

September 22, 2025

Ecofy Finance Private Limited: Rating confirmed as final for PTCs issued under a residential rooftop solar loan receivables securitisation transaction

Summary of rating action

Trust name	Instrument*	Previous rated amount (Rs. crore) ^	Current rated amount (Rs. crore)	Rating Action
Solar Vision - 1	Series A PTCs	29.14	28.37	[ICRA]A+(SO); provisional rating confirmed as final

^The initial rated PTC amount has reduced to Rs. 28.37 crore during transaction settlement

*Instrument details are provided in Annexure I

Rationale

In June 2025, ICRA had assigned provisional rating to the pass-through certificates (PTCs) issued by Solar Vision - 1. The PTCs are backed by a pool of residential rooftop solar loan receivables originated by Ecofy Finance Private Limited (Ecofy/Originator) with an aggregate principal outstanding of Rs. 31.52¹ crore (pool receivables of Rs. 38.42¹ crore). Ecofy 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 rating has now been confirmed as final.

Pool performance summary

Parameter	Solar Vision - 1
Payout month	August 2025
Months post securitisation	3
Pool amortisation	12.1%
Series A PTCs amortisation	13.4%
Cumulative prepayment rate	0.7%
Cumulative collection efficiency ²	100.0%
Monthly collection efficiency	100.0%
Loss cum 0+ dpd ³	0.03%
Loss cum 30+ dpd ⁴	0.0%
Loss cum 90+ dpd ⁵	0.0%
Cumulative cash collateral utilisation	0.0%

¹ The principal and cashflows of the securitised pool have reduced by Rs. 0.85 crore and Rs. 0.63 crore respectively on account of removal of contracts during transaction settlement

² Cumulative collections (incl. advances)/ (Cumulative billings + Opening overdue at the time of securitisation)

³ Principal outstanding on contracts aged 0+ dpd / Principal outstanding on the pool at the time of securitisation

⁴ Principal outstanding on contracts aged 30+ dpd / Principal outstanding on the pool at the time of securitisation

⁵ Principal outstanding on contracts aged 90+ dpd / Principal outstanding on the pool at the time of securitisation

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 legal maturity date. Any prepayment in the pool would be used for the prepayment of the Series A PTCs 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, the EIS shall be utilised towards the repayment of the principal payout to the Series A PTCs investor on the occurrence of certain pre-defined trigger events.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 10.07% of the initial pool principal (as against 10.00% indicated at the time of assigning provisional rating), amounting to Rs. 3.17 crore, provided by the Originator, (ii) principal subordination of 10.00% of the pool principal for Series A PTCs, and (iii) the EIS of 10.87% of the initial pool principal for Series A PTCs.

Key rating drivers and their description

Credit strengths

Granular pool with available credit enhancement - The pool is granular, consisting of more than 2,000 contracts, with the top 10 borrowers forming less than 2.5% 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 a part 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 were no overdue contracts as on the cut-off date. Further, all the contracts in the pool have never been delinquent after loan disbursement. This reflects the relatively better credit profile of the borrowers, which is a credit positive.

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

Credit challenges

Relatively new entrant in lending segment - Ecofy is a 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 operations and seasoning thereon remain limited. Furthermore, residential RTS financing segment has not yet established sufficient track record of substantial volumes.

High geographical concentration - The pool has high geographical concentration with the top 3 states, viz. Gujarat, Maharashtra and Madhya Pradesh, contributing ~74% to the initial pool principal amount. 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.

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 5.00% of the pool principal with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 2.4% 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

The key counterparties in the rated transaction are as follows:

Transaction Name	Solar Vision - 1
Originator	Ecofy Finance Private Limited
Servicer	Ecofy Finance Private Limited
Trustee	Catalyst Trusteeship Limited
CC holding bank	ICICI Bank Limited
Collection and payout account Bank	ICICI Bank Limited

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 ~5.00 times the estimated loss in the pool.

