

## MIRA INFORM REPORT

Report No. :	524491
Report Date :	11.08.2018

### IDENTIFICATION DETAILS

Name :	MONSANTO THAILAND LIMITED
Registered Office :	22nd Floor, Rasa Tower I, 555 Phaholyothin Road, Chatuchak, Bangkok 10900
Country :	Thailand
Financials (as on) :	31.08.2017
Date of Incorporation :	23.02.1968
Com. Reg. No.:	0105511001065
Legal Form :	Private Limited Company
Line of Business :	The subject is engaged in researching and developing corn seeds
No. of Employees :	300

**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+	Low Risk	Business dealings permissible with low 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 : [infodept@mirainform.com](mailto:infodept@mirainform.com) while quoting report number, name and date.

**ECGC Country Risk Classification List**

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
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**

**MONSANTO THAILAND LIMITED**

## **SUMMARY**

**BUSINESS ADDRESS** : 22<sup>nd</sup> FLOOR, RASA TOWER I,  
555 PHAHOLYOTHIN ROAD,  
CHATUCHAK, BANGKOK 10900,  
THAILAND

**TELEPHONE** : [66] 2793-4888  
**FAX** : [66] 2937-0404  
**E-MAIL** : lada.boonjongkiat@monsanto.com  
**REGISTRATION ADDRESS** : SAME AS BUSINESS ADDRESS

**ESTABLISHED** : 1968  
**REGISTRATION / TAX ID NO.** : 0105511001065  
**CAPITAL REGISTERED** : BHT. 326,514,500  
**CAPITAL PAID-UP** : BHT. 326,514,500  
**SHAREHOLDER'S PROPORTION** : AMERICAN : 100%  
**FISCAL YEAR CLOSING DATE** : AUGUST 31  
**LEGAL STATUS** : PRIVATE LIMITED COMPANY  
**EXECUTIVE** : MS. LADA BOONJONGKIAT, THAI  
MANAGING DIRECTOR

**NO. OF STAFF** : 300  
**LINES OF BUSINESS** : CORN SEED  
RESEARCH & DEVELOPMENT

## **CORPORATE PROFILE**

**OPERATING TREND** : STABLE  
**PRESENT SITUATION** : OPERATING NORMALLY  
**REPUTATION** : GOOD WITH NORMAL BUSINESS ENGAGEMENT  
**MANAGEMENT STANDARD** : MANAGEMENT WITH GOOD PERFORMANCE

## **HISTORY**

The subject was established on February 23, 1968 as a private limited company under the registered name MONSANTO THAILAND LIMITED by American groups, with the initial business objective to manufacture agricultural chemicals to both local and overseas markets. The subject received the promotional privilege from the Board of Investment.

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In 2010, its business has been diversified to import corn seed for research and development. It currently employs approximately 300 staff.

The subject is a wholly owned subsidiary of Seminis Vegetable Seeds Inc., U.S.A., a member of Monsanto group worldwide.

The subject's registered address is 22<sup>nd</sup> Floor, Rasa Tower I, 555 Phaholyothin Rd., Chatuchak, Bangkok 10900, and this is the subject's current operation address.

**THE BOARD OF DIRECTOR**

<u>Name</u>	<u>Nationality</u>	<u>Age</u>
Mr. Sumpun Sittipanuwong	Thai	58
Ms. Lada Boonjongkiat	Thai	49
Ms. Chatchaya Suthonrak	Thai	51

**AUTHORIZED PERSON**

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

**MANAGEMENT**

**Ms. Lada Boonjongkiat** is the Managing Director.  
She is Thai nationality with the age of 49 years old.

**Ms. Chatchaya Suthonrak** is the Deputy Managing Director.  
She is Thai nationality with the age of 51 years old.

**Mr. Sumpun Sittipanuwong** is the G.M. / Business Development Manager.  
He is Thai nationality with the age of 58 years old.

**Mr. Boonlert Aphinaiprasert** is the Sales & Factory Manager.  
He is Thai nationality.

**BUSINESS OPERATIONS**

The subject is engaged in researching and developing corn seeds under the brand "DEKALB" with various series, e.g. "DEKALB BIG 919", "DEKALB 9901", "DEKALB 979" and "DEKALB 9955", as well as importing and distributing vegetable seed under "SEMINIS" brand.

