



Date: 27th October, 2016

To,
Catalyst Trusteeship Limited (Formerly Known as GDA Trusteeship Limited)
Office No. 83 – 87, 8th floor ,
'Mittal Tower', 'B' Wing,
Nariman Point, Mumbai – 400021

Sub: Half yearly compliance report
Ref No. DT/ Half Yearly/September/2016-17/502

Dear Sir,

We invite your kind attention to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In compliance with the same we hereby submit the information in three parts as given below.

Part- I Information to Stock Exchange

As per Regulation 52 (4) & (5) you are required to file the statement to the stock exchange along with financial results and noting certificate of Debenture Trustees within 45 days for unaudited financial results and noting from the end of last half year.

a) Credit rating

Sr. No	Products	Rating
1	Commercial Paper	ICRA A2+
2	Non- Convertible Debentures	ICRA BBB+
3	Bank Loan Facility	Short term Debt Rating: SMERA A2 + Long Term Debt Rating: SMERA A – Short term Debt Rating: ICRA A2 Long Term Debt Rating: ICRA BBB+ Positive Outlook

b) Debt-equity ratio: 4.12 times

c) Previous due date for the payment of interest: **Attached as Annexure A**

d) Next due date for the payment of interest: **Attached as Annexure B**

e) Debenture Redemption reserve: Not applicable

f) Net worth: Rs. 9611.23 Lakh





- g) Net Profit after tax: Rs. 463.78 Lakh
- h) Earnings per share: Rs. 2.10/-

Part II- Information to be submitted to the Debenture Trustee

In terms of Regulation 56:

- a) A copy of the annual report at the same time as it is issued along with a copy of certificate from the listed entity's auditors in respect of utilization of funds during the implementation period of the project for which the funds have been raised:

Provided that in the case of debentures issued for financing working capital or general corporate purposes or for capital raising purposes the copy of the auditor's certificate may be submitted at the end of each financial year till the funds have been fully utilized or the purpose for which these funds were intended has been achieved. - **Already submitted in the half yearly Compliance Report of 31st March, 2016**

- b) Copy of all notices, resolutions and circulars relating to-
 - i. new issue of non-convertible debt Securities at the same time as they are sent to the holders of non-convertible debt securities: Not applicable
 - ii. The meetings of holders of non-convertible debt securities at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to the proceedings of the meeting: Not applicable
- c) Intimations regarding:
 - i. Any revision in credit rating: No such change (Applicable credit rating is attached herewith as **Annexure C**)
 - ii. Any default in timely payment of interest or redemption or both in respect of non-convertible debt securities: Not Applicable
 - iii. Failure to create charge on the assets: Not Applicable
- d) Copy of the Statement, if any filed with the stock exchange as per Regulation 52(7) indicating material deviations, if any, in the use of proceeds of issue of NCD's from the object stated in the offer document : Not Applicable

Part- III Information to be submitted to the Debenture holders

In terms of provisions of Regulation 58, the following documents and information to be sent to the Debenture holders:

- a) Hard Copies of full Annual reports to those holders of non-convertible debt securities, who request for the same





- b) Half yearly communication, as specified in sub regulation (4) & (5) of regulation 52, to holders of non-convertible debt securities
- c) Notice (s) of all meetings, of holders of non-convertible debt securities specifically stating that the provisions for appointment of proxy as mentioned in section 105, of the Companies Act, 2013, shall be applicable for such meetings
- d) Proxy forms to holders of non-convertible debt securities which shall be worded in such a manner that holders of these securities may vote either for or against each resolution

For ELECTRONICA FINANCE LIMITED

**KHWAHISH RAWAL
COMPANY SECRETARY AND COMPLIANCE OFFICER
MEMBERSHIP NO. A32119**





ANNEXURE A

Details of redemption & payment of interest during last half year ending i.e. 01/04/2016 to 30.09.2016:

