



PTC Surveillance Report

April 2021

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PTC Surveillance Report

April 2021

1. Inditrade Fincorp Limited - Newgen 2020 IFL

Outstanding rating:

Pass through Certificate*	Rs. 5.3 Cr
Long Term Rating	ACUITE A- (SO)

*As per April 2021 payout

About the originator:

Inditrade Fincorp Limited (IFL, erstwhile JRG Fincorp Limited) is an NBFC-ND engaged in extending loans against Agri commodities since 2016 and it commenced merchant trade advancing and digital lending since 2019. Its head office is located in Mumbai. It operates through a network of 5 branches across 5 states, namely Maharashtra, Tamil Nadu, Kerala, Karnataka and Telangana. Inditrade Capital Limited (ICL) holds 57 % and 43 % is held by private equity investors Athena India opportunities fund and Pavin Ventures as on September 30, 2020. IFL's AUM stood at Rs. 212 Cr as on September 30, 2020. IFL has an outstanding rating of ACUITE BBB+/ Stable.

Assessment of the pool (As per initial rating):

The pool of Rs. 35.76 Cr (including over collateralization of Rs. 3.59 Cr) securitised comprised ~46.46 percent of IFL's overall unsecured MSME loan exposures. The pool comprised of 365 individual borrowers. The top three sectors in which the borrowers were engaged in was Hospitality (25 percent of the pool), Food processing (20 percent of the pool) and Electrical equipment and components (14 percent of the pool) and balance in assorted small business activities. The underlying term loans are repayable on daily, weekly,

fortnightly and monthly basis and are unsecured in nature. The original maturities of these loans ranged between 12-24 months. The loans have fixed and reducing interest rates. The average outstanding per borrower was Rs. 9.80 lakhs with lowest outstanding of Rs. 3,229 and highest outstanding of Rs. 31.85 lakhs. The portfolio was granular with the top 10 borrowers accounting for Rs. 2.53 crore i.e. 7.08 percent of the portfolio outstanding. As on the pool cut-off date, January 31, 2020, the pool was 42.46 percent amortised with an aggregate principal outstanding balance of Rs. 35.76 Cr. The weighted average seasoning of the pool was 8 months, with maximum seasoning of 18 months and minimum seasoning of 3 months. As on the pool cut-off date of 31 January 2020, there were no overdues from the designated loans of the pool.

Credit Enhancements (CE)

The transaction is supported in the form of:

- i.) Cash collateral in the form of fixed deposit of Rs 3.57 Cr (kept with a minimum 'AA' rated bank) in the name of the originator with a lien marked in favour of the trustee.
- ii.) Over collateralisation of 10 % of the original principal amount, as per the initial rating; and
- iii.) Excess interest spread (EIS) of 9.12 % of the initial pool principal amount, as per the initial rating.

Monthly performance:

Payout date	Principal o/s (Rs. Cr)	PTC o/s (Rs. Cr)	Payout Billing (Rs Cr)	Collectio ns (Rs Cr)	Current collections % (including overdue collections)	90+ dpd as a % of original POS	180+ dpd as a % of original POS	90+ dpd as a % of current POS	180+ dpd as a % of current POS	CE utilisation %	CE built up % **	Pool principal amortisation %
	35.7	32.2										
17-Mar-20	32.3	28.7	3.6	4.1	114.7%	0.00%	0.00%	0.00%	0.00%	0.00%	11.07%	9.66%
17-Apr-20	28.6	25.0	3.7	3.7	100.0%	0.00%	0.00%	0.00%	0.00%	0.00%	12.51%	20.07%
16-May-20	27.6	24.0	0.2	1.2	NA	0.00%	0.00%	0.00%	0.00%	0.00%	12.95%	22.77%

17-Jun-20	26.5	23.0	1.3	1.3	99.8%	0.00%	0.00%	0.00%	0.00%	0.00%	13.47%	25.75%
17-Jul-20	25.0	21.4	0.2	1.8	NA	0.00%	0.00%	0.00%	0.00%	0.00%	14.31%	30.10%
17-Aug-20	23.3	19.7	0.2	1.9	NA	0.00%	0.00%	0.00%	0.00%	0.00%	15.33%	34.77%
17-Sep-20	21.8	18.3	0.2	0.2	102.5%	0.00%	0.00%	0.00%	0.00%	0.00%	16.37%	38.91%
16-Oct-20	22.4*	16.5	1.9	1.9	100.0%	0.00%	0.00%	0.00%	0.00%	0.00%	15.96%	37.34%
17-Nov-20	20.4	14.3	2.4	2.4	100.0%	0.00%	0.00%	0.00%	0.00%	0.00%	17.51%	42.89%
17-Dec-20	18.6	12.2	2.3	2.3	100.0%	0.00%	0.00%	0.00%	0.00%	0.00%	19.27%	48.09%
15-Jan-21	16.7	10.6	1.8	2.2	124.8%	6.03%	0.00%	12.89%	0.00%	0.00%	21.39%	53.25%
17-Feb-21	14.7	8.4	2.2	2.4	109.3%	3.84%	0.00%	9.32%	0.00%	0.00%	24.29%	58.84%
17-Mar-21	13.1	6.8	1.7	1.8	101.5%	3.89%	0.00%	10.65%	0.00%	0.00%	27.35%	63.44%
16-Apr-21	11.8	5.3	1.6	1.6	100.3%	3.15%	1.54%	9.53%	4.66%	0.00%	30.27%	66.96%