#### **PURCHASE**

Most of corn seeds for research and development are imported from U.S.A., the remaining is purchased locally.

#### **MAJOR SUPPLIER**

Seminis Vegetable Seeds Inc. : U.S.A.

#### **SALES [LOCAL]**

The products are sold locally to dealers nationwide.

#### **EXPORT**

The products are also exported to Vietnam, Indonesia, Myanmar, Cambodia, India, Australia, Taiwan, Malaysia, Philippines, Netherlands, Brazil and Laos.

#### **MAJOR CUSTOMER**

D.A.T.T. Co., Ltd. : Thailand

#### **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 to the past two years.

#### **CREDIT**

Sales are by cash or on the credit 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.

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Exports are against T/T.

#### **BANKING**

Bangkok Bank Public Company Limited  
Kasikornbank Public Company Limited  
Krung Thai Bank Public Company Limited

#### **EMPLOYMENT**

The subject employs approximately 300 staff.

#### **LOCATION DETAILS**

The premise is rented for operating administrative office at the heading address. Premise is located in commercial/residential area.

#### **Corn seed factories:**

- 229 Moo 18, Mitraphap Rd., T. Pakchong, A. Pakchong, Nakornratchasima
- 56 Moo 6, Wangthong-Kaosai Rd., T. Dinthong, A. Wangthong, Pisanuloke

#### **Branches and warehouses:**

- 622/1 Moo 1, Nityo Rd., T. Pangkhon, A. Pangkhon, Sakolnakorn
- 99 Moo 2, T. Maekorn, A. Muang, Chiangrai
- 341 Moo 4, T. Banped, A. Muang, Khonkaen

#### **COMMENT**

The only business Monsanto Thailand has involved in is agriculture. This is why Monsanto invests both time and money in research to help create the best seed possible for farmers. Whether it's through breeding or biotechnology, Monsanto is committed to research in various agricultural crops.

The subject is now engaged in importing, researching and developing corn seeds. Despite a decrease in net profit as of August 31, 2017, the subject's sales or service income was strong comparing to the previous year. Subject's business has grown steadily in line with a high consumption of the products and service from agricultural industry of both local and overseas countries.

#### **FINANCIAL INFORMATION**

The capital was registered at Bht. 100,000 divided into 1,000 shares of Bht. 100 each.

The capital was increased later as following:

Bht. 18,000,000 on December 2, 1985

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Bht. 168,514,500 on September 30, 1997  
Bht. 326,514,500 on October 12, 2012

The latest registered capital was increased to Bht. 326,514,500 divided into 3,265,145 shares of Bht. 100 each with fully paid.

**THE SHAREHOLDERS LISTED WERE : [as at December 28, 2017]**

<u>NAME</u>	<u>HOLDING</u>	<u>%</u>
<b>Seminis Vegetable Seeds Inc.</b> Nationality: American Address : 800 North Lindbergh Boulevard, Saint Louis, Missouri, U.S.A.	3,265,140	100.00
<b>Olympia Corp.</b> Nationality: American Address : 800 North Lindbergh Boulevard, Saint Louis, Missouri, U.S.A.	3	-
<b>Monsanto Caribe LLC.</b> Nationality: American Address : 800 North Lindbergh Boulevard, Saint Louis, Missouri, U.S.A.	1	-
<b>Monsanto Inter-America Co.</b> Nationality: American Address : 800 North Lindbergh Boulevard, Saint Louis, Missouri, U.S.A.	1	-

**Total Shareholders : 4**

**SHARE STRUCTURE [AS AT DECEMBER 28, 2017]**

<b>Nationality</b>	<b>Shareholders</b>	<b>No. of Share</b>	<b>% Shares</b>
Thai	-	-	-
Foreign - American	4	3,265,145	100.00
<b>Total</b>	<b>4</b>	<b>3,265,145</b>	<b>100.00</b>

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

Ms. Wimonporn Boonyasathien No. 4067

## **FINANCIALS**

### **MONSANTO THAILAND LIMITED**

#### **BALANCE SHEET [BAHT]**

The latest financial figures published for August 31, 2017, 2016 and 2015 were:

