

October 11, 2023

Vedika Credit Capital Ltd: Rating withdrawn for PTCs issued under microfinance loan securitisation transaction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
Porpoise 10 2022	PTC Series A1	16.51	16.51	0.00	[ICRA]A-(SO); Withdrawn

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the rating for the pass through certificates (PTCs) issued under a microfinance loan receivables transaction originated by Vedika Credit Capital Ltd (VCCL). 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liquidity position, rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn.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 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 company

Vedika Credit Capital Ltd is a Non-Deposit taking, Non-Banking Finance Company. The Company was originally registered as a Private Limited Company but was later converted into a Public Limited Company in November 1995. It was recognized and re-registered to carry out the business of Non-Banking Finance Company with approval from Reserve Bank of India in March 1998. Until February 2004 the company was involved in stock broking activities with its earlier owners. In February 2004, its present owners who stopped stock broking activities and started finance activities purchased the company. The purchasers of the Company were carrying out financing activity through Sole Proprietorship form of business organization. All the business thereafter was diverted to Vedika. Since 2007, the company is into Micro Finance product like Joint Liability Groups loans and Individual Loans.

Key financial indicators (audited)

	FY2020(Audited)	FY2021(Audited)	FY2022(Audited)	FY2023(Audited)
Total income	123.5	104.1	112.9	116.6
Profit after tax	-17.2	6.4	23.2	17.0
Gross loan portfolio	530.2	469.2	758.9	918.5
Gross non-performing assets (NPA)	1.81%	2.21%	2.01%	0.89%
Net NPA	0.00%	0.00%	0.00%	0.00%

Source: Company data, 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

Trust Name	Instrument	Current Rating (FY2024)		Chronology of Rating History for the Past 3 Years					
		Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in 2024		Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021
				Oct 11, 2023		Jan 16, 2023	Nov 02, 2022	-	-
Porpoise 10 2022	PTC Series A1	16.51	0.00	[ICRA]A-(SO) Withdrawn		[ICRA]A-(SO)	Provisional [ICRA]A-(SO)	-	-

Complexity level of the rated instrument

Instrument	Instrument	Complexity Indicator
Porpoise 10 2022	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 I: Instrument details

Trust Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date*	Amount Rated (Rs. Crore)	Current Rating
Porpoise 10 2022	PTC Series A1	October 2022	11.50%	June 2024	0.00	[ICRA]A-(SO); Withdrawn

* The actual tenure is likely to be shorter owing to prepayments and accelerated amortisation

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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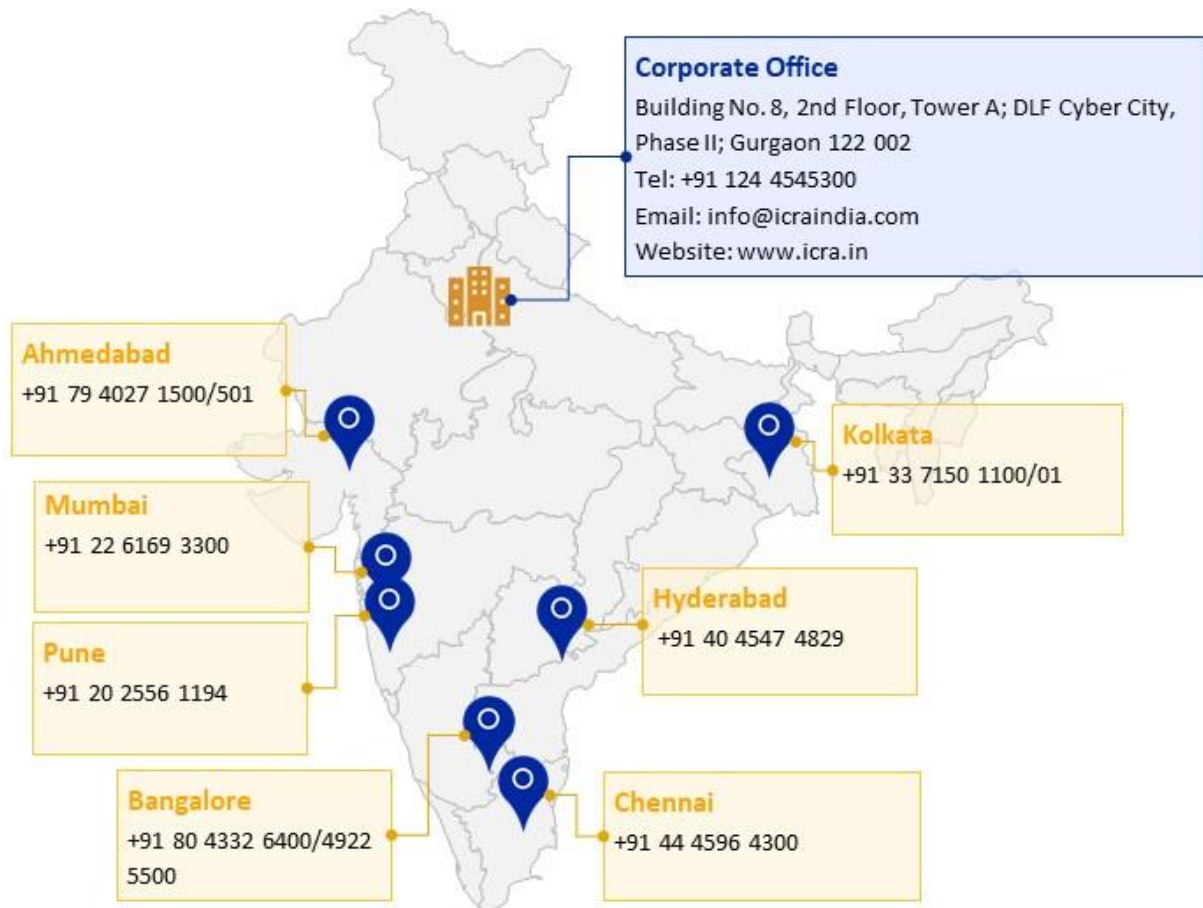
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