951-4066592/4066938/4066000*8030
FAX NO. 86 (0) 951-4066968/4066866

EXECUTIVE SUMMARY

DATE OF REGISTRATION : JANUARY 21, 2001
UNIFIED SOCIAL CREDIT CODE : 916400007150706192
LEGAL FORM : LIMITED LIABILITIES COMPANY
CHIEF EXECUTIVE : WU YONGMING (LEGAL REPRESENTATIVE)
REGISTERED CAPITAL : CNY 292,910,000
STAFF : 1,643
BUSINESS CATEGORY : MANUFACTURING & TRADING
REVENUE : CNY 304,756,000 (FROM JAN. 1, 2017 TO JUN. 30, 2017)
EQUITIES : CNY 976,801,000 (AS OF JUN. 30, 2017)
WEBSITE : www.china-qiyuan.com
E-MAIL : ie@china-qiyuan.com & sales3@china-qiyuan.com
PAYMENT : NO COMPLAINTS
MARKET CONDITION : COMPETITIVE
FINANCIAL CONDITION : FAIRLY STABLE
OPERATIONAL TREND : FAIRLY STEADY
GENERAL REPUTATION : AVERAGE

Adopted abbreviations (as follows)

SC - Subject Company (the company inquired by you)

N/A – Not available

CNY – China Yuan Ren Min Bi

OPERATIONAL TREND & GENERAL REPUTATION

This section aims at indicating the relative positions of SC in respect of its operational trend & general reputation

Operational Trend:-

Upward
Steady
Fairly Steady
Ordinary
Fair
Stagnant
Downward
Not known
Not yet be determined

General Reputation:-

Excellent
Good
Fairly Good
Average
Fair
Detrimental
Not known
Not yet be determined

LEGAL STATUS & HISTORY

SC was established as a limited liabilities company of PRC with State Administration of Industry & Commerce (SAIC) under Unified Social Credit Code: 916400007150706192.

SC's Import and Export Enterprise Code: 6400715070619

SC's registered capital: CNY 292,910,000

SC's paid-in capital: CNY 292,910,000

Registration Change Record:-

Date	Change of Contents	Before the change	After the change
2008-8	Registration No. Registered Capital	6400001200229 CNY 129,700,000	640000000000414 CNY 292,910,000
2015-10-20	Registration No./ Unified social credit code	640000000000414	916400007150706192
2017-4-12	Legal Representative	Hu Jidong	Wu Yongming

Current Co search indicates SC's shareholders & chief executives are as follows:-

Name of Shareholder (s)	% of Shareholding
Ningxia Funing Investment Group Co., Ltd.	1.3895
Hu Jidong	22.3640
Li Ping	7.9485
Ju Lihong	3.9918

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.

Zhang Wei	3.9918
Man Hui	3.9918
Huang Yonggang	3.2746
Xie Shulan	3.0051
Other 40 individuals	50.0429

SC's Chief Executives:-

Position	Name
Legal Representative, Chairman and General Manager	Wu Yongming
Director	Wang Haijun
	Li Xuebing
	Sun Jianfeng
	Zhang Wei
	Liu Xiaoqiang
	Li Zhongmin
Supervisor	Hu Zhinian
	Zhang Yongqiang

RECENT DEVELOPMENT

SC has got the United States FDA certification and Europe COS certification.

SHAREHOLDER CHART & BACKGROUND

<i>Name</i>	<i>% of Shareholding</i>
Ningxia Funing Investment Group Co., Ltd.	1.3895
Hu Jidong	22.3640
Li Ping	7.9485
Ju Lihong	3.9918
Zhang Wei	3.9918
Man Hui	3.9918
Huang Yonggang	3.2746
Xie Shulan	3.0051

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.

Other 40 individuals

50.0429

✚ Ningxia Funing Investment Group Co., Ltd.

Date of Registration: June 7, 1990
Registration No.: 64000000000844
Chief Executive : Liu Yuanguan
Registered Capital: CNY 1,000,000,000

MANAGEMENT

Wu Yongming, Legal Representative, Chairman and General Manager

-
- Gender: M
 - Nationality: China
 - Qualification: University
 - Working experience (s):

At present, working in SC as legal representative, chairman and general manager

Director

Wang Haijun
Li Xuebing
Sun Jianfeng
Zhang Wei
Liu Xiaoqiang
Li Zhongmin

Supervisor

Hu Zhinian
Zhang Yongqiang

BUSINESS OPERATION

SC's registered business scope includes manufacturing and selling chemical raw materials, chemical raw materials intermediate (Erythromycin Thiocyanate), chemical medicine preparation; Chinese medicine development, production, marketing, the export business of technology; processing and selling medlar, Qizhenxibao capsule, Qizhensenbao capsule, Qiyuan Qisheng capsule, Fuyanning plug; manufacturing and selling pesticides (Avermectin TC), feed, feed additives, food additives, fertilizer; corn acquisition, processing and its subsidiary product processing; engaging in import business of its own products, the necessary raw and auxiliary materials, machinery and equipment, instruments, spare parts and related technology; processing with

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.

imported materials, processing with imported samples, assembling with imported parts, and compensation trade in agreement; processing system box, barrel, gland; packaging and decorating printed matters; heating.

