

Credit Assessment Report

Credit Assessment Report for XXXX Group



CONTENTS

Contents..... 2

Executive Summary 3

Existing Business Details 5

Group Structure 5

Management Analysis..... 7

Industry Analysis 8

 Industry Characteristics: 8

 Demand – Supply Scenario 9

 Key Industry Drivers 10

 Competitiveness Analysis 10

Financial Performance Analysis..... 11

Consolidated Financial Statements 11

 Analysis 13

Sensitised Projections: 14

Repayment Track Record 16

SWOT Analysis 18

Final Assessment: 20

Way forward 22

Executive Summary

NEX RUBICA was appointed by [REDACTED] Group for an Independent Credit Assessment for the group.

The management of [REDACTED] Group would like to evaluate various scenarios based on the proposed corporate realignment or the expansion funding plans, to have greater clarity regarding the impact of such scenarios on the credit worthiness of the group.

Based on discussions with the management of [REDACTED] Group, following scenarios for assessment were determined:

1. **Scenario 1:** [REDACTED] Technologies Pvt Ltd [REDACTED] is the holding entity while [REDACTED] Technology and Services [REDACTED] and [REDACTED] are subsidiaries. The US entity, Sienna Corp is not a subsidiary but continue to be held by the same promoters.
2. **Scenario 2:** [REDACTED] is the holding company for all three companies including [REDACTED] Corp. This reduces the payment risk of [REDACTED] from [REDACTED] Corp.
3. **Scenario 3:** 50% receivables of [REDACTED] (from [REDACTED]) is converted to equity (whether in scenario 1 or scenario 2) without infusion of equity

The above scenarios are sequential situations that the management of [REDACTED] have foreseen.

For credit assessment purposes, the Scenario 1 and Scenario 2 does not have any differentiable risk compared to each other since in any case the group is analysed on a consolidated basis Hence, they were considered together. However, scenario 3 was considered separately.

The summary of final results of the scenarios are as follows:

Scenario 1 & 2: (High Risk)

NR 2

Scenario 3 (High Risk)

NR 2

The detailed analysis and the legend for the above star notations are provided in ensuing sections of the report

Objective of Analysis

The objective of the assignment is to understand the effects of 3 given scenarios on the credit perception of the [REDACTED] group. The below-mentioned scenarios which were provided by the management of Avalon Group are as follows:

4. **Scenario 1:** [REDACTED] Pvt Ltd ([REDACTED]) is the holding entity while [REDACTED] Technology and Services [REDACTED] and [REDACTED] are subsidiaries. The US entity, Sienna Corp is not a subsidiary but continue to be held by the same promoters.
5. **Scenario 2:** [REDACTED] is the holding company for all three companies including [REDACTED] Corp. This reduces the payment risk of [REDACTED] from [REDACTED].
6. **Scenario 3:** 50% receivables of [REDACTED] (from [REDACTED]) is converted to equity (whether in scenario 1 or scenario 2) without infusion of equity

The above scenarios are sequential situations that the management of [REDACTED] have foreseen.

The scenario 1 is expected to be realised by mid-January 2020, scenario 2 is expected to be attained by March 2020 and finally Scenario 3 is expected to be a reality by April 2020. After attainment of scenario 2, the receivables can be converted to equity through the automatic route of [REDACTED]

The analysis will thus deal with the credit perception as on each scenario.

Existing Business Details

The [REDACTED] group was founded in 1995, in Fremont, California, by Mr [REDACTED] and Mr. [REDACTED]. The main manufacturing operations for the group is in India and was set up in 1998.

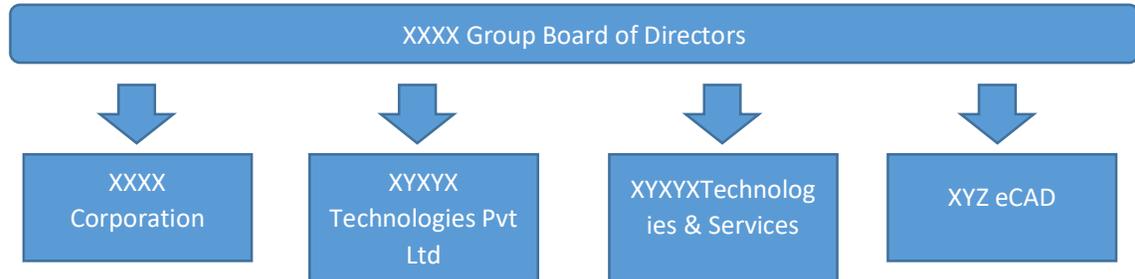
Founded to provide high quality electronic manufacturing solutions to high-mix industries, the group today has a global footprint and deeply entrenched client relationships

The [REDACTED] group is vertically integrated to offer products like integrated box build / end products / assemblies involving the design and manufacturing of:

- Printed Circuit Boards
- Cables / Harness
- Magnetics
- Metals
- Plastics

Over the past 20 years, the group has developed relationships with some of the large names in the industry such as GE, Bosch, Cummins, Alstom, Kyosan, Continental and others. The relationships with the companies have been sustained with repeat orders over many years.

