

MIRA INFORM REPORT

Report No. :	529198
Report Date :	14.09.2018

IDENTIFICATION DETAILS

Name :	BODY FASHION (THAILAND) LIMITED
Registered Office :	393 Moo 17, T. Bangsaothong,A. Bangsaothong, Samutprakarn 10540
Country :	Thailand
Financials (as on) :	31.12.2017
Date of Incorporation :	13.10.1989
Com. Reg. No.:	0105532098068
Legal Form :	Private Limited Company
Line of Business :	The subject is engaged in manufacturing, distributing and exporting lingerie, brassiere, brief, panty, corselet, slip & shorts for women under its own brand "TRIUMPH", and other related brands, such as "MISS TRIUMPH", "TRIACTION", "MAMABEL", "VALISERE" and "SLOGGI", as well as contract manufacturing the products for men and women under various customer's brands.
No. of Employees :	1,500

RATING & COMMENTS

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

MIRA's Rating : C

Credit Rating	Explanation	Rating Comments
C	Medium High Risk	Business dealings permissible preferably on secured basis

Maximum Credit Limit :	
Status :	Moderate
Payment Behaviour :	Slow

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Litigation :	Clear
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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 (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 AND ADDRESS

BODY FASHION (THAILAND) LIMITED

SUMMARY

BUSINESS ADDRESS : 393 MOO 17, T. BANGSAOTHONG,
A. BANGSAOTHONG, SAMUTPRAKARN 10540,
THAILAND

TELEPHONE : [66] 2315-3283-9

FAX : [66] 2315-3299, 2705-8101

E-MAIL ADDRESS : chiraporn.chartarak@triumph.com

REGISTRATION ADDRESS : SAME AS BUSINESS ADDRESS

ESTABLISHED : 1989

REGISTRATION / TAX ID NO. : 0105532098068

CAPITAL REGISTERED : BHT. 1,835,000,000

CAPITAL PAID-UP : BHT. 1,835,000,000

SHAREHOLDER'S PROPORTION : HONG KONG : 100%

FISCAL YEAR CLOSING DATE : DECEMBER 31

LEGAL STATUS : PRIVATE LIMITED COMPANY

EXECUTIVE : MS. HEIDRUN DIETLIND KUNZER, GERMAN
MANAGING DIRECTOR

NO. OF STAFF : 1,500

LINES OF BUSINESS : LINGERIE AND UNDERWEAR
MANUFACTURER, EXPORTER & DISTRIBUTOR

CORPORATE PROFILE

OPERATING TREND : STABLE

PRESENT SITUATION : OPERATING NORMALLY

REPUTATION : FAIR WITH NORMAL BUSINESS ENGAGEMENT

MANAGEMENT STANDARD : MANAGEMENT WITH LOW PERFORMANCE

HISTORY

The subject was established on October 13, 1989 as a private limited company under the registered name BODY FASHION (THAILAND) LIMITED, initially by Triumph Universal AG., of Switzerland which was the parent company. Its business objective is to provide manufacturing service for lingerie and underwear to both domestic and international markets.

Since January 21, 2016, the subject has been owned by Bodyfashion Thailand Limited of Hong Kong. It currently employs approximately 1,500 staff.

The subject's registered address is 393 Moo 17, T. Bangsaothong, A. Bangsaothong, Samutprakarn 10540, and this is the subject's current operation address.

THE BOARD OF DIRECTOR

<u>Name</u>		<u>Nationality</u>	<u>Age</u>
Ms. Heidrun Dietlind Kunzer	[x]	German	57
Ms. Tina Sia	[x]	Chinese	47
Mr. Cheong Hean Yeoh	[x]	Malaysian	52
Mr. Alan Ng Man Leong		Malaysian	43
Ms. Man Ping Anita Chan		Chinese	54

AUTHORIZED PERSON

1. One of the mentioned directors [x] can jointly sign with anyone of the rest directors on behalf of the subject with company's affixed.
2. In case of contact to government sector, one of the above directors can sign on behalf of the subject with company's affixed.