Series / Tranche	Due date of (Principal / Interest)	Due date of Payment	Amount (Rs.)	Actual date of payment
1-250	Interest	30.04.2016	3078767	30/04/2016
1-250	Interest	31.05.2016	3078767	31/05/2016
1-250	Interest	30.06.2016	2979452	30/06/2016
1-250	Interest	31.07.2016	3078767	30/07/2016
1-250	Interest	31.08.2016	3078767	31/08/2016
1-250	Interest	30.09.2016	2979452	30/09/2016

[Handwritten signature]





ANNEXURE B

Details of redemption and interest due in the next half-year i.e. 01/10/2016 to 31/03/2017

Series / Tranche	Type (Principal / Interest)	Due date of payment	Amount (Rs.)
1-250	Interest	31.10.2016	3078767
1-250	Interest	30.11.2016	2979452
1-250	Interest	31.12.2016	3078767
1-250	Interest	31.01.2017	3078767
1-250	Interest	28.02.2017	2780822
1-250	Interest	31.03.2017	3078767
1-250	Principal	31.03.2017	4,00,00,000

Company does not expect default in payment of principal / interest due in next half year



Electronica Finance Limited

Registered Office : 128/1A, 3rd Floor, Kailashchandra Apartments, Paud Road,
Kothrud, Pune - 411 038

Telephone No. : +91 - 20 - 6729 0700

Toll Free No. : 1800 233 9718 | **web** : www.efl.co.in

Corporate Identification Number of EFL : U65910PN1990PLC057017





ANNEXURE C

ICRA Limited

CONFIDENTIAL

Ref No: 2015-16/PUN/287
March 23, 2016

Mr. S. Lakshminarayanan
Vice President - Strategy, Finance and Accounts
Electronica Finance Limited
128/1A, 3rd Floor Kailashchandra
Paud Road, Kothrud
Pune - 411 038

Dear Sir,

Re: ICRA assigns Credit Rating for Rs. 30 crore Non Convertible Debenture Programme of Electronica Finance Limited

Please refer to your Rating Requisition dated March 16, 2016 and subsequent Rating Agreement dated March 17, 2016 for carrying out the rating of the aforesaid Bond Programme. The Rating Committee of ICRA, after due consideration, has assigned a "[ICRA]BBB+" (pronounced as ICRA triple B plus) rating with a Positive Outlook to the captioned Debt Programme†. In any of your publicity material or other document wherever you are using our above rating, it should be stated as "[ICRA]BBB+" with Positive Outlook".

We would appreciate if you can sign on the duplicate copy of this letter and send it to us within 7 days from the date of this letter as confirmation about the use of the assigned rating. The rationale for assigning the above rating will be sent to you on receipt of your confirmation about the use of our rating, as above. Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and confirmed to use by you, it would be subject to our review and may result in change in the rating assigned.

ICRA reserves the right to suspend, withdraw or revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.


The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds to be issued by you. If the instrument rated, as above, is not issued by you within a period of 3 months from the date of this letter communicating the rating, the same would stand withdrawn unless revalidated before the expiry of 3 months.


You are required to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing. You are also required to keep us forthwith informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s).

You are required to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority (ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

With kind regards,
Yours sincerely,
for ICRA Limited


KARTHIK SRINIVASAN
Senior Vice President
Co-Head Financial Sector Ratings


KALPESH GADA
Senior Vice President

† For complete rating definition please refer to ICRA Website www.icra.in or any of the ICRA Rating Publications

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CIN : L74999DL1991PLCO42749

Website : www.icra.in
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RATING • RESEARCH • INFORMATION



SMERA RATINGS LIMITED

**Electronica Finance Limited
(EFL)****Rating
Rationale****January 13, 2016**

Facilities	Amount (Rs. Crore)	Ratings	Rating Action
Term Loans	25.00	SMERA A-/Stable	Reaffirmed
Term Loans	219.12	SMERA A-/Stable	Assigned
Cash Credit	46.50	SMERA A-/Stable	Assigned
Letter of Credit	4.00	SMERA A2+	Assigned
Short/Long Term Bank Facilities (Proposed)	80.38	SMERA A-/Stable/SMERA A2+	Assigned
Total	375.00		

SMERA has reaffirmed the long-term rating of 'SMERA A-' (read as SMERA single A minus) to the Rs.25.00 crore bank facilities of Electronica Finance Limited (EFL). SMERA has also assigned the long-term rating of 'SMERA A-' and short-term rating of 'SMERA A2+' (read as SMERA A two plus) to the Rs.350.00 crore bank facilities of EFL. The outlook is 'Stable'.