Group Structure



Company	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
HQ	Atlanta (USA)	Chennai (India)	Chennai (India)	Bengaluru (India)
Operations	North America	India	India	India
Bus. Segments	Automotive, Communications, Power, Industrial, Medical etc.	Railway, Communication, Industrial, Power, Medical etc.	Aerospace, Railways, Industrial, etc.	Communication, Power, Industrial, Medical, Semiconductors.
Market	North America	North America, Europe, India etc	North America, India	North America, India

Currently all the group entities are held by the same promoters but the group does not have any parent-subsidary structure. However, the companies can be looked at as a group for credit assessment purposes for the following reasons:

- They have the same promoters
- They have deep linkages amongst each other (like ██████ Corp is mostly a marketing arm in the USA, while the manufacturers in India are all part of a vertical integration)
- There are historical instances of group companies supporting each other (e.g. ██████ ██████ Pvt Ltd provided extended payment terms on receivables from ██████ Corp).

Management Analysis

The group was founded by first generation entrepreneurs almost 24 years back. The group is still managed by the same set of promoters. The Board of Directors comprises of the following people:

Name of Director	Position(s) Held	Experience
██████████	Managing Director – ██████████	<ul style="list-style-type: none"> ██████████ ██████████ ██████████ • ██████████ ██████████ ██████████
Mr. ██████████	CEO, ██████████	25 years of global business development and operations experience
Mr. ██████████	Director, ██████████	More than 23 years of experience
Mr. ██████████	Director, ██████████	
Mr. ██████████	Director, ██████████	More than 18 years of experience in IT, Education & Training Industry
Mr. ██████████	Director, ██████████	Over 35 years experience in Oil & Gas and related manufacturing

The management of ██████████ group are mostly first generation entrepreneurs having extensive experience in IT and manufacturing. The management and the relevant key people of the group have sufficient experience to manage the business.

Historically, the companies have been managed by the technocrat promoters, but there is a gradual shift towards professional management looking after the day-to-day affair of the companies.

Industry Analysis

The [REDACTED] Group is an integrated player present in the entire value chain of the Electronic Manufacturing Services (EMS) industries.

EMS is a term used for an industry which comprises of companies that design, manufacture, test, distribute and provide repair services for components and assemblies of OEMs in the Electronics space.

The overall business model for the EMS industry specializes in attaining economies of scale in manufacturing and raw materials procurement along with industrial design expertise and value added services such as warranty and repairs.

The typical services provided by the players are as follows:

- Contract design service
- Prototyping
- Final system assembly
- Configuration
- Order fulfilment
- After sales service

Most of the meaningful players in the industry are present in all the services.

Industry Characteristics:

The players in the EMS industry globally can be segregated into two main models of operations:

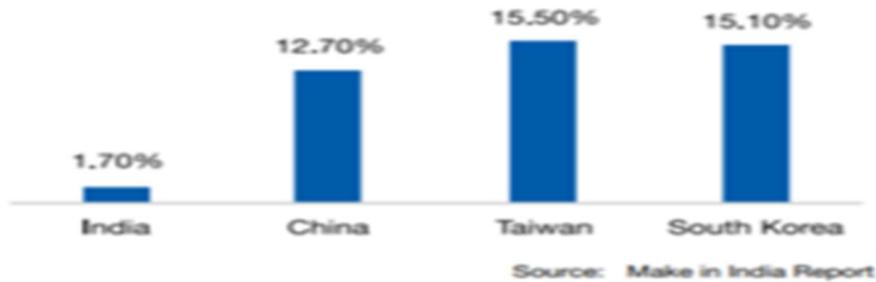
High Volume – Low Mix (HVLM)	High Mix – Low Volume (HMLV)
A contract manufacturing setup where only a few assemblies are produced in large quantities	Puts a high focus on quality and customisation as per customer requirements
This technique allows changeovers to be kept at minimum levels and equipment utilisation rates to be significantly high	Due to customisations the equipment utilisation rates can be relatively lower
Low margin, relatively commoditised	High margin, niche market scenario
Primarily the larger players in the industry	Lower tier players in terms of size
Computers, Consumer Electronics, Storage devices, Telecommunication	Industrial, Aerospace, Medical, Defence etc.

*Mix refers to the different models for PCB assembly while Volume refers to the number of units built.

Demand – Supply Scenario

The total global electronics hardware industry is about USD 2 Trillion, out of which, India’s production was about USD 47 billion during the year 2016-17. The number is dismally low for the 6th largest economy of the world but it also represents a huge opportunity for growth in this sector.

