

## MIRA INFORM REPORT

<b>Report No. :</b>	529964
<b>Report Date :</b>	17.09.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	THAI HAYAKAWA CO., LTD.
<b>Registered Office :</b>	Unit 1, 22 <sup>nd</sup> Floor, Interchange Building, 399 Sukhumvit Road, Klongtoeynua, Wattana, Bangkok 10110
<b>Country :</b>	Thailand
<b>Financials (as on) :</b>	30.09.2017
<b>Date of Incorporation :</b>	09.08.2012
<b>Com. Reg. No.:</b>	0105555116275
<b>Legal Form :</b>	Private Limited Company
<b>Line of Business :</b>	The subject is engaged in importing and distributing wide range of industrial chemicals, resins and industrial equipment for various industries such as foods, beverage, petroleum, petrochemical, steel, metal, water treatment, plastic.
<b>No. of Employees :</b>	10

**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>	Satisfactory
<b>Payment Behaviour :</b>	Slow but Correct
<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

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**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**

THAI HAYAKAWA CO., LTD.

## **SUMMARY**

**BUSINESS ADDRESS** : UNIT 1, 22<sup>nd</sup> FLOOR, INTERCHANGE BUILDING,  
399 SUKHUMVIT ROAD, KLONGTOEYNUA,  
WATTANA, BANGKOK 10110, THAILAND

**TELEPHONE** : [66] 2259-6711-6

**FAX** : [66] 2259-6715

**E-MAIL ADDRESS** : tamada@hayakawa-thai.com

**REGISTRATION ADDRESS** : SAME AS BUSINESS ADDRESS

**ESTABLISHED** : 2012

**REGISTRATION/ TAX ID NO.** : 0105555116275

**CAPITAL REGISTERED** : BHT. 100,000,000

**CAPITAL PAID-UP** : BHT. 100,000,000

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

**FISCAL YEAR CLOSING DATE** : SEPTEMBER 30

**LEGAL STATUS** : PRIVATE LIMITED COMPANY

**EXECUTIVE** : MR. YUKIO KOHYAMA, JAPANESE  
PRESIDENT

**NO. OF STAFF** : 10

**LINES OF BUSINESS** : INDUSTRIAL CHEMICALS AND RESIN PRODUCTS  
IMPORTER AND DISTRIBUTOR

## **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 August 9, 2012 as a private limited company under the registered name THAI HAYAKAWA CO., LTD., by Japanese groups, with the business objective to import and distribute wide range of industrial chemicals and resin products. It currently employs approximately 10 staff.

The subject is a wholly owned subsidiary of Hayakawa & Co., Ltd., Japan.

The subject's registered address is Unit 1, 22<sup>nd</sup> Floor, Interchange Building,

399 Sukhumvit Road, Klongtoeynua, Wattana, Bangkok 10110, and this is the subject's current operation address.

#### THE BOARD OF DIRECTOR

<u>Name</u>	<u>Nationality</u>	<u>Age</u>
Mr. Seiko Iwato	Japanese	59
Mr. Yukio Kohyama	Japanese	60
Mr. Toshihiro Tamada	Japanese	38

#### AUTHORIZED PERSON

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

#### MANAGEMENT

**Mr. Yukio Kohyama** is the President.  
He is Japanese nationality with the age of 60 years old.

**Mr. Toshihiro Tamada** is the Vice President.  
He is Japanese nationality with the age of 38 years old.

#### BUSINESS OPERATIONS

The subject is engaged in importing and distributing wide range of industrial chemicals, resins and industrial equipment for various industries such as foods, beverage, petroleum, petrochemical, steel, metal, water treatment, plastic and etc.

The products are as follows:

- Acid/ Alkaline/ Soda products
- Fluoride Group
- Cyanide Group
- Petroleum Products
- High Purity Products
- Refined Products
- Food Additive/ Officinal Grade
- Non-Ferrous Metal & Minerals
- Surface Treatment
- Water Treatment Products
- Environmental Equipment
- Environmental Chemicals
- Boron Products

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- Plastic Resin
- Chemical/ Additives for Resin
- Resin Products
- Silicone
- Synthetic Rubber
- Glass Beads
- Glass Batch

#### **PURCHASE**

90% of the products is imported from Taiwan, Singapore, India, Germany, Republic of China, Hong Kong, Malaysia, Korea and Japan, the remaining 10% is purchased from local suppliers.

