



## Press Release

**Vedika Credit Capital Limited**

**July 01, 2025**

### Ratings

<b>Instrument / Facility</b>	<b>Amount (Rs. crore)</b>	<b>Current Ratings</b>	<b>Previous Ratings</b>	<b>Rating Action</b>	<b><a href="#">Complexity Indicator</a></b>
Long Term Fund Based Bank Facilities – Term Loans	589.95 (Decreased from 665.55)	IVR A-/ Stable (IVR A Minus with stable outlook)	IVR A-/ Stable (IVR A Minus with stable outlook)	Rating reaffirmed	Simple
Proposed Long Term Fund Based Bank Facilities – Term Loans	810.05 (Increased from 734.45)	IVR A-/ Stable (IVR A Minus with stable outlook)	IVR A-/ Stable (IVR A Minus with stable outlook)	Rating reaffirmed	Simple
Non-Convertible debentures (NCDs)	200.61	IVR A-/ Stable (IVR A Minus with stable outlook)	IVR A-/ Stable (IVR A Minus with stable outlook)	Rating reaffirmed	Simple
Non-Convertible debentures (NCDs)	100.00	IVR A-/ Stable (IVR A Minus with stable outlook)	-	Rating assigned	Simple
Proposed Non-Convertible Debentures (NCDs)	900.00	IVR A-/ Stable (IVR A Minus with stable outlook)	-	Rating assigned	Simple
Proposed Non-Convertible Debentures (NCDs)	74.39	IVR A-/ Stable (IVR A Minus with stable outlook)	IVR A-/ Stable (IVR A Minus with stable outlook)	Rating Reaffirmed	Simple
<b>Total</b>	<b>2,675.00</b> <b>(Rupees Two Thousand Six Hundred Seventy-Five Crore Only)</b>				

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

### Detailed Rationale

Infomerics assigns/reaffirms its ratings to bank loan facilities and Non-convertible debentures of Vedika Credit Capital Limited (VCCL) as it continues to derive comfort from, comfortable



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capitalisation with proven track record of capital raising ability of the promoters, improved financial profile, adequate systems and processed and experienced management. However, the ratings are constrained by highly leveraged capital structure, average asset quality and inherent risks associated with MFI Industry coupled with intense competition.

Outlook is stable on account of consistent improvement in the overall financial profile of the company and expected growth in AUM in the near to medium term on the back of comfortable capitalisation.

### Key Rating Sensitivities:

#### Upward Factors

- Substantial and sustained growth in AUM while maintaining healthy capitalisation, profitability and asset quality.

#### Downward Factors

- Adverse movements in collection efficiency resulting in increased credit costs.
- Substantial deterioration in AUM levels, profitability, capitalisation levels, liquidity and asset quality.

### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths

##### **Comfortable capitalisation with proven track record of capital raising by promoters**

VCCL has maintained a comfortable capital adequacy ratio (CRAR) over the years. Total CRAR was comfortable at 29.66% as on 31 March 2025 (23.47% as on March 31, 2024). During FY25, the promoters have infused fresh capital of Rs. 50.00 crore through dilution of equity. Moreover, the promoters plan to raise funds to the tune of Rs 100.00 crore in FY26 through further dilution of equity.



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### **Improved financial profile**

VCCLs AUM has consistently grown over the years and is currently at Rs 1,452.30 Crore in FY25 (refers to the period from 1 April 2024 to 31 March 2025) (Rs 1,379.50 Crore in FY24) which includes Rs 974.51 Crore of own book portfolio and Rs 477.79 Crore of managed loan book. For FY25, company reported total income of Rs 265.55 Crore and PAT of Rs 30.78 crore when compared to total income of Rs 229.21 crore and PAT of Rs 27.86 Crore in FY24. NIM remained healthy at 13.28% for FY25 (11.11% for FY24).

### **Adequate systems and processes**

VCCL has installed good tracking and MIS systems, which are adequate to support future growth expansion. Further, the company has installed monitoring systems to ensure credit bureau checks and loan utilisation checks being conducted in all cases. Further, VCCL has invested significantly in technology to ensure the real-time availability of collection data, e-verification of customer details and cashless disbursements. Internal audits are conducted regularly, and the scope and coverage are in line with industry practices.

### **Experienced and professional management team**

The promoters are engaged into the microfinance business since 2007. Presently, VCCL is managed by a seven-directors governing body headed by Mr. Ummed Mal Jain (Chairman) and his son Mr. Gauta, Jain (Managing Director) who are having more than three decades of experience in the financing and MFI sector. Besides, all the governing body members are well versed with the intricacies of the business operation of microfinance and NBFC.

