

## MIRA INFORM REPORT

Report No. :	535994
Report Date :	23.10.2018

### IDENTIFICATION DETAILS

Name :	ANCA MANUFACTURING (THAILAND) LTD.
Registered Office :	Eastern Seaboard Industrial Estate, 109/14 Moo 4, T. Pluakdaeng, A. Pluakdaeng, Rayong 21140
Country :	Thailand
Financials (as on) :	30.06.2017
Date of Incorporation :	05.09.2005
Com. Reg. No.:	0215548002196
Legal Form :	Private Limited Company
Line of Business :	Manufacturer, Distributor and Exporter of High Precision CNC Grinding Machines
No. of Employees :	150

### RATING & COMMENTS

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

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

Status :	Satisfactory
Payment Behaviour :	No Complaints
Litigation :	Clear

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**NOTES:**

Any query related to this report can be made on e-mail: [infodept@mirainform.com](mailto: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)
Thailand	A2	A2

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

**THAILAND - ECONOMIC OVERVIEW**

With a relatively well-developed infrastructure, a free-enterprise economy, and generally pro-investment policies, Thailand is highly dependent on international trade, with exports accounting for about two-thirds of GDP. Thailand's exports include electronics, agricultural commodities, automobiles and parts, and processed foods. The industry and service sectors produce about 90% of GDP. The agricultural sector, comprised mostly of small-scale farms, contributes only 10% of GDP but employs about one-third of the labor force. Thailand has attracted an estimated 3.0-4.5 million migrant workers, mostly from neighboring countries.

Over the last few decades, Thailand has reduced poverty substantially. In 2013, the Thai Government implemented a nationwide 300 baht (roughly \$10) per day minimum wage policy and deployed new tax reforms designed to lower rates on middle-income earners.

Thailand's economy is recovering from slow growth during the years since the 2014 coup. Thailand's economic fundamentals are sound, with low inflation, low unemployment, and reasonable public and external debt levels. Tourism and government spending - mostly on infrastructure and short-term stimulus measures - have helped to boost the economy, and The Bank of Thailand has been supportive, with several interest rate reductions. Over the longer-term, household debt levels, political uncertainty, and an aging population pose risks to growth.

Source : CIA

## **COMPANY NAME**

**ANCA MANUFACTURING (THAILAND) LTD.**

## **SUMMARY**

**BUSINESS ADDRESS** : EASTERN SEABOARD INDUSTRIAL ESTATE,  
109/14 MOO 4, T. PLUAKDAENG, A. PLUAKDAENG,  
RAYONG 21140, THAILAND

**TELEPHONE** : [66] 38 959-252

**FAX** : [66] 38 959-251

**E-MAIL ADDRESS** : thaiinfo@anca.com

**REGISTRATION ADDRESS** : SAME AS BUSINESS ADDRESS

**ESTABLISHED** : 2005

**REGISTRATION/ TAX ID NO.** : 0215548002196

**CAPITAL REGISTERED** : BHT. 75,000,000

**CAPITAL PAID-UP** : BHT. 75,000,000

**SHAREHOLDER'S PROPORTION** : AUSTRALIAN : 100%

**FISCAL YEAR CLOSING DATE** : JUNE 30

**LEGAL STATUS** : PRIVATE LIMITED COMPANY

**EXECUTIVE** : MR. GRANTLY MARTIN ANDERSON, AUSTRALIAN  
GENERAL MANAGER

**NO. OF STAFF** : 150

**LINES OF BUSINESS** : HIGH PRECISION CNC GRINDING MACHINES  
MANUFACTURER, DISTRIBUTOR AND EXPORTER

## **CORPORATE PROFILE**

**OPERATING TREND** : STABLE

**PRESENT SITUATION** : OPERATING NORMALLY

**REPUTATION** : GOOD WITH NORMAL BUSINESS ENGAGEMENT

**MANAGEMENT STANDARD** : MANAGEMENT WITH FAIR PERFORMANCE

## ***HISTORY***

The subject was established on September 5, 2005 as a private limited company under the registered name ANCA MANUFACTURING (THAILAND) LTD., by Australian groups, with the business objective to manufacture CNC tools and cutter grinding machines for both local and overseas markets. It currently employs approximately 150 staff.

Subject is a wholly owned subsidiary of ANCA Pty Ltd., Australia, which is a member of ANCA group. Its offices are located in the U.K., Germany, Italy, Japan, Republic of China, Brazil, India, and U.S.A., as well as a comprehensive global network of representatives and agents.

