



Press Release

Varashakti Housing Finance Private Limited

July 05, 2024

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	150.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	150.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE Triple B minus**) on the Rs.150.00 Cr. bank loan facilities of Varashakti Housing Finance Private Limited. The rating has been downgraded on account of information risk.

The rating is now flagged as 'Issuer not co-operating' and is based on the best available information.

About the Company

Tamil Nadu based VHFPL operates in the affordable housing segment essentially catering to the housing finance needs of Economically Weaker Section (EWS) and Low Income Group (LIG). It also offers unsecured Home improvement loans. VHFPL commenced its lending operations in June 2019 and is promoted by Mr. C.V. Sankar and his family members through their trust and companies having a total promoter shareholding of 57.17 percent as on December 31, 2022. VHFPL is led by Mr. CV Sankar and is supported by seasoned professionals. VHFPL operates in Tamil Nadu through a network of 25 branches spread across 21 districts. The company is also present in Karnataka and Andhra Pradesh.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower

Acuite 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. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite'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). Acuite endeavored to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

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

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None.

Key Financials:

Particulars	Unit	FY22 (Actual)	FY21 (Actual)
Total Assets	Rs Cr.	82.68	46.14
Total Income*	Rs Cr.	7.21	3.86
PAT	Rs Cr.	0.05	-1.33
Networth	Rs Cr.	26.19	18.14
Return on Average Assets (ROAA)	(%)	0.08	-4.19
Return on Net Worth (RoNW)	(%)	0.24	-8.7
Total Debt/Tangible Net Worth (Gearing)	Times	2.11	1.52
Gross NPA's	(%)	1.51	0
Net NPA's	(%)	1.29	0

*Total income equals to Net Interest Income plus other income

Status of non-cooperation with previous CRA

Not Applicable

Any other information

Acuite has received the NDS for the month of April 2024 from the rated entity, confirming the no default on its debt obligations.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-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, Acuite 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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
10 Apr 2023	Term Loan	Long Term	0.16	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.73	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.11	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.31	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.78	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.34	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.65	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	4.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.25	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.41	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	3.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.13	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.83	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.23	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.79	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.08	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	4.08	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	2.20	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	2.25	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.83	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	3.13	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	2.59	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	2.68	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.72	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.82	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	2.57	ACUITE BBB- Stable (Reaffirmed)
		Long		ACUITE BBB- Stable

	Term Loan	Term	3.00	(Reaffirmed)
	Term Loan	Long Term	0.93	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	4.45	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	5.86	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	48.09	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	40.00	ACUITE BBB- Stable (Assigned)
18 Jan 2022	Proposed Long Term Bank Facility	Long Term	60.00	ACUITE BBB- Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	28.55	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	1.08	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	2.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	1.96	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	2.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	2.92	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	1.82	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	1.76	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	1.91	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	0.78	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	1.05	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	1.74	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	0.62	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	0.62	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	0.66	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	0.53	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 avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	48.09	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	40.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Vivrit Capital Private Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	15 Dec 2025	Simple	0.16	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Vivrit Capital Private Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	15 Dec 2025	Simple	0.73	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Hinduja Leyland Finance Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	17 Dec 2024	Simple	1.11	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Vivrit Capital Private Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 Dec 2025	Simple	0.31	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Vivrit Capital Private Ltd.	Not avl. / Not	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	15 Dec 2025	Simple	0.78	ACUITE BB+ Downgraded Issuer not co-

	appl.							operating* (from ACUITE BBB-)
UC Inclusive Private Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Feb 2024	Simple	1.34	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
EcLEAR Leasing & Finance Private Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	05 Dec 2024	Simple	0.65	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Hinduja Leyland Finance Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Dec 2025	Simple	4.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Northern Arc Capital (formerly IFMR Capital	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	05 Apr 2023	Simple	0.25	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Incred Capital Financial Services Private Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 Nov 2023	Simple	0.41	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Incred Capital Financial Services Private Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 Aug 2025	Simple	3.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Vivrit Capital Private Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	15 Jun 2025	Simple	1.13	ACUITE BB+ Downgraded Issuer not co-operating* (

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Caspian Impact Investment Private Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	15 Dec 2025	Simple	1.83	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
UC Inclusive Private Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Jul 2024	Simple	1.23	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Rar Fincare Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Feb 2026	Simple	0.79	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Northern Arc Capital (formerly IFMR Capital	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	05 Aug 2023	Simple	1.08	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Hinduja Housing Finance Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Dec 2027	Simple	4.08	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Vivrit Capital Private Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	15 Jun 2025	Simple	2.20	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
City Union Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Mar 2023	Simple	2.25	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)

Rar Fincare Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	20 Apr 2026	Simple	0.83	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
A K Capital Finance Pvt. Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Dec 2024	Simple	3.13	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Real Touch Finance Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	05 Aug 2025	Simple	2.59	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Netafim Agricultural Financing Agency Pvt. Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	29 Aug 2025	Simple	2.68	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Sundaram Home Finance Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Sep 2025	Simple	1.72	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Real Touch Finance Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	05 Oct 2025	Simple	1.82	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Profectus Capital Private Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	12 Oct 2024	Simple	2.57	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
								ACUITE BB+

Profectus Capital Private Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	12 Mar 2025	Simple	3.00	Downgraded Issuer not co-operating* (from ACUITE BBB-)
Rar Fincare Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	19 Oct 2026	Simple	0.93	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Caspian Impact Investment Private Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Dec 2025	Simple	4.45	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Manaveeya Financial Services Ltd. (OIKO)	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	08 Dec 2025	Simple	5.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Indian Overseas Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2029	Simple	5.86	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)

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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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