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Trucap Finance Limited (TFL)

Jan 15 , 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Fund Based Bank Facilities – Term Loan	67.24	IVR BBB+ / RWDI (IVR Triple B Plus with Rating Watch with Developing Implications)	IVR BBB+ / Stable (IVR Triple B Plus with Stable Outlook)	Rating placed on watch with developing implications	Simple
Fund Based Bank Facilities – Overdraft	20.00	IVR BBB+ / RWDI (IVR Triple B Plus with Rating Watch with Developing Implications)	IVR BBB+ / Stable (IVR Triple B Plus with Stable Outlook)	Rating placed on watch with developing implications	Simple
Fund Based Bank Facilities-Proposed	97.76	IVR BBB+ / RWDI (IVR Triple B Plus with Rating Watch with Developing Implications)	IVR BBB+ / Stable (IVR Triple B Plus with Stable Outlook)	Rating placed on watch with developing implications	Simple
Proposed Non – Convertible Debentures (NCD)	100.00	IVR BBB+ / RWDI (IVR Triple B Plus with Rating Watch with Developing Implications)	IVR BBB+ / Stable (IVR Triple B Plus with Stable Outlook)	Rating placed on watch with developing implications	Simple
Total	285.00 (Rupees Two Hundred and Eighty-Five Crore Only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.



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Detailed Rationale:

Infomerics Ratings has placed the ratings assigned to the bank facilities /NCDs of TFL on rating watch with developing implications on account of uncertainties and lower than expected equity infusion during FY25. Infomerics Ratings will monitor any developments related to equity raising plan which is expected to improve leverage position as well as the capitalisation levels of TFL.

However, the ratings continue to derive strength from consistent growth in AUM, moderate asset quality, comfortable capitalization, diversified resource funding profile and experienced promoters backed by reputed board members.

The ratings are however partially constrained by pressure on profitability due to high-cost income ratio and intense competition.

Key Rating Sensitivities:

Upward Factors

- Substantial & sustained scaling up its AUM, while improving the asset quality indicators along with adequate capital position and profitability.

Downward Factors

- Any substantial decline in scale of operations, asset quality and/or capitalization levels.
- Lower than expected equity infusion.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Consistent growth in AUM:

TFL's AUM (on book as well as off book) has grown y-o-y by ~77% to Rs. 1031.13 crore in FY24 (refers to period 1st April 2023 to 31st March 2024) (FY23 : Rs. 581.04 crore) on back of growth in gold loan segment. The same is reflected in H1FY25 with the total AUM (on book as well as off book) at Rs. 1215.40 crore. Additionally, TFL's net interest income (NII) has declined y-o-y by 13% to Rs. 37.07 crore in FY24 (FY23 : Rs. 42.40 crore) due to higher interest expenses however its other operating income has increased to Rs. 47.46 crore in



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FY24 (FY23: Rs. 31.96 crore) primarily on account of growth in fee-based commission due to growth in off book portfolio y-o-y by ~169%. Infomerics Ratings expects continuity in growth momentum in terms of AUM on back of branch expansion coupled with enhanced partnerships with lenders.

Moderate Asset Quality:

TFL's asset quality has remained healthy with GNPA and NNPA improving to 1.33% & 0.83% respectively in FY24 (FY23: 2.19% and 1.84% respectively) on back of growth in loan assets. However, as on 30th September 2024, TFL's asset quality has deteriorated with GNPA and NNPA at 2.59% & 1.87% respectively on account of higher delinquencies in the unsecured business loan segment. Additionally, TFL's on time portfolio stood at ~80% in FY24 (FY23: ~85%) whereas its provision coverage ratio improved to ~38% in FY24 (FY23: ~16%). Infomerics Ratings will monitor TFL's asset quality amidst stress in the unsecured business loan segment and growth in AUM levels

Comfortable Capitalisation:

TFL's capitalisation levels continues to remain comfortable despite capital adequacy ratio (CAR) decreasing to 24.47% in FY24 (FY23: 34.31%) which is well above the minimum regulatory requirement. The same is reflected in H1FY25 numbers with CAR at 25.32% as on 30th September 2024. As on 30th September 2024, TFL's book tangible net worth stood at Rs. 218.39 crore which is expected to improve during FY25 due to expected equity infusion. Infomerics Ratings will monitor TFL's capitalisation levels amidst delay in equity raising plan in FY25.