#### **ASSETS**

<b>Current Assets</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Cash and Cash Equivalents	425,471,575	221,830,002	54,309,151
Trade Accounts and Other Receivable	441,305,640	412,295,218	653,454,622
Inventories	548,002,698	627,994,681	841,854,473
Other Current Assets	7,036,006	1,579,252	4,348,293
<b>Total Current Assets</b>	<b>1,421,815,919</b>	<b>1,263,699,153</b>	<b>1,553,966,539</b>
Property, Plant and Equipment	643,770,050	545,573,588	525,640,601
Other Non-current Assets	2,846,277	3,805,831	2,800,722
<b>Total Assets</b>	<b>2,068,432,246</b>	<b>1,813,078,572</b>	<b>2,082,407,862</b>

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

<b>Current Liabilities</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Trade Accounts and Other Payable	420,749,996	300,712,376	177,335,281
Short-term Loan from Related company	-	-	550,928,505
Accrued Income Tax	23,862,626	23,062,388	28,159,199
Other Current Liabilities	32,560,773	20,745,800	23,156,862
<b>Total Current Liabilities</b>	<b>477,173,395</b>	<b>344,520,564</b>	<b>779,579,847</b>
Provision for Employees Benefits	55,658,904	58,157,079	50,989,446
<b>Total Liabilities</b>	<b>532,832,299</b>	<b>402,677,643</b>	<b>830,569,293</b>
<b>Shareholders' Equity</b>			
Share capital : Baht 100 par value authorized, issued and fully paid share capital 3,265,145 shares	326,514,500	326,514,500	326,514,500
Capital Paid	326,514,500	326,514,500	326,514,500

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Retained Earning			
Appropriated for statutory reserve	16,851,450	16,851,450	16,851,450
Unappropriated	1,251,532,163	1,126,333,145	967,770,785
Other Components of Shareholders' Equity	[59,298,166]	[59,298,166]	[59,298,166]
<b>Total Shareholders' Equity</b>	<b>1,535,599,947</b>	<b>1,410,400,929</b>	<b>1,251,838,569</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>2,068,432,246</b>	<b>1,813,078,572</b>	<b>2,082,407,862</b>

**PROFIT & LOSS ACCOUNT**

Revenue	2017	2016	2015
Sales or Services Income	1,822,824,755	1,641,063,678	1,697,495,118
Other Income	12,970,689	72,288,490	70,919,926
<b>Total Revenues</b>	<b>1,835,795,444</b>	<b>1,713,352,168</b>	<b>1,768,415,044</b>
<b>Expenses</b>			
Cost of Goods Sold or Services	1,356,579,794	1,223,676,022	1,178,961,522
Selling Expenses	77,119,532	54,129,626	71,521,145
Administrative Expenses	190,524,122	193,086,047	161,673,048
Other Expenses	29,119,808	20,935,033	-
<b>Total Expenses</b>	<b>1,653,343,256</b>	<b>1,491,826,728</b>	<b>1,412,155,715</b>
Profit/[Loss] before Financial Cost & Income Tax	182,452,188	221,525,440	356,259,329
Financial Cost	[1,483,265]	[10,340,656]	[19,180,822]
Profit/[Loss] before Income Tax	180,968,923	211,184,784	337,078,507
Income Tax	[55,769,905]	[52,622,424]	[61,854,626]
<b>Net Profit / [Loss]</b>	<b>125,199,018</b>	<b>158,562,360</b>	<b>275,223,881</b>

**MONSANTO THAILAND LIMITED**

**FINANCIAL ANALYSIS**

ITEM	UNIT	2017	2016	2015
<b>LIQUIDITY RATIO</b>				
CURRENT RATIO	TIMES	2.98	3.67	1.99
QUICK RATIO	TIMES	1.82	1.84	0.91

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**ACTIVITY RATIO**

FIXED ASSETS TURNOVER	TIMES	2.83	3.01	3.23
TOTAL ASSETS TURNOVER	TIMES	0.88	0.91	0.82
INVENTORY CONVERSION PERIOD	DAYS	147.45	187.32	260.63
INVENTORY TURNOVER	TIMES	2.48	1.95	1.40
RECEIVABLES CONVERSION PERIOD	DAYS	88.37	91.70	140.51
RECEIVABLES TURNOVER	TIMES	4.13	3.98	2.60
PAYABLES CONVERSION PERIOD	DAYS	113.21	89.70	54.90
CASH CONVERSION CYCLE	DAYS	122.60	189.32	346.24

