

## Credit Wise Capital Private Limited

March 26, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	-	-	Rating continues to remain under ISSUER NOT COOPERATING category; Reaffirmed at CARE BB+; Stable; ISSUER NOT COOPERATING* and withdrawn

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings), considering the extant SEBI guidelines, has reviewed the rating based on the best available information, which however, in CARE Ratings opinion is not sufficient to arrive at a fair rating. Hence, the rating on Credit Wise Capital Private Limited's (CWCPL) long-term bank facilities remains at CARE BB+; Stable with ISSUER NOT COOPERATING category.

**Hence, users of this rating (including investors, lenders and public at large) are requested to exercise caution while using above rating.**

CARE Ratings has withdrawn outstanding ratings of 'CARE BB+; Stable, Issuer not Cooperating' assigned to bank facilities of CWCPL with immediate effect. The rating has been withdrawn in line with CARE Ratings' policy on withdrawal of ratings, on request from CWCPL and based on no objection certificates and no dues certificates received from its lenders that extended the rated facilities.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of key rating drivers:

At the time of last rating on September 18, 2024, the following were rating strengths and weaknesses: (Operational information for FY24 and onwards not available)

### Key weaknesses

#### Concentrated geographical presence

As on September 30, 2023, CWCPL had presence in 14 states with major concentration of ~70% towards Maharashtra, Karnataka and Bihar. However, the company has expanded its reach to Andhra Pradesh, Haryana, Jharkhand, Uttarakhand, and Rajasthan. Going forward, the company's ability to expand its reach is a key monitorable.

#### Moderate profitability

The company's earnings remained modest, with a profit after tax (PAT) of ₹2.1 crore in fiscal 2024, compared to ₹1.5 crore in FY23. The company's PAT reached to ₹2.84 crore in H1FY25. The earnings profile is currently constrained by high operating expenses due to nascent stage of operations.

#### Small scale of operations though continuously improving

CWCPL started its two-wheeler lending operations in 2018 with an average ticket size of ₹75,000 for a tenure of 24-26 months. The company's loan book grew by 35%, bringing its asset under management (AUM) to ₹489 crore as on March 31, 2024, from ₹362 crore as of March 31, 2023. AUM has grown by 10% to ₹537 crore.

### Key strengths

<sup>1</sup>Complete definition of ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Limited's publications.

### Moderate capitalisation levels

The company reported total capital adequacy ratio (CAR) of 34.5% and gearing of 2.4x as on September 30, 2024, against 35.1% and 2.3x, respectively, as on March 31, 2024. The company's tangible net worth (TNW) rose to ₹99.1 crore by September 30, 2024, from ₹95.8 crore by March 31, 2024.

### Experienced and professional management

The company's management carries rich experience in the relevant industry. Aalesh Avlani, Director and CWC's founder, co-founded Samyakth Capital, which is a Mumbai-based VC that invests in startups. Chief Operating Officer, Gurpreet Singh Sodhi has experience of 30 years in two-wheeler finance-sales. He worked as National Sales manager at HDFC Bank and Business Head at HDB financial services. Other management personnel also have relevant experience in their field. The head of sales has over two decades of experience with Home Credit, Bajaj Finance, Citigroup and as a head of collection, previous work experience with Tata capital, IIFL, Kotak Mahindra Bank and ICICI Bank.

### Moderate asset quality profile

The company's asset quality is under control with gross non-performing assets (GNPA) at 2.3% as of September 2024, although it increased from 1.46% as of March 2024.

### Applicable criteria

[Definition of Default](#)

[Information adequacy risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios - Financial Sector](#)

[Withdrawal Policy](#)

[Non Banking Financial Companies](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Finance	Non-banking financial company (NBFC)

CWCPL is digital-fintech non-banking finance company (NBFC) having business of two-wheeler finance incorporated in 2018. It was founded and promoted by Aalesh Avlani with multiple renowned business houses, including Greshma Group, Wallfort Group, MJ Shah Group, and the Shanti Group. The company serves majorly in Maharashtra, Gujarat, Karnataka, and Telangana.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	H1FY25 (UA)
Total operating income	61.52	95.60	51.41
PAT	1.54	2.02	2.84
Interest coverage (times)	1.08	1.07	1.25
Total Assets	332.57	328.67	352.32
Net NPA (%)	0.71	1.31	2.02
ROTA (%)	0.57	0.61	1.67

A: Audited UA: Unaudited; Note: these are latest available financial results

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

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	January 15, 2027	0.00	Withdrawn

**Annexure-2: Rating history for last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	-	-	1)CARE BB+; Stable; ISSUER NOT COOPERATING * (18-Sep-24)	1)CARE BBB-; Stable; ISSUER NOT COOPERATING * (19-Mar-24)	1)CARE BBB-; Positive (09-Mar-23) 2)CARE BBB-; Stable (08-Jul-22)	-

\*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

**Annexure-5: Lender details**

To view lender-wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

## Contact us

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