

Press Release

Davinta Financial Services Private Limited

December 18, 2020



Rating Update

Facility	Issuer Rating
Long Term Rating	ACUITE BB (IR) (Downgraded & Withdrawn; Indicative)

* Refer Annexure for details

Rating Rationale

Acuité has downgraded and withdrawn the long term rating to '**ACUITE BB (IR) (read as ACUITE double B Issuer Rating)**' from '**ACUITE BB+ (IR) (read as ACUITE double B plus Issuer Rating)**' of Davinta Financial Services Private Limited (DFSPL). The rating has been withdrawn on account of request received from the company and as per Acuité's policy.

The rating downgrade is on account of information risk and non-submission of relevant information sought from the company for review of ratings. The rating is now a withdrawn - indicative rating and is based on the best available information.

About the Company

Incorporated in April, 2018 Davinta Financial Services Private Limited (DFSPL) is a Bangalore based Type II NBFC. The company is engaged in extending loans to individuals for various income generating activities since June 2019. The company is promoted by Mr. Mr. Raj B Vattikuti (Chairman) and Mr. Ravi Garikipati (CEO). Mr. Raj Vattikuti is the promoter of Bangalore based Vattikuti India foundation which is a not for profit organization and Mr. Ravi Garikipati brings on board his fintech expertise.

DFSPL plans to operate through a fintech based model wherein the core lending software is being developed internally and the target borrower base will be individuals in the underserved areas of rural India. The company has presence in two states, namely Assam and Karnataka.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before the due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Liquidity Position

No information provided by the issuer / available for Acuité to comment upon.

Rating Sensitivities

No information provided by the issuer / available for Acuité to comment upon.

About the Rated Entity - Key Financials

Particulars	Unit	FY20 (Actual)	FY19 (Actual)
Total Assets	Rs. Cr.	63.54	2.16
Total Income*	Rs. Cr.	4.05	0.14
PAT	Rs. Cr.	(2.87)	(0.10)
Networth	Rs. Cr.	61.25	2.14
Return on Average Assets (RoAA)	(%)	(8.72)	(9.62)
Return on Net Worth (RoNW)	(%)	(9.04)	(9.68)
Total Debt/Tangible Net Worth (Gearing)	Times	-	-
Gross NPA's	(%)	0.02	-
Net NPA's	(%)	-	-

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

Not Applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- 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

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
31-Dec-2019	Issuer Rating	Long Term	-	ACUITE BB+ (IR) / Stable (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Issuer Rating	Not Applicable	Not Applicable	Not Applicable	-	ACUITE BB (IR) (Downgraded and Withdrawn; Indicative)

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited

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Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 8,000 credit 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 Mumbai.

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