*Principal outstanding post restructuring and moratorium

** Available credit enhancement as a % of current principal outstanding

Observations as per April 2021 payout:

This unsecured loans PTC transaction was reviewed and reaffirmed in February 2021. The collection efficiency has been improving. It reached the pre-COVID19 levels (109.93% in Feb 2021 payout) before dipping slightly to 101.5% in March 2021 payout and to 100.3% in April 2021 payout. After amortizing by 66.96%, the transaction has witnessed NIL utilisation of credit enhancement, which is a healthy sign. On the other hand, the 90+dpd has reduced to 3.15% from 3.89% as % of the original POS, which is also a positive indicator. The delinquency is within our initial default assumptions. The 180+dpd stands at 1.54% of the original POS.

2. UGRO Capital - SME200130 Series 2

Outstanding rating:

Pass through Certificate*	Rs. 12.8 Cr
Long Term Rating	ACUITE AA- (SO)

*As per April 2021 payout

About the Originator:

Ugro Capital was originally incorporated as Chokhani Securities Limited in 1993. It is systemically important non-deposit taking non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI). In 2018, pursuant to a change in management, the company was renamed as UGRO Capital Limited. Ugro's equity shares, commercial paper and non-convertible debentures are listed on the Bombay Stock Exchange (BSE). Ugro is headed by Mr. Shachindra Nath, a seasoned finance professional, with more than two decades of experience in the financial services sector. He is the Executive Chairman and Managing Director of the company. Ugro's registered office is at Mumbai and it has network of 34 branches. Ugro lends to the MSME segment in eight specifically identified sectors i.e. Healthcare, Education, Chemicals, Food Processing/FMCG, Hospitality, Electrical Equipment's and Components, Auto Components and Light Engineering.

As on March 31, 2020, the company's total outstanding loan portfolio was Rs. 860.90 Cr, which grew to Rs. 977.96 Cr as on September 30, 2020 and further to Rs.1127.95 Cr as on December 31, 2020. Ugro's Gross Non-Performing Assets (GNPAs) stood at Rs. 23.47 Cr. (i.e. 2.30 percent of its loan portfolio) as on December 31, 2020 which increased from 8.18 Cr (i.e. 0.95 percent of its loan portfolio) as on March 31, 2020. Ugro has an outstanding rating of ACUITE A/ Stable.

Assessment of the pool (As per initial rating):

Ugro's total exposure towards unsecured loans was Rs. 125.03 Cr i.e. 17.8% of the total loan book as on 30th November, 2019. The pool securitised comprised ~24.9% of the overall unsecured loan exposures. The pool comprised of 180 individual borrowers.

The borrowers' selection was based on strict underwriting criteria and acceptability as per a scorecard, which was developed by the company, with support from external agencies. The borrowers were from the eight specifically identified sectors which were

Ugro's prime lending segments. The pool was moderately dispersed among these eight sectors with light engineering contributing to 27% of the pool, followed by food processing industry contributing 22% of the pool. As per the product criteria shared by the originator, the borrowers needed to have at least two years' vintage in the line of trade and a prior track record of borrowing. The underlying term loans are repayable monthly and are unsecured. The original maturities of these loans ranged between 12-36 months. The loans have fixed interest rates with weighted average yield of ~19%. The loans were sanctioned with a prepayment penalty clause, which acts as a protection for any future prepayments/ balance transfers.

As on the cut-off date the average outstanding per borrower was Rs. 17.29 lakhs with the lowest outstanding of Rs. 1.9 lakh and highest outstanding of Rs. 22.8 lakhs. The portfolio was granular, the top 10 borrowers accounting for Rs. 22.63 lakhs i.e. 7.27% of the portfolio outstanding. As on the pool cut-off date, January 24, 2020, the pool was 17.52% amortised with an aggregate principal outstanding balance of Rs. 31.12 Cr. The average outstanding loan balance was Rs. 17.29 lakhs and weighted average rate of interest was 19%. The weighted average seasoning of the pool was 6 months, with maximum seasoning of 11 months and minimum seasoning of 3 months. As on the pool cut-off date of 24 January 2020, there were no overdues from the designated loans of the pool.

Credit Enhancements (CE):

The transaction is supported in the form of

- i.) Cash collateral of Rs. 3.12 Cr
- ii.) Over collateralisation of Rs 2.97 Cr, and
- iii.) Excess interest spread (EIS)

Monthly performance:

