



**Press Release**  
**Si Creva Capital Services Private Limited**  
**November 01, 2023**  
**Rating Assigned**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
<b>Non Convertible Debentures (NCD)</b>	50.00	ACUITE BBB+   Positive   Assigned	-
<b>Total Outstanding Quantum (Rs. Cr)</b>	50.00	-	-

**Rating Rationale**

Acuite has assigned the long-term rating of '**ACUITE BBB+**' (read as **ACUITE triple B plus**) on the Rs. 50.00 crore proposed non-convertible debentures of Si Creva Capital Services Private Limited (SCCSPL). The outlook is '**Positive**'.

**Rationale for the rating:**

The rating revision factors in the substantial increase in scale of operations as reflected by growth in disbursement and AUM levels as well as improved financial performance. The total disbursements for FY23 grew to Rs. 12,032 Cr. as against 3,669 Cr. for FY22. Further, in H1FY24, the disbursements stood at 9,823 Cr. Accordingly, the AUM increased to Rs. 1,319 Cr. as on March 31, 2023 from Rs. 378 Cr. as on March 31, 2022. As on Sep-23, the AUM stood at 2,262 Cr. The PAT at consolidated level for H1FY24 stood at Rs. 129 Cr. as against FY23 PAT of Rs. 59 Cr. (Rs. 63 Cr. for FY22). The rating also takes into account the comfortable capital structure at consolidated levels (OnEMI Technology Solutions Private Limited- OnEMI is the holding company) as a result of regular capital infusion from investors. So far, OnEMI has raised roughly Rs. 506 Cr. from investors which has been mainly down streamed into SCCSPL. As on March 31, 2023, OnEMI reported Networth and gearing of Rs. 596 Cr. and 0.65 times, respectively. (Networth and gearing of Rs. 652 Cr. and 0.44 times respectively as on June 30, 2023). Capital Adequacy ratio of SCCSPL stood at 25.21 percent as on June 30, 2023. SCCSPL has stringent risk management policy supported by rigorous write-offs and provisioning norms.

These strengths are however partially offset by elevated credit costs and inherent risks associated with the unsecured lending segment. While the company has reported recent improvement in profitability on both standalone and consolidated level, the same has been on account of improved business volumes and the resultant rise in interest and fee incomes. While Acuite takes cognizance of the company's stringent provision and write-offs policy, asset quality will continue to be a key monitorable given the unsecured nature of portfolio. Additionally, Acuite believes the ability of SCCSPL to profitably scale up its portfolio while maintaining robustness of its technology platform given the evolving nature of FinTech model is also a key rating monitorable.

**About the Company**

Incorporated on 8th July 2015, SiCreva is a wholly owned subsidiary of OnEMI Technology Solutions Pvt. Ltd (OnEMI) and headquartered in Mumbai. The company received certificate of registration from RBI on 8th September 2016 to carry on the business of NonBanking Financial Institution (NBFC) without accepting public deposits. The company was founded by Mr. Ranvir Singh and Mr. Krishnan Vishwanathan, former McKinsey consultants and alumni of IIM Bangalore and Yale respectively. The loans have a tenure ranging from 6 to 24 months for Purchase Finance and 2-24 months for Personal Loans. The company has recently introduced

a short-term personal loan product which is extended to customers of merchants (F&B and Kirana stores).

## About the Group

Si Creva outsources certain activities to OnEMI which is the FinTech arm having 'Kissht' as the brand name. Kissht is a one-of-a-kind-credit-led digital payment solutions platform by OnEMI that provides consumers seamless and easy access to credit for purchases across online and offline channels. It uses proprietary algorithms to assess the creditworthiness of a potential buyer in a real-time/instant process to enable the on-the-spot purchase. The Kissht platform is a fully digitized and automated fulfilment platform that supports all types of credit led purchases – an EMI-based loan, a debit-card EMI solution and credit-card EMI solutions. The platform is fully integrated with credit bureaus, Aadhaar, UPI and NSDL. The company's proprietary credit algorithm is driven by 855 bureau variables, 600+ social media variables, 75+ fraud analytics trigger and 100+ digital footprint variables.