MANAGEMENT

Ms. Heidrun Dietlind Kunzer is the Managing Director.
She is German nationality with the age of 57 years old.

Mr. Cheong Hean Yeoh is the Deputy Managing Director.
He is Malaysian nationality with the age of 52 years old.

Mr. Prayoon Wonglek is the Personnel and Administration Manager.
He is Thai nationality.

Mr. Pairaj Chaiburin is the Factory Manager [Samutprakarn].
He is Thai nationality.

Mr. Chatchaval Srivichitchote is the Factory Manager [Nakornsawan].
He is Thai nationality.

BUSINESS OPERATION

The subject is engaged in manufacturing, distributing and exporting lingerie, brassiere, brief, panty, corselet, slip & shorts for women under its own brand "TRIUMPH", and other related brands, such as "MISS TRIUMPH", "TRIACTION", "MAMABEL", "VALISERE" and "SLOGGI", as well as contract manufacturing the products for men and women under various customer's brands.

PRODUCTION CAPACITY

800,000 -1,000,000 pieces/month

PURCHASE

80% of the raw materials such as fabric and accessories are purchased from local suppliers, and the remaining 20% is imported from Japan, Germany, United Kingdom, India, Hong Kong, Republic of China, Switzerland and France.

MAJOR SUPPLIER

Triumph International (Thailand) Ltd. : Thailand

SALES [LOCAL]

70% of the products is sold locally by wholesale to Triumph International (Thailand) Ltd.

EXPORT [COUNTRIES]

30% of the products is exported to Triumph International group, in Germany, United Kingdom, United States of America, Switzerland, Italy, Japan, Hong Kong, Singapore, France, Canada, Indonesia, Malaysia, Australia, Philippines, New Zealand, Africa and Taiwan.

MAJOR CUSTOMERS

Triumph International (Thailand) Ltd. : Thailand
Triumph International (Hong Kong) Ltd. : Hong Kong
Triumph Intertrade AG. : Switzerland
Triumph Global Group : Worldwide

RELATED AND AFFILIATED COMPANY

Triumph International (Thailand) Ltd.

Business Type : Manufacturer & distributor of "TRIUMPH" lingerie and related products

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 DATABASE for the past two years.

CREDIT

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

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

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

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

BUSINESS TRANSACTION

The products are sold and serviced by cash and credit, with the maximum credit given at 30-60 days. The subject is not found to have problem on its account receivable.

BANKING

Bangkok Bank Public Company Limited

[Head Office : 333 Silom Rd., Silom, Bangrak, Bangkok 10500]

Kasikornbank Public Company Limited

EMPLOYMENT

The subject employs approximately 1,500 office staff and factory workers.

LOCATION DETAILS

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

Factory II is located at 194/2 Moo 5, Phaholyothin Road, T. Nongkrod, A. Muang, Nakornsawan 60000. Tel: [66] 56 367-422, Fax: [66] 56 367-491-2.

REMARK

MAXIMUM CREDIT SHOULD BE GRANTED AT US\$ 1,000,000 ON A SECURED BASIS.

COMMENT

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Triumph is one among popular brands in Asian market, e.g. Hong Kong, Malaysia and Singapore. In domestic market there are strong competition with some of well known brands like Wacoal, Elle and Sabina.

In the past several years, marketing situation of the garment and lingerie industry has gradually declined with negative trend, international markets also have slow consumption. The subject's business was inevitably hit and resulted to a decrease in sales revenues and a large amount of net loss in 2016.

Though the subject's sales or service income in 2017 has seen an improvement with an increase in sales figures and a decrease in net loss comparing to the previous year. However, the subject still has a large amount of retained earning (deficit) and total shareholder's equity (deficit) which could more or less affect on normal operation, financial liquidity flow and expansion in the future.

Without any good design of the products to attract the customers, the subject's business would grow at slow pace this year.

FINANCIAL INFORMATION

The capital was registered at Bht. 150,000,000 divided into 1,500,000 shares of Bht. 100 each.

