

May 16, 2025

## Vedika Credit Capital Ltd: Rating actions on PTCs issued under three micro finance loan securitisation transactions

### Summary of rating actions

Trust Name	Instrument*	Initial Amount (Rs. crore)	Previous rated amount (Rs. Crore)	Current Outstanding Amount after April 2025 Payout (Rs. crore)	Rating Action
Felix 2024	PTC Series A1	40.53	40.53	10.27	[ICRA]A+(SO); upgraded from [ICRA]A-(SO)
Bruno 2023	PTC Series A1	49.92	24.27	0.00	[ICRA]A(SO); Withdrawn
Tristar 2023	PTC Series A1	56.18	31.88	0.00	[ICRA]A(SO); Withdrawn

\*Instrument details are provided in Annexure I

### Rationale

The pass-through certificates (PTCs) are backed by micro finance loan receivables originated by Vedika Credit Capital Ltd (Vedika/Originator). Vedika also acts as the servicer for the transactions.

The rating for Felix 2024 PTC Series A1 have been upgrade on account of the significant build-up of the credit enhancement cover over the future PTC payouts due to high pool amortisation, and the sustained healthy collections and nil 90+ delinquency observed in the pool. The breakeven collection efficiency is also comfortably lower compared to the actual collection levels observed in the pool.

ICRA has withdrawn the ratings for Bruno 2023 and Tristar 2023 PTCs since all the payouts to the investors in the instruments have been made and no further payments are due to the investors. The key rating drivers, liquidity position, rating sensitivities have not been captured as the rating assigned to the instruments has been withdrawn. The previous detailed rating rationale is available at the following link for both the transactions:[Link](#)

### Pool performance summary

Parameter	Felix 2024
Payout Month	April 2025
Months post securitisation	14
Pool amortisation	67.9%
PTC Amortisation	74.7%
Cumulative collection efficiency <sup>1</sup>	99.9%
Loss-cum-0+ (% of initial pool principal) <sup>2</sup>	0.3%
Loss-cum-90+ (% of initial pool principal) <sup>3</sup>	0.0%
Break-even collection efficiency (%) <sup>4</sup>	36.9%
Cumulative cash collateral (CC) utilisation (% of initial CC)	0.00%
CC available (as % of balance pool principal)	34.3%
Excess interest spread (EIS) (as % of balance pool principal) for PTC	5.9%

<sup>1</sup> Cumulative collections till date / (Cumulative billings till date + Opening overdues)

<sup>2</sup> (POS on contracts aged 0+ dpd + Overdues) / Initial POS on the pool

<sup>3</sup> (POS on contracts aged 90+ dpd + Overdues) / Initial POS on the pool

<sup>4</sup> (Balance cash flows payable to investor – CC available) / Balance pool cash flows

<sup>5</sup> POS at the time of prepayment of contracts prepaid till date / Initial pool principal

Parameter	Felix 2024
Average Monthly prepayment rate <sup>5</sup>	0.0%

## Transaction Structure

As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout. The principal is expected to be paid on a monthly basis (100% of the pool principal billed) but is promised on the final maturity date. The residual cash flow available, after making the promised and expected payments, shall flow back to the Originator on a monthly basis. Any prepayment in the pool would be used for the prepayment of Series A1 PTC principal.

## Key rating drivers

### Credit strengths for Felix 2024

**Substantial credit enhancement available in the structure** –The rating factors in the build-up in the credit enhancement with the subordination increasing to ~28% of the balance pool principal from 9% at the time of securitisation. Credit support is also available through credit collateral (CC) of ~34% and excess interest spread (EIS) of ~6% of the balance pool principal.

**Healthy pool performance** – Performance of the pool has been strong with cumulative collection efficiency of ~99% till April 2025 payout month. The break-even collection efficiency has also declined to ~36%. Further, there have been no instances of cash collateral utilisation for the pool till date owing to strong collection performance.