#### **MAJOR SUPPLIERS**

Hayakawa & Co., Ltd. : Japan  
Ishizuka Chemical (Thailand) Co., Ltd. : Thailand

#### **SALES**

100% of the products is sold locally by wholesale to traders, manufacturers and end-users.

#### **ASSOCIATED COMPANY**

**Ishizuka Chemical (Thailand) Co., Ltd.**  
Business Type : Manufacturer of industrial chemicals

#### **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 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.

## **BANKING**

### **Sumitomo-Mitsui Banking Corporation**

[Bangkok Branch, 138 Silom Road, Suriyawongse, Bangrak, Bangkok 10500]

### **Bank of Tokyo-Mitsubishi UFJ Ltd.**

[Bangkok Branch, 54 North Sathorn Road, Silom, Bangrak, Bangkok]

### **Bangkok Bank Public Company Limited**

## **EMPLOYMENT**

The subject currently employs approximately 10 staff.

## **LOCATION DETAILS**

The premise is rented for administrative office at the heading address. Premise is located in a prime commercial area.

## **COMMENT**

The subject's operating performance as of September 30, 2017 was impressive with an increase in both sales or service income and net profit comparing to the previous year. Its business has been improved gradually after many consecutive years of net loss. Its business is promising and growing subsequently.

## **FINANCIAL INFORMATION**

The capital was registered at Bht. 10,000,000 divided into 100,000 shares of Bht. 100 each with fully paid.

The capital was increased later as follows:

- Bht. 20,000,000 on February 20, 2014
- Bht. 50,000,000 on April 3, 2014
- Bht. 100,000,000 on February 14, 2017

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

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THE SHAREHOLDERS LISTED WERE : [as at January 31, 2018]

<u>NAME</u>	<u>HOLDING</u>	<u>%</u>
<b>Hayakawa &amp; Co., Ltd.</b> Nationality: Japanese Address : 6-1 Nihonbashi Kobuna-cho Chuo-ku Tokyo, Japan	999,997	100.00
<b>Mr. Seiko Iwato</b> Nationality: Japanese Address : Tokorozawa, Saitama, Japan	1	-
<b>Mr. Yukio Kohyama</b> Nationality: Japanese Address : Yokohama-shi, Kanagawa, Japan	1	-
<b>Mr. Toshihiro Tamada</b> Nationality: Japanese Address : Nishinomiya-shi, Hyogo-ken, Japan	1	-

**Total Shareholders : 4**

**SHARE STRUCTURE [AS AT JANUARY 31, 2018]**

<b>Nationality</b>	<b>Shareholders</b>	<b>No. of Share</b>	<b>% Shares</b>
Thai	-	-	-
Foreign - Japanese	4	1,000,000	100.00
<b>Total</b>	<b>4</b>	<b>1,000,000</b>	<b>100.00</b>

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

Ms. Supinya Rungreungsirichoke No. 11490

## ***FINANCIALS***

### **THAI HAYAKAWA CO., LTD.**

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

The latest financial figures published for September 30, 2017, 2016 and 2015 were:

#### **ASSETS**

<b>Current Assets</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
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Cash and Cash Equivalents	14,375,821.71	12,606,145.85	11,861,466.36
Trade Accounts and Other Receivable	56,189,565.75	49,566,351.25	31,550,574.70
Inventories	27,118,612.60	19,934,502.93	18,350,940.45
Other Current Assets	179,580.99	784,799.08	878,536.38
<b>Total Current Assets</b>	<b>97,863,581.05</b>	<b>82,891,799.11</b>	<b>62,641,517.89</b>
Property, Plant and Equipments	1,003,950.51	1,058,425.08	1,201,443.48
Intangible Assets	514,758.54	26,093.56	35,134.72
Other Non-current Deposit	482,375.45	474,896.00	408,296.00
<b>Total Assets</b>	<b>99,864,665.55</b>	<b>84,451,213.75</b>	<b>64,286,392.09</b>