### **Key Rating Weaknesses**

#### **Average asset quality**

VCCL has managed to keep its collection efficiency around 99% in FY25 despite the challenges faced by MFI industry. VCCL though remains exposed to risks associated with the MFI business which recently faced collection efficiency issues due to various external factors, was able to maintain its asset quality when compared to other players in the industry given its stringent credit appraisal process and loan monitoring systems. The GNPA increased to 2.06% in FY25 from 0.73% in FY24, while NNPA was nil as on March 31, 2025. VCCL's ability



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to sustain the asset quality in the new originations and maintain field discipline will be important from a credit perspective.

### **Leveraged capital structure**

Despite promoters infusing funds on an ongoing basis, majority of the growth is funded by external debt which has resulted in a leveraged capital structure. VCCLs overall gearing decreased to 3.45x as on 31 March 2025 (4.60x as on 31 March 2024) due to capital infusion by promoters in FY25. Going forward, reducing the gearing levels further will be a key rating monitorable.

### **Inherent risks associated with MFI industry coupled with intense competition**

Despite venturing into MSME lending, VCCLs product diversification remains low with the concentration primarily being in the microfinance segment which has recently faced headwinds due to various external factors. Also, the company's portfolio remains relatively risky, given the unsecured nature of the loans. Unsecured lending to the marginal borrower profile and the political and operational risks associated with microlending may result in high volatility in the asset quality indicators. The microfinance industry is prone to socio-political and operational risks, which could negatively impact the company's operations and thus its financial position as has been seen during the pandemic coupled with severe competition by other NBFCs and Banks.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Non-Banking Finance companies](#)

[Criteria of assigning Rating Outlook.](#)

[Complexity level of rated instruments/Facilities](#)

[Financial Ratios & Interpretation \(Financial Sector\)](#)

[Policy on Default Recognition and Post-Default Curing Period](#)



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### **Liquidity: Strong**

VCCLs liquidity remains strong given the lower tenure of loans extended against higher tenure of loans availed. As on 31 March 2025, VCCL has a adequately matched ALM profile with no negative cumulative mismatches across all the buckets. Also, the company has cash and bank balance of Rs 142.47 Crores, unmarked FDs of Rs 7.34 Crore and unutilised bank facilities of Rs 115.00 Crore.

### **About the company**

VCCL is a Non-Banking Financial Company – Microfinance Institution (NBFC-MFI) registered under Reserve Bank of India (RBI). It started its microfinance on-lending operation in the year 2007 with its head office in Ranchi (Jharkhand), by providing small ticket size loan to poor woman in rural and semi-urban area through Joint Lending Group (JLG) based system and MSME loans.

### **Financials (Standalone)\*:**

**Rs in crore**

<b>For the year ended/As on*</b>	<b>31-03-2024**</b>	<b>31-03-2025</b>
	<b>(Audited)</b>	<b>(Audited)</b>
Total Income	229.21	265.55
PAT	27.86	30.78
Tangible Networth	205.06	284.30
AUM	1386.50	1452.30
<b><u>Ratios</u></b>		
NIM (%)	11.11	13.28
ROTA (%)	2.73	2.54
Interest Coverage (Times)	1.32	1.33
Total CRAR (%)	23.47	29.66
Gross NPA [Stage III] (%)	0.73	2.06
Net NPA [Stage III] (%)	-	-



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Overall Gearing (Times)	4.60	3.45
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**\*Classification as per Infomerics' standards**

**\*\*Restated Financials for FY24.**

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

**Any other information: NA**

**Rating History for last three years:**

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years			
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23 (31 March 2023)	Date(s) & Rating(s) assigned in 2021-22 (12 October 2022)
1.	Fund Based - Bank Loan Facilities – Term Loans	Long Term	589.95	IVR A-/Stable	IVR A-/Stable (29 Oct 2024) IVR A-/Stable (9 July 2024) IVR A-/Stable (17 June 2024)	IVR A-/Stable (26 December 2023) IVR A-/Stable (22 December 2023) IVR A-/Stable (05 October 2023)	IVR A-/Stable	IVR A-/Stable
2.	Proposed Fund Based -Bank Loan Facilities – Term Loans	Long Term	810.05	IVR A-/Stable	IVR A-/Stable (29 Oct 2024) IVR A-/Stable (9 July 2024) IVR A-/Stable (17 June 2024)	IVR A-/Stable (26 December 2023) IVR A-/Stable (22 December 2023) IVR A-/Stable (05 October 2023)	-	-
3.	Non-Convertible Debentures	Long Term	200.61	IVR A-/Stable	IVR A-/Stable (29 Oct 2024) IVR A-/Stable (9 July 2024) IVR A-/Stable (17 June 2024)	IVR A-/Stable (22 December 2023)	-	-
4.	Non-Convertible Debentures	Long Term	100.00	IVR A-/Stable	-	-	-	-





