

August 11, 2025

Vivriti Capital Limited: Ratings confirmed as final for PTCs backed by a pool of unsecured personal loan receivables

Summary of rating action

| Trust Name | Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|---------------|---------------|-----------------------------------|----------------------------------|--|
| Hazel 04 2025 | Series A1 PTC | 71.82 | 71.82 | [ICRA]AA-(SO); provisional rating confirmed as final |
| | Series A2 PTC | 1.60 | 1.60 | [ICRA]A(SO); provisional rating confirmed as final |

*Instrument details are provided in Annexure I

Rationale

In May 2025, ICRA had assigned provisional ratings to the pass-through certificates (PTCs) issued by Hazel 04 2025. The PTCs are backed by a pool of unsecured personal loan receivables originated by Vivriti Capital Limited {VCL/Originator; rated [ICRA]A+ (Stable)} through co-lending partnerships. The pool has an aggregate principal outstanding of Rs. 79.80 crore (pool receivables of Rs. 92.20 crore). VCL is also the servicer for the rated transaction.

Since the executed transaction documents are in line with the rating conditions and the legal opinion for the transaction has been provided to ICRA, the said ratings have now been confirmed as final.

Pool performance summary

| Parameter | Hazel 04 2025 |
|---|---------------|
| Payout month | July 2025 |
| Months post securitisation | 3 |
| Pool amortisation | 14.3% |
| PTC amortisation | |
| Series A1 PTC | 20.0% |
| Series A2 PTC | 19.5% |
| Cumulative prepayment rate | 0.0% |
| Cumulative collection efficiency ¹ | 99.2% |
| Loss-cum-0+ days past due (dpd) ² | 1.4% |
| Loss cum 30+ dpd ³ | 0.6% |
| Loss cum 90+ dpd ⁴ | 0.0% |
| Cumulative cash collateral (CC) utilisation | 0.0% |

¹Cumulative collections till date including advance collections but excluding prepayments / Cumulative billings till date + Opening overdues

²POS on contracts aged 0+ dpd + Overdues / Initial POS on the pool

³POS on contracts aged 30+ dpd + Overdues / Initial POS on the pool

⁴POS on contracts aged 90+ dpd + Overdues / Initial POS on the pool

Transaction structure

As per the transaction structure, till Series A1 PTC is outstanding, the monthly cash flow schedule comprises the promised interest payout to Series A1 PTC. Series A1 PTC principal is expected to be paid on a monthly basis (100% of the pool principal billed) but is promised on the final maturity date. Interest payout to Series A2 PTC is also to be made on expected basis. Following the full redemption of Series A1 PTC, the monthly cash flow schedule will comprise the promised interest payout to Series A2 PTC. Series A2 PTC principal is then expected to be paid on a monthly basis (100% of the pool principal billed) but is promised on the final maturity date.

Any prepayment in the pool would be used for the prepayment of Series A1 PTC principal, followed by Series A2 PTC principal. Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will flow back to the Originator on a monthly basis. However, on the occurrence of any predefined trigger events, the entire residual EIS every month shall be utilised for accelerating the principal payment due to Series A1 PTC until it is fully redeemed. The key triggers are (i) the rating of Series A1 PTCs is downgraded below AA-(SO), (ii) the existing credit rating of the Seller or any of VCL's origination partners is downgraded below the current rating level by any Securities and Exchange Board of India (SEBI) accredited credit rating agency, and (iii) the portfolio at risk (PAR) >30 in the pool exceeds 5.00% of the initial pool principal.

The credit enhancement available in the structure is in the form of (i) a CC of 8.00% of the initial pool principal, amounting to Rs. 6.38 crore, provided by the Originator, (ii) subordination of 10.00% of initial pool principal for Series A1 PTC and 8.00% of initial pool principal for Series A2 PTC and (iii) the EIS of 8.85% and 8.49% of the initial pool principal for Series A1 PTC and Series A2 PTC, respectively.

Key rating drivers and their description

Credit strengths

Granular pool supported by presence of credit enhancement – The pool is granular, consisting of 6,740 contracts, with top 10 obligors forming only 0.48% of the pool principal, thereby reducing the exposure to any single borrower. Further, the credit enhancement available in the form of CC and EIS would absorb some of the losses in the pool and provide support in meeting the PTC payouts.

Seasoned contracts in the pool with no overdues – The pool has a weighted average seasoning of ~8 months with no delinquent contracts as on the cut-off date thereby reflecting the borrowers' relatively better credit profile which is a credit positive.

Track record of co-lending operations – Vivriti has a record of over three years of co-lending in the unsecured personal loans category. It has adequate underwriting policies and collection procedures across a wide geography. The company has adequate processes for servicing of the loan accounts in the securitised pools. The collections are carried out entirely in the digital mode which significantly reduces the comingling risk with the co-lending partners.

Credit challenges

High geographical concentration – The pool has high geographical concentration with the top three states, viz. Maharashtra, Tamil Nadu and Karnataka contributing ~37% to the initial pool principal. The pool's performance would thus be exposed to any state-wide disruption that may occur due to natural calamities, political events, etc.