Rating sensitivities

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 credit enhancement would result in a rating upgrade.

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 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

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).

Key financial indicators (Standalone; audited)

	FY2023	FY2024	FY2025
Total income	2.2	33.4	103.5
Profit after tax	-18.8	-33.1	-34.6
Total managed assets	269	551	1,096
Gross stage 3	0.0%	0.03%	1.3%
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	Instrument	Current Rating (FY2026)				Chronology of Rating History for the Past 3 Years		
		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
				September 22, 2025	Jun 11, 2025			
Solar Vision - 1	Series A PTCs	29.14	28.37	[ICRA]A+(SO)	Provisional [ICRA]A+(SO)	-	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Series A PTCs	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 amount rated (Rs. crore)	Current rating
Solar Vision - 1	Series A PTCs	June 23, 2025	10.45%	November 27, 2029	28.37	[ICRA]A+(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

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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.

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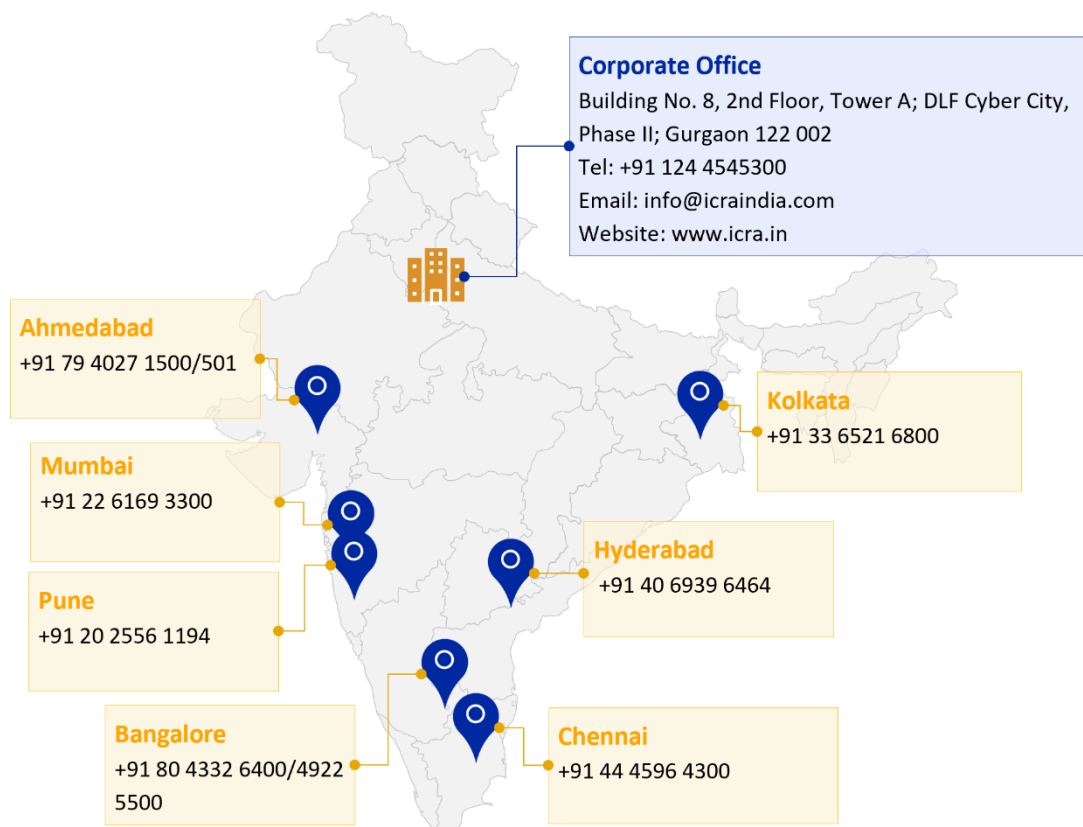


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