Electronics industry contribution to GDP



The global consumer electronics market alone is predicted to surpass USD 1.5 Trillion by 2024. Asia Pacific region is anticipated to witness high growth in the consumer electronics market due to large number of household appliances and smartphone users and large scale infrastructure development. The growth is mainly driven by the presence of high population and growing disposable income in economies such as China, India, Japan and South Korea.

Indian EMS industry is expected to have one of the highest growth rates among other countries, representing a CAGR of 17.5% from 2014 to 2020.



The Indian market for electronic products is poised for significant growth in the coming years. While the demand for electronic products in India is expected to grow at a CAGR of 41 per cent to reach USD 400

billion by 2020, domestic production is growing at a CAGR of 27 per cent as compared to a CAGR of 9.6% during 2010-2016.

Although there is a huge leap in the projected production figures for 2020, the domestic production is projected to meet only 26% of the domestic demand leaving a huge gap of USD 300 billion to be filled by imports by the year 2020.

Domestic companies have generally followed the business model of staying in low-volume and high-mix business segments, where the margins are better. However, the EMS players need to operate in high-volume and low-margin segments to compete with the global players.

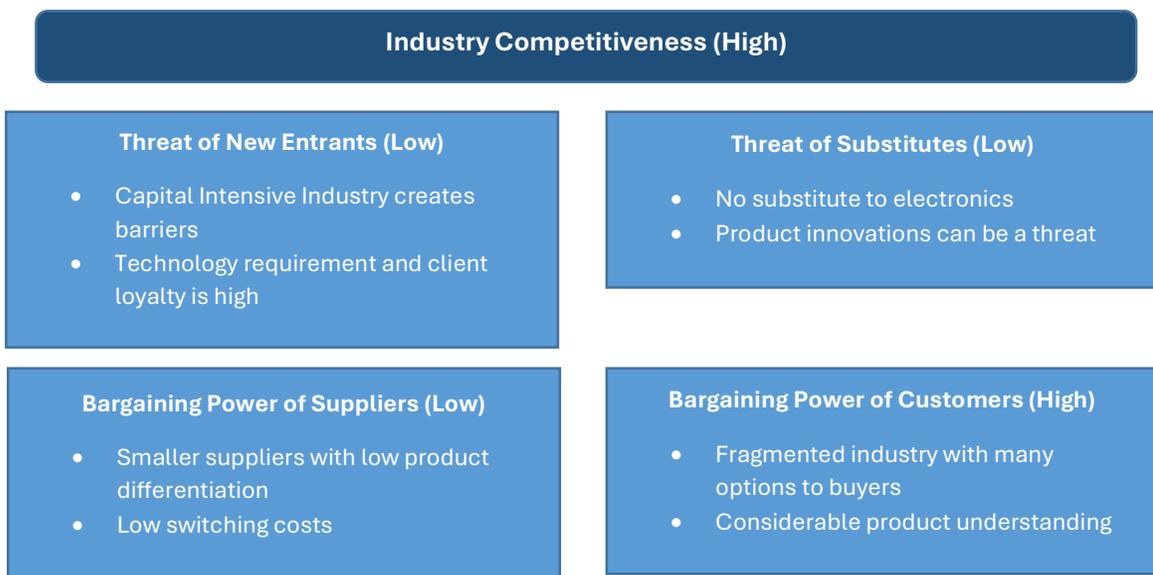
Further, with government schemes like the “Make In India”, “Digital India” and “Skill India” campaigns, Modified Special Incentive Package Scheme (M-SIPS) and Electronic Manufacturing Cluster (EMC), the industry is poised for a large growth in the immediate future.

Key Industry Drivers

The key drivers impacting the functioning of the industry in India are as follows:

- Relatively higher cost of infrastructure
- Shortage of skilled manpower
- Longer capital investment cycle
- Higher cost of capital
- Fragmented industry with cost competition from small players
- Threat from Imports
- Demand fluctuations

Competitiveness Analysis



Financial Performance Analysis

As per our methodology for such group companies with common promoters and deep business and financial linkages, the financials of all the group companies are fully consolidated for analysis.

In view of the above, the financial analysis is the same for all the scenarios mentioned in the “Objective of Analysis” section of the document.