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

<b>Current Liabilities</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Trade Accounts and Other Payable	16,303,553.82	12,174,694.98	7,311,494.59
Other Current Liabilities	532,162.08	102,349.44	467,710.48
<b>Total Current Liabilities</b>	<b>16,835,715.90</b>	<b>12,277,044.42</b>	<b>7,779,205.07</b>
Long-term Loan from Related Company	-	44,147,779.69	19,038,413.36
<b>Total Liabilities</b>	<b>16,835,715.90</b>	<b>56,424,824.11</b>	<b>26,817,618.43</b>
<b>Shareholders' Equity</b>			
Share capital : Baht 100 par value Authorized, and issued share capital 1,000,000 shares in 2017	100,000,000.00		
500,000 shares in 2016 & 2015		50,000,000.00	50,000,000.00
Capital Paid	100,000,000.00	50,000,000.00	50,000,000.00
Retained Earning - Unappropriated [Deficit]	[16,971,050.35]	[21,973,610.36]	[12,531,226.34]
<b>Total Shareholders' Equity</b>	<b>83,028,949.65</b>	<b>28,026,389.64</b>	<b>37,468,773.66</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>99,864,665.55</b>	<b>84,451,213.75</b>	<b>64,286,392.09</b>

**PROFIT & LOSS ACCOUNT**

<b>Revenue</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
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**THAI HAYAKAWA CO., LTD. - 529964**

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Sales or Services Income	231,619,304.19	196,665,101.83	133,290,261.74
Other Income	4,500,554.76	16,399.63	32,828.22
<b>Total Revenues</b>	<b>236,119,858.95</b>	<b>196,681,501.46</b>	<b>133,323,089.96</b>
<b>Expenses</b>			
Cost of Goods Sold or Services	216,838,825.37	187,181,732.25	125,450,874.81
Selling Expenses	4,696,922.42	3,993,767.71	2,941,053.33
Administrative Expenses	9,346,725.35	8,641,535.17	8,002,437.18
Other Expenses	-	5,834,480.88	712,690.61
<b>Total Expenses</b>	<b>230,882,473.14</b>	<b>205,651,516.01</b>	<b>137,107,055.93</b>
Profit/[Loss] before Financial Cost and Income Tax	5,237,385.81	[8,970,014.55]	[3,783,965.97]
Financial Cost	[234,825.80]	[472,369.47]	[266,825.02]
Profit/[Loss] before Income Tax Income Tax	5,002,560.01	[9,442,384.02]	[4,050,790.99]
	-	-	-
<b>Net Profit / [Loss]</b>	<b>5,002,560.01</b>	<b>[9,442,384.02]</b>	<b>[4,050,790.99]</b>

**THAI HAYAKAWA CO., LTD.**

**FINANCIAL ANALYSIS**

<b>ITEM</b>	<b>UNIT</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>LIQUIDITY RATIO</b>				
CURRENT RATIO	TIMES	5.81	6.75	8.05
QUICK RATIO	TIMES	4.19	5.06	5.58
<b>ACTIVITY RATIO</b>				
FIXED ASSETS TURNOVER	TIMES	230.71	185.81	110.94
TOTAL ASSETS TURNOVER	TIMES	2.32	2.33	2.07
INVENTORY CONVERSION PERIOD	DAYS	45.65	38.87	53.39
INVENTORY TURNOVER	TIMES	8.00	9.39	6.84
RECEIVABLES CONVERSION PERIOD	DAYS	88.55	91.99	86.40
RECEIVABLES TURNOVER	TIMES	4.12	3.97	4.22
PAYABLES CONVERSION PERIOD	DAYS	27.44	23.74	21.27
CASH CONVERSION CYCLE	DAYS	106.75	107.12	118.52
<b>PROFITABILITY RATIO</b>				
COST OF GOODS SOLD	%	93.62	95.18	94.12
SELLING & ADMINISTRATION	%	6.06	6.42	8.21
INTEREST	%	0.10	0.24	0.20
GROSS PROFIT MARGIN	%	8.32	4.83	5.91