The capital was increased later as followings :

- Bht. 300,000,000 on August 13, 1993
- Bht. 400,000,000 on December 8, 1994
- Bht. 425,000,000 on December 20, 1995
- Bht. 515,000,000 on March 19, 1998
- Bht. 1,635,000,000 on March 3, 2010
- Bht. 1,835,000,000 on January 31, 2012

The latest registered capital was increased to Bht. 1,835,000,000 divided into 18,350,000 shares of Bht. 100 each with fully paid.

THE SHAREHOLDERS LISTED WERE : [as at April 30, 2018]

<u>NAME</u>	<u>HOLDING</u>	<u>%</u>
Bodyfashion Thailand Limited Nationality: Hong Kong Address : Unit 1001, 10 th Floor, Star House, 3 Salisbury Road, Tsim Sha Tsui, Hong Kong	18,349,998	100.00
Bodyfashion Hungary Limited Nationality: Hong Kong Address : Unit 1001, 10 th Floor, Star House, 3 Salisbury Road, Tsim Sha Tsui, Hong Kong	1	-
Pacific Dunlop Garments Limited Nationality: Hong Kong Address : Unit 1414, 14 th Floor, Star House, 3 Salisbury Road, Tsim Sha Tsui, Hong Kong	1	-

Total Shareholders : 3

Share Structure [as at April 20, 2018]

<u>Nationality</u>	<u>Shareholders</u>	<u>No. of Share</u>	<u>% Shares</u>
Thai	-	-	-
Foreign - Hong Kong	3	18,350,000	100.00
Total	3	18,350,000	100.00

NAME OF AUDITOR & CERTIFIED PUBLIC ACCOUNTANT NO. :

Mr. Pisit Thanthanakul No. 4095

FINANCIALS

BALANCE SHEET [BAHT]

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

ASSETS

<u>Current Assets</u>	<u>2017</u>	<u>2016</u> <u>[Adjusted]</u>	<u>2015</u>
Cash and Cash Equivalents	40,309,842	41,987,176	139,587,626
Trade Accounts and Other Receivable	79,630,356	120,896,733	262,925,414
Inventories	250,693,724	227,855,194	215,914,564

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BODY FASHION (THAILAND) LIMITED - 529198

PAGE NO. : 10

Other Current Assets	5,466,268	4,300,472	3,104,377
Total Current Assets	376,100,190	395,039,575	621,531,981
Other Long-term Investment	1,120,000	-	-
Property, Plant and Equipment	283,398,084	310,433,890	341,670,060
Deferred Income Tax	17,970,934	11,590,525	-
Other Non-current Assets	75,833,607	77,162,513	63,066,805
Total Assets	754,422,815	794,226,503	1,026,268,846

LIABILITIES & SHAREHOLDERS' EQUITY [BAHT]

Current Liabilities	2017	2016 [Adjusted]	2015
Trade Accounts and Other Payable	271,995,516	233,885,941	146,220,350
Short-term Loans	253,396,867	108,007,500	-
Other Current Liabilities	2,294,019	3,745,962	15,650,765
Total Current Liabilities	527,686,402	345,639,403	161,871,115
Long-term Loans	191,723,752	369,524,692	720,435,941
Provision for Employee Benefits	293,629,323	302,089,390	251,514,286
Total Liabilities	1,013,039,477	1,017,253,485	1,133,821,342
Shareholders' Equity			
Share capital : Baht 100 par value authorized, and issued share capital 18,350,000 shares	1,835,000,000	1,835,000,000	1,835,000,000
Capital Paid	1,835,000,000	1,835,000,000	1,835,000,000
Retained Earnings: [Deficit]			
Appropriated for statutory reserve	7,000,000	7,000,000	7,000,000
Unappropriated	[2,100,616,662]	[2,065,026,982]	[1,949,552,496]
Total Shareholders Equity	[258,616,662]	[223,026,982]	[107,552,496]
Total Liabilities and Shareholders Equity	754,422,815	794,226,503	1,026,268,846

PROFIT & LOSS ACCOUNT

Revenue	2017	2016 [Adjusted]	2015
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BODY FASHION (THAILAND) LIMITED - 529198