**Adequate servicing capability of Vedika** –The company has adequate processes for servicing of the loan accounts in the securitised pool. It has demonstrated long track record of regular collections and recovery across geography and multiple economic cycles.

### Credit challenges for Felix 2024

**Risks associated with lending business**–The pool’s performance would remain exposed to macro-economic shocks, business disruptions and natural calamities that may impact the income-generating capability of the borrowers and their ability to make timely repayments of their loans. The performance of microfinance loans would also be exposed to political and communal risks.

**Increasing delinquencies in microfinance sector** – The microfinance sector has seen a decline in collections and a consequent rise in delinquencies in the current fiscal on account of multiple factors like heat waves, general elections, borrower overleveraging and attrition in collection teams. The sustained impact, if any, of these factors on the collections from the pool would be monitorable. The pool has seen a dip in collections in the last few months and an increase in delinquencies though there has been a healthy build-up of the credit enhancement cover.

## Key rating assumptions

ICRA’s cash flow modelling for rating securitisation transactions involves the simulation of potential losses, delinquencies and prepayments in the pool. The losses and prepayments are assumed to follow a log-normal distribution. The assumptions for the losses and the coefficient of variation are considered on the basis of the values observed from the analysis of the past performance of the Originator’s loan portfolio as well as the characteristics of the specific pool being evaluated. The resulting collections from the pool, after incorporating the impact of the losses and prepayments, are accounted for in ICRA’s cash flow model, in accordance with the cash flow waterfall of the transaction.

For the current pools, ICRA has estimated following shortfall in the pool principal collection during their tenure at 1.25% of initial POS. The average prepayment rate for the underlying pool is modelled in the range of 3% to 9% per annum. Various

possible scenarios have been simulated at stressed loss levels and prepayment rates and the incidences of default to the investor as well as the extent of losses are measured after factoring in the credit enhancement to arrive at the final rating for the instrument.

### Details of Key counterparties

Transaction Name	Felix 2024
Originator	Vedika Credit Capital Ltd
Servicer	Vedika Credit Capital Ltd
Trustee	Catalyst Trusteeship Limited
CC Bank	Federal Bank Limited
Collection and payout account Bank	ICICI Bank Limited

### Liquidity position: Superior for Felix 2024

The liquidity for PTC Series A1 is superior after factoring in the credit enhancement available to meet the promised payouts to the investor. The total credit enhancement would be more than 10 times the estimated loss in the pool.

### Rating sensitivities for Felix 2024 Series A1 PTC

**Positive factors** – The sustained strong collection performance of the underlying pool of contracts (monthly collection efficiency >95%), leading to lower-than-expected delinquency levels, and an increase in the cover available for future investor payouts from the CE would result in a rating upgrade.

**Negative factors** – The sustained weak collection performance of the underlying pool of contracts (monthly collection efficiency <90%), leading to higher-than-expected delinquency levels and higher CE utilisation levels, would result in a rating downgrade. Weakening in the credit profile of the servicer could also exert pressure on the rating.

### Analytical approach

The rating action is based on the performance of the pool till April 2025 (payout month), the present delinquency profile of the pool, the CE available in the pool, and the performance expected over the balance tenure of the pool.

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Rating Methodology for Securitisation Transactions</a> <a href="#">ICRA's Policy on Withdrawal of Credit Rating</a>
Parent/Group support	<a href="#">Not Applicable</a>
Consolidation/Standalone	<a href="#">Not Applicable</a>

### About the originator

Vedika Credit Capital Ltd is a Non-Deposit taking, Non-Banking Finance Company. The Company was originally registered as a Private Limited Company but was later converted into a Public Limited Company in November 1995. It was recognized and re-registered to carry out the business of Non-Banking Finance Company with approval from Reserve Bank of India in March 1998. Until February 2004 the company was involved in stock broking activities with its earlier owners. In February 2004, its present owners who stopped stock broking activities and started finance activities purchased the company. The purchasers of the Company were carrying out financing activity through Sole Proprietorship form of business organization. All the business

thereafter was diverted to Vedika. Since 2007, the company is into Micro Finance product like Joint Liability Groups loans and Individual Loans. As of 9MFY2025, the company's AUM stood Rs. 1,430 crore.