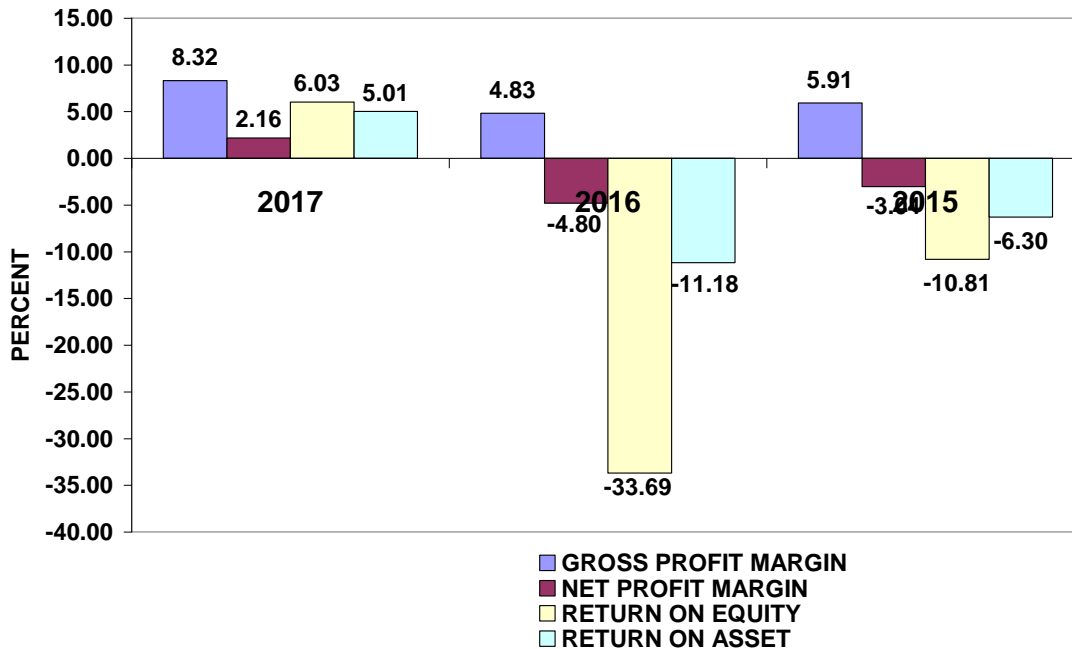
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NET PROFIT MARGIN BEFORE EX. ITEM	%	2.26	(4.56)	(2.84)
NET PROFIT MARGIN	%	2.16	(4.80)	(3.04)
RETURN ON EQUITY	%	6.03	(33.69)	(10.81)
RETURN ON ASSET	%	5.01	(11.18)	(6.30)
EARNING PER SHARE	BAHT	5.00	(18.88)	(8.10)
<b>LEVERAGE RATIO</b>				
DEBT RATIO	TIMES	0.17	0.67	0.42
DEBT TO EQUITY RATIO	TIMES	0.20	2.01	0.72
TIME INTEREST EARNED	TIMES	22.30	(18.99)	(14.18)
<b>ANNUAL GROWTH</b>				
SALES GROWTH	%	17.77	47.55	
OPERATING PROFIT	%	(158.39)	137.05	
NET PROFIT	%	152.98	(133.10)	
FIXED ASSETS	%	(5.15)	(11.90)	
TOTAL ASSETS	%	18.25	31.37	

**ANNUAL GROWTH : SATISFACTORY**

An annual sales growth is 17.77%. Sales Income has increased from THB 196,665,101.83 in 2016 to THB 231,619,304.19 in 2017. While net profit has increased from THB -9,442,384.02 in 2016 to THB 5,002,560.01 in 2017. And total assets has increased from THB 84,451,213.75 in 2016 to THB 99,864,665.55 in 2017.

