

## MIRA INFORM REPORT

<b>Report No. :</b>	533981
<b>Report Date :</b>	12.10.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	SAMWHA ELECTRIC CO., LTD.
<b>Registered Office :</b>	3, Bongmyeong-Ro, Heungdeok-Gu, Cheongju-Si, Chungcheongbuk-Do, Korea 28589
<b>Country :</b>	South Korea
<b>Financials (as on) :</b>	30.06.2018
<b>Date of Incorporation :</b>	10.12.1973
<b>Com. Reg. No.:</b>	315-81-00390
<b>Legal Form :</b>	Listed Company
<b>Line of Business :</b>	Manufacture of Electronic Capacitors. (Electrolytic Capacitors, Chip Style Electrolytic Capacitors, Conducting Polymer Aluminum Electrolytic Capacitors, Electric Double Layer Capacitors)
<b>No. of Employees :</b>	462

**RATING & COMMENTS**

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

**MIRA's Rating :**

A

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

<b>Status :</b>	Good
<b>Payment Behaviour :</b>	Regular
<b>Litigation :</b>	Clear

**NOTES:**

Any query related to this report can be made on e-mail: while quoting report number, name and date.

**ECGC Country Risk Classification List**

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
South Korea	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

**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.

**SOUTH KOREA - ECONOMIC OVERVIEW**

After emerging from the 1950-53 war with North Korea, South Korea emerged as one of the 20th century's most remarkable economic success stories, becoming a developed, globally connected, high-technology society within decades. In the 1960s, GDP per capita was comparable with levels in the poorest countries in the world. In 2004, South Korea's GDP surpassed one trillion dollars.

Beginning in the 1960s under President PARK Chung-hee, the government promoted the import of raw materials and technology, encouraged saving and investment over consumption, kept wages low, and directed resources to export-oriented industries that remain important to the economy to this day. Growth surged under these policies, and frequently reached double-digits in the 1960s and 1970s. Growth gradually moderated in the 1990s as the economy matured, but remained strong enough to propel South Korea into the ranks of the advanced economies of the OECD by 1997. These policies also led to the emergence of family-owned chaebol conglomerates such as Daewoo, Hyundai, and Samsung, which retained their dominant positions even as the government loosened its grip on the economy amid the political changes of the 1980s and 1990s.

The Asian financial crisis of 1997-98 hit South Korea's companies hard because of their excessive reliance on short-term borrowing, and GDP ultimately plunged by 7% in 1998. South Korea tackled difficult economic reforms following the crisis, including restructuring some chaebols, increasing labor market flexibility, and opening up to more foreign investment and imports. These steps lead to a relatively rapid economic recovery. South Korea also began expanding its network of free trade agreements to help bolster exports, and has since implemented 16 free trade agreements covering 58 countries—including the United State and China—that collectively cover more than three-quarters of global GDP.

In 2017, the election of President MOON Jae-in brought a surge in consumer confidence, in part, because of his successful efforts to increase wages and government spending. These factors combined with an uptick in export growth to drive real GDP growth to more than 3%, despite disruptions in South Korea's trade with China over the deployment of a US missile defense system in South Korea.

In 2018 and beyond, South Korea will contend with gradually slowing economic growth - in the 2-3% range - not uncommon for advanced economies. This could be partially offset by efforts to address challenges arising from its rapidly aging population, inflexible labor market, continued dominance of the chaebols, and heavy reliance on exports rather than domestic consumption. Socioeconomic problems also persist, and include rising inequality, poverty among the elderly, high youth unemployment, long working hours, low worker productivity, and corruption.

Source : CIA

## **BASIC INFORMATION**

Company Name	SAMWHA ELECTRIC CO., LTD.
Registered Address	3, Bongmyeong-ro, Heungdeok-gu, Cheongju-si, Chungcheongbuk-do, Korea (Old Address System : 92, Bokdae-dong, Heungdeok-gu, Cheongju-si, Chungcheongbuk-do, Korea)
Building	--
Zip Code	28589
Tel	+82-43-261-0200
Fax	+82-43-263-8334
E-mail	sesale1@samwha.com
Website	www.samwha.co.kr/electric
Trading Address	Samyoung Bldg., 10, Nonhyeon-ro 152-gil, Gangnam-gu, Seoul, Korea (Old Address System : Samyoung Bldg., 587-8, Sinsa-dong, Gangnam-gu, Seoul, Korea)
Tel	+82-2-544-9111
Fax	+82-2-546-0440
Other Address-Chungju	524, Gugwon-daero, Chungju-si, Chungcheongbuk-do, Korea
Factory	(Old Address System : 240-4, Mokhaeng-dong, Chungju-si, Chungcheongbuk-do, Korea)
Tel	+82-43-853-2404
Fax	+82-43-853-2408
Type	Export/Import
Industry	Manufacture of Electronic Capacitors
Main Business	Electrolytic Capacitors, Chip Style Electrolytic Capacitors, Conducting Polymer Aluminum Electrolytic Capacitors, Electric Double Layer Capacitors
Sub Business	
Established (mm/dd/yyyy)	12/10/1973