Payout date	Principal o/s (Rs. Cr)	PTC o/s (Rs. Cr)	Payout Billing (Rs Cr)	Collections (Rs Cr)	Current collections % (including overdue collections)	90+ dpd as a % of original POS	180+ dpd as a % of original POS	90+ dpd as a % of current POS	180+ dpd as a % of current POS	CE utilisation %	CE built up % **	Pool principal amortisation %
	31.1	28.0										
09-Mar-20	29.7	26.6	1.7	1.9	111.6%	0.00%	0.00%	0.00%	0.00%	0.00%	10.79%	4.52%
09-Apr-20	28.6	25.4	1.7	1.5	92.5%	0.00%	0.00%	0.00%	0.00%	0.00%	11.21%	8.35%
09-May-20	28.5	25.2	0.7	0.2	35.2%	0.00%	0.00%	0.00%	0.00%	0.00%	11.28%	8.94%
09-Jun-20	28.3	25.4	0.6	0.2	35.0%	0.00%	0.00%	0.00%	0.00%	0.00%	11.34%	9.47%
09-Jul-20	28.1	25.4	1.2	0.2	17.9%	0.00%	0.00%	0.00%	0.00%	0.00%	11.41%	9.47%
09-Aug-20	28.1	25.5	0.5	0.2	35.8%	0.00%	0.00%	0.00%	0.00%	0.00%	11.41%	9.47%
09-Sep-20	28.1	25.5	0.5	0.2	33.9%	0.00%	0.00%	0.00%	0.00%	0.00%	11.41%	9.47%
09-Oct-20	27.9	25.1	0.5	0.7	125.6%	0.00%	0.00%	0.00%	0.00%	0.00%	11.49%	9.90%
9-Nov-20	26.6	23.5	1.6	1.4	86.8%	1.26%	0.00%	1.48%	0.00%	0.00%	11.73%	14.56%
10-Dec-20	25.2	22.0	1.5	1.3	84.5%	0.55%	0.00%	0.68%	0.00%	0.00%	12.37%	18.94%
8-Jan-21	22.6	19.2	1.5	1.3	90.6%	2.74%	0.00%	3.77%	0.00%	0.00%	13.78%	27.25%
10-Feb-21	20.7	17.1	1.4	1.2	89.6%	3.68%	0.71%	5.55%	1.07%	0.00%	15.10%	33.61%
10-Mar-21	17.4	14.1	1.4	1.2	84.7%	3.67%	1.40%	6.59%	2.51%	0.00%	17.97%	44.22%
10-Apr-21	15.8	12.8	1.6	1.5	95.2%	4.06%	1.32%	8.01%	2.61%	0.00%	19.79%	49.36%

** Available credit enhancement as a % of current principal outstanding

Observations as per April 2021 payout:

For this unsecured loans PTC transaction, the collection efficiency has been improving post the pandemic, and was on its way to reach the pre-COVID19 levels; however, the impact of Covid 2.0 may pose additional uncertainty. The collection efficiency has improved to 95.2% in April 2021 payout from 84.7% in the previous month. After amortizing by 49.36%, the transaction has witnessed 90+dpd of 4.06% as % of original POS, which is within the initial default assumptions. Nonetheless, the delinquencies in this pool must be monitored closely. Furthermore, Acuité also monitors the softer buckets below 90+dpd, and sees slight deterioration in the 60-90 dpd bucket in April 2021 (Rs 18.49 lakhs) from March 2021 (Rs 15.80 lakhs), which is still acceptable at the current juncture. In the near future, Acuité anticipates the delinquencies to remain within the initial default assumptions. There has been ZERO utilisation of credit enhancement in the transaction, which is a healthy indicator.

3. S.M.I.L.E. Microfinance Ltd. - Northern Arc 2020 MFI Caissa

Outstanding rating:

Pass through Certificate*	Rs. 0.3 Cr
Long Term Rating	ACUITE BBB+ (SO)

*As per April 2021 payout

About the Originator:

S.M.I.L.E. Microfinance Limited (SMFL) is a Tamil Nadu based Systemically Important Micro Finance Institution. It has obtained license from the Reserve Bank of India as 'Non-Banking Finance Company – Non-Deposit Taking Microfinance Institution (NBFC-MFI-ND) in January 2006. SMFL is engaged in extending of microfinance services to women in rural and urban areas for income generation purposes under the Joint Liability Group Model. As on December 31, 2020, the company's operations are spread across 6 States and 1 Union Territory, namely, Tamil Nadu, Kerala, Chhattisgarh, Karnataka, Jharkhand, Madhya Pradesh and Puducherry. It has a network of 137 branches across 45 Districts in these six States and one Union Territory. Till FY2019, the company's operations were restricted to the State of Tamil Nadu. To attain diversification, the company expanded its operations to 4 new States, namely Chhattisgarh, Jharkhand, Karnataka and Madhya Pradesh. Out of 137 branches as at December 31, 2020, 119 branches were located in the State of Tamil Nadu.

At present, the company's operations are spread across 6 States and 1 Union Territory, namely, Tamil Nadu, Kerala, Chhattisgarh, Karnataka, Jharkhand, Madhya Pradesh and Puducherry. It has a network of 137 branches across 45 Districts in these six States and one Union Territory. The company is in the process of strengthening its underwriting, monitoring, on boarding and collection systems, through introduction of technology. Over the years, the company built Assets under Management (AUM) of Rs 606 Cr as on March 31, 2020 which declined to Rs. 441.61 Crore as on December 31, 2020. The on-book exposure constitutes ~92 percent of the total AUM and off book (i.e. Direct assignment and pass through certificate) ~8 percent of the total AUM as on December 31, 2020.

SMFL's networth stood at Rs. 154.63 Cr. as on December 31, 2020 and reported adequate capital adequacy ratio (CAR) of 31.94 percent comprising Tier I Capital only. SMFL's overall CAR improved in December 2020 Acuité Ratings & Research Limited

www.acuite.in to 31.94 percent from 23.64 percent as on March 2020 due to moderation in AUM from Rs. 606.47 Cr. as on March 31, 2020 to Rs. 441.16 Cr. as on December 31, 2020. SMFL has an outstanding rating of ACUITE BBB/ Stable.