**PROFITABILITY : SATISFACTORY**



**PROFITABILITY RATIO**

Gross Profit Margin	8.32	Acceptable	Industrial Average	29.89
Net Profit Margin	2.16	Acceptable	Industrial Average	7.31
Return on Assets	5.01	Impressive	Industrial Average	4.76
Return on Equity	6.03	Satisfactory	Industrial Average	8.96

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 8.32%. 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 2.16%. 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. Return on Assets ratio is 5.01%, 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.

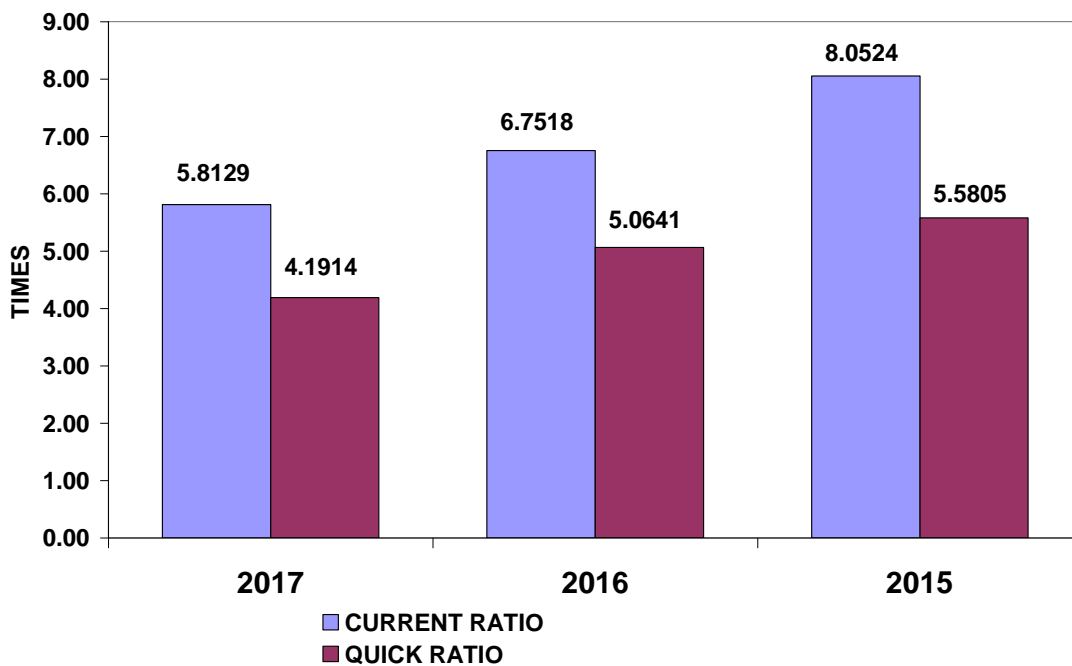
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Return on Equity indicates how profitable a company is by comparing its net income to its average shareholders' equity, ROE measures how much the shareholders earned for their investment in the company. When compared with the industry average, it was lower, the company's figure is 6.03%.

**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	5.81	Impressive	Industrial Average	1.25
Quick Ratio	4.19			
Cash Conversion Cycle	106.75			

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 5.81 times in 2017, decrease from 6.75 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 4.19 times in 2017, decrease from 5.06 times, although excluding inventory so the company still have good short-term financial strength.