PAGE NO. : 11

Sales or Services Income	1,806,017,968	1,633,316,809	2,031,703,504
Other Income	11,698,238	[24,771,099]	22,359,811
Total Revenues	1,817,716,206	1,608,545,710	2,054,063,315
Expenses			
Cost of Goods Sold or Services	1,724,059,350	1,603,498,353	1,708,402,872
Selling Expenses	80,166,340	54,453,938	30,867,758
Administrative Expenses	79,035,553	74,989,437	157,129,230
Total Expenses	1,883,261,243	1,732,941,728	1,896,399,860
Profit /[Loss] before Financial Cost and Income Tax	[65,545,037]	[124,396,018]	157,663,455
Financial Cost	31,284,263	[6,109,071]	[77,380,340]
Profit /[Loss] before Income Tax (Expenses) Income Tax	[34,260,774] [1,328,906]	[130,505,089] 15,030,603	80,283,115 [20,600,639]
Net Profit / [Loss]	[35,589,680]	[115,474,486]	59,682,476

FINANCIAL ANALYSIS

ITEM	UNIT	2017	2016	2015
LIQUIDITY RATIO				
CURRENT RATIO	TIMES	0.71	1.14	3.84
QUICK RATIO	TIMES	0.23	0.47	2.49
ACTIVITY RATIO				
FIXED ASSETS TURNOVER	TIMES	6.37	5.26	5.95
TOTAL ASSETS TURNOVER	TIMES	2.39	2.06	1.98
INVENTORY CONVERSION PERIOD	DAYS	53.07	51.87	46.13
INVENTORY TURNOVER	TIMES	6.88	7.04	7.91
RECEIVABLES CONVERSION PERIOD	DAYS	16.09	27.02	47.24
RECEIVABLES TURNOVER	TIMES	22.68	13.51	7.73
PAYABLES CONVERSION PERIOD	DAYS	57.58	53.24	31.24
CASH CONVERSION CYCLE	DAYS	11.58	25.64	62.13
PROFITABILITY RATIO				
COST OF GOODS SOLD	%	95.46	98.17	84.09
SELLING & ADMINISTRATION	%	8.82	7.93	9.25
INTEREST	%	1.73	0.37	3.81
GROSS PROFIT MARGIN	%	5.19	0.31	17.01
NET PROFIT MARGIN BEFORE EX. ITEM	%	(3.63)	(7.62)	7.76
NET PROFIT MARGIN	%	(1.97)	(7.07)	2.94
RETURN ON EQUITY	%	-	-	-

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BODY FASHION (THAILAND) LIMITED - 529198

PAGE NO. : 12

RETURN ON ASSET	%	(4.72)	(14.54)	5.82
EARNING PER SHARE	BAHT	(1.94)	(6.29)	3.25

LEVERAGE RATIO

DEBT RATIO	TIMES	1.34	1.28	1.10
DEBT TO EQUITY RATIO	TIMES	(3.92)	(4.56)	(10.54)
TIME INTEREST EARNED	TIMES	(2.10)	(20.36)	2.04

