



Credit Report

Your reference : Sxxxxx Sxxxx
Total number of pages : 16

Subscriber No. : XXXX
Our reference No. : 1XXXXXX
Type of report : Standard

Enquiry on : CXXXXXX IXXXXXXXXXX TXXXXXXXXXXXX LXX:XXXX
India

Report Date : April 14, 2023

REPORT ON : CXXXXXX IXXXXXXXXXX TXXXXXXXXXXXX LXXXXXX
Business Address: Also Plant Address S-X, Oxx 3rd Cxxxx,
Pxxxx 1st Sxxxx, Pxxxx Ixxxxxxxx Axxx
56XXXX Bxxxxxxxx Kxxxxxxxx India



Score: 6 (out of 10)

Score Explanation:

It is a financial rating which assesses the probability of companies defaulting within one year.

The assessments are presented over ten distinct positions, each reflecting an average default rate in the coming year: the lower a company's credit score is, the riskier its situation is; the higher its score is, the less risky its situation is.

Different levels and description:

Default	Very high risk			Medium high risk		Low risk				
0	1	2	3	4	5	6	7	8	9	10

0: Insolvency/preliminary/debt regulation proceedings

1: Extremely high risk of insolvency

2: Very high risk of insolvency

3: High risk

4: Significant risk

5: Medium high risk

6: Acceptable risk

7: Moderate risk

8: Low risk

9: Very low risk

10: Excellent risk

Credit Opinion : USD 200,000.00/-

**SUMMARY**

Founded	: 19XX
Legal form	: Public limited company
Registration date	: XX.1X.19XX
Activity	: Manufacturer & Trading & Services
Staff	: N/A
Nominal capital	: INR 1,530,000,000.00 since 31.12.2022
Paid-up capital	: INR 1,119,865,000.00 since 31.12.2022
Annual revenue	: INR 2,358,740 th (2022)
Total assets	: INR 2,591,689 th (2022)
Payments	: Undetermined
Litigation record	: Clear

All figures are shown in INR unless otherwise stated.

**IDENTIFICATION**

Company name : CXXXXXX IXXXXXXXXXX TXXXXXXXXXXXX LXXXXXX
Business Address: Also Plant Address S-X, Oxx 3rd Cxxxx,
Pxxxx 1st Sxxxx, Pxxxx Ixxxxxxxx Axxx
56XXXX Bxxxxxxxx Kxxxxxxxx India

Tel. : +91-80-2XXXXXXX, +91-80-2XXXXXXX, +91-80-2XXXXXXX
Fax : +91-80-2XXXXXXX
Email : hexxx@cxxxxxxxxxxxx.com, vixxxx@cxxxxxxxxxxxx.com
Web : www.cxxxxxxxxxxxx.com

Registered address : Business Address: Also Plant Address S-X, Oxx 3rd Cxxxx,
Pxxxx 1st Sxxxx, Pxxxx Ixxxxxxxx Axxx
56XXXX Bxxxxxxxx Kxxxxxxxx India

LEGAL FORM

Subject is established as Public limited company on December XX, 19XX.

VAT number : PAN No. AAXXXXXXXXX
Registration status : XX.12.19XX - Registered Company
Activity status : 19XX - Active Company
Legal events : According to available information sources the company is not in a
insolvency/Preliminary/debt regulation proceeding.

