

January 20, 2023

## Vaya Finserv Private Limited: Ratings withdrawn for PTCs issued under a pool of micro loan receivables transaction

### Summary of rating action

| Trust Name                     | Instrument*   | Initial Amount Rated (Rs. crore) | Amount outstanding after last surveillance (Rs. crore) | Current Amount Outstanding (Rs. crore) | Rating Action               |
|--------------------------------|---------------|----------------------------------|--|--|-----------------------------|
| Northern Arc 2021<br>MFI Picot | PTC Series A1 | 22.94                            | 8.95   | 0.00                                   | [ICRA]AA-(SO);<br>Withdrawn |
|                                | PTC Series A2 | 0.93                             | 0.93   | 0.00                                   | [ICRA]A(SO);<br>Withdrawn   |

\*Instrument details are provided in Annexure-I

### Rationale

ICRA has withdrawn the rating for pass through certificates (PTCs) issued under micro loan receivables securitisation transaction originated by Vaya Finserv Private Limited (rated [ICRA]BBB (On Rating Watch with Developing Implications)), as tabulated above. All the payouts to the investors in the above mentioned instruments have been made and no further payments are due to the investors.

The key rating drivers, liquidity position, rating sensitivities have not been captured as the ratings assigned to the instruments have been withdrawn. The previous detailed rating rationale of previous rating exercise is available at the following link: [Click here](#)

### Analytical approach

| Analytical Approach             | Comments   |
|---------------------------------|--|
| Applicable Rating Methodologies | <a href="#">ICRA's Policy on Withdrawal of Credit Rating</a> |
| Parent/Group Support            | Not Applicable   |
| Consolidation/Standalone        | Not Applicable   |

### About the originator

Vaya Finserv Private Limited (VFPL), incorporated in March 2014, is a non-banking financial company-microfinance institution (NBFC-MFI) with its registered office in Hyderabad. The company provides microloans under the joint liability group (JLG) www.icra.in Page | 2 model along with credit-linked insurance. VFPL was operating in 7 states through a network of 266 branches spread across 91 districts, catering to more than 5.5 lakh borrowers with a managed loan portfolio of Rs. 1,295 crore as on September 30, 2022.

### Key financial indicators (Ind-AS)

| Vaya                  | FY2021 | FY2022 | H1 FY2023 |
|-----------------------|--------|--------|-----------|
| Total interest income | 160    | 211    | 143       |
| Profit after tax      | 10     | 13     | 20        |
| Total managed assets  | 1,452  | 1,586  | 1,539     |
| Gross stage 3 (%)     | 2.8    | 3.1    | 4.0       |
| Net stage 3 (%)       | 1.6    | 1.1    | 1.6       |

Source: ISFC and ICRA Research; Amount in Rs. Crore

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

**Rating history for past three years**

| Sr. No | Trust Name                  | Current Rating (FY2023) |                                  |                                |                             | Chronology of Rating History for the past 3 years |                         |                            |                         |                         |
|--------|-----------------------------|-------------------------|----------------------------------|--------------------------------|-----------------------------|---|-------------------------|----------------------------|-------------------------|-------------------------|
|        |                             | Instrument              | Initial Amount Rated (Rs. crore) | Amount Outstanding (Rs. crore) | Date & Rating in FY 2023    |   | Date & Rating in FY2022 |                            | Date & Rating in FY2021 | Date & Rating in FY2020 |
|        |                             |                         |                                  |                                | Jan 20, 2023                | Jun 13, 2022                                      | Sep 21, 2021            | July 05, 2021              |                         |                         |
| 1      | Northern Arc 2021 MFI Picot | PTC Series A1           | 22.94                            | 0.00                           | [ICRA]AA-(SO);<br>Withdrawn | [ICRA]AA-(SO)                                     | [ICRA]A(SO)             | Provisional [ICRA]A(SO)    | -                       | -                       |
|        |                             | PTC Series A2           | 0.93                             | 0.00                           | [ICRA]A(SO);<br>Withdrawn   | [ICRA]A(SO)                                       | [ICRA]BBB+(SO)          | Provisional [ICRA]BBB+(SO) | -                       | -                       |

**Complexity level of the rated instrument**

| Trust Name                  | Instrument    | Complexity Indicator |
|-----------------------------|---------------|----------------------|
| Northern Arc 2021 MFI Picot | PTC Series A1 | Moderately Complex   |
|                             | PTC Series A2 | Moderately Complex   |

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website [Click here](#)

#### Annexure-I: Instrument details

| Trust Name                  | Instrument Name | Date of Issuance / Sanction | Coupon Rate | Maturity Date* | Amount Rated (Rs. Crore) | Current Rating and Outlook |
|-----------------------------|-----------------|-----------------------------|-------------|----------------|--------------------------|----------------------------|
| Northern Arc 2021 MFI Picot | PTC Series A1   | June 2021                   | 10.03%      | March 2023     | 0.00                     | [ICRA]AA-(SO); Withdrawn   |
|                             | PTC Series A2   | June 2021                   | 14.50%      | March 2023     | 0.00                     | [ICRA]A(SO); Withdrawn     |

\* Scheduled maturity at transaction initiation; may change on account of prepayment

Source: Company

#### Annexure-II: List of entities considered for consolidated analysis

Not Applicable

## ANALYST CONTACTS

**Abhishek Dafria**

+91 22 6114 3440

[abhishek.dafria@icraindia.com](mailto:abhishek.dafria@icraindia.com)

**Sachin Joglekar**

+91 22 6114 3470

[sachin.joglekar@icraindia.com](mailto:sachin.joglekar@icraindia.com)

**Himanshi Doshi**

+91 22 6114 3410

[himanshi.doshi@icraindia.com](mailto:himanshi.doshi@icraindia.com)

**Shruti Jain**

+91 22 6114 3472

[shruti.jain@icraindia.com](mailto:shruti.jain@icraindia.com)

**Nemish Shah**

+91 22 6114 3446

[nemish.shah@icraindia.com](mailto:nemish.shah@icraindia.com)

## RELATIONSHIP CONTACT

**Jayanta Chatterjee**

+91 80 4332 6401

[jayantac@icraindia.com](mailto:jayantac@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

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## ICRA Limited



### Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001  
Tel: +91 11 23357940-45



### Branches



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