

Varam Capital Private Limited

May 02, 2019

Summary of rated instrument

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based -Term Loan	100.00	100.00	[ICRA]BB- (Negative) ISSUER NOT COOPERATING; withdrawn
Total	100.00	100.00	

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the rating of [ICRA]BB- (pronounced ICRA double B minus) ISSUER NON COOPERATING, with Negative outlook, on the Rs.100 crore term loan facilities of Varam Capital Private Limited (Varam), at the request of the company, as all its debt facilities have been taken over as part of a slump sale agreement with Dvara Kshetriya Gramin Financial Services Limited (Dvara KGFS; rated [ICRA]BBB-(Stable)). Varam does not have any outstanding debt facilities as on March 31, 2019.

Outlook: Not applicable

Key rating drivers: Not applicable

Liquidity position: Not applicable

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Credit Rating Methodology for Non-Banking Finance Companies ICRA policy on Withdrawal and suspension of Credit Rating
Parent/Group Support	Not Applicable
Consolidation / Standalone	The ratings are based on the standalone financial profile of the company

About the company

Promoted by Ms. Hemalatha Pandiarajan, Varam Capital Private Limited (erstwhile Karpaga Ganapathi Capital Private Limited) was registered as a non-banking finance company – micro finance institution (NBFC-MFI) in December 2013. Vide a slump sale agreement, Varam's assets and liabilities, outstanding as on March 31, 2019, were taken over by Dvara KGFS, for a consideration of Rs.14.8 crore. Consequent to the slump sale, Varam discontinued microfinance operations by surrendering the NBFC-MFI license to Reserve Bank of India (RBI), with effect from April 1, 2019.

Key financial indicators: Not applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Instrument	Type	Current Rating (FY2020)		Chronology of Rating History for the past 3 years			
		Amount Rated (Rs. crore)	Amount Outstanding (Rs Crore)	May 2019	FY2019 August 2018	FY2018 May 2017	FY2017
1 Long term bank facilities	Long Term	100.0	0.0	[ICRA]BB- (Negative) ISSUER NOT COOPERATING withdrawn	[ICRA]BB- (Negative) ISSUER NOT COOPERATING	[ICRA]BB (Stable)	-

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loan facilities	NA	NA	NA	100.0	[ICRA]BB-(Negative) ISSUER NOT COOPERATING; withdrawn

Source: Varam

Annexure-2: List of entities considered for consolidated analysis: Not applicable

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