## **DETAILED PRODUCTS**

Activity	Detailed Products (UNSPSC)
Sell	Capacitors(32121500)
Sell	Inductors(32121702)
Sell	Variable capacitors or varactors(32121502)
Sell	Radio frequency RF filters(32101521)
Sell	Surface Mount Aluminum Electrolytic Capacitors

## **CEO'S**

Name Park Jong-On

**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.

Date of Birth 08/07/1959  
Title President & CEO  
Nationality Korean

## **PROFILES**

Capital (KRW) 6,613,820,000  
Employees 462  
Formation Listed Company (Korea Stock Exchange : 009470) as of 11/24/1986  
A Company of Samwha Capacitor Group  
Foreign Direct Investment Corporation

Bank Details Shinhan Bank-Hak Dong Branch  
Corporate Registered No. 150111-0000856  
Business Registered No. 315-81-00390  
Permit & Licenses 02/21/1994 ISO 9002  
02/02/1995 ISO 9001  
05/22/1996 Single PPM  
12/09/1998 ISO 14001  
12/09/2004 ISO/TS 16949:2002

Shareholder Position	Name	Shares	%
	NICHICON CORP.(JAPAN)	1,508,000	22.80
	SAMWHA CAPACITOR CO., LTD.(134511-0003696)	165,780	2.51
	OH YOUNG-JOO	1,356,580	20.51
	OH YOUNG-HO	166,280	2.51
	OTHERS	3,417,180	51.67
	<b>TOTAL</b>	<b>6,613,820</b>	<b>100.00</b>

Company History 12/10/1973 Incorporated as SAMWHA NICHICON CO., LTD.  
11/24/1974 Changed company name to the present name  
11/30/1985 Awarded US\$20 Million Export Top Prize  
11/24/1986 Listed at Korea Stock Exchange(KSE)  
11/30/1988 Awarded US\$50 Million Export Top Prize  
03/19/2004 Increased the authorized shares to 20,000,000 shares from 15,000,000 shares

## **MANAGEMENT**

Job Description	Name	Nationality	Date of Birth	Inauguration Date
Chairman & CEO	Oh Young-Joo	Korean	01/16/1959	03/19/1999
President & CEO	Park Jong-On	Korean	08/07/1959	01/04/2016
Sr. Executive Director	Seo Ha-Seok	Korean	10/30/1954	03/19/2010
Outside Director	Kang Hui-Won	Korean	10/24/1949	03/19/2007

**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.

Director	Akihiro Yano	Japanese	12/18/1957	03/21/2014
Auditor	Hur Young-Do	Korean	07/16/1953	03/22/2013
Auditor	Chikano Hitoshi	Japanese	12/05/1960	03/18/2016

## **FINANCIALS**

Year / Unit : KRW	Sales	Assets	Net Income
06/2018	79,120,974,220	123,804,324,631	5,036,622,970
2017	153,869,066,011	108,031,151,962	7,315,258,571
2016	144,067,046,036	105,119,787,135	-590,443,864
2015	135,970,171,445	108,328,375,902	-3,743,773,457
2014	135,592,578,434	106,413,266,962	-742,628,011
2013	149,827,338,231	113,957,099,058	-1,518,871,582

## **FINANCIAL DESCRIPTION**

Authorized Capital(KRW)	20,000,000,000
Paid-Up Capital(KRW)	6,613,820,000
Total Issued Shares	6,613,820