Assessment of the pool (As per initial rating):

As on the cut-off date, August 31, 2020, the pool comprised of microfinance loans extended to 12,973 individual borrowers for income generation purposes. The initial amount extended to the pool borrower's portfolio was ~Rs. 31 Cr (original amount) repayable fortnightly basis. The original maturities of these loans ranged between 12-40 fortnights at an interest rate ranging between 23% - 25%. As on the pool cut-off date, August 31, 2020, the pool was 39.06% amortised with an aggregate principal outstanding balance of Rs. 18.89 Cr. The average outstanding loan balance was ~Rs. 14,500 with maximum ticket size of Rs. 30,000 and minimum ticket size of Rs. 5,000. The weighted average seasoning of the pool was ~11 fortnights, with the maximum seasoning of 20 fortnights and minimum seasoning of 5 fortnights. The pool comprised of borrowers who had availed moratorium for April & May 2020; however, they started repayments from June 2020 as confirmed by the originator. The interest accrued but not paid during the moratorium period had been adjusted at the end of tenure.

Credit Enhancements (CE)

The transaction is supported in the form of

- i.) Over collateralisation of Rs. 1.5 Cr
- ii.) Unfunded First Loss Credit Enhancement of Rs. 2.83 Cr provided by the originator, and
- iii.) Excess interest spread (EIS); as per the waterfall mechanism, after adjustment for any past overdues and other repayments, the surplus will be utilised to prepay the principal portion on month on month basis

Monthly performance:

Payout date	Principal o/s (Rs. Cr)	PTC o/s (Rs. Cr)	Payout Billing (Rs Cr)	Collections (Rs Cr)	Current collections % (including overdue collections)	90+ dpd as a % of original POS	180+ dpd as a % of original POS	90+ dpd as a % of current POS	180+ dpd as a % of current POS	CE utilisation %	CE built up % **	Pool principal amortisation %
	18.9	18.1										
17-Oct-20	16.0	15.3	2.7	3.0	112.2%	0.00%	0.00%	0.00%	0.00%	0.00%	17.67%	15.12%
17-Nov-20	13.7	12.5	2.6	2.9	110.2%	0.00%	0.00%	0.00%	0.00%	0.00%	20.70%	27.55%
17-Dec-20	11.3	10.0	2.4	2.7	109.9%	0.00%	0.00%	0.00%	0.00%	0.00%	25.18%	40.43%
16-Jan-21	8.5	7.1	2.7	2.7	100.0%	0.16%	0.00%	0.35%	0.00%	0.00%	33.36%	55.04%
17-Feb-21	6.0	4.6	2.2	2.2	99.7%	0.39%	0.00%	1.22%	0.00%	0.00%	47.26%	68.26%
17-Mar-21	3.5	2.0	1.8	2.0	107.7%	0.56%	0.00%	3.03%	0.00%	0.00%	80.77%	81.43%
17-Apr-21	1.8	0.3	1.6	1.5	99.8%	0.63%	0.07%	6.81%	0.77%	0.00%	161.15%	90.69%

** Available credit enhancement as a % of current principal outstanding

Observations as per April 2021 payout:

This PTC transaction was placed close to the pandemic and consists of relatively riskier MFI asset class loans, and it has been closely monitored. The transaction has witnessed a healthy collection efficiency of 99.8%, slightly lower from 107.7% in the previous month, including overdue collection. It has amortised by 90.69% with NIL credit enhancement utilization. The 90+dpd as % of original POS rose slightly to 0.63% from 0.56% as % of original POS in the last month, which is well within our initial default assumption. The 180+dpd stood at 0.07% as % of original POS, while the credit enhancement built up significantly to 161.15% as % of current principal outstanding, which are healthy signs.

4. S.M.I.L.E. Microfinance Ltd. - Northern Arc 2020 MFI Solstice

Outstanding rating:

Pass through Certificate*	Rs. 4.6 Cr
Long Term Rating	ACUITE BBB+ (SO)

*As per April 2021 payout

About the Originator:

S.M.I.L.E. Microfinance Limited (SMFL) is a Tamil Nadu based Systemically Important Micro Finance Institution. It has obtained license from the Reserve Bank of India as 'Non-Banking Finance Company – Non-Deposit Taking Microfinance Institution (NBFC-MFI-ND) in January 2006. SMFL is engaged in extending of microfinance services to women in rural and urban areas for income generation purposes under the Joint Liability Group Model. As on December 31, 2020, the company's operations are spread across 6 States and 1 Union Territory, namely, Tamil Nadu, Kerala, Chhattisgarh, Karnataka, Jharkhand, Madhya Pradesh and Puducherry. It has a network of 137 branches across 45 Districts in these six States and one Union Territory. Till FY2019, the company's operations were restricted to the State of Tamil Nadu. To attain diversification, the company expanded its operations to 4 new States, namely Chhattisgarh, Jharkhand, Karnataka and Madhya Pradesh. Out of 137 branches as at December 31, 2020, 119 branches were located in the State of Tamil Nadu.

At present, the company's operations are spread across 6 States and 1 Union Territory, namely, Tamil Nadu, Kerala, Chhattisgarh, Karnataka, Jharkhand, Madhya Pradesh and Puducherry. It has a network of 137 branches across 45 Districts in these six States and one Union Territory. The company is in the process of strengthening its underwriting, monitoring, on boarding and collection systems, through introduction of technology. Over the years, the company built Assets under Management (AUM) of Rs 606 Cr as on March 31, 2020 which declined to Rs. 441.61 Crore as on December 31, 2020. The on-book exposure constitutes ~92 percent of the total AUM and off book (i.e. Direct assignment and pass through certificate) ~8 percent of the total AUM as on December 31, 2020.