The subject's registered address is Eastern Seaboard Industrial Estate, 109/14 Moo 4, T. Pluakdaeng, A. Pluakdaeng, Rayong 21140, and this is the subject's current operation address.

## ***THE BOARD OF DIRECTOR***

<u>Name</u>	<u>Nationality</u>	<u>Age</u>
Mr. Patrick Gerard Boland	Australian	70
Mr. Patrick John Mccluskey	Australian	70
Mr. Grantly Martin Anderson	Australian	64
Mrs. Yanisa Ninlawong	Thai	48

## ***AUTHORIZED PERSON***

Any of the above directors can sign on behalf of the subject with company's affixed.

## ***MANAGEMENT***

**Mr. Grantly Martin Anderson** is the General Manager.  
He is Australian nationality with the age of 64 years old.

**Mr. Thanaphan Thungphudaeng** is the Factory Manager.  
He is Thai nationality.

**Mrs. Yanisa Ninlawong** is the Financial & Administration Manager.  
She is Thai nationality with the age of 48 years old.

**Mr. Rattapoom Jirakajorn** is the Quality Manager.  
He is Thai nationality.

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## **BUSINESS OPERATIONS**

The subject is engaged in design and manufacturing high precision CNC grinding machines and assembly including computerized machine tools, as well as software and accessories for machine tools and metal-based industries.

### **PRODUCTION CAPACITY**

1,500 sets per annum

### **BRAND NAME**

"ANCA"

### **PURCHASE**

Most of raw materials such as metal parts, electronics parts and etc., are purchased from local suppliers, the remaining and equipment are imported from Australia, Republic of China, Germany, India and United States of America.

### **MAJOR SUPPLIERS**

ANCA Pty Ltd. : Australia  
ANCA Machine Tool (Shanghai) Co., Ltd. : Republic of China

### **EXPORT**

80% of the products is exported to Australia, Republic of China, India, Germany, Korea, United States of America, Brazil, Japan, Malaysia, Singapore, Vietnam, Taiwan, Indonesia, Philippines, United Kingdom, Italy and the country in Africa.

### **SALES [LOCAL]**

20% of the products is sold and serviced locally to manufacturers and end-users.

### **MAJOR CUSTOMERS**

Sahamit Machinery Public Company Limited : Thailand  
ANCA Machine Tool (Shanghai) Co., Ltd. : Republic of China  
ANCA Pty Ltd. : Australia  
CKB Corporation : Japan  
Anca Motion Taiwan Co., Ltd. : Taiwan  
PT. Jaya Metal Teknika : Indonesia  
Rieckermann Vietnam Co., Ltd. : Vietnam

## ***SUBSIDIARY AND AFFILIATED COMPANY***

The subject is not found to have any subsidiary or affiliated company here in Thailand.

## ***LITIGATION***

### Bankruptcy and Receivership

There are no litigation on bankruptcy and receivership cases filed against the subject found at Legal Execution Department for the past five years.

### Others

There are no legal suits filed against the subject according for the past two years.

## ***CREDIT***

Sales are by cash or on the credits term of 30-60 days.

Local bills are paid by cash or on the credits term of 30-60 days.

Imports are by L/C at sight or T/T.

Exports are against L/C at sight or T/T.

## ***BANKING***

Bangkok Bank Public Company Limited

The Hong Kong and Shanghai Banking Corporation [Bangkok Branch]

## ***EMPLOYMENT***

The subject employs approximately 150 staff, comprising 100 permanent staff and 50 sub-contract staff.

## ***LOCATION DETAILS***

The premise is owned for administrative office, factory and warehouse at the heading address. Premise is located in industrial area.

## ***COMMENT***

The subject is a subsidiary of ANCA Pty Ltd. It has been set up as a manufacturing plant and provides additional manufacturing capacity to ANCA's main factory in Australia. It currently boasts a solid range of CNC machines. All products are complemented by ANCA's leading edge software and meet specific production requirement.

As of June 30, 2017, the subject's operating performance was slowdown from a decrease in both sales revenues and net profit comparing to the previous year. Nevertheless, its business remains profitable with a large amount of unappropriated retained earning.

## ***FINANCIAL INFORMATION***

The capital was registered at Bht. 16,200,000 divided into 3,240,000 shares of Bht. 5 each.