SC is mainly engaged in manufacturing and selling troche, capsule, granule, and bulk drug.

SC's products mainly include: tetracycline hydrochloride, tetracycline, carbenoxolone sodium, 18-β-glycyrrhethinic acid, erythromycin thiocyanate, tetracycline hydrochloride capsules, marine, etc.



SC sources its materials 100% from domestic market, mainly Ningxia. SC sells 70% of its products in domestic market, and 30% to overseas market, mainly Southeast Asia, etc.

The buying terms of SC include Check, T/T and Credit of 30-60 days. The payment terms of SC include Check, T/T, L/C and Credit of 30-60 days.

Major Customers

=====
Ningxia Qiyuan Guoyao Co., Ltd.
Helm New York Inc.
Unimax Chemicals Pvt Ltd.
C J Shah & Co.
Genfar S.A.

Staff & Office:

SC is known to have approx. 1,643 staff at present.

SC owns an area as its operating office & factory of approx. 170,000 sq. meters at the heading address.



RELATED COMPANY

SC is known to have the following subsidiaries at present:

■ Qiyuan Industry Investment Co., Ltd.

Date of Registration: January 28, 2016
Unified Social Credit Code: 91641100MA75WDWD4Q
Chief Executive : Hu Jidong
Registered Capital: Cny 292,910,000

■ Ningxia Yuyuan Bio-Technology Co., Ltd.

Date of Registration: October 22, 2014
Unified Social Credit Code: 91640121317733157X
Chief Executive : Zhang Wei
Registered Capital: CNY 20,000,000

■ Ningxia Qiyuan Medicinal Co., Ltd

Date of Registration: August 8, 2002
Unified Social Credit Code: 916411007150166040
Chief Executive : Chen Lihong
Registered Capital: CNY 10,300,000

■ Ningxia Qiyuan Chinese Medicine Co., Ltd.

Date of Registration: November 22, 2001
Unified Social Credit Code: 91640000715028154D
Chief Executive : Zhou Hong
Registered Capital: CNY 62,000,000

PAYMENT

Overall payment appraisal:

Excellent Good Average Fair Poor Not yet be determined

The appraisal serves as a reference to reveal SC's payments habits and ability to pay. It is based on the 3 weighed factors: Trade payment experience (through current enquiry with SC's suppliers), our delinquent payment and our debt collection record concerning SC.

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.

Trade payment experience: SC did not provide any name of trade/service suppliers and we have no other sources to conduct the enquiry at present.

Delinquent payment record: None in our database.

Debt collection record: No overdue amount owed by SC was placed to us for collection within the last 6 years.

BANKING

Basic Bank:

Industrial and Commercial Bank of China Yinchuan Branch

AC#: 2902009209021003861

FINANCIALS

Financial Summary

Unit: CNY'000	As of Jun. 30, 2017
Total assets	2,018,721

Total liabilities	1,041,920
Equities	976,801

	From Jan. 1, 2017 to Jun. 30, 2017
Revenue	304,756
Profits	-121

Important Ratios

=====

	As of Jun. 30, 2017
*Liabilities to assets	0.52
*Net profit margin (%)	-0.04
*Return on total assets (%)	-0.01
*Revenue / Total assets	0.15

FINANCIAL COMMENTS

PROFITABILITY: AVERAGE

- The revenue of SC appears fairly good in its line.
- SC's net profit margin is fair.
- SC's return on total assets is fair.

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.

LIQUIDITY: FAIR

- SC's revenue is in a fair level, comparing with the size of its total assets.

LEVERAGE: AVERAGE

- The debt ratio of SC is average.
- The risk for SC to go bankrupt is low.

Overall financial condition of the SC: Fair.

CONCLUSIONS

SC is considered large-sized in its line with fair financial conditions.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.87
UK Pound	1	INR 94.75
Euro	1	INR 83.23
CNY	1	INR 10.61

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	SYL

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)