SMFL's networth stood at Rs. 154.63 Cr. as on December 31, 2020 and reported adequate capital adequacy ratio (CAR) of 31.94 percent comprising Tier I Capital only. SMFL's overall CAR improved in December 2020 Acuité Ratings & Research Limited

www.acuite.in to 31.94 percent from 23.64 percent as on March 2020 due to moderation in AUM from Rs. 606.47 Cr. as on March 31, 2020 to Rs. 441.16 Cr. as on December 31, 2020. SMFL has an outstanding rating of ACUITE BBB/ Stable.

Assessment of the pool (As per initial rating):

The pool comprised of microfinance loans extended to 22,154 individual borrowers for income generation purposes. The pool of Rs. 20.0 Cr is unsecured and is repayable fortnightly and 4-weekly. As on the pool cut-off date, December 07, 2020, the pool was 50.35% amortised with an aggregate principal outstanding balance of Rs. 20.0 Cr. The average outstanding loan balance stood at Rs. 9,028. The weighted average seasoning of the pool was 16.03 fortnights, with maximum seasoning of 48 fortnights and minimum seasoning of 4 fortnights. As on the pool cut-off date, there were no overdues from the designated loans of the pool. The average ticket size was Rs. 18,182, minimum ticket size was Rs. 2,380. and maximum ticket size was Rs. 48,400. The pool had weighted average original tenure of 27.85 fortnights, and 69.40% of the borrowers belonged to Loan Cycle 2 and above.

Credit Enhancements (CE)

The transaction is supported in the form of

- i.) Fixed deposit First Loss Credit Enhancement of Rs. 1.0 Cr
- ii.) Unfunded First Loss Credit Enhancement of Rs. 3.0 Cr
- iii.) Excess Interest Spread (EIS). After adjustment for any shortfall, the EIS will be utilised to prepay the principal portion on month on month basis.

Monthly performance:

Payout date	Principal o/s (Rs. Cr)	PTC o/s (Rs. Cr)	Payout Billing (Rs Cr)	Collections (Rs Cr)	Current collections % (including overdue collections)	90+ dpd as a % of original POS	180+ dpd as a % of original POS	90+ dpd as a % of current POS	180+ dpd as a % of current POS	CE utilisation %	CE built up % **	Pool principal amortisation %
	20.0	20.0										
30-Jan-21	15.8	15.8	3.3	3.3	99.4%	0.00%	0.00%	0.00%	0.00%	0.00%	25.30%	20.96%
26-Feb-21	11.9	11.7	3.5	3.5	97.8%	0.00%	0.00%	0.00%	0.00%	0.00%	33.51%	40.32%
26-Mar-21	8.0	7.7	3.0	3.0	100.0%	0.00%	0.00%	0.00%	0.00%	0.00%	49.75%	59.80%
27-Apr-21	4.9	4.6	2.8	2.8	100.1%	0.08%	0.00%	0.33%	0.00%	0.00%	80.97%	75.30%

** Available credit enhancement as a % of current principal outstanding

Observations as per April 2021 payout:

This PTC transaction was placed close to the pandemic and consists of relatively riskier MFI asset class loans, and it has been closely monitored. The transaction has witnessed a healthy collection efficiency of 100.1%, slightly higher from 100.0% in the previous month, including overdue collection. It has amortised by 75.30% with NIL credit enhancement utilization. The 90+dpd as % of original POS rose slightly to 0.08% from 0.00% as % of original POS in the last month, which is well within our initial default assumption. The credit enhancement built up significantly to 80.97% as % of current principal outstanding, which is a healthy sign.

5. Shri Ram Finance Corporation Private Limited - Vivriti Hillary 12 2020

Outstanding rating:

Pass through Certificate*	Rs. 7.3 Cr
Long Term Rating	ACUITE A- (SO)

*As per April 2021 payout

About the Originator:

Incorporated in 2004, Shri Ram Finance Corporation Private Limited (SFCPL) is a Raipur (Chhattisgarh) based Non-deposit-taking Non-Banking Financial Company (ND-NBFC) engaged in providing two and four wheeler financing, LAP towards SME borrowers and unsecured microloans to individuals. The company is promoted by Mr. Ganesh Bhattar and his son Mr. Gaurav Bhattar who have over a decade of experience in two-wheeler financing. The day to day operations of the company are managed by Mr. Gaurav Bhattar (MD&CEO). The company primarily operates in four states namely Chhattisgarh, Madhya Pradesh, Odisha and Jharkhand through a network of 112 branches as on September 30, 2020.

SFCPL's networth stood at Rs. 104.07 Cr. as on December 31, 2020 (Provisional) includes Rs.7.00 Cr. of quasi equity, as against Rs. 86.03 Cr. as on March 31, 2020. The company's leverage indicators improved to 2.98 times as on December 30, 2020 (Provisional) from 4.01 times as on March 31, 2020, which further improved from 5.41 times as on March 31, 2019. The company reported a healthy capital adequacy ratio (CAR) of 30.46 percent, comprising Tier 1 capital at 22.42 percent and Tier II capital at 8.04 percent, improve from 26.12 percent as on March 31, 2020. SFCPL has an outstanding rating of ACUITE A-/ Stable.