## Unsupported Rating

Not applicable

## Analytical Approach

### Extent of Consolidation

- Full Consolidation

### Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has considered the consolidated business and financial risk profile of OnEMI Technology Solutions Private Limited (OnEMI), the parent company of Si Creva Capital Services Private Limited. This approach is in the view of the equity funds raised by the Holding Company OnEMI and subsequently down streamed to its operating Subsidiary (Si Creva). This approach is also in view of common management besides financial and technology support from OnEMI to Si Creva.

## Key Rating Drivers

### Strength

#### **Comfortable capitalization levels coupled with demonstrated fund raising ability**

OnEMI Technology Solutions Private Limited has received steady capital infusion at regular intervals. The same has been down streamed into Si Creva in the form of equity and preference capital. The company's parent company, OnEMI Technology Solutions Private Limited, is backed by marquee investors such as VentureEast, Vertex Growth, Sistema and others and has raised Rs. 506 Cr. through multiple rounds of equity till date. This has resulted into comfortable capitalisation levels, where CRAR stood at 25.21 percent as on June 30, 2023. As on March 31, 2023, OnEMI reported Networth and gearing of Rs. 596 Cr. and 0.65 times, respectively. (Networth and gearing of Rs. 652 Cr. and 0.44 times respectively as on June 30, 2023).

Acuité expects Si Creva's capital structure and business to continue to benefit from the fund raising ability from investors.

#### **Improvement in profitability on account of change in business mix & volumes**

Si Creva operates in the retail space and provides consumer durable (purchase finance) as well as personal loans. In FY23, the company has changed its business model by introduction of a new product through merchant tie ups wherein the company offers short term personal loans to customers of merchants through merchant references. Post onboarding, the customers are given definite credit limits which can be utilised through digital payment (QR code of Si Creva known as RING) for their expenses at select merchant outlets of the company. The customers are billed on monthly basis for the credit limits utilised. It has presence across 2.8 lakh merchant which includes F&B and Kirana Stores. This shift in business model has resulted into higher fee income leading to interest rate spread of 30-35 percent. The profitability improved as marked by PAT at consolidated level for H1FY24 which stood at Rs. 129 Cr. as against FY23 PAT of Rs. 59 Cr. (Rs. 63 Cr. for FY22). The total disbursements for FY23 grew to Rs. 12,032 Cr. as against 3,669 Cr. for FY22. Further, in H1FY24,

the disbursements stood at 9,823 Cr. The AUM increased to Rs. 1,319 Cr. as on March 31, 2023 from Rs. 378 Cr. as on March 31, 2022. As on Sep-23, the AUM stood at 2,262 Cr. The business turnaround with strategic reorientation towards higher yielding, low-ticket size and small duration lending along with higher disbursements have led to increased profitability. Acuité believes that the ability of the company to sustain profitability will depend on its operational efficiencies and ability to maintain growth momentum.

### **Weakness**

#### **Asset quality susceptible to risks; Stringent write-offs and provisioning policy**

The asset quality remained moderate with on time being at ~79 percent as on June 30, 2023 against 77 percent as on March 31, 2023 and 69 percent as on March 31, 2022. Gross NPA stood at 0.28 percent as on June 30, 2023 (0.05 percent as on March 31, 2023). Net NPAs are nil on account of provisions and write-offs made by the company. The write off policy has changed to 90+ dpd, earlier it used to happen at 120+ dpd till FY2022. Along with this, the company follows stringent provisioning norms, where it has 100 percent provisioning for 90+ dpd. The write-offs as a percentage of disbursements decreased to 2.52 percent for FY23 from 3.67 for previous year. However, it slightly moderated to 3.04 percent for Q1FY24. Going forward, asset quality metrics will remain critical parameters.

