

February 23, 2023

Vaya Finserv Private Limited: Ratings for PTCs placed on rating watch with developing implication

Summary of rating action

| Trust Name | Instrument* | Amount as per latest Rationale (Rs. crore) | Amount o/s after Jan-23 payout (Rs. crore) | Rating Action |
|---------------------------|------------------|--|--|--|
| NIMBUS 2022 MFI Brooksley | PTC Series A1 | 29.98 | 11.76 | [ICRA]A(SO); Placed on Rating watch with developing implication |
| NIMBUS 2022 MFI Belgrano | PTC Series A1 | 22.39 | 7.58** | [ICRA]A(SO); Placed on Rating watch with developing implication |
| NIMBUS 2022 MFI Auriga | PTC Series A1 | 33.85 | 15.08 | [ICRA]A(SO); Placed on Rating watch with developing implication |
| NIMBUS 2022 MFI Lepus | PTC Series A1(a) | 31.63 | 16.27 | [ICRA]A(SO); Placed on Rating watch with developing implication |
| | PTC Series A1(b) | 1.36 | 1.36 | [ICRA]BBB+(SO); Placed on Rating watch with developing implication |
| Sea Lion 09 2022 | PTC Series A1 | 33.48 | 20.58 | [ICRA]A(SO); Placed on Rating watch with developing implication |
| | PTC Series A2 | 0.38 | 0.38 | [ICRA]A-(SO); Placed on Rating watch with developing implication |

*Instrument details are provided in Annexure-1

**Outstanding Amount post Feb-23 payout

Rationale

On February 14, 2023, Vaya Finserv Private Limited (VFPL; rated [ICRA]BBB&/ [ICRA]A3+) informed ICRA that it has transferred its entire loan portfolio to IDFC FIRST Bank (IDFC FIRST; rated [ICRA]AA(Stable)). The transfer has been done through direct assignment in accordance with the Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021.

ICRA notes that this transaction will lead to the repayment of all the debt obligations of VFPL and the winding down of its operations. Consequently, for the above-mentioned PTC transactions, there will be a change in servicer from VFPL to IDFC FIRST. Similarly, IDFC FIRST will replace VFPL as credit enhancement provider. Due to these ongoing changes, ICRA has placed the ratings of PTC transactions on Watch with Developing Implication. The rating watch will be resolved post completion of necessary documentation (for change in servicer) and receipt of necessary approvals (for transfer of credit enhancement) from regulators. Also, the streamlining of the collection process and the timeliness of funding of the PTC C&P accounts would be a key monitorable.

Please refer to these links for the previous detailed rationales for the above-mentioned PTC transactions that captures Credit Enhancement, Key rating drivers, Liquidity position, Rating sensitivities, Key financial indicators: [Brooksley](#), [Belgrano](#), [Auriga](#), [Lepus](#) and [Sea Lion](#).

Analytical approach

| Analytical Approach | Comments |
|---------------------------------|--|
| Applicable rating methodologies | Rating Methodology for Securitisation Transactions |
| 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) 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

| Vaya | FY2021 | FY2022 | H1 FY2023 |
|----------------------|--------|--------|-----------|
| Total income | 201 | 217 | 143 |
| Profit after tax | 10 | 13 | 20 |
| Total managed assets | 1,452 | 1,588 | 1,539 |
| Gross stage 3 (%) | 2.8 | 3.1 | 4.0 |
| Net stage 3 (%) | 1.6 | 1.1 | 1.6 |

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

| Trust Name | Instrument | Initial Amount Rated (Rs. crore) | Amount Outstanding (Rs. crore) | Current Rating (FY2023) | | Chronology of Rating History for the past 3 years | | |
|----------------------------------|---------------|----------------------------------|--------------------------------|---|---------------|---|-------------------------|-------------------------|
| | | | | Date & Rating in FY2023 | | Date & Rating in FY2022 | Date & Rating in FY2021 | Date & Rating in FY2020 |
| | | | | Feb 23, 2023 | June 02, 2022 | Mar 28, 2022* | - | - |
| Nimbus 2022 MFI Brooksley | PTC Series A1 | 29.98 | 11.76 | [ICRA]A(SO); Placed on Rating watch with developing implication | | [ICRA]A(SO) Provisional [ICRA]A(SO) | - | - |

*Initial Ratings Assigned

| Trust Name | Instrument | Initial Amount Rated (Rs. crore) | Amount Outstanding (Rs. crore) | Current Rating (FY2023) | | Chronology of Rating History for the past 3 years | | |
|---------------------------------|---------------|----------------------------------|--------------------------------|---|---------------|---|-------------------------|-------------------------|
| | | | | Date & Rating in FY2023 | | Date & Rating in FY2022 | Date & Rating in FY2021 | Date & Rating in FY2020 |
| | | | | Feb 23, 2023 | June 02, 2022 | Apr 05, 2022* | - | - |
| Nimbus 2022 MFI Belgrano | PTC Series A1 | 22.39 | 7.58** | [ICRA]A(SO); Placed on Rating watch with developing implication | | [ICRA]A(SO) Provisional [ICRA]A(SO) | - | - |