### **Balance Sheet**

Unit : Korean Won	01/01/2018~06/30/2018	As of 12/31/2017	As of 12/31/2016
Total Assets	123,804,324,631	108,031,151,962	105,119,787,135
Current Assets	50,034,673,130	44,865,291,472	48,688,467,228
Cash & Cash Equivalents	1,818,596,944	1,876,929,096	1,125,130,600
Trade Receivables & Other Receivables	33,887,719,311	30,572,486,987	33,123,304,718
Current Financial Instruments	1,894,465,627	880,609,040	748,530,081
Inventories	12,328,917,279	11,410,087,859	13,566,164,284
Deferred Income Tax Assets	874,544	874,544	0
Other Current Assets	104,099,425	124,303,946	125,337,545
Non-Current Assets	73,769,651,501	63,165,860,490	56,431,319,907
Non-Current Financial Instruments		15,340,872,303	6,203,415,621
Other comprehensive income-fair value measurement financial assets	25,714,071,173		
Long-Term Trade Receivables & Other Receivables	225,000,000	378,510,000	529,224,000

**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.

**SAMWHA ELECTRIC CO., LTD. - 533981**

**PAGE NO. : 7**

Investment_Related Companies	18,414,376,525	18,414,376,525	18,643,094,925
Return Coupon	415,006,136	0	
Tangibles	28,745,920,377	28,826,736,875	30,774,597,286
Intangibles	255,277,290	205,364,787	280,988,075
Total Liabilities	74,549,191,131	71,413,201,239	83,079,436,473
Current Liabilities	58,054,343,809	56,025,275,143	67,598,939,875
Trade Payables	30,011,326,564	25,666,627,197	30,382,429,520
Short-Term Borrowings	22,159,706,622	25,556,860,507	32,834,630,498
Other Current Financial Debts	5,295,441,040	4,224,878,597	3,780,884,978
Deferred Income Tax Credit	183,715,798	111,680,967	471,002
Other Current Liabilities	404,153,785	465,227,875	600,523,877
Non-Current Liabilities	16,494,847,322	15,387,926,096	15,480,496,598
Long-Term Trade Payables & Other Payables	38,136,954	31,515,747	125,975,928
Provision for sales warrant	108,706,358	102,759,627	
Other Non-Current Provisions	0	317,434,579	48,490,017
Refund Debt	490,491,310	0	
Long-term employee provision	125,231,773	119,473,717	0
Provision for Severance & Retirement	13,168,404,587	12,903,233,210	13,392,521,437
Deferred Income Tax Credit	2,563,876,340	1,913,509,216	1,913,509,216
Capital Stock	6,613,820,000	6,613,820,000	6,613,820,000
Capital Surplus	8,881,024,681	8,881,024,681	8,881,024,681
Others	15,805,525,186	7,763,467,295	635,572,483
Profit Surplus	17,954,763,633	13,359,638,747	5,909,933,498
Total Equity	49,255,133,500	36,617,950,723	22,040,350,662
Liab. & Shareholder's Equity	123,804,324,631	108,031,151,962	105,119,787,135

**Income Statement**

Unit : Korean Won	01/01/2018~06/30/2018	As of 12/31/2017	As of 12/31/2016
Sales	79,120,974,220	153,869,066,011	144,067,046,036
Cost of Sold Goods	67,583,725,281	133,502,346,286	129,519,302,632
Gross Profit	11,537,248,939	20,366,719,725	14,547,743,404
Selling & Admin. Expenses	7,027,146,837	15,871,935,078	14,130,661,852
Operating Income	4,510,102,102	4,494,784,647	417,081,552
Profits from Related Companies	46,666,900	16,494,524	-128,933,000
Finance Income	1,299,296,677	3,599,191,532	3,202,186,661
Finance Expenses	2,352,637,972	3,336,774,391	5,168,936,209
Other Income	286,932,193	865,642,238	1,466,986,479
Other Expenses	191,745,144	347,355,170	329,857,051
Income Before Taxes	3,598,614,756	5,291,983,380	-541,471,568
Income Taxes Expenses	-1,438,008,214	-2,023,275,191	48,972,296

**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.

Net Income	5,036,622,970	7,315,258,571	-590,443,864
------------	---------------	---------------	--------------