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Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years			
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23 (31 March 2023)	Date(s) & Rating(s) assigned in 2021-22 (12 October 2022)
5.	Proposed Non-Convertible Debentures	Long Term	74.39	IVR A-/Stable	IVR A-/Stable (29 Oct 2024) IVR A-/Stable (9 July 2024) IVR A-/Stable (17 June 2024)	-	-	-
6.	Proposed Non-Convertible Debentures	Long Term	900.00	IVR A-/Stable	-	-	-	-
7.	Issuer rating	-	-	-	-	Withdrawn (22 December 2023)	-	IVR A-/Stable

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### About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit



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ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

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### Annexure 1: Details of Facilities/Instrument

Name of Facility/ Instrument	ISIN	Date of Issuanc e	Coupo n Rate (%)	Tenor/ Maturity	Size of Facility/ Instrume nt (Rs. crore)	Listing status	Rating Assigned/ Outlook
Long Term – Fund Based - Bank Facility –Term Loans	-	-	-	Up to Jan 2030	589.95	NA	IVR A- /Stable
Proposed Long Term – Fund Based – Bank Facility – Term Loans	-	-	-	NA	810.05	NA	IVR A- /Stable
Non-Convertible Debentures	INE04HY0 7021	8 Apr 2022	11.42	8 Dec 2025	20.61	Unlisted	IVR A- /Stable





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Non-Convertible Debentures	INE04HY07096	27 Mar 2024	13.50	28 Sep 2025	25.00	Listed	IVR A-/Stable
Non-Convertible Debentures	INE04HY07120	25 June 2024	11.90	25 June 2026	25.00	Listed	IVR A-/Stable
Non-Convertible Debentures	INE04HY07138	1 July 2024	12.78	26 Dec 2025	25.00	Listed	IVR A-/Stable
Non-Convertible Debentures	INE04HY07146	12 Aug 2024	11.90	12 Aug 2026	30.00	Listed	IVR A-/Stable
Non-Convertible Debentures	INE04HY07161	23 Sep 2024	12.00	23 Mar 2027	20.00	Listed	IVR A-/Stable
Non-Convertible Debentures	INE04HY07153	23 Sep 2024	12.00	23 Sep 2029	10.00	Listed	IVR A-/Stable
Non-Convertible Debentures	INE04HY07195	14 Oct 2024	11.60	14 Apr 2026	15.00	Listed	IVR A-/Stable
Non-Convertible Debentures	INE04HY07187	14 Oct 2024	11.80	14 Oct 2026	15.00	Listed	IVR A-/Stable
Non-Convertible Debentures	INE04HY07179	14 Oct 2024	12.00	14 Apr 2027	15.00	Listed	IVR A-/Stable
Non-Convertible Debentures	INE04HY07203	28 Jan 2025	12.00	28 Jan 2029	25.00	Listed	IVR A-/Stable
Non-Convertible Debentures	INE04HY07211	21 Feb 2025	12.00	21 Aug 2027	20.00	Listed	IVR A-/Stable
Non-Convertible Debentures	INE04HY07229	4 April 2025	12.00	4 April 2029	55.00	Listed	IVR A-/Stable
Proposed Non-Convertible Debentures	NA	NA	NA	NA	74.39	Unlisted	IVR A-/Stable
Proposed Non-Convertible Debentures	NA	NA	NA	NA	900.00	Unlisted	IVR A-/Stable

### Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Vedika-Credit-1july25.pdf>

### Annexure 3: Detailed explanation of covenants of the rated instrument/facilities:



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Below mentioned covenants are uniform for all NCD issues rated by Infomerics.