### EXHIBIT 1. Key Financial Indicators

	FY2023 (Audited)	FY2024 (Audited)	9MFY2025 (Provisional)
<b>Total income</b>	166.6	229.2	196.5
<b>PAT</b>	17.0	27.9	27.0
<b>Total Managed Asset</b>	1,260.7	1,645.1	1,706.3
<b>CRAR</b>	22.6%	23.5%	30.4%
<b>Gross stage 3</b>	0.9%	0.7%	2.3%

Source: Company

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

**Any other information: None**

**Rating history for past three years**

Trust Name	Instrument	Current Rating (FY2026)		Chronology of Rating History for the Past 3 Years				
		Initial Amount Rated (Rs. crore)	Current amount rated (Rs. crore)	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024		Date & Rating in FY2023
				May 16,2025	May 23,2024	Feb 26,2024	-	
<b>Felix 2024</b>	PTC Series A1	40.53	10.27	[ICRA]A+(SO)	[ICRA]A(SO)	Provisional [ICRA]A-(SO)	-	

Trust Name	Instrument	Current Rating (FY2026)		Chronology of Rating History for the Past 3 Years				
		Initial Amount Rated (Rs. crore)	Current amount rated (Rs. crore)	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024		Date & Rating in FY2023
				May 16,2025	May 27,2024	Sept 18,2023	May 26,2023	
<b>Bruno 2023</b>	PTC Series A1	49.92	0.00	[ICRA]A(SO) Withdrawn	[ICRA]A(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)	-

Trust Name	Instrument	Current Rating (FY2026)		Chronology of Rating History for the Past 3 Years				
		Initial Amount Rated (Rs. crore)	Current amount rated (Rs. crore)	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024		Date & Rating in FY2023
				May 16,2025	May 27,2024	Oct 30,2023	Jul 24,2023	
<b>Tristar 2023</b>	PTC Series A1	56.18	0.00	[ICRA]A(SO) Withdrawn	[ICRA]A(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)	-

### Complexity level of the rated instrument

Instrument	Instrument	Complexity Indicator
Felix 2024	PTC Series A1	Moderately complex
Bruno 2023	PTC Series A1	Moderately complex
Tristar 2023	PTC Series A1	Moderately complex

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

**Annexure I: Instrument details**

Trust Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Current Amount Rated (Rs. Crore)	Current Rating
<b>Felix 2024</b>	PTC Series A1	26, February 2024	13.25%	25, September 2025	10.27	[ICRA]A+(SO)
<b>Bruno 2023</b>	PTC Series A1	26, May 2023	13.25%	29, April 2025	0.00	[ICRA]A(SO); withdrawn
<b>Tristar 2023</b>	PTC Series A1	24, July 2023	13.25%	28, April 2025	0.00	[ICRA]A(SO); withdrawn

Source: Company

**Annexure II: List of entities considered for consolidated analysis**

Not applicable

#### ANALYST CONTACTS

**Manshree Saggur**

+91 124 4545 316

[manushrees@icraindia.com](mailto:manushrees@icraindia.com)

**Sumit Pramanik**

+91 22 6114 3462

[sumit.pramanik@icraindia.com](mailto:sumit.pramanik@icraindia.com)

**Sheetal Nayak**

022-61143440

[sheetal.nayak@icraindia.com](mailto:sheetal.nayak@icraindia.com)

**Sachin Joglekar**

+91 22 6114 3470

[sachin.joglekar@icraindia.com](mailto:sachin.joglekar@icraindia.com)

**Tina Parekh**

+91 22 6114 3455

[tina.parekh@icraindia.com](mailto:tina.parekh@icraindia.com)

#### RELATIONSHIP CONTACT

**L Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

#### MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

#### Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

#### About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



### Registered Office

B-710, Statesman House 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.