Registration : No. 08-0XXXXX
XX.12.19XX
Bxxxxxxxx, India Kxxxxxxxx

Quotation Stock Exchange : BSE
NSE

Financial situation : 8: Sound
Profitability : 3: Normal
Status of company : 11: Active
GST Number : 29AAXXXXXXXXXXX

NATURE OF BUSINESS

Nature of business: Manufacturer & Trading & Services

Activities: NACE
2620 Manufacture of computers and peripheral equipment

CAPITAL

Nominal capital : INR 1,530,000,000.00 since 31.12.2022
Paid-up capital : INR 1,119,865,000.00 since 31.12.2022

SHAREHOLDER

Full Name	Function	Registration Address	Equity
NXX-IXXXXXXXXXXXX	Shareholder	India	77.16%
Mr. IXXXXXXXXXXXX	Shareholder	India	17.80%
OTHERS	Shareholder	India	5.04%

Total number of shareholders: 3

**MANAGEMENT**

Full Name	Function	Registration Address
Mr. KXXXXXXXX Pxxxxxxxx Exxxxxx	Director	India
Mr. PXXXXXXXX Vxxxxxxxxxxxx	Director	India
Mr. PXXXXXXXX Bxxxxx	Director	India
Mr. SXXXXXXXX Gxxxxxx Kxxxxxxx	Director	India
Mr. VXXXX Mxxxx Vxxxxxxxxxx Sxxxxxx	Director	India
Mr. PXXXXX Mxxx	Company Secretary	India

HISTORY

Originally started as a partnership firm under the name and style of IXXXXXXXX TXXXXXXXXXX in July, 19XX. Later, it was converted and incorporated as a public limited company as CXXXXXX IXXXXXXXX TXXXXXXXXXX LXXXXXX in December, 19XX. The Company has taken over Monolithic Components and peripherals a partnership firm in April, 19XX. (as obtained from previous records)

ACTIVITY

Nature of business: Manufacturer & Trading & Services

Activities: NACE

2620 Manufacture of computers and peripheral equipment

Manufacturer, Trading and Assembling of Computer Systems, and Peripherals. Also in providing I T Services and e-Waste management.

Major Customers:

Honeywell
HP
Servo
JSW
Kingfisher Airlines
LG
Lumax
Kempegowda International
MMRC

Note:

The above mentioned information has been obtained from company's website but could not confirm the same with the subject.
Payment terms could not be obtained.

Major Suppliers: The subject refused to divulge suppliers' names & payment terms.

PREMISES

Registered Address:

Also Business & Plant Address

S-5, Oxx 3rd Cxxxx, Pxxxxx 1st Sxxxx, Pxxxxx lxxxxxxxx Axxx

560XXX Bxxxxxxxx

Kxxxxxxxx

India



Telephone: +91-80-2XXXXXXX, +91-80-2XXXXXXX, +91-80-2XXXXXXX
Fax: +91-80-2XXXXXXX
Email: hxxxx@cxxxxxxxxxxxxxxxx.com, vixxxx@cxxxxxxxxxxxxxxxx.com
Web: www.cxxxxxxxxxxxxxxxx.com

Plant Address:
Plot No 4X to 4X
Nxxxxxxxx Ixxxxxxxx Rx, Axxxxxxxx,
Bxxxxxxxx (Kxxxxxxxx) – 56XXXX

Branch Address:
Exxxxxxxx Sxxxxx, D-4XX,,
Lxxxx Cxxxxxxxx Pxxx
Jxx Cxxxxx Axxx, Gxxxxxxxx(E),
Mxxxxx-40XXXX

Branch Address:
D-4X Bxxxxxxxx,
Sxxxxx 5X,
Nxxxx – 20XXXX

Branch Address:
9XX 9th Fxxxx
Oxxxxxx Pxxxxxx,
3X B Sxxxx Pxxxx,
Gxxxxx,
Cxxxxxx – 60XXXX

Enquired Address: (does not belongs to subject company)

Pxxx Nos. SXX to SXX Ixxxxxxxx Txxxxxx Pxxx,
KIADB Ixxxxxxxx Axxx Dxxxxxxxxxxxx
Bxxxxxxxx – 56XXXX

Note: The above mentioned enquired address does not belongs to subject company. (As confirmed by subject)

STAFF

N/A

PARENT COMPANY

N/A

AFFILIATION:

