

November 11, 2022

## Credavenue Private Limited: Ratings withdrawn for PTCs issued under microloan securitisation transaction originated by two originators and arranged by Credavenue Private Limited

### Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. Crore)	Previous Rated Amount (Rs. crore)	Current outstanding Amount (Rs. crore)	Rating Action
CA CABSEC 001 2021	PTC Series A1	52.78	1.49	0.00	[ICRA]AA+(SO); Withdrawn
	PTC Series A2	1.17	1.17	0.00	[ICRA]AA-(SO); Withdrawn

\*Instrument details are provided in Annexure I

### Rationale

ICRA has withdrawn the ratings for pass through certificates (PTCs) issued under a microfinance loan receivables transaction originated by two originators (Vaya Finserv Private Limited and Namra Finance Limited) and arranged by Credavenue Private Limited, as tabulated above. All the payouts to the investors in the above-mentioned instruments have 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liquidity position, rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn. The previous detailed rating rationale of surveillance exercise is available at the following link: [Click here](#)

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">ICRA's Policy on Withdrawal of Credit Rating</a>
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

### About the company

#### Vaya Finserv Private Limited

Vaya Finserv Private Limited, incorporated in March 2014, is a non-banking financial company – microfinance institution (NBFCMFI) with its registered office in Hyderabad. It is promoted by Vaya Trusts, previously known as the SKS Mutual Benefit Trusts, and Mr. Vikram Akula who had founded and promoted SKS Microfinance (currently known as Bharat Financial Inclusion Limited), one of the earliest microfinance companies in India. The company provides microloans under the joint liability group (JLG) model along with credit-linked insurance. Its loans qualify for priority sector lending for banks. Vaya was operating in 7 states through a network of 266 branches spread across 91 districts, catering to more than 5.4 lakh borrowers with a managed loan portfolio of Rs. 1,272 crore as on August 31, 2022.

## Key financial indicators

	FY2020	FY2021	FY2022
<b>Total income</b>	193	201	217
<b>Profit after tax</b>	7	10	13
<b>Total managed assets</b>	1,386	1,452	1,588
<b>Gross stage 3</b>	0.9%	2.8%	3.1%
<b>Net stage 3</b>	0.3%	1.6%	1.1%

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

## Namra Finance Limited

Namra Finance Limited is a wholly-owned subsidiary of Arman Financial Services Limited. Microfinance is regulated by the Reserve Bank of India (RBI), which only allows non-banking financial company-microfinance institutions (NBFC-MFIs) to conduct microfinance operations. Hence, a wholly-owned structure was set up at NFL.

NFL's operations are spread across central and western India in the states of Gujarat, Madhya Pradesh, Uttar Pradesh, Uttarakhand, Maharashtra, Rajasthan, Haryana and Bihar. The lending is done with a ticket size of Rs. 35,000 through cashless transfers into the borrowers' bank accounts. NFL mainly lends to women borrowers through joint liability groups (JLGs). As of June 30, 2022, the Group's microfinance operations had 246 branches spread across 107 districts in eight states. The company had 4.4 lakh+ active customers.

## Key financial indicators

	FY2020	FY2021	FY2022
<b>Total income</b>	148	134	173
<b>Profit after tax</b>	25	5	19
<b>Assets under management</b>	621	642	1,022
<b>Gross stage 3</b>	0.9%	4.6%	3.7%
<b>Net stage 3</b>	0.0%	3.0%	0.6%

Source: Company, ICRA Research; All ratios as per ICRA 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	Current Rating (FY2023)				Chronology of Rating History for the Past 3 Years				
		Instrument	Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating		Date & Rating in FY2022		Date & Rating in FY2021	Date & Rating in FY2020
					Nov 11, 2022	Jul 28, 2022	Jul 16, 2021 <sup>^</sup>	May 05, 2021 <sup>*</sup>		
1	CA CABSEC 001 2021	PTC Series A1	52.78	0.00	[ICRA]AA+(SO); Withdrawn	[ICRA]AA+(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)	--	--
		PTC Series A2	1.17	0.00	[ICRA]AA-(SO); Withdrawn	[ICRA]AA-(SO)	[ICRA]BBB+(SO)	Provisional [ICRA]BBB+(SO)	--	--

*\*Initial rating assigned*

*^Final rating assigned*

### 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 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 Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
CA CABSEC 001 2021	PTC Series A1	April 2021	10.00%	February 2023	0.00	[ICRA]AA+(SO); Withdrawn
	PTC Series A2		15.00%		0.00	[ICRA]AA-(SO); Withdrawn

Source: Company

**Annexure II: List of entities considered for consolidated analysis**

Not Applicable

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