Diversified resource profile:

The funding profile comprises of term loans from diverse range of NBFCs & banks as well as Non-Convertible Debentures (NCDs) as of March 2024 and further the TFL also has comfortable sanctions in pipeline in the projected period which is expected to support its growth. Going forward, TFL capacity to raise funds in a timely manner to support its liquidity profile and projected growth plans with the focus on reducing cost of capital will be a key credit monitorable.



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Experienced promoters backed by reputed board members:

TFL is managed by experienced promoters and management who has cumulative experience of more than 4 decades in the industry. They are supported by other seasoned professionals in the industry on the management panel. The Board of Directors actively participates in overseeing the company's business operations, including strategic decision-making, policy formulation, and risk management, ensuring robust governance and guidance.

Key Rating Weaknesses

Pressure on profitability due to high-cost income ratio:

TFL's net interest margin (NIM) have been impacted in FY24 with NIM declining to 7.29% as compared to 11.96% in FY23 on account of lower interest spread due to higher disbursements in Q4FY24 leading to lower realization coupled with high cost-income ratio which has increased to 105.32% in FY24 (FY23: 91.32 %). Cost- Income ratio has increased as TFL has expanded its branch base to 128 in FY24 from 78 in FY23, increased employee count to 772 in FY24 from 474 in FY23 coupled with high interest expenses. Going forward, TFL's ability to improve profitability by bringing down the overall cost to income ratio will remain a key rating monitorable.

Intense Competition:

TFL is exposed to stiff competition from other NBFCs and banks. The lending industry focused on SMEs and small ticket loans is highly fragmented with unorganized lenders also vying for the same set of borrowers. However, TFL's professional management and focused approach towards SME lending and conservative underwriting policy standards is expected to grow its business while mitigating the risks.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Financial Institutions/NBFCs](#)



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[Financial Ratios and Interpretation \(Financial Sector\)](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity – Adequate

As of September 30, 2024, the asset-liability management statement of TFL indicated no negative cumulative mismatches in all the buckets. As on 20th December 2024, TFL's cash and cash equivalent stood at a healthy Rs. 77.76 crore. Additionally, as of September 30, 2024, TFL has maintained a comfortable capital adequacy ratio (CAR) of 25.32%.

About the Company:

Incorporated in 1994, Dhanvarsha Finvest Limited is a listed entity and RBI registered NBFC. 4 A change in management was effective from June 2017 and Wilson Group took over the reins. The company is listed on the BSE. The company's name got changed from Dhanvarsha Finvest Limited to Trucap Finance Limited (TFL) effectively from August 4, 2022.

Financials (Standalone):

(Rs. crore)

For the year ended* / As on	31-03-2023	31-03-2024
	Audited	Audited
Total Income	123.89	161.31
PAT	5.59	11.71
Tangible Net worth	208.87	204.54
Total Loan Assets	419.95	597.82
Ratios		
NIM (%)	11.96	7.29
ROTA (%)	1.01	1.51
Interest Coverage (times)	1.14	0.89
Total CAR (%)	34.40%	24.54%
Gross NPA [Stage III] (%)	2.19%	1.33%
Net NPA [Stage III] (%)	1.84%	0.83%

