

August 20, 2024

Vistaar Financial Services Pvt Ltd: Ratings withdrawn for PTCs issued under small business loan receivables transaction

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. crore)	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
CredAvenue Daisy 05 2021	PTC Series A1	13.17	2.23	0.00	[ICRA]AAA(SO); withdrawn
	PTC Series A2	0.38	0.38	0.00	[ICRA]AA+(SO); withdrawn

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the rating for pass through certificates (PTCs) issued under a securitisation transaction backed by small business loan receivables originated by Vistaar Financial Services Pvt Ltd (VFSPL/Originator; rated [ICRA]A+(Stable)/[ICRA]A1+) as tabulated above. All the payouts to the investor(s) in the above-mentioned instruments have been made and no further payments are due to the investor.

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liquidity position, rating sensitivities have not been captured as the rating assigned to the instruments have been withdrawn.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
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the originator

VFSPL is a Bengaluru-based non-banking financial company (NBFC) catering to small businesses. It commenced operations in 2010 with focus on microfinance (MF) loans. However, it shifted its focus to providing loans to micro, small and medium enterprises (MSMEs) in rural and semi-urban areas from April 2011 and stopped disbursing new MF loans from August 2011. The company mainly provides small business mortgage loans (SBMLs). Small businesses funded by VFSPL include kirana/general stores/shops, power/auto/handlooms, dairy and allied products, and small manufacturing units.

Warburg Pincus LLC acquired a majority stake in the company in Q1 FY2024, with a shareholding of 90.6% as of May 10, 2023. Warburg Pincus also infused capital of Rs.300 crore in May 2023. VFSPL has appointed Mr.Avijit Saha as its Chief Executive Officer(CEO). The company operates through 212 branches in 12 states/Union Territories, including Tamil Nadu, Karnataka, Maharashtra, Gujrat, Madhya Pradesh, Rajasthan, Odisha, Uttar Pradesh, Telengana, Haryana and Delhi, as of September 2023.

Key financial indicators (audited)

Vistaar Financial Services Pvt Ltd	FY2022	FY2023	9MFY2024
Total income	433.6	538.9	508.2
Profit after tax	74.2	100	106.0
Total managed assets	2,394.2	3566.6	4,227.7

Vistaar Financial Services Pvt Ltd	FY2022	FY2023	9MFY2024
Gross stage 3	2.7%	3.8%*	3.2%
CRAR	30.0%	26.4%	34.9%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore; *As per RBI circular dated November 2021

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Sr. No.	Trust Name	Instrument	Current Rating (FY2025)		Chronology of Rating History for the past 3 years				
			Initial Amount	Current Amount	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022	
			Rated (Rs. crore)	Rated (Rs. crore)	August 20, 2024	August 07, 2023	August 26, 2022	August 13, 2021	July 05, 2021
1	CredAvenue Daisy 05 2021	PTC Series A1	13.17	0.00	[ICRA]AAA(SO); Withdrawn	[ICRA]AAA(SO)	[ICRA]AA(SO)	[ICRA]AA(SO)	Provisional [ICRA]AA(SO)
		PTC Series A2	0.38	0.00	[ICRA]AA+(SO); Withdrawn	[ICRA]AA+(SO)	[ICRA]A(SO)	[ICRA]A(SO)	Provisional [ICRA]A(SO)

Complexity level of the rated instrument

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

Annexure I: Instrument details

Trust Name	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Current Amount Rated (Rs. crore)	Current Rating
CredAvenue Daisy 05 2021	PTC Series A1	July 2021	8.75%	March 2035	0.00	[ICRA]AAA(SO); withdrawn
	PTC Series A2		13.20%		0.00	[ICRA]AA+(SO); withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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