

Wadhawan Global Capital Limited

August 02, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Non-Convertible Debentures	1,900.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Limited has been seeking information from Wadhawan Global Capital Limited (WGCL) to monitor the rating(s) vide e-mail communications/letters dated July 07, 2024, July 09, 2024, July 16, 2024 and July 23, 2024. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The rating on Wadhawan Global Capital Limited's NCD Issue continues to be denoted as **CARE D; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The rating of WGCL factors the continued delays in servicing of debt obligations. Further, put option was triggered on NCDs as per the terms of debenture trust deed and the obligation of repaying the debenture holders was on Dewan Housing Finance Ltd (DHFL). As on July 2021, the NCLT has approved the resolution plan in the corporate insolvency resolution process of DHFL, which is now part of the Piramal Group.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could, individually or collectively lead to positive rating action/upgrade:

- Regularization of existing default along with regular debt servicing track record for at least 3 months.

Analytical approach: Standalone

Outlook: Not Applicable

Detailed description of the key rating drivers:

Key weaknesses

Deteriorating financial performance:

No latest financial data or operational data is available for the company from FY20 to FY24. As per the last available data, the company had reported a loss of Rs.524 crore in FY19 as compared to loss of Rs.171 crore in FY18, which was mainly on account of provision for diminution in value of investments.

Liquidity: Poor

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

[Policy on Default Recognition](#)

[Rating Methodology-NBFC](#)

[Financial Ratios - Financial Sector](#)

[Policy on issuer non-cooperation](#)

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

About the company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Financial Services	Financial Services	Finance	Investment Company

Wadhawan Global Capital Ltd. (WGCL) is a Core Investment Company which is jointly promoted by Mr. Kapil and Dheeraj Wadhawan (promoters of DHFL). As on March 31, 2019, Mr. Kapil Wadhawan, Mr. Dheeraj Wadhawan and Ms. Aruna Wadhawan together held 85% stake in the company. Incorporated as Wadhawan Housing Pvt. Ltd., the name of the company was subsequently changed to WGCL w.e.f. May 31, 2014.

Brief Financials (₹ crore)	March 31, 2018 (A)	March 31, 2019 (A)
Total operating income	105	66
PAT	-171	-524
Total Assets	5,432	5,831
ROTA (%)	-3.57	-9.47

A: Audite; Note: 'the above results are latest financial results available'
FY20, FY21, FY22, FY23 and FY24 financials are not available.

Status of non-cooperation with previous CRA: None

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Covenants of rated instrument / facility: Annexure-3

Complexity level of various 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	INE458U07025	31-Mar-2017	0%	31-Jul-20	950.00 ^	CARE D; ISSUER NOT COOPERATING*
Debentures-Non-Convertible Debentures	INE458U07033	31-Mar-2017	0%	02-Aug-22	950.00 ^	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

^ As intimated by company earlier, outstanding amount for above mentioned ISIN stood at Rs.730 crore (ISIN: INE458U07025) and Rs.670 crore (ISIN: INE458U07033) respectively. However, debenture trustee confirmation regarding change in amount is pending

Annexure-2: Rating history for the 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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Debentures-Non Convertible Debentures	LT	-	-				
2	Debentures-Non Convertible Debentures	LT	1900.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (22-Aug-23)	1)CARE D; ISSUER NOT COOPERATING* (24-Aug-22)	1)CARE D; ISSUER NOT COOPERATING* (25-Aug-21)

*Issuer did not cooperate; based on best available information.

LT: Long term

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Non Convertible Debentures	Simple

Annexure-5: Lender details

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

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

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Vineet Jain Senior Director CARE Ratings Limited Phone: 912267543623 E-mail: vineet.jain@careedge.in
Relationship Contact Pradeep Kumar V Senior Director CARE Ratings Limited Phone: 914428501001 E-mail: pradeep.kumar@careedge.in	Jitendra Meghrajani Assistant Director CARE Ratings Limited Phone: 912267543526 E-mail: Jitendra.Meghrajani@careedge.in Khyati Shah Lead Analyst CARE Ratings Limited E-mail: Khyati.Shah@careedge.in

About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

**For the detailed Rationale Report and subscription information,
please visit www.careedge.in**