Assessment of the pool (As per initial rating):

The pool comprised of two wheeler loans extended to 3,988 individual borrowers for the purchase of two wheelers. The initial portfolio of Rs. 18 Cr (original amount) are secured and are repayable monthly. The original maturities of these loans ranged between 6-24 months. The loans had average interest rate of 28.62%. As on the pool cut-off date, November 30, 2020, the pool was 30.0% amortised with an aggregate principal outstanding balance of Rs. 12.86 Cr. The average outstanding loan balance was Rs. 32,236. The

weighted average seasoning of the pool was 5.73 months, with maximum seasoning of 11 months and minimum seasoning of 3 months. As on the pool cut-off date of November 30, 2020, there were no overdues from the designated loans of the pool. The pool comprised of borrowers who had not availed any moratorium.

Credit Enhancements (CE)

The transaction is supported in the form of

- i) Over collateralisation of Rs. 1.3 Cr;
- ii) Excess Interest Spread; and
- iii) Cash collateral of Rs. 0.64 Cr

Monthly performance:

Payout date	Principal o/s (Rs. Cr)	PTC o/s (Rs. Cr)	Payout Billing (Rs Cr)	Collections (Rs Cr)	Current collections % (including overdue collections)	90+ dpd as a % of original POS	180+ dpd as a % of original POS	90+ dpd as a % of current POS	180+ dpd as a % of current POS	CE utilisation %	CE built up % **	Pool principal amortisation %
	12.9	11.6										
17-Feb-21	11.0	9.7	2.0	2.5	120.7%	0.00%	0.00%	0.00%	0.00%	0.00%	5.85%	14.48%
17-Mar-21	8.6	7.4	1.0	1.5	160.7%	0.00%	0.00%	0.00%	0.00%	0.00%	7.43%	32.74%
17-Apr-21	8.6	7.3	0.2	0.2	100.0%	0.00%	0.00%	0.00%	0.00%	0.00%	7.51%	33.40%

** Available credit enhancement as a % of current principal outstanding

Observations as per April 2021 payout:

This two-wheeler PTC transaction was converted to final rating in Feb 2021, and it witnessed its third payout in April 2021. All the parameters have displayed stable signs, with collection efficiency of 100.0%, amortization of 33.40%. There has been NIL utilization of credit enhancement, and all the loans are in the CURRENT bucket. However, this transaction has witnessed a relatively high prepayment owing to a majority of the customers paying their EMIs in advance.

6. Shri Ram Finance Corporation Private Limited - Northern Arc 2021 VF Paddy

Outstanding rating:

Pass through Certificate*	Rs. 18.4 Cr
Long Term Rating	ACUITE PROVISIONAL A(SO)

*As per April 2021 payout

About the Originator:

Incorporated in 2004, Shri Ram Finance Corporation Private Limited (SFCPL) is a Raipur (Chhattisgarh) based Non-deposit-taking Non-Banking Financial Company (ND-NBFC) engaged in providing two and four wheeler financing, LAP towards SME borrowers and unsecured microloans to individuals. The company is promoted by Mr. Ganesh Bhattar and his son Mr. Gaurav Bhattar who have over a decade of experience in two-wheeler financing. The day to day operations of the company are managed by Mr. Gaurav Bhattar (MD&CEO). The company primarily operates in four states namely Chhattisgarh, Madhya Pradesh, Odisha and Jharkhand through a network of 112 branches as on September 30, 2020.

SFCPL's networth stood at Rs. 104.07 Cr. as on December 31, 2020 (Provisional) includes Rs.7.00 Cr. of quasi equity, as against Rs. 86.03 Cr. as on March 31, 2020. The company's leverage indicators improved to 2.98 times as on December 30, 2020 (Provisional) from 4.01 times as on March 31, 2020, which further improved from 5.41 times as on March 31, 2019. The company reported a healthy capital adequacy ratio (CAR) of 30.46 percent, comprising Tier 1 capital at 22.42 percent and Tier II capital at 8.04 percent, improve from 26.12 percent as on March 31, 2020. SFCPL has an outstanding rating of ACUITE A-/ Stable.

Assessment of the pool (As per initial rating):

The pool comprised of loans extended to 5,688 individual borrowers for purchase of two-wheelers. The original maturities of these loans ranged between 7 to 40 months, the average being 20 months. The loans had average interest rate of 28.6% and average LTV of 59.91%. As on the pool cut-off date, February 20, 2021, the pool was 15.68% amortised with an aggregate principal outstanding balance of Rs. 21.93 Cr. The average outstanding loan balance was Rs. 38,548. The weighted average seasoning of the pool was 3.51 months, with maximum seasoning of 35 months and minimum seasoning of 3 months. While the seasoning was relatively low,

most of the loans in the pool were originated post moratorium and hence, the delinquency risks specifically related to the pandemic was limited. As on the pool cut-off date, there were no overdues from the designated loans of the pool. Moreover, NIL loans in the pool had gone into the 0+dpd bucket historically since disbursements. Also, none of the loans in the pool had availed moratorium. The pool was spread across 4 states, Madhya Pradesh (49.72%), Chhattisgarh (44.00%), Odisha (5.56%) and Jharkhand (0.73%).

