

January 20, 2023

Vaya Finserv Private Limited: Rating withdrawn for Rs. 103.00-crore NCD programme

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debentures	103.00	-	[ICRA]BBB Continues on Rating Watch with Developing Implications and Withdrawn
Non-convertible debentures	48.00	48.00	[ICRA]BBB Rating Watch with Developing Implications; Outstanding
Long-term bank facilities	1,000.00	1,000.00	[ICRA]BBB Rating Watch with Developing Implications; Outstanding
Commercial paper programme	50.00	50.00	[ICRA]A3+ Rating Watch with Developing Implications; Outstanding
Total	1,201.00	1,098.00	

*Instrument details are provided in Annexure I

& - Rating on Watch with Developing Implications

In addition to the above instruments, ICRA has a rating outstanding on VFPL's pooled loan issuance (PLI) programme and pass-through certificates; refer to these links for details: [Link 1](#), [Link 2](#), [Link 3](#), [Link 4](#), [Link 5](#), [Link 6](#), [Link 7](#)

Rationale

ICRA has withdrawn the rating on the Rs. 103.00-crore non-convertible debentures of Vaya Finserv Private Limited (VFPL) as the same has been redeemed and repaid by the company and no amount is outstanding against the rated instrument. The rating has been withdrawn in accordance with ICRA's policy on the withdrawal of credit ratings. The key rating drivers, liquidity position and rating sensitivities have not been captured as the rated instrument has been withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Rating Methodology for Non-banking Finance Companies Policy on Withdrawal of Credit Ratings
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

About the company

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) 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 (audited)

Vaya Finserv Private Limited	FY2021	FY2022	H1 FY2023
Accounting as per	Ind-AS	Ind-AS	Ind-AS
Profit after tax	10	13	20
Net worth	297	310	330
Total managed assets	1,452	1,586	1,539
Return on average managed assets	0.7%	0.8%	2.5%
Return on average net worth	4.0%	4.2%	12.4%
Gross gearing (times)	2.3	3.9	3.4
Managed gearing (times)	2.6	3.9	3.4
Gross non-performing assets	2.8%	3.1%	4.0%
Net non-performing assets	1.6%	1.1%	1.6%
Solvency (Net NPA/Net worth)	3.9%	4.1%	5.9%
Capital adequacy ratio	34.5%	25.8%	25.4%

Managed gearing = (on-book borrowings incl. accrued interest + securitised/assigned portfolio) / (net worth - cash collateral or fixed deposits for business correspondent portfolio); Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current Rating (FY2023)				Chronology of Rating History for the Past 3 Years												
	Type	Amount Rated (Rs. crore)	Amount Outstanding as of Dec 31, 2022 (Rs. crore) *	Date & Rating in FY2023				Date & Rating in FY2022			Date & Rating in FY2021			Date & Rating in FY2020			
				Jan 20, 2023	Dec 28, 2022	Dec 26, 2022	May 27, 2022	Feb 14, 2022	Jul 01, 2021	Apr 23, 2021	Mar 31, 2021	Nov 24, 2020	Sep 28, 2020	Mar 27, 2020	Jan 02, 2020	Oct 16, 2019	Apr 23, 2019
1 Non-convertible debentures	Long term	48.00	40.00	[ICRA]BBB&	[ICRA]BBB&	[ICRA]BBB&	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB&	[ICRA]BBB&	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
2 Non-convertible debentures	Long term	103.00	0.00^	[ICRA]BBB&; withdrawn	[ICRA]BBB&	[ICRA]BBB&	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB&	[ICRA]BBB&	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
3 Bank lines	Long term	1,000.00	781.62	[ICRA]BBB&	[ICRA]BBB&	[ICRA]BBB&	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB&	[ICRA]BBB&	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
4 Commercial paper programme	Short term	50.00	0.00	[ICRA]A3+&	[ICRA]A3+&	[ICRA]A3+&	[ICRA]A3+	[ICRA]A3+	[ICRA]A3+	[ICRA]A3+	[ICRA]A3+	[ICRA]A3+&	[ICRA]A3+&	[ICRA]A3+	[ICRA]A3+	-	-

*Source: Company; ^Amount outstanding as of January 16, 2023
& - Rating on Watch with Developing Implications

Complexity level of the rated instruments

Instrument	Complexity Indicator
Non-convertible debentures	Simple
Bank lines	Simple
Commercial paper programme	Very Simple

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 are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE02DI07035	Non-convertible debentures	Oct 13, 2018	13.9%	Mar 31, 2023	25	[ICRA]BBB Rating Watch with Developing Implications
INE02DI07084	Non-convertible debentures*	Nov 27, 2020	11.7%	Nov 24, 2023	22	[ICRA]BBB Rating Watch with Developing Implications; Withdrawn
INE02DI07076	Non-convertible debentures*	Nov 27, 2020	11.7%	Nov 24, 2023	22	[ICRA]BBB Rating Watch with Developing Implications; Withdrawn
INE02DI07092	Non-convertible debentures	Mar 30, 2021	12.4%	Mar 30, 2023	23	[ICRA]BBB Rating Watch with Developing Implications
INE02DI07100	Non-convertible debentures*	Jul 30, 2021	11.7%	Jul 30, 2024	37	[ICRA]BBB Rating Watch with Developing Implications; Withdrawn
INE02DI07118	Non-convertible debentures*	Aug 20, 2021	11.7%	Aug 20, 2024	22	[ICRA]BBB Rating Watch with Developing Implications; Withdrawn
NA	Long-term bank facilities	May 28, 2019 – Dec 27, 2022	8.7% - 13.0%	Jan 24, 2023 – Mar 22, 2025	1,000	[ICRA]BBB Rating Watch with Developing Implications
NA	Commercial paper programme – Yet to be issued	NA	NA	7-365 days	50	[ICRA]A3+ Rating Watch with Developing Implications

*Instrument matured and/or fully redeemed; Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis – Not applicable

ANALYST CONTACTS

Karthik Srinivasan

+91 22 6114 3444

karthiks@icraindia.com

Sachin Sachdeva

+91 124 4545307

sachin.sachdeva@icraindia.com

Prateek Mittal

+91 33 71501132

prateek.mittal@icraindia.com

Jatin Arora

+91 124 4545846

jatin.arora@icraindia.com

RELATIONSHIP CONTACT

Jayanta Chatterjee

+91 80 4332 6401

jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

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

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

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



Branches



© Copyright, 2023 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.