**PROFITABILITY RATIO**

COST OF GOODS SOLD	%	74.42	74.57	69.45
SELLING & ADMINISTRATION	%	14.68	15.06	13.74
INTEREST	%	0.08	0.63	1.13
GROSS PROFIT MARGIN	%	26.29	29.84	34.72
NET PROFIT MARGIN BEFORE EX. ITEM	%	10.01	13.50	20.99
NET PROFIT MARGIN	%	6.87	9.66	16.21
RETURN ON EQUITY	%	8.15	11.24	21.99
RETURN ON ASSET	%	6.05	8.75	13.22
EARNING PER SHARE	BAHT	38.34	48.56	84.29

**LEVERAGE RATIO**

DEBT RATIO	TIMES	0.26	0.22	0.40
DEBT TO EQUITY RATIO	TIMES	0.35	0.29	0.66
TIME INTEREST EARNED	TIMES	123.01	21.42	18.57

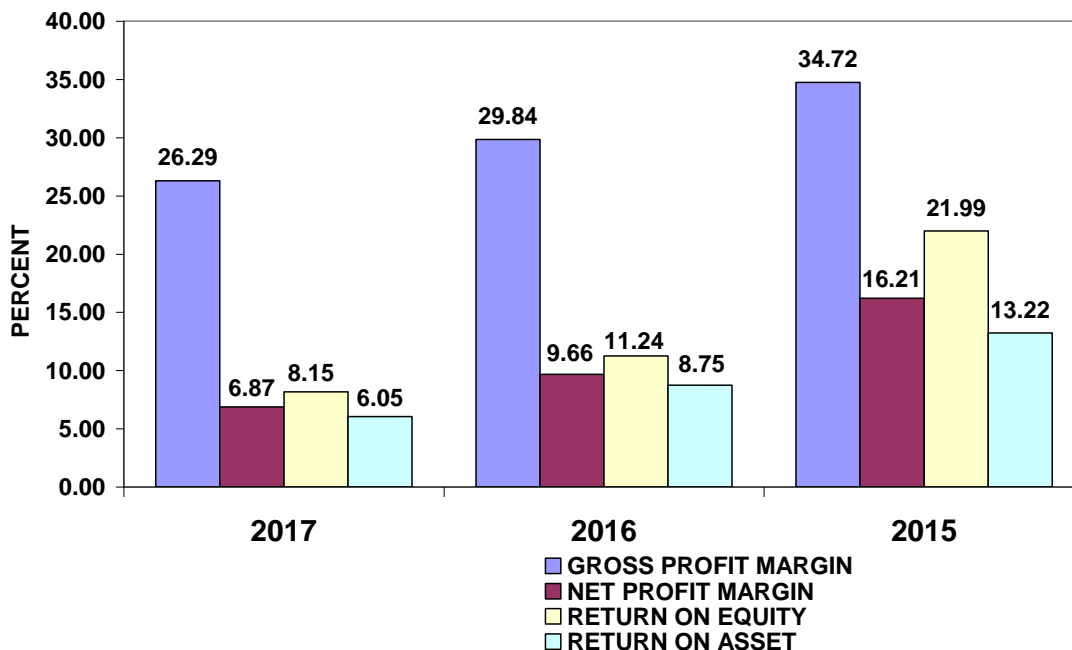
**ANNUAL GROWTH**

SALES GROWTH	%	11.08	(3.32)
OPERATING PROFIT	%	(17.64)	(37.82)
NET PROFIT	%	(21.04)	(42.39)
FIXED ASSETS	%	18.00	3.79
TOTAL ASSETS	%	14.08	(12.93)

**ANNUAL GROWTH : SATISFACTORY**

An annual sales growth is 11.08%. Sales Income has increased from THB 1,641,063,678.00 in 2016 to THB 1,822,824,755.00 in 2017. While net profit has decreased from THB 158,562,360.00 in 2016 to THB 125,199,018.00 in 2017. And total assets has increased from THB 1,813,078,572.00 in 2016 to THB 2,068,432,246.00 in 2017.