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None



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Any other information: None

Rating history for past three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024 - 25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023 - 24	Date(s) & Rating(s) assigned in 2022 - 23	Date(s) & Rating(s) assigned in 2020 - 21
1.	Fund Based Bank Facilities – Term Loan	Long Term	67.24	IVR BBB+ / RWDI (Jan 15, 2025) IVR BBB+ / Stable (Sept 27, 2024)	IVR BBB+ / Stable (March 30, 2024) IVR BBB+ / Stable (May 16, 2023)	IVR BBB+ / Stable (Jan 13, 2023) IVR BBB / Positive (June 17, 2022)	IVR BBB / Stable (March 19, 2021)
2.	Fund Based Bank Facilities – Overdraft	Long Term	20.00	IVR BBB+ / RWDI (Jan 15 2025) IVR BBB+ / Stable (Sept 27, 2024)	IVR BBB+ / Stable (March 30, 2024) IVR BBB+ / Stable (May 16, 2023)	IVR BBB+ / Stable (Jan 13, 2023) IVR BBB / Positive (June 17, 2022)	IVR A3+ (March 19, 2021)
3.	Fund Based Bank Facilities – Term Loan	Long Term	0.00		IVR BBB+ / Stable	IVR BBB+ / Stable	IVR BBB / Stable



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Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024 - 25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023 - 24	Date(s) & Rating(s) assigned in 2022 - 23	Date(s) & Rating(s) assigned in 2020 - 21
				Withdrawn (Sept 27, 2024)	(March 30, 2024) IVR BBB+ / Stable (May 16, 2023)	(Jan 13, 2023) IVR BBB / Positive (June 17, 2022)	(March 19, 2021)
4.	Fund Based Bank Facilities-Proposed	Long Term	97.76	IVR BBB+ / RWDI (Jan 15 2025) IVR BBB+ / Stable (Sept 27, 2024)	IVR BBB+ / Stable (March 30, 2024) IVR BBB+ / Stable (May 16, 2023)	IVR BBB+ / Stable (Jan 13, 2023) IVR BBB / Positive (June 17, 2022)	IVR BBB / Stable (March 19, 2021)
5.	Proposed Non – Convertible Debentures (NCD)	Long Term	100.00	IVR BBB+ / RWDI (Jan 15, 2025) IVR BBB+ / Stable (Sept 27, 2024)	--	--	IVR BBB / Stable (March 19, 2021)



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Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024 - 25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023 - 24	Date(s) & Rating(s) assigned in 2022 - 23	Date(s) & Rating(s) assigned in 2020 - 21

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

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.

For more information and definition of ratings please visit www.infomerics.com.

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hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Instrument/Facility Details –

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Listing Status	Rating Assigned/ Outlook
Fund Based Bank Facilities – Term Loan	--	--	--	Valid up to Dec 2026	67.24	--	IVR BBB+ / RWDI
Fund Based Bank Facilities – Overdraft	--	--	--	Revolving	20.00	--	IVR BBB+ / RWDI
Fund Based Bank Facilities- Proposed	--	--	--	--	97.76	--	IVR BBB+ / RWDI
Proposed Non – Convertible Debentures (NCD)	--	--	--	--	100.00	Proposed to be listed	IVR BBB+ / RWDI

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-trucap-jan25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities:

1. Proposed NCD of issue size Rs. 50 crore

Type of instrument	Non-convertible debentures
Nature of instrument	Rated Unsubordinated Secured Transferable Redeemable Fully Paid Non-Convertible Debentures.
Ranking	Unsubordinated