On June 25, 2007, the capital was increased to Bht. 75,000,000 divided into 15,000,000 shares of Bht. 5 each with fully paid.

## ***THE SHAREHOLDERS LISTED WERE***

[As at October 20, 2017]

<u>NAME</u>	<u>HOLDING</u>	<u>%</u>
<b>ANCA Pty Ltd.</b> Nationality: Australian Address : 25 Gatwick Rd., Bayswater, North Victoria, Australia 3153	14,999,985	100.00
<b>Mr. Patrick John Mccluskey</b> Nationality: Australian Address : 6 Kingfield Court, Camberwell, North Victoria, Australia 3123	5	-
<b>Mr. Patrick Gerard Boland</b> Nationality: Australian Address : 73 Alfred Street, Kew, Victoria, Australia 3101	5	-
<b>Mr. Grantly Martin Anderson</b> Nationality: Australian Address : 25 Gatwick Rd., Bayswater, North Victoria, Australia 3153	5	-

**Total Shareholders : 4**

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## **SHARE STRUCTURE**

[As at October 20, 2017]

Nationality	Shareholders	No. of Share	% Shares
Thai	-	-	-
Foreign - Australian	4	15,000,000	100.00
<b>Total</b>	<b>4</b>	<b>15,000,000</b>	<b>100.00</b>

## **NAME OF AUDITOR & CERTIFIED PUBLIC ACCOUNTANT NO.**

Mr. Sittichoke Kwansong No. 4346

## **BALANCE SHEET [BAHT]**

The latest financial figures published as at June 30, 2017, 2016 and 2015 were:

	<b>ASSETS</b>		
<b>Current Assets</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Cash and Cash Equivalents	112,756,859.91	33,369,915.99	64,605,422.58
Trade Accounts Receivable	188,244,304.04	69,954,323.31	2,882,228,682.29
Trade Accounts Receivable - Parent company and Related company	2,458,863,304.63	2,489,771,567.07	-
Inventories	330,929,469.08	282,587,008.68	334,060,829.95
Refundable Value Added Tax	32,859,790.29	15,648,155.86	-
Prepaid Expenses	1,031,575.02	1,722,016.91	-
Other Current Assets	2,103,794.49	151,000.00	17,415,384.99
<b>Total Current Assets</b>	<b>3,126,789,097.46</b>	<b>2,893,203,987.82</b>	<b>3,298,310,319.81</b>
Cash at Bank Pledged as a Collateral	536,284.36	522,480.29	-
Property, Plant and Equipment	53,251,159.03	58,641,867.79	62,750,433.37
Intangible Assets	621,729.73	120,622.87	62,150.97
Other Non-current Assets	800,256.00	450,756.00	755,194.29

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***ANCA MANUFACTURING (THAILAND) LTD. - 535994***

***PAGE NO. : 10***

**Total Assets** 3,181,998,526.58 2,952,939,714.77 3,361,878,098.44

**LIABILITIES & SHAREHOLDERS' EQUITY [BAHT]**

<b>Current Liabilities</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Trade Accounts Payable	105,323,212.31	56,228,805.67	2,164,951,420.00
Trade Accounts Payable - Parent company and Related company	2,097,017,144.84	1,899,177,989.62	-
Accrued Income Tax	-	12,930,297.48	11,099,315.48
Advance Deposits	177,496,260.50	49,572,262.83	-
Accrued Expenses	21,716,078.04	39,035,723.51	-
Accrued Dividend	105,000,000.00	-	-
Withholding Tax	41,567,096.80	997,288.23	-
Other Current Liabilities	217.45	293,384.95	179,677,359.78
<b>Total Current Liabilities</b>	<b>2,548,120,009.94</b>	<b>2,058,235,752.29</b>	<b>2,355,728,095.26</b>
Employee Benefit Obligation	5,805,087.13	5,951,463.83	4,871,463.83
<b>Total Liabilities</b>	<b>2,553,925,097.07</b>	<b>2,064,187,216.12</b>	<b>2,360,599,559.09</b>
<b>Shareholders' Equity</b>			
Share capital : Baht 5 par value authorized, and issued share capital 15,000,000 shares	75,000,000.00	75,000,000.00	75,000,000.00
Capital Paid	75,000,000.00	75,000,000.00	75,000,000.00
Retained Earnings: [Deficit]			
Appropriated for Statutory Reserve	20,588,711.26	20,588,711.26	20,588,711.26
Unappropriated	532,484,718.25	793,163,787.39	905,689,828.09
<b>Total Shareholders' Equity</b>	<b>628,073,429.51</b>	<b>888,752,498.65</b>	<b>1,001,278,539.35</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>3,181,998,526.58</b>	<b>2,952,939,714.77</b>	<b>3,361,878,098.44</b>