#### **Evolving nature of FinTech business model**

Given that the digital lending particularly in B2C segment is evolving and company is still in the early stage of operations, it is yet to be seen how the companies achieve the scalability and sustained profitability. Si Creva's lending process is entirely digital monitored through algorithms with minimal manual intervention. The experience of the management and the strong board composition has successfully led the group to become PAT positive in FY2022, owing to the Covid-19 pandemic induced stress, there were slippages in the asset quality and operating and credit costs were high in FY21, leading to losses for the group in FY2021. Hence the sustained performance and stability of the business model remains to be seen.

#### **Technology and regulatory risks**

Given that innovative technology is the backbone of FinTech business model, the company is exposed to technology risks encompassing data security, privacy and technology failure. Since all the business functions including data storage, disbursements and collections mechanism is done digitally, any breach shall expose the company to cyber events and liabilities arising thereon. Acuité understands that the company is frequently conducting tech audit to keep a track of any potential risk. The ability of the self-learning algorithms to underwrite better quality assets is still evolving and remains to be proved at the technology front in order to scale up the business operations. Additionally, the company is also exposed to evolving regulatory developments given that the FinTech business model is at nascent stage.

#### **ESG Factors Relevant for Rating**

SCCSPL belongs to the NBFC sector which continues to complement the efforts of banks in enhancing small ticket retail lending in India. Some of the material governance issues for the financial services sector are policies and practices with regard to business ethics, board diversity and independence, compensation structure for board and KMPs, role of the audit committee and shareholders' rights. On the social aspect, some of the critical issues for the sector are the contributions to financial inclusion and community development, responsible financing including environmentally friendly projects and policies around data privacy. The industry, by nature has a low exposure to environmental risks. The entity has made adequate disclosures regarding its policies on related party transactions. It also adheres to Reserve Bank of India's Fair Practices Code and has the necessary interest rate and grievance redressal policies. OnEMI Technology Solutions Private Limited's board of directors consist of 5 nominee directors out of a total of 7 directors. The company does not, however have a woman director on its board. SCCSPL provides personal loan, purchase finance loans. They aim to make credit highly accessible to the salaried and self-employed segment through adoption of technology. SCCSPL supports community development through CSR projects mainly aimed at promotion of education, eradication of hunger, environmental sustainability, protection of national heritage and culture among other causes.

#### **Rating Sensitivity**

- Promoter/ investors support
- Movement in asset quality & profitability metrics
- Sustained growth in business volumes
- Changes in regulatory environment

### All Covenants

Si Creva Capital Services Private Limited is subject to covenants stipulated by its lenders/investors in respect of various parameters like capital structure, asset quality among others.

### Liquidity Position Adequate

Si Creva's liquidity profile is adequate, with positive cumulative mismatches across all the buckets as per the ALM statement as of June 30, 2023. As on June 30, 2023, Si Creva has maintained cash and cash equivalents in the form of funds in current account and fixed deposits totalling around Rs. 230 Cr.

### Outlook: Positive

Acuité believes that the group's credit profile will benefit from the regular capital support from marquee investors to fuel the current growth momentum. The rating could be upgraded if the company is able to demonstrate significant improvement in its financial risk profile while maintaining asset quality metrics. Conversely, the outlook may be revised to 'Stable' in case the company faces higher than expected asset quality pressures or any deterioration in profitability parameters.

### Other Factors affecting Rating

None

### Key Financials - Standalone / Originator

Particulars	Unit	FY23 (Actual)	FY22 (Actual)
Total Assets	Rs. Cr.	1037.39	431.16
Total Income*	Rs. Cr.	766.19	335.80
PAT	Rs. Cr.	28.70	9.80
Net Worth	Rs. Cr.	327.02	178.31
Return on Average Assets (RoAA)**	(%)	3.91	2.57
Return on Average Net Worth (RoNW)	(%)	11.36	5.65
Debt/Equity	Times	1.19	0.78
Gross NPA	(%)	0.05	1.12
Net NPA	(%)	0.00	0.00

\*Total income equals Net Interest Income plus other income.

