

November 28, 2024

Vistaar Financial Services Pvt Ltd: Rating withdrawn for assignee payouts issued under small business mortgage loan receivables transaction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
Vistaar BOB DA Pool Dec 2019 (PCG)	Assignee payouts	67.71	9.19	0.00	[ICRA]AA+(SO); Withdrawn

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the rating for assignee payouts issued under small business mortgage loan receivables originated by Vistaar Financial Services Pvt Ltd {VFSPL; rated [ICRA]A+(Stable)/[ICRA]A1+}, as tabulated above. The rating is being withdrawn following confirmation from VFSPL that the transaction has matured.

The key rating drivers, liquidity position, rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn.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 trading, 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, Gujarat, Madhya Pradesh, Rajasthan, Odisha, Uttar Pradesh, Andhra Pradesh, Telangana, Haryana and Delhi as of September 2024.

Key financial indicators

Vistaar Financial Services Pvt Ltd	FY2022	FY2023	FY2024
Total income	433.6	538.9	684.7
Profit after tax	74.2	100.0	147.1
AUM	2,419.8	3,132.5	4,054.5
Gross stage 3	2.7%	3.8%	2.7%
CRAR	30.0%	26.4%	33.4%

Source: Company, ICRA Research; Amount in Rs. crore; All ratios as per ICRA's calculations;

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Trust Name	Current Rating (FY2025)				Chronology of Rating History for the Past 3 Years		
	Instrument	Initial Amount Rated (Rs. crore)	Current Amount Rated (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
				November 28, 2024	November 27, 2023	December 20, 2022	December 20, 2021
Vistaar BOB DA Pool Dec 2019 (PCG)	Assignee payouts	67.71	0.00	[ICRA]AA+(SO); Withdrawn	[ICRA]AA+(SO)	[ICRA]AA(SO)	[ICRA]AA(SO)

Complexity level of the rated instrument

Instrument	Complexity Indicator
Assignee payouts	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

Trust Name	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating
Vistaar BOB DA Pool Dec 2019 (PCG)	Assignee payouts	February 07, 2020	10.00%	November 17, 2028	0.00	[ICRA]AA+(SO); Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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