The rating derives comfort from the EFL's long track record in machinery financing business, its experienced management, sound asset quality on account of good credit appraisal and monitoring systems, and adequate capitalisation and profitability metrics. The ratings are also supported by EFL's diversified resource profile and geographical diversity. However, the ratings are constrained by the subdued operational performance in the past two years and some deterioration in the asset quality indicators of the company. The ratings are also constrained due to EFL's business exposure towards MSME borrowers, which are highly vulnerable to economic slowdown. The rating also factors that the company's business risk profile is exposed to regulatory risks inherent in the asset financing industry.

EFL has track record of over two decades in the asset financing industry. The company's management has good understanding which helps them to effectively manage the risk involved in the machinery financing business. The promoters of the company also have machinery manufacturing units in Pune, which helps to understand the sector better. The board of EFL consists of eight directors with three promoter directors and five independent directors. The senior management is also experienced and being associated with the company for over a decade. EFL also has adequate risk management and information technology systems and processes in place. The credit approval is centralised in Pune.

EFL is comfortably capitalised for its current scale of operations. The company's networth stood at Rs.77.87 crore as on March 31, 2015, as compared to Rs.65.07 crore in the previous year. EFL's gearing stood at 6.89 times (excluding security deposits the gearing stood at 3.70 times) as on March 31, 2015, which improved from 7.62 times as on March 31, 2013. The capital adequacy of the

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.



SMERA RATINGS LIMITED

Electronica Finance Limited (EFL)

**Rating
Rationale**

The muted operating environment during FY2014-15 and FY2013-14 led to a slowdown in demand and tightening of Credit Norms by the company, which in turn resulted in subdued credit growth. As a result, the pace of growth of EFL's disbursements slowed down to 2.52% growth in FY2014-15 as compared to 1.80% in FY2013-14. The disbursements of the company were Rs.347 crore in FY2014-15 as compared to Rs.339 crore in the previous year. Nevertheless, the growth was supported by a geographical expansion; with EFL opening branches in Kolkata and Kerala.

EFL has been able to maintain sound asset quality indicators in the past; however there has been a rise in the delinquency numbers in H1FY2015-16, primarily on account of stress in the operating environment impacting the repayment ability of the MSME borrowers. The 90+ DPD (days past due) for EFL deteriorated to 5.18% of total managed portfolio as on September 30, 2015 from 3.47% as on March 2015. Nevertheless, SMERA acknowledges EFL's good credit appraisal and monitoring processes and also unique lending structure wherein borrowers' margin money remains with the company as a security deposit and results in faster build-up of borrowers' equity, which provides a comfort in this regard.

EFL's business is exposed to modest borrower profile, which comprise of small and medium industrial units engaged in engineering, auto ancillary, printing, plastic industries among others. The MSME borrower segment is fundamentally susceptible to slowdown in economic activity which adversely impact the financial profile of SMEs/MSMEs and in turn their repayment ability.

Rating Sensitivity Factors

- Increase in provisioning as per new norms
- Improvement in capitalization and asset quality indicators
- Diversification of income profile

Outlook: Stable

SMERA believes EFL will maintain its adequate capitalisation and sound asset quality and will continue to benefit over the medium term from its experienced management. The outlook may be revised to 'Positive' if EFL scales up and diversifies its loan portfolio significantly, while maintaining capital position, asset quality, and profitability. Conversely, the outlook may be revised to 'Negative' in case there is deterioration in the asset quality indicators. Decline in EFL's profitability, resulting in stress on capital position, or substantial increase in provisioning of bad assets, may also lead to outlook revision to 'Negative'.

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