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Security requirements	Debentures shall be secured as per the terms and conditions stipulated under the heading ' Security Creation ' hereunder.
ISSUE DETAILS	
Mode of Issue	Private Placement
Form of issue	Debentures will be issued in dematerialized form
Issue size	INR. 50,00,00,000 (Indian Rupees Fifty Crores only)
Tenor	TBD
Face value	INR. 1,00,000/- (Indian Rupees one lakhs only)
Minimum Subscription	INR 50,00,00,000/-
Issue price	Debentures will be issued at par.
Issue Timing	TBD
Issuance mode of the Instrument	Dematerialised form
Trading Mode of the Instrument	Dematerialised form
Settlement mode of the Instrument	Dematerialised form
REDEMPTION	
Redemption Amount	Effective Coupon Amount to be determined as per method of calculation set out in Schedule I.
Scheduled Redemption	TBD
Redemption Date	TBD
Majority Debenture Holders	75% of the Debenture Holders by value.
COUPON PAYMENT	
Coupon Rate	Effective Coupon Amount per Debenture shall be paid by the Company to the Debenture Holders as interest on the Redemption Date, as the case may be. The said 'Effective Coupon Amount' being the interest amount to be paid per Debenture by the Issuer to the Debenture Holders shall be determined in accordance with the method of calculation set out in Schedule I (<i>Method of calculation of Effective Coupon Amount</i>) hereto.
Coupon Payment Frequency	TBD
Coupon Payment Dates	As mentioned in Schedule I
Default interest	2.00 % (Five -point Zero Zero percent)



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Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	Not Applicable
CONVENTIONS	
Day Count Basis	Actual/Actual
Business Day	Means any day, other than a public holiday under Section 25 of the Negotiable Instruments Act, 1881 or a Sunday, on which banks are open for general business in Mumbai;
Business Day Convention	(a) If the date of payment of any interest in respect of the Debentures falls on a day that is not a Business Day, such payment of interest shall be made on the next occurring Business Day; (b) If the date of payment of any redemption amount falls on a day that is not a Business Day, such payment of instalment shall be made on the immediately preceding Business Day; and (c) If the Redemption Date as the case may be, falls on a day that is not a Business Day, such payment of interest and redemption amount shall be made on the immediately preceding Business Day.
THIRD PARTY OBLIGATIONS	
Guarantor(s)	TBD
Credit Enhancer(s)	Not Applicable
Other Obligor(s)	No
OTHER COVENANTS	
Debenture Redemption Reserve	If so applicable for the Issue, the Issuer shall create debenture redemption reserve in accordance with the Companies Act, 2013 (and Rules thereunder) and in terms thereof earmark an amount not less than 15% of the amount maturing during the year ending on the 31 st day of March of the next year by way of investment and deposits in specified securities on or before the 30 th day of April in each year.
Related Party Transactions	Issuer shall not, without the prior written consent of the Debenture Trustee, enter into any transaction(s) with a related party other than remuneration payments made to Directors and key management person (KMP) in the ordinary course of business. For the purposes of this clause, the term 'related party' shall have the meaning ascribed to them in section 2 (76) of the Companies Act, 2013 (and the Rules framed thereunder).
Affirmative Covenants	TBD



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Negative Covenants	TBD
Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)	TBD
Provisions related to Cross Default	As mentioned in the Debenture Trust Deed
Role and Responsibilities of Debenture Trustee	As mentioned in the Debenture Trust Deed
Reporting Covenants	TBD
Financial Covenants	TBD

2. Proposed NCD of issue size Rs. 10 crore

Type of instrument	Non-convertible debentures
Nature of instrument	Rated Unsubordinated Secured Transferable Redeemable Fully Paid Non-Convertible Debentures.
Ranking	Unsubordinated
Security requirements	Debentures shall be secured as per the terms and conditions stipulated under the heading ' Security Creation ' hereunder.
ISSUE DETAILS	
Mode of Issue	Private Placement
Form of issue	Debentures will be issued in dematerialized form
Issue size	INR. 10,00,00,000 (Indian Rupees Ten Crores only)
Tenor	TBD
Face value	INR. 1,00,000/- (Indian Rupees one lakhs only)
Minimum Subscription	INR 1,00,00,000/- (One Crore)
Minimum Application and in multiples of thereafter	INR 1,00,00,000/- (one Crore) and in multiples of INR. 1,00,000/- (Indian Rupees one lakhs only)
Interest on Application Money	Interest shall be payable on all application monies received at the Coupon Rate from the date of realization of the application monies by the Issuer upto one day prior to the Deemed Date of Allotment and the same shall be paid to the relevant investors within 5 (five) Business Days from the Deemed Date of Allotment.
Issue price	Debentures will be issued at par.
Issue Timing	TBD