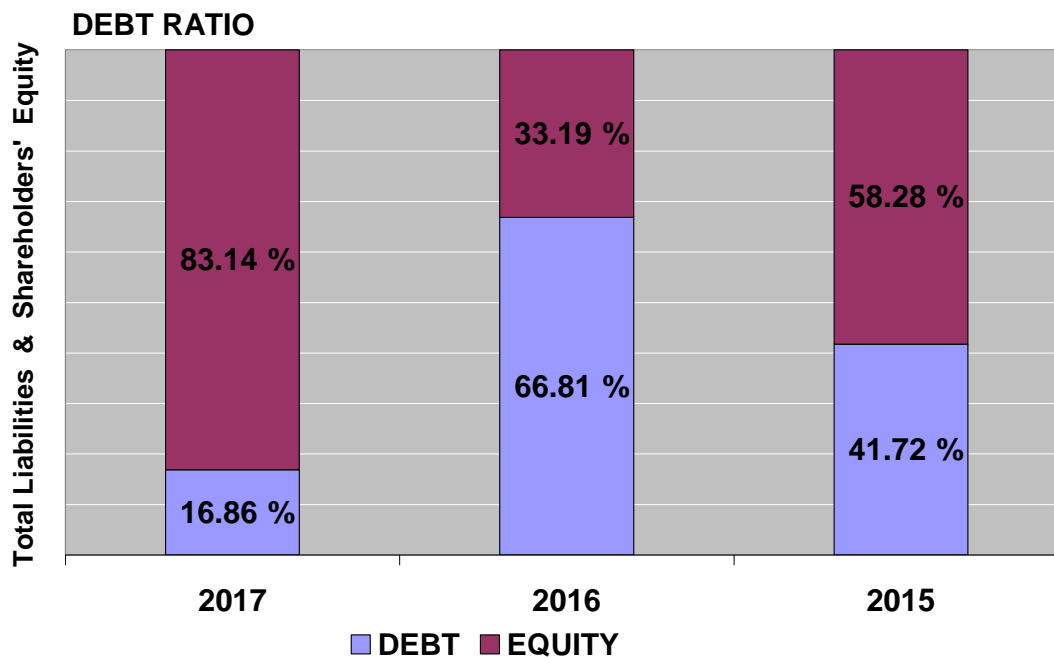
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The Cash Conversion Cycle measures the number of days a company's cash is tied up in the production and sales process of its operations and the benefit from payment terms from its creditors. It meant the company could survive when no cash inflow was received from sale for 107 days.

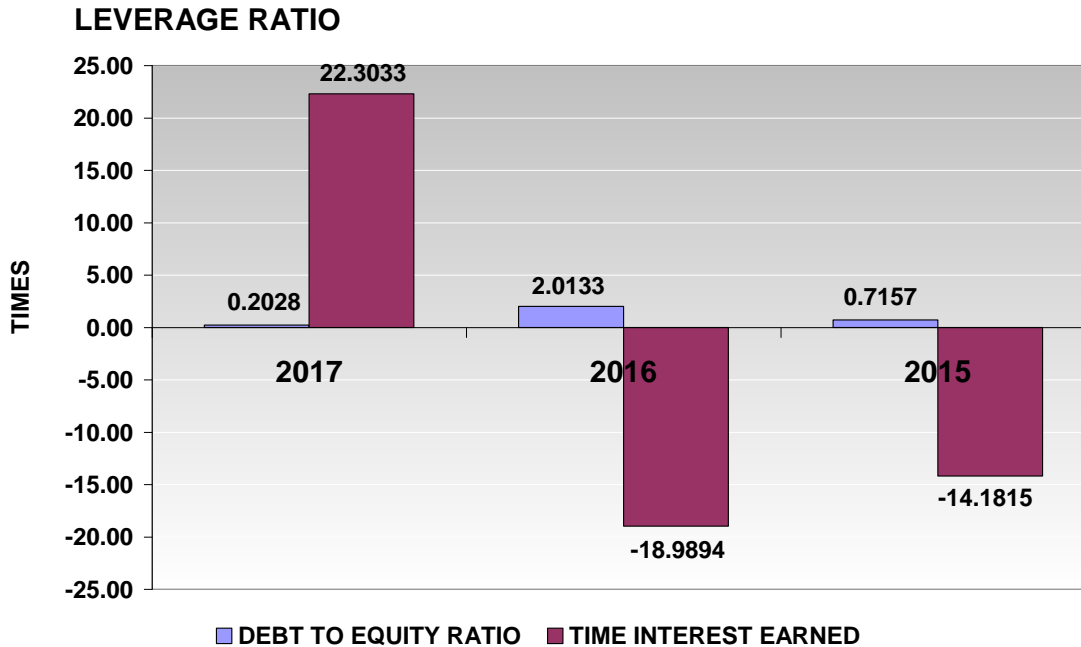
**Trend of the average competitors in the same industry for last 5 years**

Current Ratio                      Downtrend

**LEVERAGE : EXCELLENT**



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**LEVERAGE RATIO**

Debt Ratio	0.17	Impressive	Industrial Average	0.48
Debt to Equity Ratio	0.20	Impressive	Industrial Average	0.91
Times Interest Earned	22.30	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.