Name of the Instrument		Detailed Explanation
Non-Convertible Debentures	<b>Financial Covenant</b>	<p>1.The Capital Adequacy Ratio shall be always compliant with minimum levels stipulated by the regulator ("RBI") at all points in time.</p> <p>2. The TOL/TNW shall not be more than 10 times</p> <p>3. The Gross NPA shall be less than 4.5%</p> <p>4. The Net NPA shall be less than 2.5%</p> <p>All covenants would be tested on quarterly basis for the Company, on consolidated and standalone balance sheet till the redemption of the Debentures. The covenants shall be certified by the Company within 45 (Forty-Five) calendar days from the end of each financial half year.</p>
	<b>Non-Financial Covenant</b>	<p>The Issuer shall not without the prior written permission of the Debenture Holder and Debenture Trustee, do or undertake to do any of the following:</p> <p>a) Formulate any scheme of amalgamation or reconstitution</p> <p>b) Undertake guarantee obligations on behalf of any other Company / Firm etc., except in the ordinary course of business and for its subsidiaries if any.</p> <p>c) Declare dividends for any year out of profits relating to the year if any of the financial commitments to Debenture Holder have not been duly met</p> <p>d) Withdraw funds from the business out of the profits relating to the year if any of the financial commitments to Debenture holder have not been duly met</p> <p>e) Sell, assign, mortgage or otherwise dispose of any of the assets charged to Debenture Holder so as the security cover does not fall below 1.25x</p> <p>f) Change in promoter, ownership or control more than 10%.</p> <p>g) Issuer shall not amend or modify clauses in its</p>
	<b>Rating covenants</b>	<p>In case the rating is downgraded to BBB from BBB+ then an additional 0.25% p.a would be payable on the NCDs from the date of downgrade. It is clarified the additional step-up coupon would be payable only till the rating of the Company remains below BBB+ rating and shall not be charged if the rating is restored to the original level or higher level by respective rating</p>



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		<p>agencies. PROVIDED THAT, the decreased rate of Interest in accordance with this provision cannot, in any case, be lower than the Interest Rate fixed at the time of issuance.</p> <p>However, the investor shall have a right of call for early redemption at par in case the ratings fall by two notches from current rating of A-.(“Recall Option”)</p> <p>The Recall option shall be exercised at PAR, with a prior notice of 30 calendar days to the Issuer.</p> <p>For the purpose of this clause, if the issue is rated by more than one agency, then the lowest of the ratings shall be considered</p>
	<b>Events of Default</b>	<p>Customary for financings of this nature and others appropriate in the judgment of the Debenture Holders, including but not limited to:</p> <ol style="list-style-type: none"><li>1. Non-payment of any of the dues under this Issuance,</li><li>2. Issuer is unable or admits in writing its inability to pay its debts as they mature or suspends making payment of any of its debts, by reason of actual or anticipated financial difficulties or proceedings for taking it into liquidation have been admitted by any competent court or a moratorium or other protection from its creditors is declared or imposed in respect of any indebtedness of the Company;</li><li>3. Insolvency, winding up, liquidation</li><li>4. Creditors’ processes initiated against the company<ol style="list-style-type: none"><li>a. If initiated by a creditor that is not a lender / debt investor, cure period of 90 days</li></ol></li><li>5. Repudiation of Transaction Documents by the Issuer</li><li>6. Cessation of business</li><li>7. All or a material part of the undertaking, assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Company, or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or Government authority;</li></ol>

Indicative term sheet for proposed NCDs: For proposed NCDs of Rs 974.39 crore.



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<b>Issuer</b>	<b>Vedika Credit Capital Ltd</b>
<b>Instrument</b>	Secured, Non-Convertible, Redeemable, Taxable, Regular Return Bonds of <b>Vedika Credit Capital Ltd</b>
<b>Mode of Issue</b>	Private Placement
<b>Issue Size</b>	Up to Rs 1000.00 Crore
<b>Tenor</b>	Up to 5 years
<b>Put / Call option</b>	N.A.
<b>Coupon Rate</b>	To be decided
<b>Interest Payment</b>	Monthly/Quarterly/Annually
<b>Coupon Reset</b>	Not Applicable
<b>Day Count Basis</b>	Actual
<b>Financial Covenants</b>	<p>i) The Capital Adequacy Ratio shall be always compliant with minimum levels stipulated by the regulator ("RBI") at all points in time.</p> <p>ii) The TOL/TNW shall not be more than 10 times.</p> <p>iii) The Gross NPA shall be less than 4.5%</p> <p>iv) The Net NPA shall be less than 2.5%</p> <p>(All covenants would be tested on quarterly basis for the Company, i.e. as on 31st March, 30th June, 30th September and 31st December every year, on consolidated and standalone balance sheet till the redemption of the Debentures.)</p>

**Annexure 4: List of companies considered for consolidated analysis: Not Applicable**

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).