Subsidiary Company:
CXXXXXX LXX IXXXXX LXXXXXX

Other Related Company:
KXXXXXX TXXXXXXXXXX PXXXXXX LXXXXXX



FINANCE

Key data:

**Amounts shown in Indian Rupee (INR)
Thousand**

	01.04.2021 31.03.2022	01.04.2020 31.03.2021	01.04.2019 31.03.2020
Turnover	2,358,740 +268.27%	640,493 -37.53%	1,025,361
Equity capital	2,628,533 +11.65%	2,354,306 +2.00%	2,308,159
Net Profit	274,248 +492.46%	46,290 -29.07%	65,263
Net Loss	0	0	0

Financial data:

**Amounts shown in Indian
Rupee (INR) Thousand**

	01.04.2021 31.03.2022	01.04.2020 31.03.2021	01.04.2019 31.03.2020
BALANCE SHEET			
SOURCES OF FUND			
Net Worth	2,628,533.00 +11.65%	2,354,306.00 +2.00%	2,308,159.00
Paid-up equity capital	1,119,865.00 -7.59%	1,211,864.00 -0.01%	1,211,966.00
Reserve & surplus	1,508,668.00 +32.06%	1,142,442.00 +4.22%	1,096,193.00
Total borrowings	331.00 -62.26%	877.00 -34.60%	1,341.00
Secured loans	331.00 -62.26%	877.00 -34.60%	1,341.00
TOTAL	2,628,864.00 +11.62%	2,355,183.00 +1.98%	2,309,500.00
USES OF FUND			
Gross fixed assets	98,724.00 +0.18%	98,547.00 +8.70%	90,662.00
Net fixed assets	98,724.00 +0.18%	98,547.00 +8.70%	90,662.00
Capital work in progress	29,091.00 -60.36%	73,397.00 +773.15%	8,406.00
Investments	2,689.00 -92.52%	35,943.00 +0.42%	35,791.00
Deferred tax assets	5,395.00 -19.21%	6,678.00 +6.47%	6,272.00
Current assets, loans & adv.	4,174,111.00 +52.95%	2,729,016.00 -17.96%	3,326,532.00
Inventories	228,775.00 -10.10%	254,469.00 +120.02%	115,659.00
Sundry debtors	2,496,556.00 +88.70%	1,323,019.00 -33.23%	1,981,310.00
Adv/loans to corporate bodies	62,546.00 -59.40%	154,072.00 +24.69%	123,563.00



Other Receivables	1,363,569.00 +44.34%	944,663.00 +1.35%	932,115.00
Cash & bank balance	22,665.00 -57.07%	52,793.00 -69.64%	173,885.00
Less: Current liab. & prov.	1,681,146.00 +185.72%	588,398.00 -49.20%	1,158,163.00
Sundry creditors	878,495.00 +333.57%	202,617.00 76.74%	871,041.00
Other current liabilities	786,426.00 +108.23%	377,678.00 +35.81%	278,099.00
Provisions	16,225.00 +100.23%	8,103.00 10.20%	9,023.00
Net current assets	2,492,965.00 +16.46%	2,140,618.00 -1.28%	2,168,369.00
TOTAL PROFIT & LOSS	2,628,864.00 +11.62%	2,355,183.00 +1.98%	2,309,500.00
Income	2,358,740.00 +268.27%	640,493.00 -37.53%	1,025,361.00
Operating income	2,310,767.00 +261.61%	639,019.00 -36.01%	998,593.00
Other income	47,973.00 +3,154.61%	1,474.00 -94.49%	26,768.00
Change in stocks			110,002.00
Expenses	1,888,113.00 +260.46%	523,805.00 -48.75%	1,022,064.00
Raw materials, stores, etc.	1,719,050.00 +336.90%	393,464.00 -43.77%	699,760.00
Wages & salaries	91,881.00 +21.72%	75,487.00 -17.63%	91,639.00
Other operating expenses	77,182.00 +40.70%	54,854.00 +5.17%	52,158.00
Misc./Other expenses			178,507.00
PBDIT	470,627.00 +303.32%	116,688.00 +2.99%	113,299.00
Less: Financial charges	61,537.00 +54.53%	39,823.00 +70.75%	23,323.00
PBDT	409,090.00 +432.22%	76,865.00 14.57%	89,976.00
Less: Depreciation	4,282.00 +14.00%	3,756.00 +28.67%	2,919.00
Profit before tax	404,808.00 +453.70%	73,109.00 16.02%	87,057.00
Less: Tax provision	130,560.00 +386.82%	26,819.00 +23.06%	21,794.00
Profit after tax	274,248.00 +492.46%	46,290.00 29.07%	65,263.00