Scenario 1 & 2

Consolidated Financial Statements

Rs. Crores	31-Mar-2017	31-Mar-2018	31-Mar-2019	31-Mar-2020	31-Mar-2021	31-Mar-2022
Result Type	Projected	Projected	Projected	Projected	Projected	Projected
Gross Sales	503.30	486.50	680.40	770.00	1104.60	1468.60
Traded Goods Sales	0.00	0.00	0.00	0.00	0.00	0.00
Excise Duty/Sales Tax	0.00	0.00	0.00	0.00	0.00	0.00
Net Sales	503.30	486.50	680.40	770.00	1104.60	1468.60
Other Operating Income	0.00	0.00	0.00	0.00	0.00	0.00
Total Operating Income	503.30	486.50	680.40	770.00	1104.60	1468.60
Operating Expenses	517.65	449.40	616.14	682.50	904.54	1173.34
OPBDIT	-14.35	37.10	64.26	87.50	200.06	295.26
Depreciation/Amortization/Impairment	7.84	9.80	10.64	11.34	10.78	9.38
OPBIT	-22.19	27.30	53.62	76.16	189.28	285.88
Interest and Finance Charges	23.10	22.47	26.04	30.31	28.07	31.08
OPBT	-45.29	4.83	27.58	45.85	161.21	254.80
Non-Operating Income(Expenses)	-5.11	3.57	1.89	0.70	0.00	0.00
PBT	-50.40	8.40	29.47	46.55	161.21	254.80
Extraordinary/Prior Period - Income(Expense)	-1.33	0.00	0.00	0.00	0.00	0.00
Provision for Taxes	-10.43	3.71	0.56	8.40	36.61	58.45
PAT(Continuing Operations)	-41.30	4.69	28.91	38.15	124.60	196.35
PAT(Discontinuing Operations)	0.00	0.00	0.00	0.00	0.00	0.00
PAT	-41.30	4.69	28.91	38.15	124.60	196.35

Crores	31-Mar-2017	31-Mar-2018	31-Mar-2019	31-Mar-2020	31-Mar-2021	31-Mar-2022
Liabilities						
EQUITY AND RESERVES	-29.40	24.50	63.70	112.00	236.60	432.60
Share capital	20.30	33.60	39.20	49.70	49.70	49.70
Reserves and Surplus	-49.70	-9.10	24.50	62.30	186.90	382.90
Non-current liabilities	198.10	205.80	217.00	191.80	214.20	246.40
Long-Term Borrowings	198.10	205.80	217.00	191.80	214.20	246.40
Current liabilities	154.70	170.80	178.50	172.90	226.10	285.60
Trade Payables	104.30	133.00	144.20	122.50	172.20	228.20
Other Current Liabilities	50.40	37.80	34.30	50.40	53.90	57.40
Total Liabilities	323.40	401.10	459.20	476.70	676.90	964.60
ASSETS						
Non-current assets	107.80	112.00	112.70	115.50	109.20	101.50
Net Fixed assets	41.30	62.30	67.20	71.40	66.50	58.80
Capital Work-In-Progress	65.10	49.00	44.80	43.40	42.00	42.00
Net Intangible assets	0.70	0.70	0.70	0.70	0.70	0.70
Current assets	215.60	289.10	346.50	361.20	567.70	863.10
Current Investments	0.00	0.00	0.00	0.00	0.00	0.00
Inventories	92.40	137.20	153.30	61.60	91.70	126.00
Trade Receivables	84.70	116.90	136.50	142.10	200.20	265.30
Cash and Cash Equivalent	7.00	6.30	18.90	100.10	208.60	395.50
Other Current Assets	31.50	28.70	37.80	57.40	67.20	76.30
Total Assets	323.40	401.10	459.20	476.70	676.90	964.60

Ratio	31-Mar-2017	31-Mar-2018	31-Mar-2019	31-Mar-2020	31-Mar-2021	31-Mar-2022
Tangible Net Worth	-30.10	23.80	63.00	111.30	235.90	431.90
Total Debt/TNW	-6.58	8.65	3.44	1.72	0.91	0.57
ISCR	-0.62	1.65	2.47	2.89	7.13	9.50
DSCR	-0.45	0.73	1.18	1.30	2.95	3.84
DSCR(Analyzed)	-0.45	0.45	0.96	1.22	2.26	2.88
Net Profit Margin	-8.21	0.96	4.25	4.95	11.28	13.37
ROCE	-13.26	13.76	21.04	26.12	50.26	50.67
Net Cash Accruals/Total Debt	-0.13	0.07	0.18	0.26	0.63	0.83
Current Ratio	1.39	1.69	1.94	2.09	2.51	3.02

Analysis

The analysis of the above financials can be used for understanding both the Scenario 1 and Scenario 2 as described in the “Objective of Analysis” section. The two scenarios are identical for the purposes of credit risk determination except for the fact that movement of funds from the holding company [REDACTED] to [REDACTED] can be done more easily under the *Automatic Route of RBI* once [REDACTED] becomes a wholly owned subsidiary of [REDACTED] as part of Scenario 2.