**PROFITABILITY : EXCELLENT**



**PROFITABILITY RATIO**

Gross Profit Margin	26.29	Impressive	Industrial Average	6.66
Net Profit Margin	6.87	Impressive	Industrial Average	2.78
Return on Assets	6.05	Impressive	Industrial Average	2.87
Return on Equity	8.15	Impressive	Industrial Average	5.00

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 26.29%. 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. Net Profit Margin ratio is 6.87%, higher figure when compared with those of its average competitors in the same industry, indicated that business was an efficient operator in a dominant position within its industry.

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. Return on Assets ratio is 6.05%, 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.

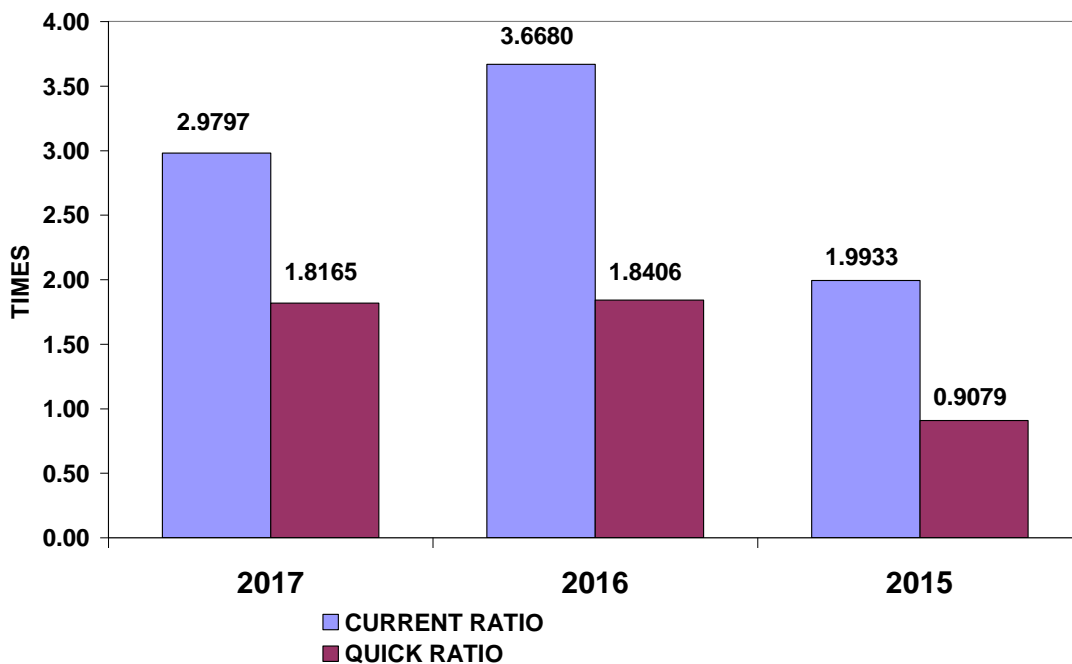
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Return on Equity indicates how profitable a company is by comparing its net income to its average shareholders' equity, ROE measures how much the shareholders earned for their investment in the company. Return on Equity ratio is 8.15%, higher figure 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 : SATISFACTORY**



**LIQUIDITY RATIO**

Current Ratio	2.98	Impressive	Industrial Average	2.03
Quick Ratio	1.82			
Cash Conversion Cycle	122.60			

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 2.98 times in 2017, decrease from 3.67 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 higher, indicated that company was an efficient operator in a dominant position within its industry.

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 1.82 times in 2017, decrease from 1.84 times, although excluding inventory so the company still have good short-term financial strength.

