Refinancing of Debt through Listed NCDs

In brief: CL Educate Limited had raised ₹210 crore of debt to fund the acquisition of DEXIT Global in 2024. It is now replacing loans from two of its existing lenders with a single ₹100 crore debt fund raise through listed, secured debentures. This enables us to have one set of terms, a fixed interest cost and more conducive financial covenants, backed by an investment-grade credit rating of ICRA BBB (Stable).

KEY TERMS

Issue size	Up to ₹100 crore	**Coupon**	11.90% p.a., fixed, paid monthly
Instrument	Listed, rated, senior secured NCDs	**Tenor**	Upto January 2031
Listing	BSE wholesale debt segment	**Repayment**	17 quarterly instalments from Feb 2027
Allotment	November / December 2026	**Use of proceeds**	Refinance existing debt; general corporate purposes

WHY WE ARE REFINANCING

Our acquisition finance is currently spread across multiple lenders: four NBFCs. Moving part of this debt into one instrument simplifies our balance sheet and lines up repayments with the cash the business generates. It also takes us from bilateral loans into the listed debt market, led by one of the existing NBFCs.

WHAT IT ENTAILS

- **Two lender relationships instead of four.** A single debenture trustee and one set of covenants replaces several NBFCs.
- **Repayments matched to growth.** Repayments are back-ended: about 19% falls due in the first five quarters and about 32% in the last four, in line with the increasing cash flows of the business.
- **Runway.** The tenor runs to January 2031.
- **Equity Raise Timeline:** There is no fixed timeline forcing the company to engage in an untimely equity raise when the markets may not be conducive for the same.
- **Better Financial Covenants:** The financial covenants in the new fund raise are more company friendly.
- **Predictable cost.** The 11.90% coupon is fixed for the full tenor, which shields us from rate increases.
- **Room to deleverage.** After a 12-month lock-in, we can redeem early on agreed terms with 30 days' notice.
- **Access to capital markets.** A listed, rated issue builds our track record with debt investors and widens future funding options.

ICRA
BBB
(Stable)

Investment-grade credit rating

ICRA has rated CL Educate BBB (Stable). The rating is an independent view of our ability to meet debt obligations, and it opens the issue to a wider set of institutional investors.

LOOKING AHEAD

The refinancing gives CL Educate a simpler and more predictable debt structure, backed by an investment-grade rating. It lets management focus on growth while the company steadily reduces its debt through January 2031. CL Educate maintains its intent of being a net debt-free company at the earliest possible, but the refinancing removes the obligation to do so in an untimely manner.

Terms are indicative and subject to final documentation and approvals. This note is for information only and is not an offer of securities.