Analysis of Historical Financial Performance and Projections

- The revenue grew at 39.85% over FY18-FY19 on account of an increase in order inflow from the existing and new customers. In FY19, revenue increased to Rs.680.40 crs due to an increase in production capacity & vertical integration capabilities. Moreover, focus on high mix, mission critical products have led to greater price realisations.
- The company is expecting Sales revenue growth of Rs 1140.00 Crs in FY21, with nearly 43% of the expectations backed by strong order visibility and additionally the group has over the past 25 years, ensured a sustained new product development program, robust client support, which has ensured long term relationships.
- EBITDA in FY19 was at 64.26 crs compared to 37.10 cr in FY18, an increase in more than 73%, in line with the increase in revenues
- Operating profit margin has been increased by ~79% in FY19 because of increasing focus on delivering higher value added products leading to better margins.
- Group's networth has been moderate as on March 31, 2019, with moderately high total outside liabilities. The risk of a leveraged capital structure is largely mitigated by assured revenue from its relatively sticky customer base to support the interest and principal repayments. Financial risk profile is expected to improve over the medium term on the back of improved cash accruals, minimal term debt repayments and no significant debt funded capital expenditure over the medium term.
- Group Receivable days are high mainly due to high receivable from [REDACTED] (US entity).
- Liquidity is moderate due to a stretched working capital cycle because of the requirement to maintain a large inventory and significant receivables from associate company. The company used more than 86% of its fund-based facilities on average during the past 9 months with peak utilisation of about 90%.

- The stretch in liquidity has caused minor delays in servicing debts in the past. However, since September 2019, the repayments have mostly been regular except for a few instances of technical delays.
- Working capital intensive nature of business due to high current asset days. However, company is planning to infuse capital which will help to reduce the dependence on bank borrowing and which might help company to manage company working capital cycle.
- The Company's ability to achieve the projected revenue & profitability as envisaged remain key credit monitoring issues.

Sensitised Projections:

The projections have been sensitised to a revenue CAGR of 17% between the period of FY 2019 to FY 2022.

Crores	31-Mar-2020	31-Mar-2021	31-Mar-2022
Result Type	Projected	Projected	Projected
Gross Sales	770.00	1004.60	1200.00
Traded Goods Sales	0.00	0.00	0.00
Excise Duty/Sales Tax	0.00	0.00	0.00
Net Sales	770.00	1004.60	1200.00
Other Operating Income	0.00	0.00	0.00
Total Operating Income	770.00	1004.60	1200.00
Raw Material Consumed	508.06	683.20	822.66
Change In Inventory (Increase)/Decrease	3.57	4.97	7.14
Employee Cost	107.87	118.30	130.20
Cost of Goods Sold	619.50	806.47	960.00
Selling, General and other Administrative expenses	63.00	74.97	88.90
Operating Expenses	682.50	881.44	1048.90
OPBDIT	87.50	123.16	151.10
Depreciation/Amortization/Impairment	11.34	10.78	9.38
OPBIT	76.16	112.38	141.72
Interest and Finance Charges	30.31	28.07	31.08
OPBT	45.85	84.31	110.64
Non Operating Income(Expenses)	0.70	0.00	0.00
PBT	46.55	84.31	110.64
Extraordinary/Prior Period - Income(Expense)	0.00	0.00	0.00
Provision for Taxes	8.40	36.61	58.45
PAT(Continuing Operations)	38.15	47.70	52.19
PAT(Discontinuing Operations)	0.00	0.00	0.00
PAT	38.15	47.70	52.19

Crores	31-Mar-2020	31-Mar-2021	31-Mar-2022
Liabilities			
EQUITY AND RESERVES	112.00	159.70	288.44
Share capital	49.70	49.70	49.70
Reserves and Surplus	62.30	110.00	238.74
Non-current liabilities	191.80	214.20	246.40
Long-Term Borrowings	191.80	214.20	246.40
Current liabilities	172.90	226.10	285.60
Trade Payables	122.50	172.20	228.20
Other Current Liabilities	50.40	53.90	57.40
Short-Term Provisions	0.00	0.00	0.00
Total Liabilities	476.70	600.00	820.44
ASSETS			
Non-current assets	115.50	109.20	101.50
Net Fixed assets	71.40	66.50	58.80
Capital Work-In-Progress	43.40	42.00	42.00
Net Intangible assets	0.70	0.70	0.70
Current assets	361.20	490.80	718.94
Current Investments	0.00	0.00	0.00
Inventories	61.60	91.70	126.00
Trade Receivables > Six Months	0.00	0.00	0.00
Trade Receivables < Six Months	142.10	200.20	265.30
Cash and Cash Equivalentents	100.10	131.70	251.34
Short-Term Loans and Advances	0.00	0.00	0.00
Other Current Assets	57.40	67.20	76.30
Miscellaneous Expenditure To the Extent Not Written off(Current)	0.00	0.00	0.00
Total Assets	476.70	600.00	820.44

