



Press Release

Isprout Business Centre Private Limited

November 07, 2023

Revalidation of Rating Assigned to Long-Term Non-Convertible Debentures

Ratings

Instrument / Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Non-Convertible Debentures	25.00	IVR BB+/Positive (IVR Double B Plus with Positive Outlook)	Revalidated	Simple
Proposed Non-Convertible Debentures	15.00	IVR BB+/Positive (IVR Double B Plus with Positive Outlook)	Revalidated	Simple
Total	40.00 (Rupees Forty crore only)			

Details of Facilities are in Annexure 1

Detailed Rationale

The company has issued non-convertible debentures (NCD) Tranche-I amounting to Rs. 25.00 crore from the proposed Rs. 40.00 crore of NCD's. Thereby, the total amount of issued NCDs by the company are Rs. 25.00 crore. The second Tranche-II of Rs.15 crores is yet to be placed.

Link to the last Press Release published on Infomerics website:

<https://www.infomerics.com/admin/uploads/pr-isprout-business-31july23.pdf>

Rating History for last three years:

Sr. No .	Name of Instrument/ Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (July 31, 2023)	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
1.	Non-Convertible Debentures	Long Term	25.00	IVR BB+ /Positive	IVR BB+ /Positive	-	-
2.	Proposed Non-Convertible Debentures	Long Term	15.00	IVR BB+ /Positive	IVR BB+ /Positive	-	-



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About Infomerics:

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Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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Annexure 1: Details of Facilities

Sr. No.	Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
1.	Non-Convertible Debentures – Tranche I	September 18, 2023	15.00% per annum	August 31, 2026	25.00	IVR BB+/Positive (IVR Double B Plus with Positive Outlook)
2.	Proposed Non-Convertible Debentures – Tranche II	Yet to be issued	Tentatively 14.75% per annum	--	15.00	IVR BB+/Positive (IVR Double B Plus with Positive Outlook)

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details: Not applicable

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:

Name of the instrument	Detailed covenant
Security Description	Senior, Secured, Rated, Unlisted, Redeemable, Taxable, Non-convertible Debentures
Quantity	INR 40.00 crore Tranche 1: Rs. 25.00 crore Tranche 2: Rs. 15.00 crore
Face Value/Paid Up Value	Rs. 1,00,000/- (Indian Rupees One Lakh Only) per Debenture
Date of Allotment	Tranche 1: 18 th September 2023 Tranche 2: Yet to be issued
Financial Covenants	
Date of Redemption	31st August 2026
Coupon Rate	Tranche 1: 15.00% per annum Tranche 2: 14.75% per annum (Tentative)
Step-up and Step-down Coupon Rate	Step Up-0.50% (Per Notch Downgrade) Step Down -0.50% (Per Notch Upgrade. It will not go beyond original coupon)
Date(s) of Payment of Interest	Quarterly
Prepayment Penalty	Prepayment is not allowed during lock in period of 18 months of deemed date of allotment of Tranche 1- 18 th March 2025.



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Name of the instrument	Detailed covenant
	0.50% Prepayment penalty on Outstanding Exposure as on date of prepayment post 18 months.
Tenure	Tranche 1: Up to 36 months from the deemed date of allotment Tranche 2: Up to 30 months from the deemed date of allotment
Put Option	Tranche 1: At the end of 12 months from the Tranche 1 deemed date of allotment – 18 th September 2024 Tranche 2: At the end of 12 months from the Tranche 2 deemed date of allotment
Call Option	Not Applicable
Redemption Premium	0.50% of the Subscription Amount at the time prepayment or redemption of the instrument in both the tranches
Non-Financial Covenants	
Objective/Purpose of the Issue	The proceeds of the issuance will be utilized towards repayment of debt and capex.
Security	<p>The Issue shall be secured by way of</p> <ul style="list-style-type: none">• A first ranking and exclusive mortgage over Commercial Office Space.• A first ranking and exclusive charge on Current Bank Accounts, current Assets (Receivables & Book Debts) and moveable assets of Isprout.• All security /Assets/Receivables/ Escrow offered to Tata Capital Ltd and Capsave Finance Pvt Ltd, for their existing Debt to be offered for the Debentures as a first ranking exclusive charge on closure of their loan. The Security will be created and perfected post closure of Tata Capital Ltd and Capsave Finance Pvt Ltd Loan.• Demand Promissory Note from Isprout Business Centre Pvt Ltd.• FD Lien marked to Debenture Trustee of amount Rs. 2.00 Crore (INR Two Crores Only) before issuance of Tranche 2 Debentures.
Reporting Covenants	<ul style="list-style-type: none">• To consist of monthly, quarterly, and annual data, reports, and regular MIS data packs. This will cover both. Issuer to provide requested information on a timely basis to investors.

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.