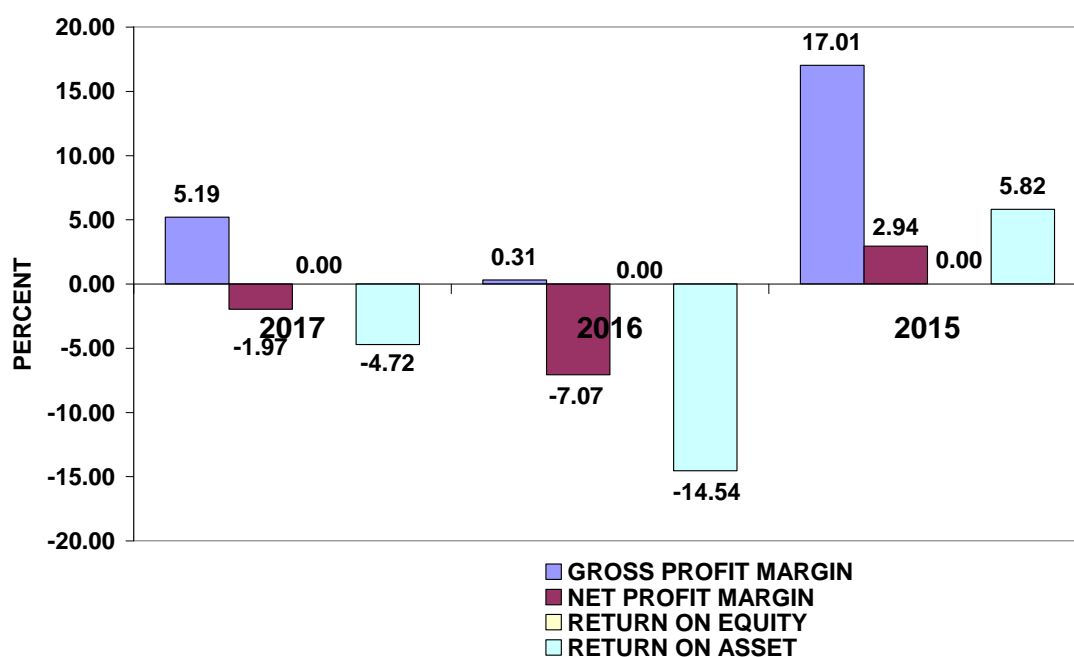
ANNUAL GROWTH

SALES GROWTH	%	10.57	(19.61)
OPERATING PROFIT	%	(47.31)	(178.90)
NET PROFIT	%	69.18	(293.48)
FIXED ASSETS	%	(8.71)	(9.14)
TOTAL ASSETS	%	(5.01)	(22.61)

ANNUAL GROWTH : ACCEPTABLE

An annual sales growth is 10.57%. Sales Income has increased from THB 1,633,316,809.00 in 2016 to THB 1,806,017,968.00 in 2017. While net profit has increased from THB -115,474,486.00 in 2016 to THB -35,589,680.00 in 2017. And total assets has decreased from THB 794,226,503.00 in 2016 to THB 754,422,815.00 in 2017.

PROFITABILITY : RISKY



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PROFITABILITY RATIO

Gross Profit Margin	5.19	Deteriorated	Industrial Average	22.67
Net Profit Margin	(1.97)	Deteriorated	Industrial Average	4.05
Return on Assets	(4.72)	Deteriorated	Industrial Average	4.47
Return on Equity	-		Industrial Average	6.91

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. The company's figure is 5.19%. When compared with the industry average, the ratio of the company was lower. This indicated that company may have problems with control over its costs.

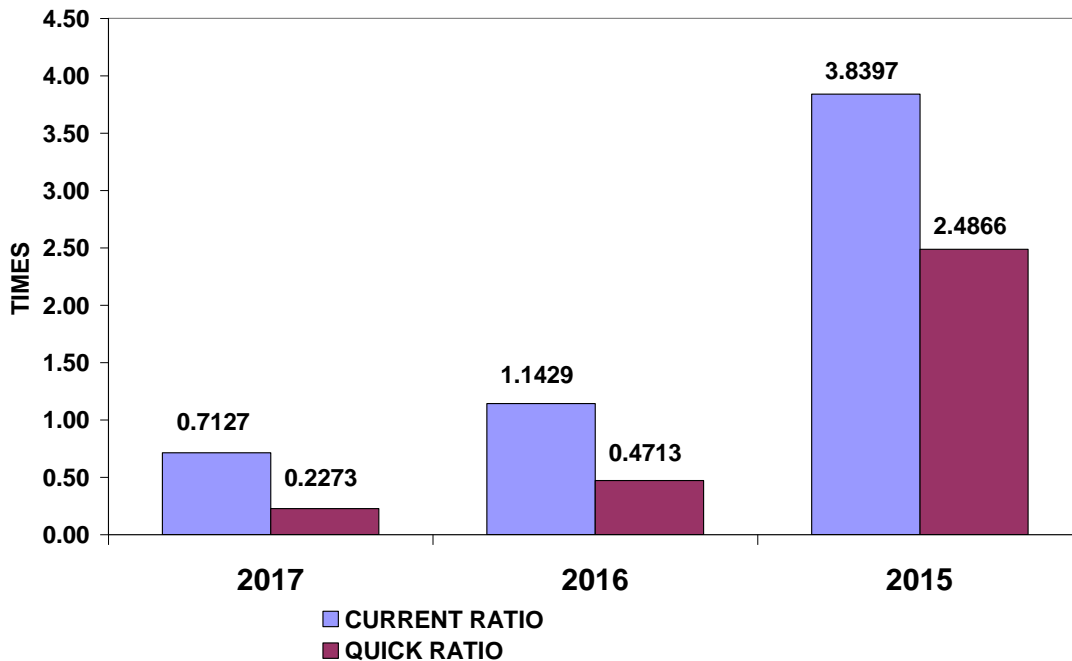
Net Profit Margin is the indicator of the company's efficiency in that net profit takes into consideration all expenses of the company. A low profit margin indicates a low margin of safety, higher risk that a decline in sales will erase profits and result in a net loss. The company's figure is -1.97%. 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 -4.72%.