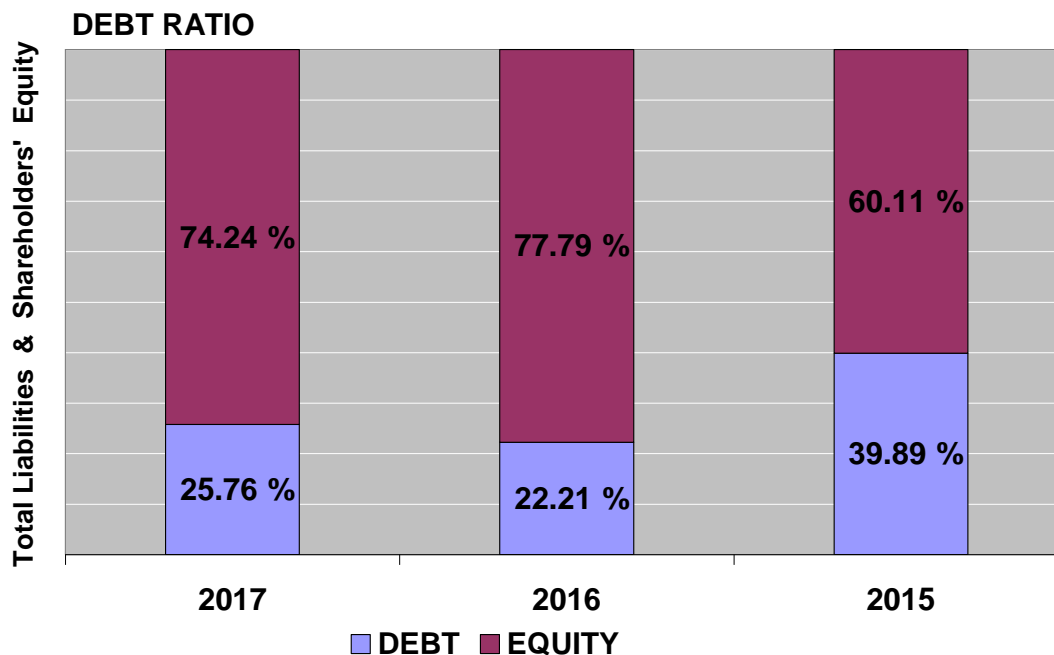
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The Cash Conversion Cycle measures the number of days a company's cash is tied up in the production and sales process of its operations and the benefit from payment terms from its creditors. It meant the company could survive when no cash inflow was received from sale for 123 days.

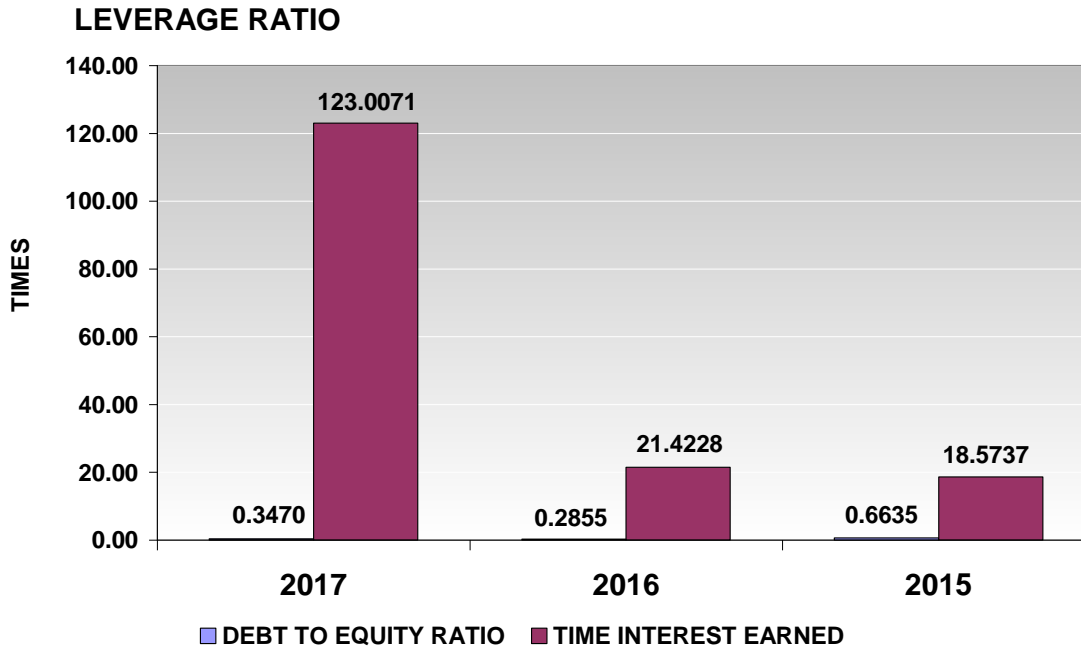
**Trend of the average competitors in the same industry for last 5 years**

Current Ratio                      Uptrend

**LEVERAGE : EXCELLENT**



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**LEVERAGE RATIO**

Debt Ratio	0.26	Impressive	Industrial Average	0.43
Debt to Equity Ratio	0.35	Impressive	Industrial Average	0.74
Times Interest Earned	123.01	Impressive	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 lower the percentage means that the company is using less leverage and has a stronger equity position.