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Record Date	Seven Calendar days
Issuance mode of the Instrument	Dematerialised form
Trading Mode of the Instrument	Dematerialised form
Settlement mode of the Instrument	Dematerialised form
REDMPTION	
Redemption Amount	Effective Coupon Amount to be determined as per method of calculation set out in Schedule I.
Scheduled Redemption	TBD
Redemption Date	TBD
Early Redemption	<p>Early redemption of the Debentures at the instance of the Issuer can be after the Lock-in Period (i.e., 365 days from the Deemed Date of Allotment), on any date other than the Final Redemption Date and not arising due to an Event of Default.</p> <p>Notwithstanding anything contained herein, any Early Redemption shall be subject to the consent of the Majority Debenture Holders. The Issuer shall give the Debenture Trustee and the Debenture Holders a written notice at least 30 (Thirty) days prior to the date of early redemption where consent of Debenture Holders shall be sought.</p>
Majority Debenture Holders	75% of the Debenture Holders by value.
Early Redemption Premium	5% (Five percent) on the principal amount prepaid.
COUPON PAYMENT	
Coupon Rate	Effective Coupon Amount per Debenture shall be paid by the Company to the Debenture Holders as interest on the Redemption Date, as the case may be. The said 'Effective Coupon Amount' being the interest amount to be paid per Debenture by the Issuer to the Debenture Holders shall be determined in accordance with the method of calculation set out in Schedule I (<i>Method of calculation of Effective Coupon Amount</i>) hereto.
Coupon Payment Frequency	TBD
Coupon Payment Dates	As mentioned in Schedule I
Default interest	5.00 % (Five -point Zero Zero percent)
Coupon Reset Process (including rates, spread,	Not Applicable



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effective date, interest rate cap and floor etc.)	
CONVENTIONS	
Day Count Basis	Actual/Actual
Business Day	Means any day, other than a public holiday under Section 25 of the Negotiable Instruments Act, 1881 or a Sunday, on which banks are open for general business in Mumbai;
Business Day Convention	<p>(d) If the date of payment of any interest in respect of the Debentures falls on a day that is not a Business Day, such payment of interest shall be made on the next occurring Business Day;</p> <p>(e) If the date of payment of any redemption amount falls on a day that is not a Business Day, such payment of instalment shall be made on the immediately preceding Business Day; and</p> <p>(f) If the Redemption Date as the case may be, falls on a day that is not a Business Day, such payment of interest and redemption amount shall be made on the immediately preceding Business Day.</p>
THIRD PARTY OBLIGATIONS	
Guarantor(s)	TBD
Credit Enhancer(s)	Not Applicable
Other Obligor(s)	No
OTHER COVENANTS	
Debenture Redemption Reserve	If so applicable for the Issue, the Issuer shall create debenture redemption reserve in accordance with the Companies Act, 2013 (and Rules thereunder) and in terms thereof earmark an amount not less than 15% of the amount maturing during the year ending on the 31 st day of March of the next year by way of investment and deposits in specified securities on or before the 30 th day of April in each year.
Related Party Transactions	Issuer shall not, without the prior written consent of the Debenture Trustee, enter into any transaction(s) with a related party other than remuneration payments made to Directors and key management person (KMP) in the ordinary course of business. For the purposes of this clause, the term 'related party' shall have the meaning ascribed to them in section 2 (76) of the Companies Act, 2013 (and the Rules framed thereunder).
Affirmative Covenants	TBD
Negative Covenants	TBD



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Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)	TBD
Provisions related to Cross Default	As mentioned in the Debenture Trust Deed
Role and Responsibilities of Debenture Trustee	As mentioned in the Debenture Trust Deed
Reporting Covenants	TBD
Financial Covenants	TBD