**Cash Flows**

Unit : Korean Won	01/01/2018~06/30/2018	As of 12/31/2017	As of 12/31/2016
Operating Activities Cash Flows	3,875,069,401	8,008,520,977	7,593,364,382
Net Income	5,036,622,970	7,315,258,571	-590,443,864
Adjustment	1,290,964,613	4,358,394,717	7,729,220,701
Changes in Asset/ & Liability	-1,976,804,173	-2,565,955,191	1,760,549,589
Interests Received	6,526,451	10,521,175	3,842,507
Dividends Received	135,481,650	92,824,437	107,556,906
Interests Paid	-503,804,093	-1,194,508,796	-1,358,483,889
Income Taxes	-113,918,017	-8,013,936	-58,877,568
Cash Flows from Investing	280,312,480	-59,669,921	571,889,686
Cash Flows from Financing	-4,226,558,852	-7,194,793,768	-7,333,232,691
Increase/Decrease in Cash	-58,332,152	751,798,496	833,039,204
Cash at the Beginning of Year	1,876,929,096	1,125,130,600	292,091,396
Cash at the End of Year	1,818,596,944	1,876,929,096	1,125,130,600

**PRODUCTS, TECHNOLOGIES, SERVICES  
DESCRIPTION**

Main Products & Services	Green-Cap (EDLC) Polymer Aluminum Electrolytic Capacitor Surface Mount Aluminum Electrolytic Capacitor Miniature Aluminum Electrolytic Capacitor Large Aluminum Electrolytic Capacitor
--------------------------	--

**TRADE PARTNERS & COMPETITORS**

Suppliers	--
Customers	--
Competitors	SAMSUNG ELECTRO-MECHANICS CO.,LTD.(130111-0001626) 314, MAETAN 3-DONG, YEONGTONG-GU, SUWON-SI, GYEONGGI-DO, KOREA TEL:+82-31-210-5114 FAX:+82-31-210-6363  HANSUNG ELCOMTEC CO.,LTD.(134811-0015546) 110-1, GALGOT-RI, JINWI-MYEON, PYEONGTAEK-SI, GYEONGGI-DO, KOREA

**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.

TEL:+82-31-372-6740 FAX:+82-31-372-6746

DONG IL ELECTRONICS CO., LTD.  
24, GAHEUNG-RI, GAGEUM-MYEON, CHUNGJU-SI,  
CHUNGCHONGBUK-DO, KOREA  
TEL:+82-43-855-7800 FAX:+82-43-855-7803

## ***RELATED PARTIES (SUBSIDIARIES, JOINT- VENTURE & AFFILIATES)***

Affiliates	SAMWHA ELECTRONICS CO., LTD (134811-0000563) SAMWHA CAPACITOR CO., LTD.(134511-0003696) SEOUL MUTUAL SAVINGS BANK(110111-0339427) SAMWHA TECOM CO., LTD.(134511-0001533) SAMWHA TRADING CO., LTD.(110111-0357312) KOREA JCC CO., LTD.(150111-0003967) SAMWHA ENTERPRISE CO., LTD.(161511-0001324)
Overseas Office	SAMWHA USA  SAMWHA HUNGARY (34.0% held by the subject company)  SAMWHA INDIA ENERGY SAVINGS PRIVATE LIMITED (50.0% held by the subject company)  SAMWHA THAILAND PT.SAMCON  SAMWHA HONG KONG (33.33% held by the subject company)  SAMWHA EUROPE (33.33% held by the subject company)  SAMWHA POLAND (15.00% held by the subject company)  TIANJIN SAMWHA ELECTRIC CO., LTD.(CHINA) (55.0% held by the subject company)
Subsidiary	QINGDAO SAMWHA ELECTRIC CO., LTD.(CHINA) SAMWHA TECOM CO., LTD.(134511-0001533) (20.00% held by the subject company)

TIANJIN SAMWHA ELECTRIC CO.,LTD.  
(55.00% held by the subject company)  
NO.12 SAIDA SHIJI HIGHWAY XIQING ECONOMIC TECHNOLOGICAL  
DEVELOPMENT AREA TIANJIN CHINA

PT. SAMWHA INDONESIA  
(100.0% held by SAMWHA TECOM CO., LTD.)  
CIKANANGA RT 06/02, CIKUMPAY CAMPAKA PURWAKARTA, JAWA  
BARAT, INDONESIA 41181

Cooperative Enterprise

-Insured Company  
LOTTE NON-LIFE INSURANCE CO., LTD.(110111-0014459)

## ***SALES BY REGION (ACTIVITY & MARKETS)***

Sales/ Unit :Thousand KRW	09/2017	2016	2015
Export	91,813,924		
Domestic	28,634,030		
Total	120,447,954		

## ***COURT ACTION***

No.

## ***NEWS CLIPPING***

-----

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 74.39
UK Pound	1	INR 98.30
Euro	1	INR 85.90
KRW	1	INR 0.065

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	VIVR
<b>Report Prepared by :</b>	NIT

**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)