

July 31, 2024

Vedika Credit Capital Ltd: Rating withdrawn for PTC issued under a microfinance loan securitisation transaction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 |
|---------------|---------------|----------------------------------|-----------------------------------|----------------------------------|----------------------------|
| Aria KTM 2023 | PTC Series A1 | 35.78 | 11.05 | 0.00 | [ICRA]A+(SO); Withdrawn |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ICRA has withdrawn the rating for the pass-through certificates (PTCs) issued under a microfinance loan receivables transaction originated by Vedika Credit Capital Ltd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/Originator). All the payouts to the investor(s) in the above-mentioned instrument 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liquidity position, rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn.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 | 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 financial company (NBFC). It was originally registered as a private limited company but was converted into a public limited company in November 1995. It was recognised and re-registered to carry out the business of an NBFC with approval from the Reserve Bank of India in March 1998. Until February 2004, the company was engaged in stockbroking activities under its earlier owners. In February 2004, its present owners purchased the company and started the lending business. Since 2007, Vedika provides microfinance products like joint liability group loans and individual loans. As on March 31, 2024, the assets under management stood at Rs. 928 crore.

Key financial indicators

| Particulars | FY2022 | FY2023 | FY2024 |
|-------------------------|-----------|-----------|-----------|
| | (Audited) | (Audited) | (Audited) |
| Total income | 112.8 | 166.6 | 229.2 |
| Profit after tax | 23.2 | 17.0 | 27.8 |
| Total managed assets | 745.7 | 1,097.1 | 1,379.5 |
| CRAR | 20.1% | 22.6% | 23.5% |
| Gross stage 3 (GS3) NPA | 2.1% | 0.9% | 0.7% |

Source: ICRA Research; Amount in Rs. crore; Ratios are 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 | Instrument | Current Rating (FY2025) | | Chronology of Rating History for the Past 3 Years | | | | Date & Rating in FY2022 |
|---------------|---------------|----------------------------------|----------------------------------|---|-------------------------|-------------------------|--------------------------|-------------------------|
| | | Initial Amount Rated (Rs. crore) | Current Rated Amount (Rs. crore) | Date & Rating | Date & Rating in FY2024 | Date & Rating in FY2023 | | |
| | | | | Jul 31,2024 | Jan 29, 2024 | Mar 22,2023 | Jan 31,2023 | |
| Aria KTM 2023 | PTC Series A1 | 35.78 | 0.00 | [ICRA]A+(SO) Withdrawn | [ICRA]A+(SO) | [ICRA]A-(SO) | Provisional [ICRA]A-(SO) | - |

Complexity level of the rated instrument

| Instrument | Instrument | Complexity Indicator |
|----------------------|---------------|----------------------|
| Aria KTM 2023 | 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 (p.a.p.m) | Maturity Date | Current Amount Rated (Rs. Crore) | Current Rating |
|----------------------|-----------------|-----------------------------|-----------------------|-------------------|----------------------------------|-------------------------|
| Aria KTM 2023 | PTC Series A1 | 27 January 2023 | 13.25% | 15 September 2024 | 0.00 | [ICRA]A+(SO); Withdrawn |

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

ANALYST CONTACTS

Abhishek Dafria

+91 22 6114 3440

abhishek.dafria@icraindia.com

Sachin Joglekar

+91 22 6114 3470

Sachin.joglekar@icraindia.com

Sumit Pramanik

+91 22 6114 3462

sumit.pramanik@icraindia.com

Sheetal Nayak

+91 22 6114 3445

Sheetal.nayak@icraindia.com

Tina Parekh

+91 22 6114 3455

tina.parekh@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar

+91 22 6114 3406

Shivkumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2024 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.