***PROFIT & LOSS ACCOUNT***

<b>Revenue</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Sales Income	2,122,569,281.63	2,614,164,121.45	2,416,678,557.28
Gain on Exchange Rate	10,289,803.47	-	-
Other Income	177,066.39	1,618,089.15	6,096,192.88

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<b>Total Revenues</b>	2,133,036,151.49	2,615,782,210.60	2,422,774,750.16
<b>Expenses</b>			
Cost of Goods Sold	1,880,991,730.14	2,128,679,732.73	1,923,837,585.99
Selling Expenses	96,422,792.60	140,342,170.58	129,308,850.88
Administrative Expenses	110,881,167.09	119,658,149.52	110,415,537.52
Other Expenses	-	17,932,850.78	105,018,317.66
<b>Total Expenses</b>	<b>2,088,295,689.83</b>	<b>2,406,612,903.61</b>	<b>2,268,580,292.05</b>
Profit / [Loss] before Financial Cost & Income Tax	44,740,461.66	209,169,306.99	154,194,458.11
Financial Costs	-	[375,124.20]	[5,582,245.85]
Profit / [Loss] before Income Tax	44,740,461.66	208,794,182.79	148,612,212.26
Income Tax	[5,419,530.80]	[21,320,223.49]	[15,838,338.17]
<b>Net Profit / [Loss]</b>	<b>39,320,930.86</b>	<b>187,473,959.30</b>	<b>132,773,874.09</b>

## ***FINANCIAL ANALYSIS***

ITEM	UNIT	2017	2016	2015
<b>LIQUIDITY RATIO</b>				
CURRENT RATIO	TIMES	1.23	1.41	1.40
QUICK RATIO	TIMES	1.08	1.26	1.25
<b>ACTIVITY RATIO</b>				
FIXED ASSETS TURNOVER	TIMES	39.86	44.58	38.51
TOTAL ASSETS TURNOVER	TIMES	0.67	0.89	0.72
INVENTORY CONVERSION PERIOD	DAYS	64.22	48.45	63.38
INVENTORY TURNOVER	TIMES	5.68	7.53	5.76
RECEIVABLES CONVERSION PERIOD	DAYS	32.37	9.77	435.31
RECEIVABLES TURNOVER	TIMES	11.28	37.37	0.84
PAYABLES CONVERSION PERIOD	DAYS	20.44	9.64	410.75
CASH CONVERSION CYCLE	DAYS	76.15	48.58	87.95
<b>PROFITABILITY RATIO</b>				
COST OF GOODS SOLD	%	88.62	81.43	79.61
SELLING & ADMINISTRATION	%	9.77	9.95	9.92
INTEREST	%	-	0.01	0.23
GROSS PROFIT MARGIN	%	11.87	18.63	20.65
NET PROFIT MARGIN BEFORE EX. ITEM	%	2.11	8.00	6.38
NET PROFIT MARGIN	%	1.85	7.17	5.49
RETURN ON EQUITY	%	6.26	21.09	13.26