Ratio	Co. Projections			Sensitised Projections		
	31-Mar-2020	31-Mar-2021	31-Mar-2022	31-Mar-2020	31-Mar-2021	31-Mar-2022
Tangible Net Worth	111.30	235.90	431.90	111.30	159.00	287.74
Total Debt/TNW	1.72	0.91	0.57	1.72	1.35	0.86
ISCR	2.89	7.13	9.50	2.89	4.39	4.86
Net Profit Margin	4.95	11.28	13.37	4.95	4.75	4.35
ROCE	26.12	50.26	50.67	12.59	12.78	9.77
Net Cash Accruals/Total Debt	0.26	0.63	0.83	0.26	0.27	0.25
Current Ratio	2.09	2.51	3.02	2.09	2.17	2.52

Comments:

- Despite the sensitisation of revenues of ██████ Group, the interest coverage remains comfortable.
- The overall gearing is expected to come down more gradually than earlier projected despite the sensitisation.

Scenario 3: 50% receivables ██████ (from ██████ orp) is converted to equity.

In the above scenario the following will happen:

- Non-current investment increase by Rs.71 crores (50% of receivables of Rs.142 crores as on March 2020)
- Reduction of receivables by Rs.71 crores

Based on the above the following are the key metrics:

Ratio	Sensitised Projections			Sensitised Projections (Sc 3)		
	31-Mar-2020	31-Mar-2021	31-Mar-2022	31-Mar-2020	31-Mar-2021	31-Mar-2022
Tangible Net Worth	111.30	159.00	287.74	111.30	159.00	287.74
Total Debt/TNW	1.72	1.35	0.86	1.72	1.35	0.86
ISCR	2.89	4.39	4.86	2.89	4.39	4.86
Net Profit Margin	4.95	4.75	4.35	4.95	4.75	4.35
ROCE	12.59	12.78	9.77	12.59	12.78	9.77
Net Cash Accruals/Total Debt	0.26	0.27	0.25	0.26	0.27	0.25
Current Ratio	2.09	2.17	2.52	2.09	1.86	2.27
Days Receivable	66	62	71	66	36	49
Days Inventory	63	35	41	63	35	41
Days Payable	96	78	87	96	78	87

Comments:

- The working capital cycle reduces due to reduction in receivables
- Liquidity and gearing will not improve since this will be a balance sheet re-organisation.
- However, over the next 2 years, the liquidity of the ██████ group is expected to improve.