\*\*RoAA basis on balance sheet assets

### Key Financials (Consolidated)

Particulars	Unit	FY23 (Actual)	FY22 (Actual)
Total Assets	Rs. Cr.	1326.71	488.74
Total Income*	Rs. Cr.	969.44	491.50
PAT	Rs. Cr.	59.12	62.62
Net Worth	Rs. Cr.	595.69	240.34
Return on Average Assets (RoAA)**	(%)	6.51	15.07
Return on Average Net			

Worth (RoNW)	(%)	14.14	30.81
Debt/Equity	Times	0.65	0.58
Gross NPA	(%)	-	-
Net NPA	(%)	-	-

\*Total income equals Net Interest Income plus other income.

\*\*RoAA basis on balance sheet assets

### Status of non-cooperation with previous CRA (if applicable)

Not applicable

### Any Other Information

None

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-ratingcriteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>

### Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).



## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
25 Oct 2023	Proposed Commercial Paper Program	Long Term	25.00	ACUITE A2+ (Upgraded from ACUITE A-(CE)   Stable)
	Non Convertible Debentures	Long Term	16.20	ACUITE BBB+   Positive (Upgraded from ACUITE A-(CE)   Stable)
	Term Loan	Long Term	20.00	ACUITE BBB+   Positive (Upgraded from ACUITE A-(CE)   Stable)
	Term Loan	Long Term	15.00	ACUITE A(CE)   Positive (Upgraded from ACUITE A-(CE)   Stable)
	Proposed Long Term Loan	Long Term	120.00	ACUITE BBB+   Positive (Upgraded from ACUITE A-(CE)   Stable)
	Term Loan	Long Term	10.00	ACUITE BBB+   Positive (Upgraded from ACUITE A-(CE)   Stable)
	Term Loan	Long Term	20.00	ACUITE A(CE)   Positive (Upgraded from ACUITE A-(CE)   Stable)
	Non Convertible Debentures	Long Term	35.00	ACUITE BBB+   Positive (Upgraded from ACUITE A-(CE)   Stable)
	Non Convertible Debentures	Long Term	50.00	ACUITE BBB+   Positive (Upgraded from ACUITE A-(CE)   Stable)
	Proposed Non Convertible Debentures	Long Term	8.80	ACUITE BBB+   Positive (Upgraded from ACUITE A-(CE)   Stable)
	Non Convertible Debentures	Long Term	50.00	ACUITE BBB+   Positive (Upgraded from ACUITE A-(CE)   Stable)
16 Dec 2022	Term Loan	Long Term	15.00	ACUITE A-(CE)   Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	120.00	ACUITE BBB   Stable (Reaffirmed)
	Term Loan	Long Term	20.00	ACUITE BBB   Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	8.80	ACUITE BBB   Stable (Reaffirmed)
	Non Convertible Debentures	Long Term	50.00	ACUITE BBB   Stable (Reaffirmed)
	Non Convertible Debentures	Long Term	50.00	ACUITE BBB   Stable (Reaffirmed)
	Term Loan	Long Term	20.00	ACUITE A-(CE)   Stable (Assigned)
	Proposed Commercial Paper Program	Short Term	25.00	ACUITE A2 (Reaffirmed)
	Term Loan	Long Term	10.00	ACUITE BBB   Stable (Reaffirmed)
	Non Convertible Debentures	Long Term	35.00	ACUITE BBB   Stable (Reaffirmed)
	Non Convertible Debentures	Long Term	16.20	ACUITE BBB   Stable (Reaffirmed)
	Term Loan	Long Term	15.00	ACUITE BBB   Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	85.00	ACUITE BBB   Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	120.00	ACUITE BBB   Stable (Reaffirmed)
	Proposed Term Loan	Long Term	15.00	ACUITE A- (CE)   Stable (Assigned)
	Proposed Non	Long		