*Initial Ratings Assigned

**Outstanding Amount post Feb-23 payout

| Trust Name | Instrument | Initial Amount Rated (Rs. crore) | Amount Outstanding (Rs. crore) | Current Rating (FY2023) | | | Chronology of Rating History for the past 3 years | | |
|---------------------------------|---------------|----------------------------------|--------------------------------|--|--------------|---------------|---|-------------------------|-------------------------|
| | | | | Date & Rating in FY2023 | | | Date & Rating in FY2022 | Date & Rating in FY2021 | Date & Rating in FY2020 |
| | | | | Feb 23, 2023 | Oct 14, 2022 | Jul 01, 2022* | - | - | - |
| Nimbus 3 2022 MFI Auriga | PTC Series A1 | 33.85 | 15.08 | [ICRA]A(SO); Placed on Rating watch with developing implication | | | [ICRA]A(SO) | Provisional [ICRA]A(SO) | - - - |

*Initial Ratings Assigned

| Trust Name | Instrument | Initial Amount Rated (Rs. crore) | Amount Outstanding (Rs. crore) | Current Rating (FY2023) | | | Chronology of Rating History for the past 3 years | | |
|--------------------------------|------------------|----------------------------------|--------------------------------|---|--------------|---------------|---|----------------------------|-------------------------|
| | | | | Date & Rating in FY2023 | | | Date & Rating in FY2022 | Date & Rating in FY2021 | Date & Rating in FY2020 |
| | | | | Feb 23, 2023 | Dec 22, 2022 | Oct 07, 2022* | - | - | - |
| Nimbus 4 2022 MFI Lepus | PTC Series A1(a) | 31.63 | 16.27 | [ICRA]A(SO); Placed on Rating watch with developing implication | | | [ICRA]A(SO) | Provisional [ICRA]A(SO) | - - - |
| | PTC Series A1(b) | 1.36 | 1.36 | [ICRA]BBB+(SO); Placed on Rating watch with developing implication | | | [ICRA]BBB+(SO) | Provisional [ICRA]BBB+(SO) | - - - |

*Initial Ratings Assigned

| Trust Name | Instrument | Initial Amount Rated (Rs. crore) | Amount Outstanding (Rs. crore) | Current Rating (FY2023) | | | Chronology of Rating History for the past 3 years | | |
|---------------------------|---------------|----------------------------------|--------------------------------|---|--------------|---------------|---|--------------------------|-------------------------|
| | | | | Date & Rating in FY2023 | | | Date & Rating in FY2022 | Date & Rating in FY2021 | Date & Rating in FY2020 |
| | | | | Feb 23, 2023 | Dec 07, 2022 | Nov 03, 2022* | - | - | - |
| Sea 5 Lion 09 2022 | PTC Series A1 | 33.48 | 20.58 | [ICRA]A(SO); Placed on Rating watch with developing implication | | | [ICRA]A(SO) | Provisional [ICRA]A(SO) | - - - |
| | PTC Series A2 | 0.38 | 0.38 | [ICRA]A-(SO); Placed on Rating watch with | | | [ICRA]A-(SO) | Provisional [ICRA]A-(SO) | - - - |

developing
implication

**Initial Ratings Assigned*

Complexity level of the rated instrument

| Trust Name | Instrument | Complexity Indicator |
|---------------------------|------------------|----------------------|
| NIMBUS 2022 MFI Brooksley | PTC Series A1 | Moderately Complex |
| NIMBUS 2022 MFI Belgrano | PTC Series A1 | Moderately Complex |
| NIMBUS 2022 MFI Auriga | PTC Series A1 | Moderately Complex |
| NIMBUS 2022 MFI Lepus | PTC Series A1(a) | Moderately Complex |
| | PTC Series A1(b) | Moderately Complex |
| Sea Lion 09 2022 | 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 analyzing 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 | Date of Issuance/Sanction | Coupon Rate | Maturity Date | Amount Rated (Rs. crore) | Current Rating and Outlook |
|----------------------------------|------------------|---------------------------|-------------|---------------|--------------------------|---|
| NIMBUS 2022 MFI Brooksley | PTC Series A1 | March 2022 | 9.25% | November 2023 | 11.76 | [ICRA]A(SO); Placed on Rating watch with developing implication |
| NIMBUS 2022 MFI Belgrano | PTC Series A1 | April 2022 | 10.10% | November 2023 | 7.58** | [ICRA]A(SO); Placed on Rating watch with developing implication |
| NIMBUS 2022 MFI Auriga | PTC Series A1 | July 2022 | 9.60% | November 2023 | 15.08 | [ICRA]A(SO); Placed on Rating watch with developing implication |
| NIMBUS 2022 MFI Lepus | PTC Series A1(a) | October 2022 | 9.70% | May 2024 | 16.27 | [ICRA]A(SO); Placed on Rating watch with developing implication |
| | PTC Series A1(b) | October 2022 | 11.50% | May 2024 | 1.36 | [ICRA]BBB+(SO); Placed on Rating watch with developing implication |
| Sea Lion 09 2022 | PTC Series A1 | November 2022 | 10.15% | July 2024 | 20.58 | [ICRA]A(SO); Placed on Rating watch with developing implication |
| | PTC Series A2 | November 2022 | 13.00% | July 2024 | 0.38 | [ICRA]A-(SO); Placed on Rating watch with developing implication |

Source: Company

**Outstanding Amount post Feb-23 payout

Annexure-II: List of entities considered for consolidated analysis

Not Applicable

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About ICRA Limited:

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Branches



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