COVID-19:

The ongoing second wave of COVID-19, though has dampened the pace of recovery for the Corporates but is looking at big bang turnaround. However, the impact of the second wave on many sectors is set to be lower than the first because the lock downs are less widespread and stringent as of now as against the strong nationwide lockdown last year which brought all economic activities to a grinding halt. With the vaccination drive commenced and open to the population of 18 years and above and also being provided free of cost in some States, we expect the later part of the fiscal to improve steadily. Credit pressures this time around could possibly be higher than the previous year, given the prolonged stress till date and the likelihood of limited fiscal or policy support in the absence of force majeure conditions like last time.

Note:

1. A direct tele-interview was held with Mr. Charan (Consultant CS) who was just co-operative and confirmed only address and activity of the subject company.

2. Other current liabilities includes Short term borrowings.

Note: When contacted to provided number +91-88XXXXXXX does not belongs to subject company.

Un-Audited Financial Figures As On XX.12.20XX(For 9 Months);

Total Income: INR 730.054 million Total Expenditure: INR 680.026 million PBT: INR 50.029 million PAT: INR 48.086 million

Ratios:

	01.04.2021 31.03.2022	01.04.2020 31.03.2021	01.04.2019 31.03.2020
EFFICIENCY RATIOS			
Average Collection Days	394.35	755.69	724.20
Account Receivables Turnover	0.93	0.48	0.50
Average Payment Days	186.53	187.96	454.34
Inventory Turnover	10.10	2.51	8.63
Asset Turnover	23.41	6.48	11.01
LEVERAGE RATIOS			
Debt ratio	0.39	0.20	0.33
Debt Equity Ratio	0.00	0.00	0.00
Current Liabilities To Net Worth	0.64	0.25	0.50
Fixed Assets to Net Worth	0.04	0.04	0.04
Interest Coverage Ratio	7.58	2.84	4.73
PROFITABILITY RATIOS (%)			
PAT to Total Income	11.63	7.23	6.36
Net Profit Margin	17.52	11.44	8.72
Return on Total Assets	6.36	1.57	1.88
Return on Investment (ROI)	10.43	1.97	2.83
SOLVENCY RATIOS			
Current Ratio	2.48	4.64	2.87
Quick Ratio	2.35	4.21	2.77
G-Score Ratio Financial	0.61	0.80	0.67
G-Score Ratio Debt	0.00	0.00	0.00
G-Score Ratio Liquidity	2.48	4.64	2.87

Average Collection Days

(Sundry Debtors/Operating Income * 365 Days)



Account Receivables Turnover	(Operating Income/Sundry Debtors)
Average Payment Days	(Sundry Creditors/Purchases * 365)
Inventory Turnover	(Operating Income / Inventories)
Asset Turnover	(Operating Income / Net Fixed Assets)
Debt ratio	((Borrowing + Current liab.)/Total assets)
Debt Equity Ratio	(Borrowings / Net Worth)
Current Liabilities To Net Worth	(Current Liabilities / Net Worth)
Fixed Assets to Net Worth	(Net Fixed Asset / Net Worth)
Interest Coverage Ratio	(PBIT / Financial Charges)
PAT to Total Income	((PAT /Total Income) * 100)
Net Profit Margin	((PBT / Operating Income) * 100)
Return on Total Assets	((PAT / Total Assets) * 100)
Return on Investment (ROI)	((PAT / Net Worth) * 100)
Current Ratio	(Current Assets / Current Liabilities)
Quick Ratio	((Current Assets - Inventories) / Current Liabilities)
G-Score Ratio Financial	Net Worth / Total Assets * 100
G-Score Ratio Debt	Debts / Equity Capital
G-Score Ratio Liquidity	Total current assets / Total current liabilities