Credit Enhancements (CE)

The transaction is supported in the form of

- i) Over collateralisation of Rs. 2.2 Cr;
- ii) Excess Interest Spread of; and
- iii) Cash collateral of Rs. 1.1 Cr

Monthly performance:

Payout date	Principal o/s (Rs. Cr)	PTC o/s (Rs. Cr)	Payout Billing (Rs Cr)	Collections (Rs Cr)	Current collections % (including overdue collections)	90+ dpd as a % of original POS	180+ dpd as a % of original POS	90+ dpd as a % of current POS	180+ dpd as a % of current POS	CE utilisation %	CE built up % **	Pool principal amortisation %
	21.9	19.7										
17-Apr-21	20.6	18.4	1.5	1.9	127.2%	0.00%	0.00%	0.00%	0.00%	0.00%	5.32%	6.07%

** Available credit enhancement as a % of current principal outstanding

Observations as per April 2021 payout:

This two-wheeler transaction was assigned provisional rating in March 2021, and it has witnessed its first payout in April 2021. All the parameters have started off on a healthy note, with collection efficiency of 127.2% and amortization of 6.07%. Also, there has been NIL utilization of credit enhancement and all the loans are in the CURRENT bucket.

7. Mitraata Inclusive Financial Services Private Limited - CredAvenue Jamal 01 2021

Outstanding rating:

Pass through Certificate*	Rs. 7.1 Cr
Long Term Rating	ACUITE PROVISIONAL BBB (SO))

*As per April 2021 payout

About the Originator:

Mitrata Inclusive Financial Services Private Limited (MIFSPL) is an NBFC-MFI; the company was incorporated as Sona Finance Private Limited (SFPL) in 1985 by V. Nagarajan and was engaged in SME lending prior to being taken over by the current promoters in 2017. Mitraata is promoted by a social development professional and retail banking professional. Dr. Aqueel Khan is Phd in Women Empowerment and Mr. Prabhakar Rawat was Head of retail banking for Barclays in Rajasthan. MIFSPL provides microfinance credit through the women Joint Liability Group Model (JLG). Mitraata was started as a small NGO program in 2010 in U.P. It started as a response to income generation needs of the community where ASK/ATG, the parent NGO who were working on Child Education, Health, Nutrition, Women development etc. Considering the rapport and relationship with the community the program started expanding to artisans, self-employed women and to rural communities. An initial revolving fund of Rs.1 cr was allocated, and gradually the portfolio started building through its organic growth. In 2016 the promoters purchased an existing NBFC by the name of Sona Finance Pvt Ltd. The NBFC purchased Acuité Ratings & Research Limited www.acuite.in in the portfolio of 8 branches from the NGO at par value amounting to 6.75 cr and started operation from September 01, 2017. SFPL obtained its NBFC-MFI license on 18 April 2018. The name was changed to MIFSPL on 20th December 2018. MIFSPL has reported net profit of Rs. 34.54 lakhs on operating income of Rs. 14.48 Cr in FY2020. In FY2019, MIFSPL had reported net profit of Rs. 6.02 Lakhs on operating income of Rs.7.10 Cr. As on Dec 31, 2020, MIFSPL has an outstanding loan portfolio of Rs.129.06 Cr spread over 41 branches of 05 states. The company's portfolio outstanding witnessed a growth from Rs.43.80 Cr to Rs.129.06 Cr till Dec FY2020.

Assessment of the pool (As per initial rating):

The pool comprised of MFI loans extended to 3,172 individual borrowers. The initial pool of Rs. 9.20 Cr (original amount) are unsecured and are repayable fortnightly and monthly. The pool had an average ticket size of Rs. 37,253, minimum ticket size of Rs. 22,500 and maximum of Rs. 50,000. The current average outstanding per borrower stood at Rs. 29,004. The weighted average original tenure for the pool was 27.03 months (minimum 19 months and maximum 35.5 months). The pool had weighted average seasoning of 8.51 months, with minimum 3 months seasoning and maximum 18 months seasoning. All the loans in the pool were current as on the pool cut-off date, Jan 31, 2021. The pool was concentrated in Uttar Pradesh (52.9%), followed by Bihar (35.2%), Haryana (7.1%), Madhya Pradesh (2.2%) and Rajasthan (2.0%). The customers belonged to agriculture-allied activities industry (63.9%), small business industry (35.7%) and handloom handicraft industry (0.3%).

Credit Enhancements (CE)

The transaction is supported in the form of

- i) Over collateralisation of Rs. 1.1 Cr;
- ii) Excess Interest Spread; and
- iii) Cash collateral of Rs. 0.3 Cr

Monthly performance:

Payout date	Principal o/s (Rs. Cr)	PTC o/s (Rs. Cr)	Payout Billing (Rs Cr)	Collections (Rs Cr)	Current collections % (including overdue collections)	90+ dpd as a % of original POS	180+ dpd as a % of original POS	90+ dpd as a % of current POS	180+ dpd as a % of current POS	CE utilisation %	CE built up % **	Pool principal amortisation %
	9.2	8.1										
17-Mar-21	8.7	7.6	0.5	0.4	93.9%	0.00%	0.00%	0.00%	0.00%	0.00%	3.15%	4.91%
17-Apr-21	8.2	7.1	0.5	0.5	95.2%	0.00%	0.00%	0.00%	0.00%	0.00%	3.36%	10.78%

** Available credit enhancement as a % of current principal outstanding

Observations as per April 2021 payout:

This MFI PTC transaction was assigned provisional rating in March 2021, and it has witnessed two payouts. All its parameters are moving as per Acuité's expectations, with collection efficiency of 95.2%, and amortization of 10.78%. There has been NIL utilization of credit enhancement. Tracking its softer buckets, Acuité notes that 1.95% of the outstanding POS has moved into the 0+ bucket, while the remaining are CURRENT, which is within the initial assumptions. However, the impact of the disruption created by Covid 2.0 need to be closely watched.