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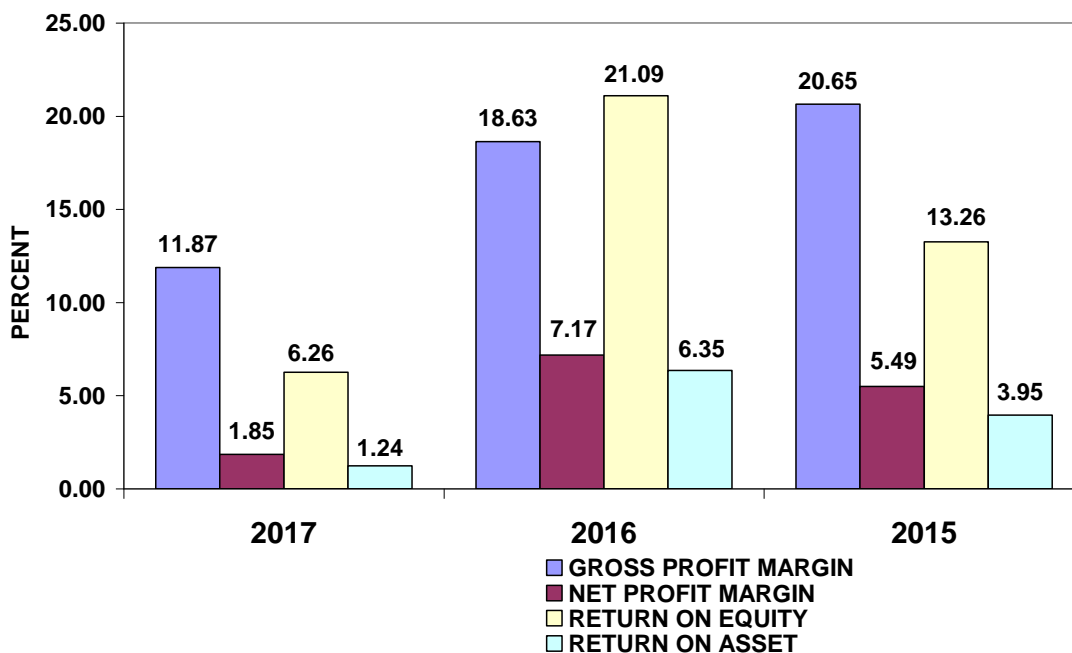
**PAGE NO. : 12**

RETURN ON ASSET	%	1.24	6.35	3.95
EARNING PER SHARE	BAHT	2.62	12.50	8.85
<b>LEVERAGE RATIO</b>				
DEBT RATIO	TIMES	0.80	0.70	0.70
DEBT TO EQUITY RATIO	TIMES	4.07	2.32	2.36
TIME INTEREST EARNED	TIMES	-	557.60	27.62
<b>ANNUAL GROWTH</b>				
SALES GROWTH	%	(18.81)	8.17	
OPERATING PROFIT	%	(78.61)	35.65	
NET PROFIT	%	(79.03)	41.20	
FIXED ASSETS	%	(9.19)	(6.55)	
TOTAL ASSETS	%	7.76	(12.16)	

**ANNUAL GROWTH: RISKY**

An annual sales growth is -18.81%. Turnover has decreased from THB 2,614,164,121.45 in 2016 to THB 2,122,569,281.63 in 2017. While net profit has decreased from THB 187,473,959.30 in 2016 to THB 39,320,930.86 in 2017. And total assets has increased from THB 2,952,939,714.77 in 2016 to THB 3,181,998,526.58 in 2017.

**PROFITABILITY : IMPRESSIVE**



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**PROFITABILITY RATIO**

Gross Profit Margin	11.87	Impressive	Industrial Average	7.61
Net Profit Margin	1.85	Satisfactory	Industrial Average	2.66
Return on Assets	1.24	Satisfactory	Industrial Average	1.51
Return on Equity	6.26	Impressive	Industrial Average	3.54

Gross Profit Margin used to assess a firm's financial health by revealing the proportion of money left over from revenues after accounting for the cost of goods sold. Gross profit margin serves as the source for paying additional expenses and future savings. Gross Profit Margin is 11.87%. When compared with the industry average, the ratio of the company was higher, indicated that company was more profitable than the same industry.

Net Profit Margin is the indicator of the company's efficiency in that net profit takes into consideration all expenses of the company. A low profit margin indicates a low margin of safety, higher risk that a decline in sales will erase profits and result in a net loss. The company's figure is 1.85%. When compared with the industry average, the ratio of the company was lower.

