

November 17, 2022

## Visage Holdings & Finance Pvt. Ltd.: Rating withdrawn for PTCs issued under a small business loan receivables securitisation transaction

### Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. Crore)	Previous Rated Amount (Rs. crore)	Current outstanding Amount (Rs. crore)	Rating Action
Northern Arc 2020 SBL Birsa	PTC Series A1	10.15	0.30	0.00	[ICRA]BBB(SO); Withdrawn

\*Instrument details are provided in Annexure-1

### Rationale

ICRA has withdrawn the rating for pass through certificates (PTCs) backed by a pool of small business loan receivables originated by Visage Holdings & Finance Pvt. Ltd. {VHFPL/Kinara; rated [ICRA]BBB(Stable)}, 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liquidity position, rating sensitivities have not been captured as the rating assigned to the instruments have been withdrawn.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

Visage Holdings & Finance Pvt. Ltd. is a non-deposit taking NBFC, incorporated in 1996. The current promoters acquired Kinara in September 2011 and commenced lending operations in November 2011. The company offers credit facilities to small businesses under the brand name Kinara Capital. It provides secured (hypothecation of machinery) and unsecured term loans and working capital facilities with a maximum ticket size of Rs. 30 lakh. Currently, the company operates in six states, namely Karnataka, Maharashtra, Gujarat, Tamil Nadu, Andhra Pradesh and Telangana, with its head office in Bengaluru. As on September 31, 2022, Kinara had 125 branches with an AUM of Rs. 1,668.4 crore

### Key financial indicators (Ind-AS)

	FY2021	FY2022	H1FY2023
Total Income (Rs. crore)	233.0	285.9	188.3
PAT (Rs. crore)	7.5	14.6	1.3
Total Managed Assets (Rs. crore)	1,237.7	1,799.1	2,594.5
Gross Stage 3 (%)	10.4%*	8.6%	6.9%
Net Stage 3 (%)	8.2%*#	5.9%#	5.9%

Source: Company, ICRA Research; All ratios as per ICRA calculations

\*Gross NPA, net NPA and Net NPA/Net worth as per RBI reporting stands at 5.4%, 3.4% and 13.1%, respectively, as on March 31, 2021  
 # As of March 31, 2022, the company reported gross stage 3 as NPA. Net NPA, adjusted for the portfolio covered by CGTMSE and ECLGS, stood at 1.4% as on March 31, 2022 and 1.2% as of March 31, 2021

### Status of non-cooperation with previous CRA: Not applicable

Any other information: None

### Rating history for past three years

Trust Name	Instrument	Current Rating (FY2023)				Chronology of Rating History for the Past 3 Years			
		Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating		Date & Rating in FY2022	Date & Rating in FY2021		Date & Rating in FY2020
				Nov 17, 2022	Aug 02, 2022		Nov 18, 2021	Jan 21, 2021	
Northern Arc 2020 SBL Birsra	PTC Series A1	10.15	0.00	[ICRA]BBB(SO); Withdrawn	[ICRA]BBB(SO)	[ICRA]BBB-(SO)	[ICRA]BBB-(SO)	Provisional [ICRA]BBB-(SO)	--

\*Initial rating assigned

### Complexity level of the rated instrument

Instrument	Complexity Indicator
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 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-1: Instrument details**

Trust Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
Northern Arc 2020 SBL Birsa	PTC Series A1	November 2020	12.75%	February 2023	0.00	[ICRA]BBB(SO); Withdrawn

Source: Company

**Annexure-2: List of entities considered for consolidated analysis**

Not Applicable

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