3. Proposed NCD issue of Rs. 30 crore

Type of instrument	Non-convertible debentures
Nature of instrument	Rated Unsubordinated Secured Transferable Redeemable Fully Paid Non-Convertible Debentures.
Ranking	Unsubordinated
Security requirements	Debentures shall be secured as per the terms and conditions stipulated under the heading ' Security Creation ' hereunder.
ISSUE DETAILS	
Mode of Issue	Private Placement
Form of issue	Debentures will be issued in dematerialized form
Issue size	INR. 30,00,00,000 (Indian Rupees Thirty Crores only)
Tenor	24 months & 15 days
Face value	INR. 1,00,000/- (Indian Rupees one lakhs only)
Minimum Subscription	INR 10,00,00,000/- (One Crore)
Minimum Application and in multiples of thereafter	INR 1,00,00,000/- (one Crore) and in multiples of INR. 1,00,000/- (Indian Rupees one lakhs only)
Option to retain oversubscription (Amount)	Up to INR 10,00,00,000 (Indian Rupees Ten Crores Only)
Interest on Application Money	Interest shall be payable on all application monies received at the Coupon Rate of 13.75% per annum from the date of realization of the application monies by the Issuer upto one day prior to the Deemed Date of Allotment and the same shall be paid to the relevant investors within 5 (five) Business Days from the Deemed Date of Allotment.



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Issue price	Debentures will be issued at par.		
Issue Timing	Issue Opening Date	TBD	
	Issue Paying Date	TBD	
	Issue Closing Date	TBD	
	Deemed Date of Allotment	TBD	
Record Date	Seven Calendar days		
Issuance mode of the Instrument	Dematerialised form		
Trading Mode of the Instrument	Dematerialised form		
Settlement mode of the Instrument	Dematerialised form		
REDMPTION			
Redemption Amount	Effective Coupon Amount to be determined as per method of calculation set out in Schedule I.		
Scheduled Redemption	Debentures shall be redeemed on a pro rata basis as set out in Schedule I (<i>Redemption Schedule</i>) hereto and shall be fully redeemed by the Redemption Date.		
Redemption Date	TBD		
Majority Debenture Holders	75% of the Debenture Holders by value.		
Early Redemption Premium	5% (Five percent) on the principal amount prepaid.		
COUPON PAYMENT			
Coupon Rate	Effective Coupon Amount per Debenture shall be paid by the Company to the Debenture Holders as interest on the Redemption Date, as the case may be. The said 'Effective Coupon Amount' being the interest amount to be paid per Debenture by the Issuer to the Debenture Holders shall be determined in accordance with the method of calculation set out in Schedule I (<i>Method of calculation of Effective Coupon Amount</i>) hereto.		
Coupon Payment Frequency	Quarterly		
Coupon Payment Dates	As mentioned in Schedule I		
Default interest	5.00 % (Five -point Zero Zero percent)		
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	Not Applicable		
CONVENTIONS			



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Day Count Basis	Actual/Actual
Business Day	Means any day, other than a public holiday under Section 25 of the Negotiable Instruments Act, 1881 or a Sunday, on which banks are open for general business in Mumbai;
Business Day Convention	<p>(g) If the date of payment of any interest in respect of the Debentures falls on a day that is not a Business Day, such payment of interest shall be made on the next occurring Business Day;</p> <p>(h) If the date of payment of any redemption amount falls on a day that is not a Business Day, such payment of instalment shall be made on the immediately preceding Business Day; and</p> <p>(i) If the Redemption Date as the case may be, falls on a day that is not a Business Day, such payment of interest and redemption amount shall be made on the immediately preceding Business Day.</p>
THIRD PARTY OBLIGATIONS	
Guarantor(s)	<p>Corporate Guarantee from WILSON HOLDINGS PRIVATE LIMITED</p> <p><u>Reporting covenants for Guarantor:</u></p> <p>The Guarantor shall furnish to the debenture holders following reports and information:</p> <ul style="list-style-type: none">a) Provide all detailed financial information about the Guarantor within 30 (thirty) days of a request from the Debenture trustee / Debenture holders.b) Provide audited financial statements for that financial year as soon as the same is available, but in any event within 150 days after the end of each financial year.c) Details of all guarantees provided by the Guarantor.d) Provide Annual Financial Statements accompanied by updated details of all off balance sheet transactions of the Guarantor.
Credit Enhancer(s)	Not Applicable
Other Obligor(s)	No
Obligations to Key Shareholders	Each of the persons designated as Key Shareholders shall not transfer or encumber the shares of the Wilson Holdings Private Limited ("Promoter") held by them respectively without the prior written consent of the debenture holders. Any change in the stake of the Key Shareholders of Promoter in the Promoter below the existing level set out in the following table shall require prior written consent of the debenture holders. However, any transfer of shares by Key Shareholders of