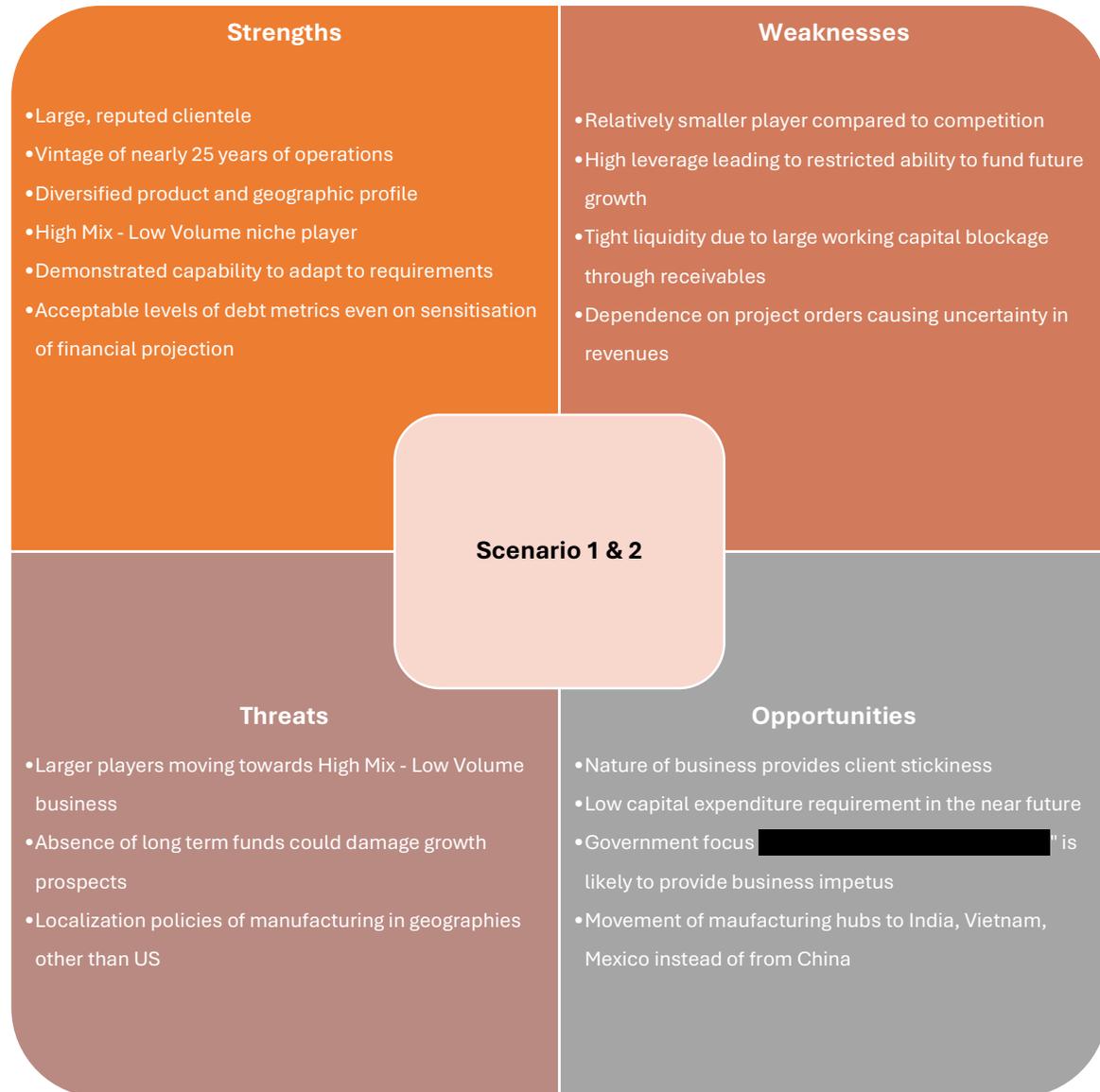
Repayment Track Record

The repayment track record of the Indian entities of the ██████ group have been mixed over the years. In the past, there have been instances of delays in the range of 0 – 7 days due to immediate liquidity issues. However, since September 2019, the group has structured its payments of PCFC dues on time.

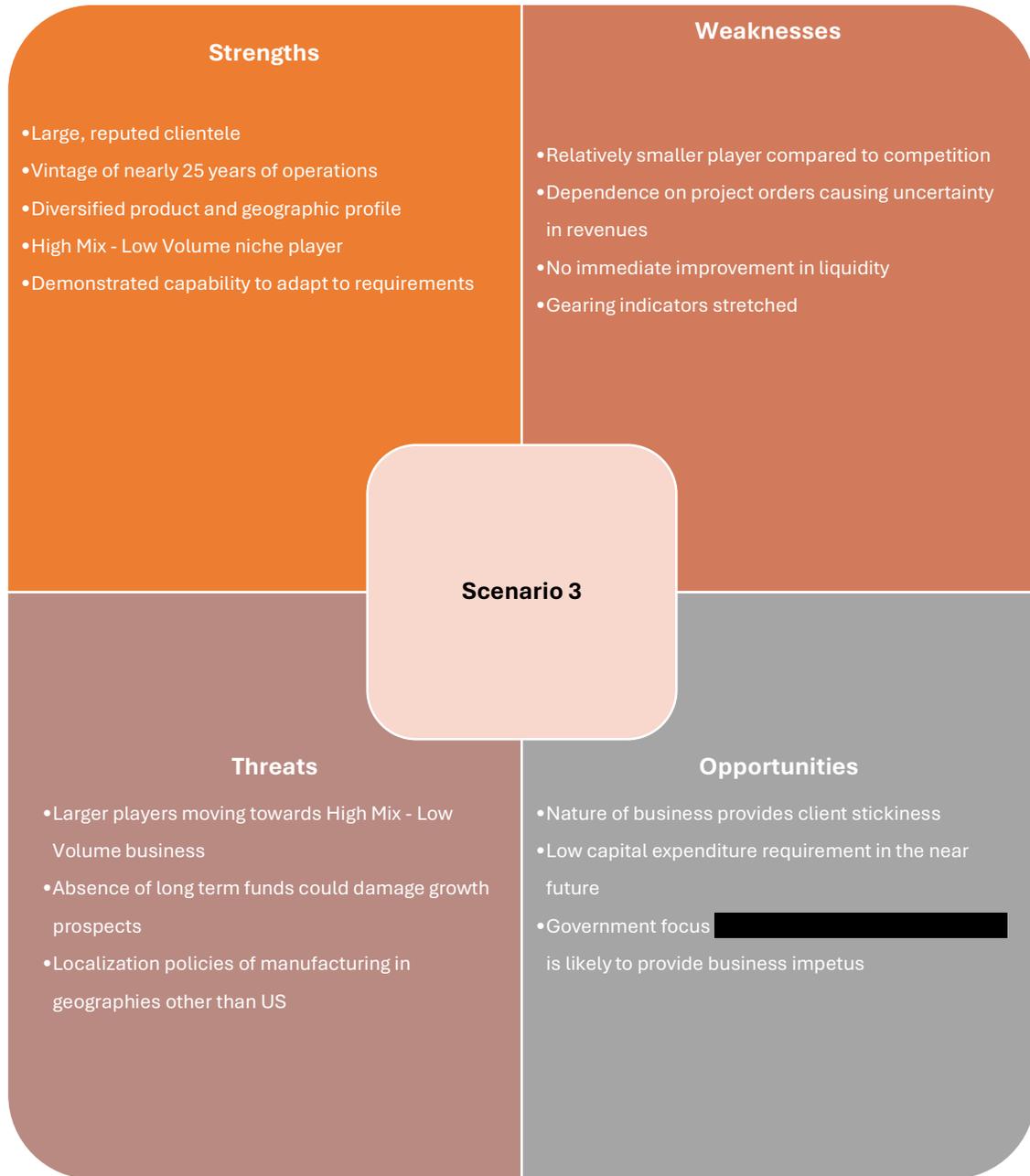
There are however some instances of delayed settlement of dues. As per discussions with the management, it was explained that these were technical delays due to order to order matching requirements of the bank which debited the account as per fund receipt for the respective orders and not the overall account itself, leading to such cases of delays in settlement. These are not considered delayed payments and hence the banks have not charged any penal interest for the same.