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	0.71	Risky	Industrial Average	1.80
Quick Ratio	0.23			
Cash Conversion Cycle	11.58			

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 0.71 times in 2017, decrease from 1.14 times, then the company may not be efficiently using its current assets. 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 0.23 times in 2017, decrease from 0.47 times, then the company has not enough current assets that presumably can be quickly converted to cash for pay financial obligations.

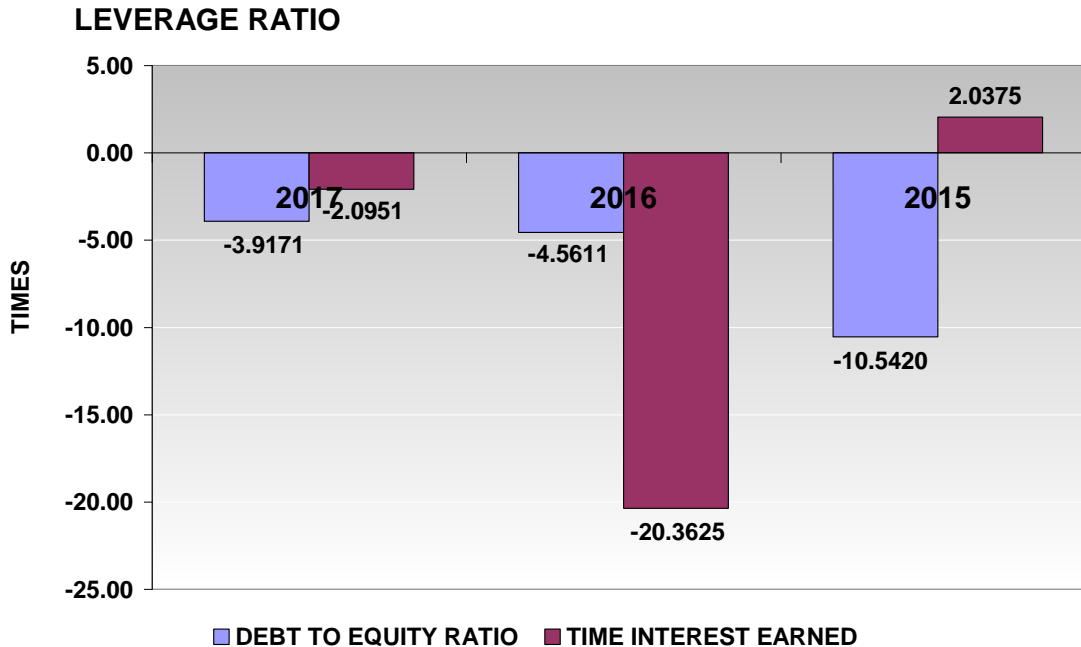
The Cash Conversion Cycle measures the number of days a company's cash is tied up in the production and sales process of its operations and the benefit from payment terms from its creditors. It meant the company could survive when no cash inflow was received from sale for 12 days.