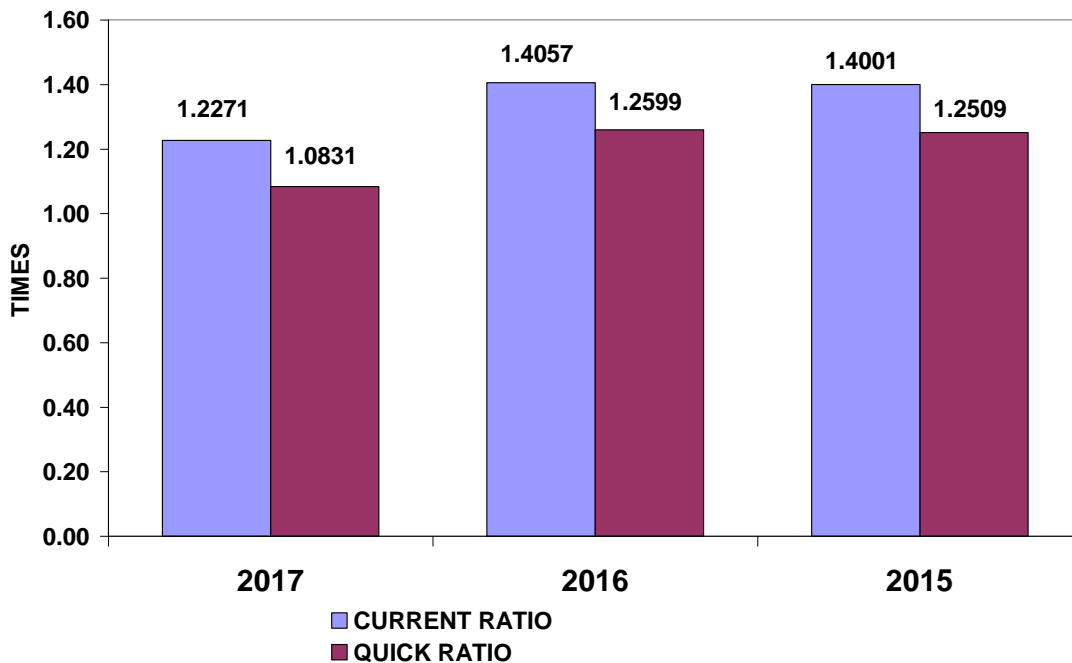
Return on Assets measures how efficiently profits are being generated from the assets employed in the business when compared with the ratios of firms in a similar business. A low ratio in comparison with industry averages indicates an inefficient use of business assets. When compared with the industry average, it was lower, the company's figure is 1.24%.

Return on Equity indicates how profitable a company is by comparing its net income to its average shareholders' equity, ROE measures how much the shareholders earned for their investment in the company. Return on Equity ratio is 6.26%, higher figure when compared with those of its average competitors in the same industry, indicated that business was an efficient profit in a dominant position within its industry.

**Trend of the average competitors in the same industry for last 5 years**

Return on Assets	Downtrend
Return on Equity	Downtrend

**LIQUIDITY : ACCEPTABLE**



**LIQUIDITY RATIO**

Current Ratio	1.23	Satisfactory	Industrial Average	1.44
Quick Ratio	1.08			
Cash Conversion Cycle	76.15			

The Current Ratio is to ascertain whether a company's short-term assets are readily available to pay off its short-term liabilities. The company's figure is 1.23 times in 2017, decrease from 1.41 times, then it is generally considered to have good short-term financial strength. When compared with the industry average, the ratio of the company was lower.

The Quick Ratio is a liquidity indicator that further refines the current ratio by measuring the amount of the most liquid current assets there are to cover current liabilities. The company's figure is 1.08 times in 2017, decrease from 1.26 times, although excluding inventory so the company still have good short-term financial strength.