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	Promoter within themselves shall not require prior written consent of the debenture holders. Any transfer of shares by Key Shareholders of Promoter within themselves shall be done with prior intimation to the debenture holders.
OTHER COVENANTS	
Debenture Redemption Reserve	If so applicable for the Issue, the Issuer shall create debenture redemption reserve in accordance with the Companies Act, 2013 (and Rules thereunder) and in terms thereof earmark an amount not less than 15% of the amount maturing during the year ending on the 31 st day of March of the next year by way of investment and deposits in specified securities on or before the 30 th day of April in each year.
Environment, Social, Governance related covenants	As mentioned in Schedule II
Related Party Transactions	Issuer shall not, without the prior written consent of the Debenture Trustee, enter into any transaction(s) with a related party other than remuneration payments made to Directors and key management person (KMP) in the ordinary course of business. For the purposes of this clause, the term 'related party' shall have the meaning ascribed to them in section 2 (76) of the Companies Act, 2013 (and the Rules framed thereunder).
Affirmative Covenants	<ul style="list-style-type: none"> (a) To utilise the proceeds of this issue in accordance with applicable laws and regulations (b) To ensure presence of at least 1 independent director on its board at all times (c) To promptly inform notice of winding up / other legal proceedings (d) To promptly inform Material adverse effect (e) To provide the investor with access to data / information / meetings with the management team for periodical portfolio monitoring (f) To comply with corporate governance, fair practices code prescribed by RBI <p>And as set out in greater detail in the Debenture Trust Deed.</p>
Negative Covenants	<p>The issues shall take the prior written permission from the Investor / Debenture Trustee for the following:</p> <ul style="list-style-type: none"> (a) Mr. Rohanjeet Juneja ceasing to hold an executive position in the company (b) Change in shareholding, ownership or control; (c) Change in Promoter; (d) Any dilution of control over Board composition, other than appointment of independent directors



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	<p>(e) Mergers, acquisitions, investment in associates, JVs and subsidiaries including disposal of any of the above</p> <p>(f) Change in nature of business of the Company</p> <p>(g) Change in constitutional documents</p> <p>(h) Loans exceeding 15% of net worth to any single party and/or guarantees on behalf of third parties</p> <p>(i) Declare dividend on equity shares before payment of coupon due on the NCDs</p> <p>(j) Declare dividend on equity/preference shares before payment of coupon due on the NCDs when an Event of Default is subsisting</p> <p>(k) Change in auditors</p> <p>(l) Material compromise or settlement</p> <p>And as set out in greater detail in the Debenture Trust Deed.</p>
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4. Proposed NCD issue of Rs. 10 crore