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

Current Ratio Downtrend

LEVERAGE : RISKY

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LEVERAGE RATIO

Debt Ratio	1.34	Risky	Industrial Average	0.35
Debt to Equity Ratio	(3.92)	Risky	Industrial Average	0.54
Times Interest Earned	(2.10)	Risky	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.

Times Interest Earned measuring a company's ability to meet its debt obligations. Ratio is -2.1 lower than 1, so the company is not generating enough cash from EBIT to meet its interest obligations.

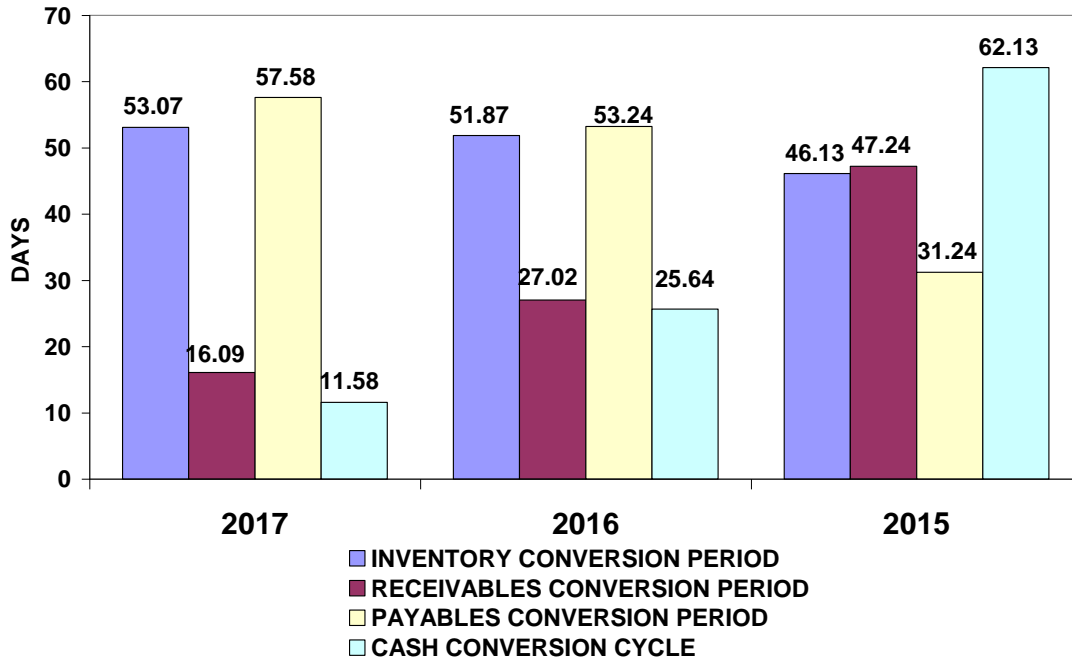
Debt Ratio shows the proportion of a company's assets which are financed through debt. The company's figure is 1.34 greater than 0.5, most of the company's assets are financed through debt.

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

Debt Ratio	Downtrend
Times Interest Earned	Stable

ACTIVITY : EXCELLENT

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ACTIVITY RATIO

Fixed Assets Turnover	6.37	Impressive	Industrial Average	-
Total Assets Turnover	2.39	Impressive	Industrial Average	1.10
Inventory Conversion Period	53.07			
Inventory Turnover	6.88	Impressive	Industrial Average	4.86
Receivables Conversion Period	16.09			
Receivables Turnover	22.68	Impressive	Industrial Average	7.19
Payables Conversion Period	57.58			

The company's Account Receivable Ratio is calculated as 22.68 and 13.51 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 increased from 52 days at the end of 2016 to 53 days at the end of 2017. This represents a negative trend. And Inventory turnover has decreased from 7.04 times in year 2016 to 6.88 times in year 2017.

The company's Total Asset Turnover is calculated as 2.39 times and 2.06 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.

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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	Uptrend

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupee
US Dollar	1	INR 72.32
UK Pound	1	INR 94.42
Euro	1	INR 84.08
THB	1	INR 2.21

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	KET

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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)

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