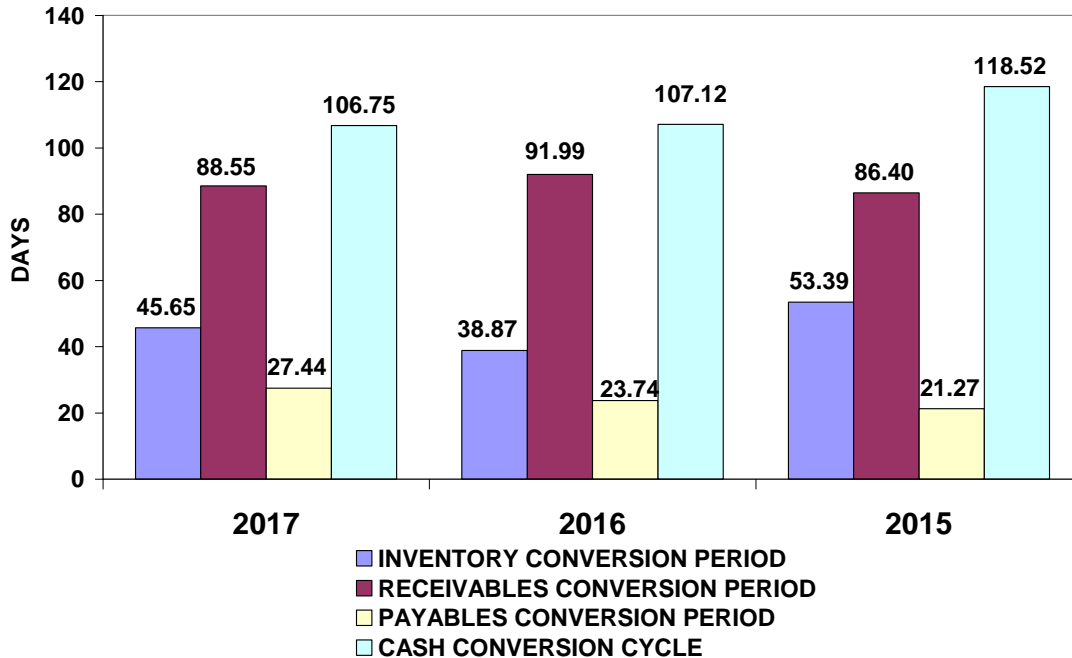
Times Interest Earned measuring a company's ability to meet its debt obligations. Ratio is 22.31 higher than 1, so the company can pay interest expenses on outstanding debt.

Debt Ratio shows the proportion of a company's assets which are financed through debt. The company's figure is 0.17 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**



**ACTIVITY RATIO**

Fixed Assets Turnover	230.71	Impressive	Industrial Average	-
Total Assets Turnover	2.32	Impressive	Industrial Average	0.65
Inventory Conversion Period	45.65			
Inventory Turnover	8.00	Impressive	Industrial Average	6.74
Receivables Conversion Period	88.55			
Receivables Turnover	4.12	Satisfactory	Industrial Average	4.97
Payables Conversion Period	27.44			

The company's Account Receivable Ratio is calculated as 4.12 and 3.97 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 39 days at the end of 2016 to 46 days at the end of 2017. This represents a negative trend. And Inventory turnover has decreased from 9.39 times in year 2016 to 8 times in year 2017.

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The company's Total Asset Turnover is calculated as 2.32 times and 2.33 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	Uptrend
Receivables Turnover	Uptrend

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.81
UK Pound	1	INR 94.16
Euro	1	INR 83.98
Thai baht	1	INR 2.22

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

**INFORMATION DETAILS**

Analysis Done by :	PRI
Report Prepared by :	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)