Type of instrument	Non-convertible debentures
Nature of instrument	Rated Unsubordinated Secured Transferable Redeemable Fully Paid Non-Convertible Debentures.
Ranking	Unsubordinated
Security requirements	Debentures shall be secured as per the terms and conditions stipulated under the heading ' Security Creation ' hereunder.
ISSUE DETAILS	
Mode of Issue	Private Placement
Form of issue	Debentures will be issued in dematerialized form
Issue size	INR. 10,00,00,000 (Indian Rupees Ten Crores only)
Tenor	TBD
Face value	INR. 1,00,000/- (Indian Rupees one lakhs only)
Minimum Subscription	INR 10,00,00,000/- (One Crore)
Minimum Application and in multiples of thereafter	INR 1,00,00,000/- (one Crore) and in multiples of INR. 1,00,000/- (Indian Rupees one lakhs only)
Interest on Application Money	Interest shall be payable on all application monies received at the Coupon Rate from the date of realization of the application monies by the Issuer upto one day prior to the Deemed Date of Allotment and the same shall be paid to the relevant investors within 5 (five) Business Days from the Deemed Date of Allotment.



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Issue price	Debentures will be issued at par.
Issue Timing	TBD
Record Date	Seven Calendar days
Issuance mode of the Instrument	Dematerialised form
Trading Mode of the Instrument	Dematerialised form
Settlement mode of the Instrument	Dematerialised form
REDEMPTION	
Redemption Amount	Effective Coupon Amount to be determined as per method of calculation set out in Schedule I.
Scheduled Redemption	TBD
Redemption Date	TBD
Majority Debenture Holders	75% of the Debenture Holders by value.
Early Redemption Premium	5% (Five percent) on the principal amount prepaid.
COUPON PAYMENT	
Coupon Rate	Effective Coupon Amount per Debenture shall be paid by the Company to the Debenture Holders as interest on the Redemption Date, as the case may be. The said 'Effective Coupon Amount' being the interest amount to be paid per Debenture by the Issuer to the Debenture Holders shall be determined in accordance with the method of calculation set out in Schedule I (<i>Method of calculation of Effective Coupon Amount</i>) hereto.
Coupon Payment Frequency	TBD
Coupon Payment Dates	As mentioned in Schedule I
Step Up Coupon Rate	TBD
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	Not Applicable
CONVENTIONS	
Day Count Basis	Actual/Actual
Business Day	Means any day, other than a public holiday under Section 25 of the Negotiable Instruments Act, 1881 or a Sunday, on which banks are open for general business in Mumbai;



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Business Day Convention	<p>(j) If the date of payment of any interest in respect of the Debentures falls on a day that is not a Business Day, such payment of interest shall be made on the next occurring Business Day;</p> <p>(k) If the date of payment of any redemption amount falls on a day that is not a Business Day, such payment of instalment shall be made on the immediately preceding Business Day; and</p> <p>(l) If the Redemption Date as the case may be, falls on a day that is not a Business Day, such payment of interest and redemption amount shall be made on the immediately preceding Business Day.</p>
THIRD PARTY OBLIGATIONS	
Guarantor(s)	TBD
Credit Enhancer(s)	Not Applicable
Other Obligor(s)	No
OTHER COVENANTS	
Debenture Redemption Reserve	If so applicable for the Issue, the Issuer shall create debenture redemption reserve in accordance with the Companies Act, 2013 (and Rules thereunder) and in terms thereof earmark an amount not less than 15% of the amount maturing during the year ending on the 31 st day of March of the next year by way of investment and deposits in specified securities on or before the 30 th day of April in each year.
Related Party Transactions	Issuer shall not, without the prior written consent of the Debenture Trustee, enter into any transaction(s) with a related party other than remuneration payments made to Directors and key management person (KMP) in the ordinary course of business. For the purposes of this clause, the term 'related party' shall have the meaning ascribed to them in section 2 (76) of the Companies Act, 2013 (and the Rules framed thereunder).
Affirmative Covenants	TBD
Negative Covenants	TBD
Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)	TBD
Provisions related to Cross Default	As mentioned in the Debenture Trust Deed
Role and Responsibilities of Debenture Trustee	As mentioned in the Debenture Trust Deed



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Reporting Covenants	TBD
Financial Covenants	TBD

Annexure 4: List of companies considered for consolidated analysis: Not Applicable

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.