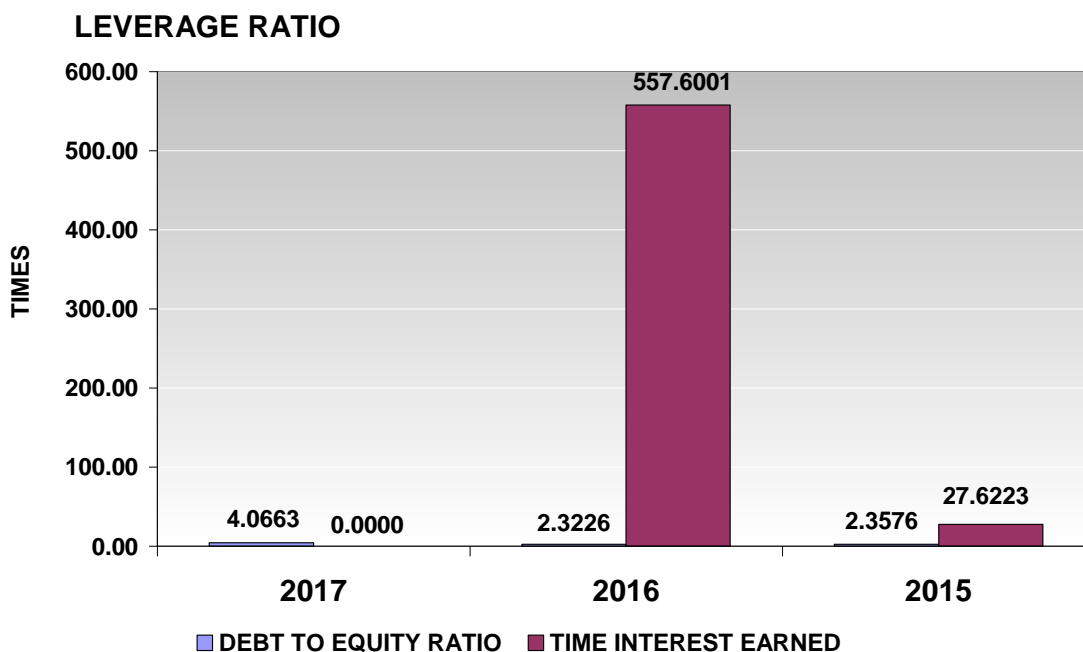
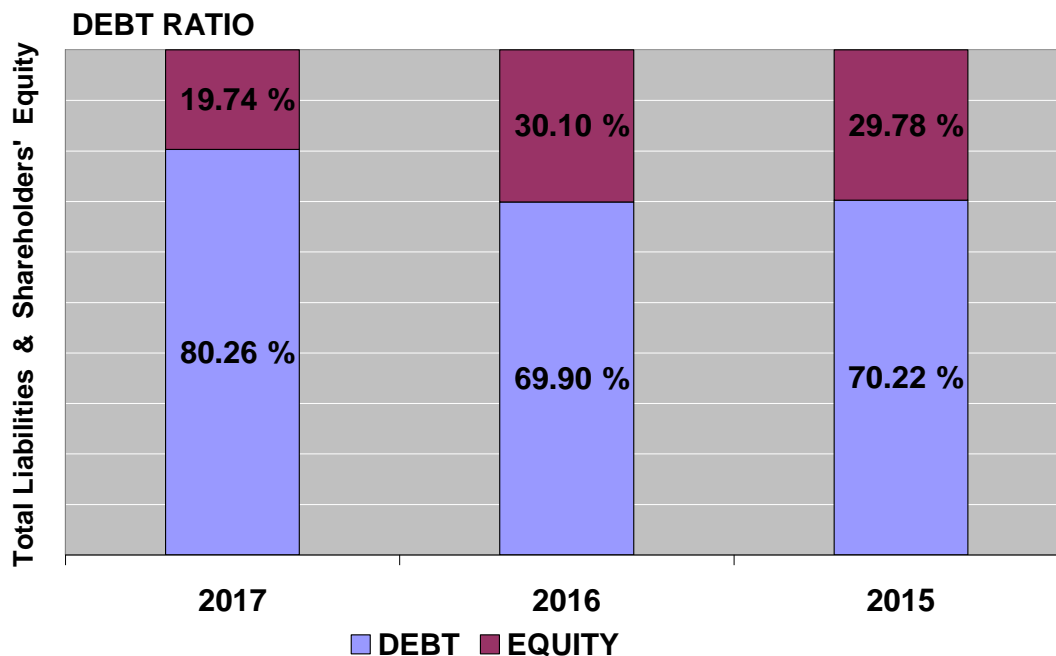
The Cash Conversion Cycle measures the number of days a company's cash is tied up in the production and sales process of its operations and the benefit from payment terms from its creditors. It meant the company could survive when no cash inflow was received from sale for 77 days.

**Trend of the average competitors in the same industry for last 5 years**

Current Ratio                      Downtrend

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**LEVERAGE : RISKY**



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**LEVERAGE RATIO**

Debt Ratio	0.80	Acceptable	Industrial Average	0.60
Debt to Equity Ratio	4.07	Risky	Industrial Average	1.48
Times Interest Earned	-		Industrial Average	-