SWOT Analysis

Scenario 1 and Scenario 2



Scenario 3



Final Assessment:

Scenario 1 & 2:

NR 2

Risk Silo	Gradation	Remarks
Industry Risk	NR 3	<ul style="list-style-type: none"> Highly competitive Large growth prospects in India and globally Large players gradually moving towards High Mix – Low Volume production for better margins
Business Risk	NR 3	<ul style="list-style-type: none"> 25 years in business Niche market with High Mix – Low Volume Strategy Reputed clientele with sufficient years of relationship High flexibility for product innovation and design and fully vertically integrated
Management Risk	NR 2	<ul style="list-style-type: none"> Sufficient experience of management Inadequate corporate governance practices in the past Unsatisfactory repayment track record till recent past
Financial Risk	NR 2	<ul style="list-style-type: none"> Fluctuating revenues and profitability in the past Inadequate equity for the size of operation High leverage and stretched liquidity leading to low financial flexibility High receivables of █████ from █████ Corp leading to full utilisation of WC limits in the last 12 months Moderate improvement in profitability and cash flows expected in the next 2-3 years
Overall	NR 2	Estimated PD is 5.8%
Legend		
NR 5	Highest Safety	
NR 4	High Safety	
NR 3	Adequate to Moderate Safety	
NR 2	High Risk	
NR 1	Extremely High Risk	

Scenario 3

NR 2

Risk Silo	Gradation	Remarks
Industry Risk	NR 3	<ul style="list-style-type: none"> Highly competitive Large growth prospects in India and globally Large players gradually moving towards High Mix – Low Volume production for better margins
Business Risk	NR 3	<ul style="list-style-type: none"> 25 years in business Niche market with High Mix – Low Volume Strategy Reputed clientele with sufficient years of relationship High flexibility for product innovation and design and fully vertically integrated
Management Risk	NR 2	<ul style="list-style-type: none"> Sufficient experience of management Inadequate corporate governance practices in the past Unsatisfactory repayment track record till recent past
Financial Risk	NR 2	<ul style="list-style-type: none"> Fluctuating revenues and profitability in the past Inadequate equity for the size of operation High leverage and stretched liquidity leading to low financial flexibility High receivables of █████ from █████ Corp leading to full utilisation of WC limits in the last 12 months Conversion of receivables from █████ into Investments mere balance sheet reorganisation Very gradual improvement in debt metrics in the next 2-3 years Improvement in liquidity is subject to consistent growth and profitability in the next 2-3 years.
Overall	NR 2	Estimated PD is 5.8%

Way forward

In view of the analysis done on the [REDACTED] group, following are the indicators for improvement of credit quality over the medium term in our opinion:

1. Significant increase in scale of operation and profitability on a consistent level over the next 2-3 years leading to improvement in credit metrics
2. Infusion of long term funds to reduce reliance on short term borrowings resulting in stretch in liquidity
3. Maintenance of reasonable working capital cycle throughout the group and in inter-group transactions
4. Consistent on time payment track record for all bank and statutory dues for the next 1 -2 years
5. Greater clarity regarding succession plan of the promoters for the medium to long term

CONFIDENTIALITY CLAUSE

This document is submitted by NEX RUBICA, to [REDACTED] Group for assignment on Independent Credit Assessment on the understanding that the contents of this document will not be divulged to any third party by [REDACTED] Group, without the express written consent of NEX RUBICA.

DISCLAIMER

While every effort has been made to ensure accuracy in the preparation of this document, no responsibility can be accepted for errors and/or omissions, which are caused by incorrect or inadequate information supplied by [REDACTED] Group.

Date: [REDACTED]

Place: [REDACTED]