PAYMENT

Undetermined

Trade References: Payment experience: Account unknown

Further Assessment Information:

Researched company is categorized as medium but long established company.

Debt Collection: There is no record of any debt collection action by exceeding a single case volume of EUR 500.

MORTGAGE RECORD

No Record

LITIGATION

Clear

On subject: clear

Litigation status is clear. No payment default cases are found on the subject company at this point of time (as confirmed from the known sources).

BANKER

Bank of lxxxx

Cxxxxx Bank

CHARGES

None reported

**GENERAL COMMENT ON OPERATIONS:**

CXXXXXX IXXXXXXXXX TXXXXXXXXXXXXX LXXXXXX are one of India's largest recycling and refurbishment company, offering recycling and refurbishing services to major brands. Their solutions reduce waste of used, outdated devices, while making affordable technology available to organizations & individuals through their CXXXXXX Experience Centres (Stores) pan India.

The subject ISO 9001:20XX, ISO 14001XXXX, ISO 450XX:20XX, ISO/IEC 270XX:20XX & RX is an certified company.

CONCLUSIVE REMARKS:

CXXXXXX IXXXXXXXXX TXXXXXXXXXXXXX LXXXXXX is a medium sized and long established company (31 years old) whose financial structure is debt free and profitability is normal with an increasing trend in the financial year 20XX-XX when compared to its previous year.

The subject is a debt free company in the financial year 20XX-XX; hence less financial risk is involved. Subject's net worth have increased (by 12%) for the financial year 20XX-XX when compared to its previous year.

Subject's turnover & net profits have both increased (by 268% & 493% respectively) for the financial year 20XX-XX when compared to its previous year.

The subject can be considered for business dealings up to the credit limit recommended and any business transaction or any business dealing above the credit limit should be done on safe and secured trade terms and conditions.

Division: System Integration - Enterprise Solutions Division

CREDIT OPINION WITHOUT OBLIGATION

Credit Opinion : USD 200,000.00/-

Subject is considered good for short-term credit. Normal business is carried out with sufficient resources. Financial conditions are generally healthy and capable of meeting obligations satisfactorily. General unfavorable conditions are unlikely to cause fatal effects. Unsecured credit can be granted in medium amount under the usual trade terms.

NEWS DETAILS:

CXXXXXX IXXXXXXXXX TXXXXXXXXXXXXX LXX Slides 4.94%, S&P BSE IT Sector index Drops 1% (XX.02.20XX)

CXXXXXX IXXXXXXXXX TXXXXXXXXXXXXX LXX has lost 14.86% over last one month compared to 4.08% gain in S&P BSE IT Sector index and 0.13% rise in the SENSEX.

CXXXXXX IXXXXXXXXX TXXXXXXXXXXXXX LXX lost 4.94% today to trade at Rs 10.2. The S&P BSE IT Sector index is down 1% to quote at 30814.02. The index is up 4.08 % over last one month.

CXXXXXX IXXXXXXXXX TXXXXXXXXXXXXX LXX Q4FY22 consolidated profit at Rs. 3.55 crore (07.06.2022) CXXXXXX IXXXXXXXXX TXXXXXXXXXXXXX LXXXXXX has reported Consolidated financial results for the period ended March XX, 20XX.