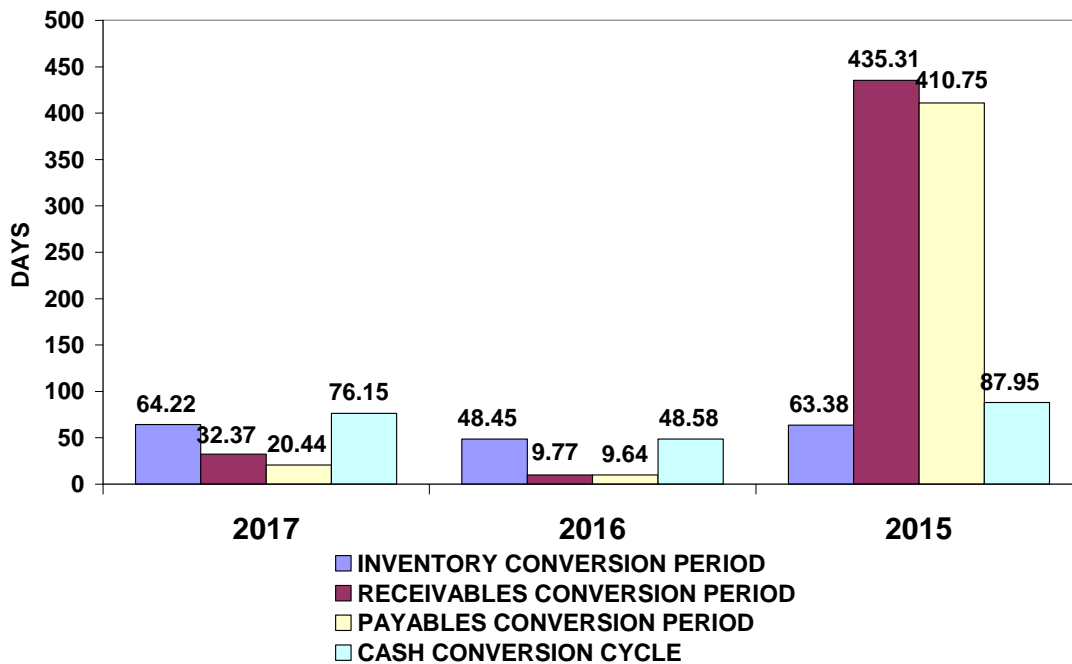
Debt to Equity Ratio a measurement of how much suppliers, lenders, creditors and obligors have committed to the company versus what the shareholders have committed. A higher the percentage means that the company is using less equity and has stronger leverage position.

Debt Ratio shows the proportion of a company's assets which are financed through debt. The company's figure is 0.8 greater than 0.5, most of the company's assets are financed through debt.

**Trend of the average competitors in the same industry for last 5 years**

Debt Ratio	Uptrend
Times Interest Earned	Stable

**ACTIVITY: EXCELLENT**



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**ACTIVITY RATIO**

Fixed Assets Turnover	39.86	Impressive	Industrial Average	-
Total Assets Turnover	0.67	Impressive	Industrial Average	0.57
Inventory Conversion Period	64.22			
Inventory Turnover	5.68	Impressive	Industrial Average	2.08
Receivables Conversion Period	32.37			
Receivables Turnover	11.28	Impressive	Industrial Average	2.14
Payables Conversion Period	20.44			

The company's Account Receivable Ratio is calculated as 11.28 and 37.37 in 2017 and 2016 respectively. This ratio measures the efficiency of the company in managing its trade debtors to generate revenue. A lower ratio may indicate over extension and collection problems. Conversely, a higher ratio may indicate an overly stringent policy. In this case, the company's A/R ratio in 2017 decreased from 2016. This would suggest the company had deteriorated in the management of its debt collections.

Inventory Turnover in Days Ratio indicates the liquidity of inventory. It estimates the number of days that it will take to sell the current inventory. Inventory is particularly sensitive to change in business activities. The inventory turnover in days has increased from 48 days at the end of 2016 to 64 days at the end of 2017. This represents a negative trend. And Inventory turnover has decreased from 7.53 times in year 2016 to 5.68 times in year 2017.

The company's Total Asset Turnover is calculated as 0.67 times and 0.89 times in 2017 and 2016 respectively. This ratio is determined by dividing total assets into total sales turnover. The ratio measures the activity of the assets and the ability of the firm to generate sales through the use of the assets.

**Trend of the average competitors in the same industry for last 5 years**

Fixed Assets Turnover	Stable
Total Assets Turnover	Downtrend
Inventory Turnover	Downtrend
Receivables Turnover	Downtrend

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.94
UK Pound	1	INR 90.21
Euro	1	INR 79.64
Thai Baht	1	INR 2.07

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

**INFORMATION DETAILS**

Analysis Done by :	NIS
Report Prepared by :	NIT

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**RATING EXPLANATIONS**

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)