05 Aug 2022	Convertible Debentures	Term	8.80	ACUITE BBB   Stable (Reaffirmed)
	Proposed Term Loan	Long Term	20.00	ACUITE Provisional A- (CE)   Stable (Assigned)
	Working Capital Demand Loan	Long Term	15.00	ACUITE BBB   Stable (Reaffirmed)
	Proposed Commercial Paper Program	Short Term	25.00	ACUITE A2 (Reaffirmed)
	Non Convertible Debentures	Long Term	16.20	ACUITE BBB   Stable (Reaffirmed)
	Non Convertible Debentures	Long Term	50.00	ACUITE BBB   Stable (Reaffirmed)
01 Jul 2022	Non Convertible Debentures	Long Term	50.00	ACUITE BBB   Stable (Reaffirmed)
	Working Capital Demand Loan	Long Term	15.00	ACUITE BBB   Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	85.00	ACUITE BBB   Stable (Reaffirmed)
	Proposed Commercial Paper Program	Short Term	25.00	ACUITE A2 (Reaffirmed)
	Proposed Term Loan	Long Term	15.00	ACUITE Provisional A- (CE)   Stable (Reaffirmed)
	Non Convertible Debentures	Long Term	16.20	ACUITE BBB   Stable (Reaffirmed)
	Term Loan	Long Term	15.00	ACUITE BBB   Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	120.00	ACUITE BBB   Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	8.80	ACUITE BBB   Stable (Reaffirmed)
17 Jun 2022	Term Loan	Long Term	15.00	ACUITE BBB   Stable (Reaffirmed)
	Non Convertible Debentures	Long Term	16.20	ACUITE BBB   Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	120.00	ACUITE BBB   Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	85.00	ACUITE BBB   Stable (Assigned)
	Proposed Term Loan	Long Term	15.00	ACUITE Provisional A- (CE)   Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	8.80	ACUITE BBB   Stable (Reaffirmed)
	Non Convertible Debentures	Long Term	50.00	ACUITE BBB   Stable (Reaffirmed)
	Working Capital Demand Loan	Long Term	15.00	ACUITE BBB   Stable (Reaffirmed)
	Proposed Commercial Paper Program	Short Term	25.00	ACUITE A2 (Reaffirmed)
04 Apr 2022	Proposed Commercial Paper Program	Short Term	25.00	ACUITE A2 (Reaffirmed)
	Working Capital Demand Loan	Long Term	15.00	ACUITE BBB   Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	120.00	ACUITE BBB   Stable (Reaffirmed)
	Term Loan	Long Term	15.00	ACUITE BBB   Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	48.00	ACUITE BBB   Stable (Reaffirmed)



	Non Convertible Debentures	Long Term	27.00	ACUITE BBB   Stable (Reaffirmed)
	Proposed Term Loan	Long Term	15.00	ACUITE Provisional A- (CE)   Stable (Assigned)
11 Jan 2022	Proposed Non Convertible Debentures	Long Term	48.00	ACUITE BBB   Stable (Assigned)
	Non Convertible Debentures	Long Term	27.00	ACUITE BBB   Stable (Assigned)
	Working Capital Demand Loan	Long Term	15.00	ACUITE BBB   Stable (Assigned)
	Term Loan	Long Term	15.00	ACUITE BBB   Stable (Assigned)
	Commercial Paper Program	Short Term	25.00	ACUITE A2 (Assigned)
	Proposed Bank Facility	Long Term	120.00	ACUITE BBB   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	Not Applicable	Proposed Non Convertible Debentures	Not Applicable	Not Applicable	Not Applicable	Simple	50.00	ACUITE BBB+   Positive   Assigned

## Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 <a href="mailto:mohit.jain@acuite.in">mohit.jain@acuite.in</a>  Yash Bhalotia Senior Analyst-Rating Operations Tel: 022-49294065 <a href="mailto:yash.bhalotia@acuite.in">yash.bhalotia@acuite.in</a>	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a>

### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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