Financial Results (Q4 FY2022) - QoQ Comparison

The company has reported total income of Rs. 81.2055 crores during the period ended March XX, 20XX as compared to Rs. 70.1526 crores during the period ended December XX, 20XX.

CXXXXXX TXXXXXXXXXX stock rises 4% after Barclays Securities buys 6.13 lakh shares (XX.01.20XX)

Shares of CXXXXXX IXXXXXXXXXX TXXXXXXXXXX hit all-time high today after Barclays Securities India bought half a percent equity stake in the firm via an open market transaction.

CXXXXXX IXXXXXXXXXX TXXXXXXXXXX stock touched an intraday high of Rs 96.35, rising 4.16% on BSE. The stock has gained 12% in the last five days. CXXXXXX IXXXXXXXXXX Tech stock is trading higher than 5 day, 20 day, 50 day, 100 day and 200 day moving averages.

CXXXXXX IXXXXXXXXXX TXXXXXXXXXX reports consolidated net profit of Rs 3.56 crore in the March 20XX quarter (XX.05.20XX) Net profit of CXXXXXX IXXXXXXXXXX TXXXXXXXXXX reported to Rs 3.56 crore in the quarter ended March 20XX as against net loss of Rs 1.18 crore during the previous quarter ended March 20XX. Sales rose 274.24% to Rs 76.57 crore in the quarter ended March 20XX as against Rs 20.46 crore during the previous quarter ended March 20XX.

The company is active in the Coface sector 'Electrical equipments, Eletronics and Information & Telecommunication Technology'.



MAJOR MACRO ECONOMIC INDICATORS OF India*

COUNTRY RISK ASSESSMENT*

Country Risk Assessment: B

MAJOR MACRO ECONOMIC INDICATORS

	2020	2021	2022 (e)	2023 (p)
GDP growth (%)	-6.6	8.3	6.8	5.9
Inflation (yearly average, %)	6.6	5.1	6.7	5.0
Budget balance (% GDP)	-12.8	-10.0	-9.9	-9.0
Current account balance (% GDP)	0.9	-1.2	-3.5	-2.9
Public debt (% GDP)	89.2	84.2	84.0	83.8

(e): Estimate (f): Forecast *FY 2023: April 2023-March 2024

STRENGTHS

- Diversified growth drivers
- Immense workforce and population (over 50% of the population under 25) with good command of English
- Efficient IT services
- Expatriates' and diaspora's remittances, jewellery, garments, vehicles and medicine exports, as well as tourism and IT services, contribute positively to the current account
- Low level of external debt and adequate FX reserves

WEAKNESSES

- High corporate debt and non-performing loans (NPL)
- Net importer of energy resources (one fifth of imports)
- Lack of adequate infrastructure
- Weak public finances
- Bureaucratic red tape, inefficient justice
- Widespread poverty, inequality, and informality
- Military confrontation in Kashmir with China and Pakistan
- Non-participation in regional trade agreements (Regional Comprehensive Economic Partnership Agreement)



RISK ASSESSMENT

Ongoing recovery

The Indian economy is set to expand further in 2022, building on its 2021 gradual recovery. Private consumption (59% of GDP) rose by 9.3% in the January-September of 2021, and was nearly back to 2019 levels as the labour market improved. The unemployment rate fell from a high of 11.9% in May 2021 at the peak of the Delta wave to around 7% in November 2021. Mobility at recreation, retail and transit stations broadly normalised to pre-pandemic levels. However, strong inflation pressures could weigh on consumption and households could increase their precautionary savings due to greater inflation uncertainty. Business confidence also improved, as reflected by gross fixed investment levels (29% of GDP) restoring to just shy of the 2019 level in the first three quarters of 2021. Public investment (6.9% of GDP) should also be boosted by higher budget allocation (34.5% more in FY21-22 than FY20-21) amid the push to develop much-needed infrastructure under the National Infrastructure Pipeline (NIP) plan to be executed over five years (FY2019-25).