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 pool is exposed to the inherent credit risk associated with the unsecured nature of the asset class and that recovery from delinquent contracts tends to be lower.

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 pool, ICRA has estimated the shortfall in the pool principal collection during its tenure at 5.50% with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 4.8% to 18.0% 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 ratings for the instruments.

Details of key counterparties

The key counterparties in the rated transaction are as follows:

| Transaction Name | Hazel 04 2025 |
|------------------------------------|------------------------------|
| Originator | Vivriti Capital Limited |
| Servicer | Vivriti Capital Limited |
| Trustee | Catalyst Trusteeship Limited |
| CC holding bank | IDFC First Bank Limited |
| Collection and payout account bank | IDFC First Bank Limited |

Liquidity position: Strong

The liquidity for Series A1 is strong after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement would be ~4.25 times the estimated loss in the pool.

The liquidity for Series A2 PTCs is strong after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement would be ~3.75 times the estimated loss in the pool.

Rating sensitivities

Positive factors – The ratings could be upgraded on the strong collection performance of the underlying pool (monthly collection efficiency >95%) on a sustained basis, leading to the build-up of the credit enhancement cover for the remaining payouts.

Negative factors – Pressure on the ratings could emerge due to sustained weak collection performance of the underlying pool (monthly collection efficiency of <90%), leading to higher-than-expected delinquency levels and credit enhancement utilization levels. Weakening in the credit profile of the servicer (VCL) could also exert pressure on the ratings.

Analytical approach

The rating action is based on the trustee confirming compliance with the terms of the transaction and the executed transaction documents being in line with the terms initially shared with ICRA.

| Analytical Approach | Comments |
|---------------------------------|---|
| Applicable rating methodologies | Securitisation Transactions |
| Parent/Group support | Not applicable |
| Consolidation/Standalone | Not applicable |

About the originator

VCL is a registered non-deposit taking systemically important non-banking financial company (NBFC-ND-SI). Promoted by Mr. Vineet Sukumar and Mr. Gaurav Kumar in June 2017, it provides diverse debt financing solutions including loans, working capital finance and trade finance to NBFCs and other enterprises. VCL has also expanded its presence in the retail segment through various co-lending partnerships with other NBFCs.

VCL currently has stakes in two Group entities – Vivriti Asset Management Private Limited (VAM) and CredAvenue Private Limited (CAPL). VAM is a ~70% subsidiary (on a diluted basis) and manages alternative investment funds (AIFs). VCL holds 49.92% in its associate company, CAPL, which is in the syndication platform business. In June 2024, VCL announced a composite scheme of arrangement, which would separate its online platform business from its NBFC and asset management company (AMC) businesses. Both the NBFC and AMC business would become 100% subsidiaries of Vivriti Next Private Limited. The scheme of arrangement is subject to regulatory approvals.

Key financial indicators (audited)

| Vivriti Capital Limited | FY2023 | FY2024 | FY2025 |
|---------------------------------------|---------|---------|----------|
| Total income | 671.2 | 1,050.7 | 1,364.0 |
| Profit after tax | 129.3 | 191.3 | 220.0 |
| Assets under management | 6,821.1 | 9,521.5 | 11,002.8 |
| Gross non-performing assets (NPAs) | 0.3% | 1.1% | 1.9% |
| Capital-to-risk weighted assets ratio | 25.7% | 21.3% | 21.0% |

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

Status of non-cooperation with previous CRAs: Not applicable

Any other information: None

Rating history for past three years

| Current rating (FY2026) | | | | | | Chronology of rating history for the past 3 years | | |
|-------------------------|---------------|----------------------------------|----------------------------------|-------------------------|---------------------------|---|-------------------------|-------------------------|
| Trust name | Instrument | Initial rated amount (Rs. crore) | Current rated amount (Rs. crore) | Date & rating in FY2026 | | Date & rating in FY2025 | Date & rating in FY2024 | Date & rating in FY2023 |
| | | | | August 11, 2025 | May 12, 2025 | | | |
| Hazel 04 2025 | Series A1 PTC | 71.82 | 71.82 | [ICRA]AA-(SO) | Provisional [ICRA]AA-(SO) | - | - | - |
| | Series A2 PTC | 1.60 | 1.60 | [ICRA]A(SO) | Provisional [ICRA]A(SO) | - | - | - |

Complexity level of the rated instrument

| Instrument | Complexity indicator |
|---------------|----------------------|
| Series A1 PTC | Moderately Complex |
| Series A2 PTC | 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 | Date of issuance / sanction | Coupon rate (p.a.p.m.) | Maturity date | Current rated amount (Rs. crore) | Current rating |
|----------------------|---------------|-----------------------------|------------------------|--------------------|----------------------------------|----------------|
| Hazel 04 2025 | Series A1 PTC | May 05, 2025 | 10.10% | September 19, 2027 | 71.82 | [ICRA]AA-(SO) |
| | Series A2 PTC | | 11.00% | | 1.60 | [ICRA]A(SO) |

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

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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

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