

August 29, 2024

Indian School Finance Company Private Limited: Rating withdrawn for PTCs backed by school finance loan receivables securitisation transaction

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
CredAvenue Armani 06 2021	PTC Series A1	11.37	2.58	0.00	[ICRA]BBB(SO); Withdrawn

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the rating for Pass through certificates (PTCs) issued under school finance loan receivables securitisation transaction originated by Indian School Finance Company Private Limited (ISFC). All the payouts to the investors in the above-mentioned instrument has 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liquidity position, rating sensitivities have not been captured as the rating assigned to the instruments have been withdrawn. The previous detailed rating rationales 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

Hyderabad-based Indian School Finance Company Private Limited (ISFC) is a non-banking financial company (NBFC) providing credit facilities to affordable private schools (APS), colleges, coaching centres, vocational colleges and play schools for infrastructure improvement, capacity expansion, working capital, digital upgradation and student fee financing. The company operates in 14 states/UTs across the country including Andhra Pradesh, Telangana, Tamil Nadu, Karnataka, Maharashtra, Madhya Pradesh, Rajasthan, Delhi, Uttar Pradesh, Uttarakhand, Odisha, Gujarat, Haryana and Jharkhand, at present. ISFC was incorporated in May 1994, as a public limited company, under the name Corporate Deposits Investments Limited. Gray Ghost Ventures (GGV) acquired the NBFC in October 2008 and commenced operations by providing loans to the APS segment.

The company reported a profit after tax (PAT) of Rs. 0.2 crore in FY2023 against loss of Rs. 4.5 crore in FY2022. Its assets under management (AUM) stood at Rs. 193 crore as on March 31, 2023, registering an annualised de-growth of ~27% in its AUM in FY2023.

Key financial indicators (audited)

	FY2020	FY2021	FY2022	FY2023
Total income	95.8	70.4	45.0	27.3
PAT	4.4	-17.0	-4.5	0.2
Total managed assets	468.4	414.1	265.4	193.0
Gross NPA	9.9%	15.7%	14.9%	3.5%
CRAR	25.1%	43.3%	65.5%	79.8%

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

Sr. No.	Trust Name	Instrument	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years				
			Initial Amount Rated	Current Amount Rated	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022	
			(Rs. crore)	(Rs. crore)	Aug 29, 2024	Aug 28, 2023	Aug 29, 2022	Aug 18, 2021	Jul 05, 2021*
1	CredAvenue Armani 06 2021	PTC Series A1	11.37	0.00	[ICRA]BBB(SO); Withdrawn	[ICRA]BBB(SO)	[ICRA]BBB(SO)	[ICRA]BBB(SO)	Provisional [ICRA]BBB(SO)

*Provisional rating assigned

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
CredAvenue Armani 06 2021	PTC Series A1	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	Current Amount Rated (Rs. Crore)	Current Rating
CredAvenue Armani 06 2021	PTC Series A1	June 2021	13.25%	February 2027	0.00	[ICRA]BBB(SO); Withdrawn

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

Sachin Joglekar

+91 22 6114 3470

sachin.joglekar@icraindia.com

Gaurav Mashalkar

+91 22 6114 3431

gaurav.mashalkar@icraindia.com

Pratik Vora

+91 22 6114 3438

pratik.vora@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar

+91 22 6114 3406

shivakumar@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, 2024 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.