

TruCap Finance Limited (Revised)

July 18, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	750.00	CARE D	Downgraded from CARE BB+ and removed from Rating Watch with Developing Implications
Non Convertible Debentures	50.00	CARE D	Downgraded from CARE BB+ and removed from Rating Watch with Developing Implications
Non Convertible Debentures	100.00	CARE D	Downgraded from CARE BB+ and removed from Rating Watch with Developing Implications

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has downgraded the ratings assigned to the long-term bank facilities and non-convertible debentures of TruCap Finance Limited (TFL) following the company's inability to make the payment of interest and principal on Non-Convertible Debentures (NCDs) due on July 16, 2025.

As on May 31, 2025, TFL's liquidity profile remained stretched given the debt repayments of ₹103 crore over the next three months against unencumbered cash and cash equivalents of ₹57 crore. However, CareEdge Ratings had drawn comfort from the expected collection of ₹92 crore during the same period, fund infusion of ₹10 crore from the existing promoters and of ₹100 crore from the Marwadi Chandarana Group (MCG), of which the first tranche of ₹50 crore was expected by June 15, 2025, and the remaining ₹50 crore scheduled in July 2025. The delay in debt servicing was due to non-receipt of committed funds and premature redemption of NCDs, which resulted in a liquidity squeeze for TFL. The rating action is in line with CARE's policy on default recognition.

Rating sensitivities: Factors likely to lead to rating actions
Positive factors

- Timely servicing of debt obligations (i.e., principal and interest) for minimum 3 continuous months.

Analytical approach:

CARE Ratings has analysed standalone credit profile of the company.

Outlook: Not applicable

Detailed description of key rating drivers:
Key weaknesses
Delays in debt servicing

As per the stock exchange disclosure dated July 18, 2025, TFL was unable to make payment of interest and principal totalling to ₹72.28 crore on NCDs due on July 16, 2025. Non-receipt of committed funds and premature redemption of NCDs led to significant strain on TFL's liquidity.

Liquidity: Poor

TFL liquidity remains poor as reflected by the delays in the debt servicing.

Applicable criteria

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios - Financial Sector](#)

[Non Banking Financial Companies](#)

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial Services	Financial Services	Finance	Non Banking Financial Company (NBFC)

TFL (formerly known as Dhanvarsha Finvest Limited) is an RBI-registered non-deposit accepting NBFC since 1998 and listed on NSE and BSE. The company was originally incorporated on November 9, 1994, in Gujarat. Before registering as an NBFC, the company was promoted by Gujarat-based individual promoters who were finance brokers, registrar to the issue and share transfer agent, issue houses or insurance agents / brokers and agents or underwriters, consultants, assessors, values surveyors, mortgage brokers and undertaking provision of hire purchase and credit sale finance and of acting as factors and brokers. Currently, the company is promoted by Mumbai-headquartered Wilson Group, which took over as the parent in 2018 and has business interests spread across financing, real estate, sustainable infrastructure, agro commodities trading, advisory services, and venture capital investing. TFL provides financing options to the relatively under-banked micro, small & medium enterprises (MSME) and low-to-mid income (LMI) groups of the society, offering a range of secured and unsecured financing products, tailored to suit borrower requirements.

The Marwadi Chandarana Group (MCG), which has been jointly managed by the Marwadi and Chandarana families (each holding an equal 50% stake), has a 25-year presence in financial services, education, and renewable energy. They plan to invest over ₹206.87 crore in Trucap through its group company Marwadi Chandarana Intermediaries Brokers Pvt. Ltd. (MCIBPL), targeting an increase in their stake to 75%. This investment will involve a mix of capital infusion via preferential allotment of equity shares and convertible warrants, along with a secondary purchase of shares from the existing promoter group. Further, post transaction and regulatory approvals existing promoter stake to reduce to zero; MCG to become the new Promoter.

Brief Financials (₹crore)	FY24 (A)	FY25 (A)
Total income	182.01	199.26
PAT	11.71	-66.60
CAR (%)	24.04	29.90
Total assets (net of intangible and deferred tax assets)	909.60	677.36
ROTA (%)	1.49	-8.39

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹crore)	Rating Assigned along with Rating Outlook
Debentures-Non-Convertible Debentures	INE615R07042	18/01/2024	13.50%	18/07/2025	9.99	CARE D
Debentures-Non-Convertible Debentures	INE615R07067	24/01/2024	13.40%	22/01/2027	40.00	CARE D
Debentures-Non-Convertible Debentures	INE615R07091	28/03/2024	13.10%	28/09/2029	8.00	CARE D
Debentures-Non-Convertible Debentures	INE615R07083	28/03/2024	13.00%	28/03/2027	8.00	CARE D
Debentures-Non-Convertible Debentures	INE615R07109	07/05/2024	13.00%	07/05/2027	25.00	CARE D
Debentures-Non-Convertible Debentures	INE615R07117	06/06/2024	13.00%	06/12/2025	15.00	CARE D
Debentures-Non-Convertible Debentures	INE615R07125	04/07/2024	13.00%	30/06/2027	23.50	CARE D
Debentures-Non-Convertible Debentures (Proposed)	-	-	-	-	20.51	CARE D
Fund-based-Long Term	-	-	-	-	750.00	CARE D

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based-Long Term	LT	750.00	CARE D	1)CARE BB+ (RWD) (04-Jun-25)	1)CARE BBB- (RWD) (28-Feb-25) 2)CARE BBB-; Stable (06-Jan-25)	1)CARE BBB; Positive (24-Jan-24) 2)CARE BBB; Positive (01-Dec-23) 3)CARE BBB; Stable (02-Jun-23)	1)CARE BBB; Stable (03-Jun-22)
2	Debentures-Market Linked Debentures	LT	-	-	-	-	-	1)Withdrawn (16-Mar-23) 2)CARE PP-MLD A (CE); Stable (13-Jun-22)
3	Debentures-Non Convertible Debentures	LT	50.00	CARE D	1)CARE BB+ (RWD) (04-Jun-25)	1)CARE BBB- (RWD) (28-Feb-25) 2)CARE BBB-; Stable (06-Jan-25)	1)CARE BBB; Positive (24-Jan-24) 2)CARE BBB; Positive (01-Dec-23) 3)CARE BBB; Stable (02-Jun-23)	1)CARE BBB; Stable (03-Jun-22)
4	Debentures-Market Linked Debentures	LT	-	-	-	-	1)Withdrawn (14-Apr-23)	1)CARE PP-MLD BBB; Stable (25-Aug-22)
5	Un Supported Rating	LT	-	-	-	-	-	1)Withdrawn (16-Mar-23) 2)CARE BBB (13-Jun-22)
6	Debentures-Non Convertible Debentures	LT	100.00	CARE D	1)CARE BB+ (RWD) (04-Jun-25)	1)CARE BBB- (RWD) (28-Feb-25)	1)CARE BBB; Positive (24-Jan-24)	-

						2)CARE BBB-; Stable (06-Jan- 25)		
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LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Non Convertible Debentures	Complex
2	Debentures-Non Convertible Debentures	Simple
3	Fund-based-Long Term	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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