

November 17, 2023

Vivriti Capital Limited: Ratings withdrawn for instruments backed by microfinance loan receivables securitisation transactions originated by multiple originators and arranged by Vivriti Capital Limited

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. crore)	Amount O/s after Last Surveillance (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Vivriti CABSEC 009 2019	PTC Series A1	52.63	0.58	0.00	[ICRA]D(SO); Withdrawn
	PTC Series A2	3.90	3.90	0.00	[ICRA]D(SO); Withdrawn

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the ratings for the pass through certificates (PTCs) issued under a microfinance loan receivables transaction originated by multiple originators and arranged by Vivriti Capital Limited. The transaction was backed by the microfinance loan receivables originated by four originators, namely Digamber Capfin Limited (Digamber), M Power Micro Finance Private Limited (M Power), Sambandh Finserve Private Limited (Sambandh) and Inditrade Microfinance Limited (Inditrade). At time of the last rating exercise, sub-pool originated by Sambandh was still part of the transaction. As now informed by the trustee to ICRA, no further payments are due to the PTC investors.

The key rating drivers, liquidity position, rating sensitivities have not been captured as the rating assigned to the instruments have been withdrawn.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	ICRA's Policy on Withdrawal of Credit Rating Policy on Default Recognition
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the originator

Sambandh Finserve Private Limited

Sambandh Finserve Private Limited (erstwhile Modline Build-cap Private Limited) was incorporated in July 1996. The microfinance activities were started by the company's promoters in 2006 as a project under the Regional Rural Development Centre (RRDC). It converted into a non-banking financial company (NBFC) in 2009 and secured an NBFC-microfinance institution (NBFC-MFI) licence from the Reserve Bank of India (RBI) in 2013. Its corporate and registered offices are in Rajgangpur, Odisha. The company is currently under legal investigation for inflating its AUM and client base and for siphoning and diversion of the company's funds.

Key financial indicators: Not available

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Trust Name	Instrument	Current Rating (FY2024)				Chronology of Rating History for the Past 3 Years					
		Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date and Rating in FY2024		Date and Rating in FY2023	Date and Rating in FY2022		Date and Rating in FY2021		
				Nov 17, 2023	Oct 16, 2023		Oct 17, 2022	Oct 25, 2021	Jun 04, 2021	Oct 21, 2020	Jun 02, 2020*
1 Vivriti CABSEC 009 2019	PTC Series A1	52.63	0.00	[ICRA]D(SO); withdrawn	[ICRA]D(SO)	[ICRA]D(SO)	[ICRA]D(SO)	[ICRA]B-(SO)	[ICRA]B(SO)@	[ICRA]A-(SO)	
	PTC Series A2	3.90	0.00	[ICRA]D(SO); withdrawn	[ICRA]D(SO)	[ICRA]D(SO)	[ICRA]D(SO)	[ICRA]C(SO)	[ICRA]B(SO)@	[ICRA]BBB-(SO)	

*Final rating assigned; @ Under Watch with Negative Implications

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Vivriti CABSEC 009 2019	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 Type	Date of Issuance	Coupon Rate	Initial Final Maturity Date	Amount Rated (Rs. crore)	Current Rating
Vivriti CABSEC 009 2019	PTC Series A1	December 2019	10.50%	October 2021	0.00	[ICRA]D(SO); Withdrawn
	PTC Series A2		15.00%		0.00	[ICRA]D(SO); Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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About ICRA Limited:

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