8. Fedbank Financial Services Limited – Levine Feb 2021

Outstanding rating:

Pass through Certificate*	Rs. 16.3 Cr
Long Term Rating	ACUITE PROVISIONAL AA- (SO)

*As per April 2021 payout

About the Originator:

Fedbank Financial Services Limited (FFSL), a non-deposit taking systemically important non-banking financial company (NBFC-ND-SI), is a subsidiary of Federal Bank Limited (FBL). As on Dec 30, 2020 Federal Bank Limited holds 74% of shareholding and True North Enterprise Private Limited holds 26% in FFSL. FFSL started its operations in August 2010 from an initial gold loan portfolio and has expanded its range of offerings to loan against property (LAP) (small and large ticket), Small and Medium Enterprises (SME) loans, loans to NBFC's and Micro Financial Institutions (MFI) amongst others. As on Dec 30, 2020, the operations of FFSL are spread across 359 branches in 10 states and 2 Union Territories, namely Gujarat, Maharashtra, Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Rajasthan, Punjab, Uttar Pradesh, Madhya Pradesh, Haryana, Goa and Delhi.

About Federal Bank Limited (FBL)

FBL is a Kerala based private sector bank founded in 1931. The bank has a network of 1272 branches in India and abroad and 1948 ATMs and cash recyclers as on December 31, 2020. It has a net worth of Rs. 15,645 Cr. as on December 31, 2020. The bank has aggregate deposits of Rs. 1.62 trillion and advances of Rs. 1.26 trillion as on December 31, 2020. It has a healthy level of CASA at ~34.48 % as on December 31, 2020. FBL registered a net profit of Rs. 404 Cr. on a net interest income of Rs. 1,437 Cr for 9MFY2021.

Assessment of the pool (As per initial rating):

FFSL is engaged in originating MFI loans through Business Correspondents. The selected pool belonged to the portfolio of MFI loans which FFSL originated through its Business Correspondent, New Opportunity Consultancy Private Limited (NOCPL). NOCPL is a company registered under the Indian Companies Act, 2013. The company was incorporated on January 15, 2014 and is an authorised Business Correspondent to multiple banks and NBFCs in India. NOCPL is engaged in providing micro loans under the JLG model, credit linked insurance, individual and group based savings account on behalf of its banking partners.

The pool comprised of MFI loans extended to 12,814 individual borrowers. The pool of Rs. 21.47 Cr (original amount) are repayable monthly. The pool had an average ticket size of Rs. 28,384, minimum ticket size of Rs. 18,000 and maximum of Rs. 30,000. The current average outstanding per borrower stood at Rs. 16,754. The weighted average original tenure for the pool was 17.93 months (minimum 12 months and maximum 18 months). The pool had weighted average seasoning of 12.60 months, with minimum 10 months seasoning and maximum 16 months seasoning. Hence, the pool was significantly seasoned. All the loans in the pool were current as on the pool cut-off date, Jan 31, 2021, which was also a healthy indicator. The pool's customers consisted of farmers (85.2%), homemakers (5.7%), self-employed (3.3%) and others. Therefore, a substantial portion of the pool comprised of borrowers belonging to agriculture and agriculture-allied sectors. The pool was spread across 23 branches in Maharashtra (61.17%) and Madhya Pradesh (38.83%).

Credit Enhancements (CE)

The transaction is supported in the form of

- i) Over collateralisation of Rs. 1.1 Cr;
- ii) Excess Interest Spread; and
- iii) Cash collateral of Rs. 1.5 Cr

Monthly performance:

Payout date	Principal o/s (Rs. Cr)	PTC o/s (Rs. Cr)	Payout Billing (Rs Cr)	Collections (Rs Cr)	Current collections % (including overdue collections)	90+ dpd as a % of original POS	180+ dpd as a % of original POS	90+ dpd as a % of current POS	180+ dpd as a % of current POS	CE utilisation %	CE built up % **	Pool principal amortisation %
	21.5	20.4										
17-Mar-21	19.5	18.4	2.5	2.4	98.6%	0.00%	0.00%	0.00%	0.00%	0.00%	7.72%	9.33%
17-Apr-21	17.4	16.3	2.5	2.4	97.7%	0.00%	0.00%	0.00%	0.00%	0.00%	8.64%	19.00%

** Available credit enhancement as a % of current principal outstanding

Observations as per April 2021 payout:

This MFI PTC transaction was assigned provisional rating in March 2021, and it has witnessed two payouts. All its parameters are moving as per the initial assumptions, with collection efficiency of 97.7%. The transaction has amortized by 19.00% with NIL utilization of credit enhancement. 2.84% of the outstanding POS is in the NON-CURRENT bucket, while the remaining are CURRENT, which is as per Acuité's expectation.

About Acuité Ratings & Research Limited:

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 8,600 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 BKC, Mumbai.

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