Prior to the pandemic, India's private domestic demand had been waning in the wake of policy reforms, including the banknote de-monetisation in 2016 and the goods and services tax (GST)'s implementation in 2017, leading GDP growth to slow since FY2017 and reach 4% in FY2019. We see the recovery in both consumption and investment to remain gradual amid persistent downside risks, especially potential virus resurgences. While the share of population fully vaccinated (at 40% in mid-December 2021) continues to lag most of its regional peers, a higher sero-prevalence rate could mitigate risks from future waves. On the supply side, manufacturing (16% of GDP) has rebounded solidly with output already back to pre-pandemic level, while services (50% of GDP) were resilient, led by software services (5% of GDP). Shortages of coal has seen India increasing its production to feed its power plants.

The central bank's stress tests results in July 2021 and the lifting of a temporary measure to suspend recognition of pandemic-affected loans as nonperforming suggest that non-performing assets (NPAs) of banks and non-banks may rise, despite extensions to the credit guarantee scheme (till 31 March 2022) for MSMEs and loan restructuring scheme. Despite policy support, bank credit growth has remained subdued. Anticipating a possibly surge in NPLs, banks have increased provisioning and raised capital. The government also announced in September 2021 the establishment of a distressed debt bank (National Asset Reconstruction Company Ltd) to acquire up to INR 2 trillion of bad loans. In October 2021, the minimum capital buffer were raised to 2.5%, thereby increasing minimum CET1 capital ratio to 8%.

Weak public finances

The pandemic has further weakened the fiscal position, with the general government fiscal deficit ballooning to a record 12.8% of GDP in FY20-21 due to economic contraction, lower revenue and support measures. However, the fiscal deficit is expected to narrow as some measures are scaled back amid the recovery. The FY21-22 budget focuses on health-related spending and infrastructure expenditure, and the FY22-23 budget should maintain a mildly expansionary fiscal stance to support the recovery and improve the infrastructure. Therefore, public debt should remain high relative to the pre-pandemic period, but overwhelmingly domestic. Over the medium-term, the government is committed to fiscal consolidation, helped by improvements in GST and income tax buoyancy.

The current account balance is expected to have returned to its usual deficit in 2021, with this shortfall widening in 2022 due to a gradual recovery in domestic demand and higher oil prices. The deficit in the net goods balance for the first half of 2021 was nearly half of the pre-pandemic level. Meanwhile, Indian IT services remain in strong demand, helping to keep the services trade balance in a healthy surplus (3% of GDP). Moreover, India has the largest diaspora population in the world, whose remittances have contributed to a resilient surplus in the secondary income account.

**Increasing political pressure**

A weakening economic trend in recent years, rising fuel prices and growing dissatisfaction over the government's pandemic response pose a political challenge to the administration. In a sign of increasing political pressure, Modi announced on 19 November 2021 that he would repeal the controversial agricultural reform laws after the year-long farmers' demonstrations, which was followed by a parliamentary vote to scrap the three farm laws that aimed at liberalizing agricultural markets. Nevertheless, a fragmented opposition and limited national appeal for most opposition parties (including the main one, the Congress party) means that the BJP is unlikely to see a serious challenge. Meanwhile, the India-China relationship remains strained amid border issues and India's renewed commitment to the Quadrilateral Security Dialogue that includes the U.S., and its bolstered defence ties with Australia and Japan. On the trade front, India is unlikely to join the RCEP due to concerns of a huge inflow of imports from more competitive regional peers. Instead, India seeks to revive trade talks with the EU and a potential free trade agreement with the US.



For further information of country rating and payment experience such as Assets – weaknesses – risk outlook; Industries overview; Insolvency trend; Means of payment and collection methods; and Nonpayment index, please visit our group's official homepage at www.coface.com or go directly to your interest at http://www.coface.com/CofacePortal/COM_en_EN/pages/home/risks_home

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