August 27, 2025

Ecofy Finance Private Limited: Provisional [ICRA]A+(SO) assigned to PTCs backed by a pool of electric two-wheeler vehicle loan receivables issued by GREEN VISION -1

Summary of rating action

Trust name	Instrument*	Rated amount (Rs. crore)	Rating action
GREEN VISION -1	Series A1 PTC	20.38	Provisional [ICRA]A+(SO); assigned

Instrument details are provided in Annexure I

Rating in the absence of pending actions/documents	No rating would have been assigned as it would not be meaningful

Rationale

The pass-through certificates (PTCs) are backed by a pool of electric two-wheeler (EV-2W) vehicle loan receivables originated by Ecofy Finance Private Limited (Ecofy/Originator) with an aggregate principal outstanding of Rs. 22.90 crore (pool receivables of Rs. 26.12 crore). Ecofy would be acting as the servicer for the rated transaction.

The provisional rating is based on the strength of the cash flows from the selected pool of contracts, the credit enhancement available in the structure as well as the integrity of the legal structure. The provisional rating is subject to the fulfilment of all the conditions under the structure and ICRA's review of the documentation pertaining to the transaction.

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 flows from the pool, after meeting the promised and expected payouts, will be used for the prepayment of Series A1 PTC principal. Any prepayment in the pool would be used for the prepayment of Series A1 PTC principal.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 7.00% of the initial pool principal, amounting to Rs. 1.60 crore, to be provided by the Originator, (ii) principal subordination of 11.00% of the pool principal for Series A1 PTC (in the form of equity tranche of 5.00% and overcollateral of 6.00%) and (iii) the excess interest spread (EIS) of 8.02% of the initial pool principal for Series A1 PTC.

Key rating drivers and their description

Credit strengths

Granular pool with available credit enhancement – The pool is granular, consisting of more than 3,000 contracts, with top 10 borrowers forming less than 1.0% of the pool principal, thereby reducing the exposure to any single borrower. Further, the credit enhancement available in the form of the CC, subordination and EIS would absorb some amount of the losses in the pool and provide support in meeting the PTC payouts.

No overdue contracts in the pool – The pool has been filtered in such a manner that there are no overdue contracts as on the cut-off date. Further, all the contracts in the pool have never been delinquent post loan disbursement, thereby reflecting the borrowers' relatively better credit profile, which is a credit positive.

Healthy bureau score of borrowers – All the contracts in the pool belong to borrowers with a CIBIL score of atleast 700, which reflects their relatively better credit profile.

Credit challenges

Limited track record – Ecofy is a relatively new entrant in the non-banking financial company (NBFC) and digital lending space. It is a green-only NBFC promoted by Green Growth Equity Fund (GGEF) which is managed by Eversource Capital. It provides loans to customers for electric vehicles (EVs; two-wheelers and three-wheelers), rooftop solar units and small and medium enterprises (SMEs) with its first disbursement in November 2022. Thus, the scale of operation remains modest with limited seasoning.

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.

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 4.50% of the pool principal with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 4.8% to 18% 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.

Liquidity position: Strong

The liquidity for the PTC instrument is strong after factoring in the credit enhancement available to meet the promised payout to the investors. The total credit enhancement would be ~5.25 times the estimated loss in the pool.

Rating sensitivities

Positive factors – The rating 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 – The sustained weak collection performance of the underlying pool (monthly collection efficiency <90%), leading to higher-than-expected delinquency levels and higher credit enhancement 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 analysis of the performance of Ecofy's EV-2W loan portfolio till June 2025, the key characteristics and composition of the current pool, the performance expected over the balance tenure of the pool, and the credit enhancement cover available in the transaction.

Analytical approach	Comments
Applicable rating methodologies	Securitisation Transactions
Parent/Group support	Not applicable
Consolidation/Standalone	Not applicable

Pending actions/documents required to be completed for conversion of the provisional rating into final

The assigned rating is provisional and would be converted into final upon the execution of:

1. Trust deed
2. Assignment agreement
3. Legal opinion
4. Trustee letter
5. Auditor's certificate
6. Any other documents executed for the transaction

Validity of the provisional rating

The Trust is expected to complete the pending actions/execute the pending documents in the near term. However, in case of continued pendency of the actions/documents beyond one year of this publication, the provisional rating would be withdrawn for the transaction even if the instrument has been issued.

Risks associated with the provisional rating

In case the issuance is completed, but the pending actions/documents are not completed for the transaction within one year (validity period) from the assignment of the rating, the provisional rating will be withdrawn in accordance with ICRA's Policy on Provisional Ratings available at www.icra.in.

About the originator

The company was incorporated in March 2022 and received an NBFC licence in November 2022. It was founded by Mr. Govind Sankaranarayanan and Ms. Rajashree Nambiar and operates under the brand name of 'Ecofy', positioning itself as a tech-led green NBFC in the retail space. The company changed its name to Ecofy Finance Private Limited from Accretive Finance Private Limited in January 2024. As on March 31, 2025, Ecofy's assets under management (AUM) stood at Rs. 911 crore, spread across three segments, i.e. EV financing (52%), rooftop solar (40%) and SME financing (8%).

Ecofy is promoted by Green Growth Equity Fund (GGEF) which is managed by Eversource Capital. This is a Category II Alternative Investment Fund registered under the SEBI (AIF) Regulations, 2012. It was established in April 2018 with anchor investments of $410 million from National Investment and Infrastructure Fund (NIIF) and Foreign, Commonwealth & Development Office (FCDO).

Exhibit 1. Key Financial Indicators (Standalone; audited)

	FY2023	FY2024	FY2025
Total income	2.2	33.4	103.5
Profit after tax	-18.8	-33.1	-34.55
Total managed assets	269	551	1,096
Gross stage 3	0.0%	0.03%	1.34%
CRAR	96.1%	80.3%	38.6%

Source: Company, ICRA Research; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Trust name	Current rating (FY2026)			Chronology of rating history for the past 3 years		
	Instrument	Amount rated (Rs. crore)	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023
			August 27, 2025	-	-	-
GREEN VISION -1	Series A1 PTC	20.38	**Provisional [ICRA]A+(SO)**	-	-	-

Complexity level of the rated instrument

Instrument	Complexity indicator
Series A1 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 name	Date of issuance/ Sanction	Coupon rate (p.a.p.m.)	Maturity date	Amount rated (Rs. crore)	Current rating
GREEN VISION -1	Series A1 PTC	August 20, 2025	10.80%	November 10, 2027	20.38	Provisional [ICRA]A+(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

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ABOUT ICRA LIMITED

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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.

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