Times Interest Earned measuring a company's ability to meet its debt obligations. Ratio is 123.01 higher than 1, so the company can pay interest expenses on outstanding debt.

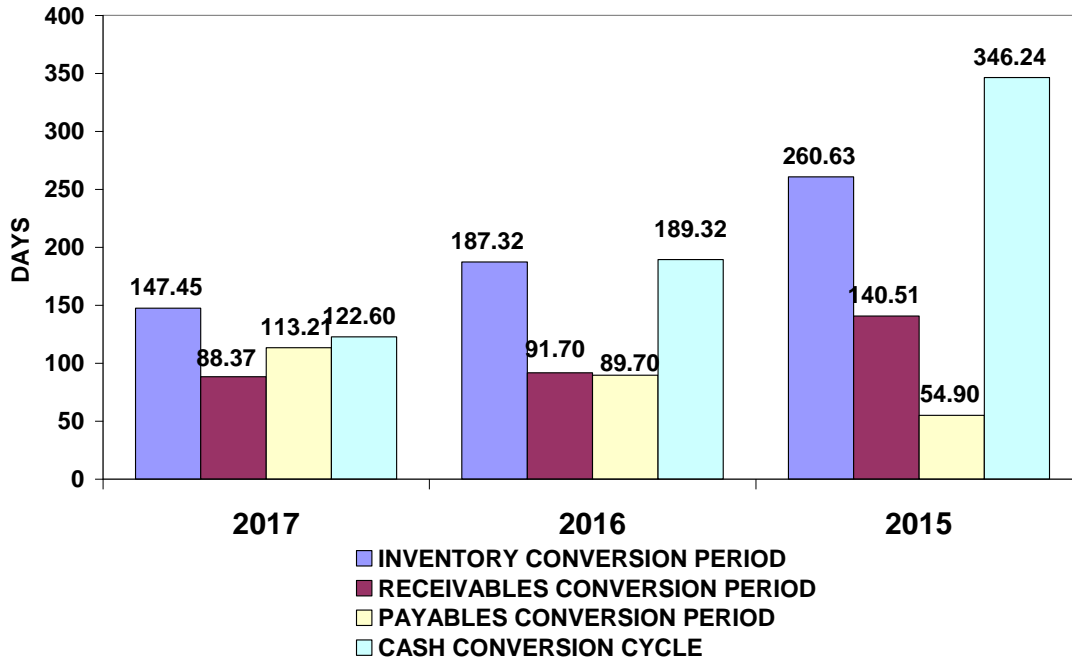
Debt Ratio shows the proportion of a company's assets which are financed through debt. The company's figure is 0.26 less than 0.5, most of the company's assets are financed through equity.

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

Debt Ratio	Downtrend
Times Interest Earned	Stable

**ACTIVITY : IMPRESSIVE**

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**ACTIVITY RATIO**

Fixed Assets Turnover	2.83	Impressive	Industrial Average	-
Total Assets Turnover	0.88	Satisfactory	Industrial Average	1.03
Inventory Conversion Period	147.45			
Inventory Turnover	2.48	Satisfactory	Industrial Average	3.45
Receivables Conversion Period	88.37			
Receivables Turnover	4.13	Satisfactory	Industrial Average	6.84
Payables Conversion Period	113.21			

The company's Account Receivable Ratio is calculated as 4.13 and 3.98 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 increased from 2016. This would suggest the company had good performance 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 decreased from 187 days at the end of 2016 to 147 days at the end of 2017. This represents a positive trend. And Inventory turnover has increased from 1.95 times in year 2016 to 2.48 times in year 2017.

The company's Total Asset Turnover is calculated as 0.88 times and 0.91 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	Uptrend
Inventory Turnover	Uptrend
Receivables Turnover	Uptrend

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.95
UK Pound	1	INR 88.19
Euro	1	INR 79.00
Thai baht	1	INR 2.08

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	PRI
<b>Report Prepared by :</b>	SYL

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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)