

December 04, 2025

## VEEFIN CAPITAL PRIVATE LIMITED: Provisional [ICRA]A1(SO) assigned to Series A1 PTC and Provisional [ICRA]A2(SO) assigned to Series A2 PTC to be issued by Trade Receivables Securitization Trust (TreSe)

### Summary of rating action

Trust Name	Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Trade Receivables Securitization Trust (TreSe)	Series A1 PTC	30.00	Provisional [ICRA]A1(SO); Assigned
	Series A2 PTC	15.00	Provisional [ICRA]A2(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 trade receivables arising from the invoices discounted by Veefin Capital Private Limited (VCPL/Originator) such that the initial disbursed amount<sup>1</sup> would be Rs. 50.00 crore. VCPL would also be the servicer for the transaction.

The provisional ratings are based on the strength of the cash flows from the pool of invoices that will be selected based on the eligibility criteria, the credit enhancement available in the structure as well as the integrity of the legal structure. The ratings are subject to the fulfilment of all the conditions under the structure and ICRA's review of the documentation pertaining to the transaction.

### Transaction structure

The transaction structure is ultimate interest and ultimate principal (UIUP), wherein both interest and principal (100% of the pool principal billed) are promised on the final maturity date, which is at the end of the 12<sup>th</sup> month from the PTC issuance date. Further, the tenure of the pool shall be divided into two periods – replenishment period and amortisation period.

### Replenishment period

The replenishment period will be 6 months from the commencement date of the transaction. During this period, the pool collections will be used by the trust to purchase additional identified receivables, as per the pool selection criteria. The transaction also entails certain trigger events for early amortisation. A breach of any of these trigger events would lead to the end of the replenishment period and the early commencement of the amortisation period.

### Amortisation period

Following the replenishment period, the pool collections will be utilised to repay Series A1 PTC and then Series A2 PTC. The interest and principal (100% of the pool principal billed) for Series A1 PTC are promised on the final maturity date. Following the redemption of Series A1 PTC, the interest and principal (100% of the pool principal billed) for Series A2 PTC are promised

<sup>1</sup> Disbursed amount is arrived at after discounting the financed amount of the trade receivables, where financed amount would be ~80%-90% of the total value of the invoices.

on the final maturity date. There is an additional cushion of three months between the expected maturity and legal maturity to factor in delays in payments from the Buyers<sup>2</sup>.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 5.00% of the initial disbursed amount, i.e. Rs. 2.50 crore, to be provided by the Originator, and (ii) subordination of 40.00% of the initial disbursed amount for Series A1 PTC and 10.00% of the initial disbursed amount for Series A2 PTC.

### Key eligibility criteria for the receivables

The eligibility criteria shall be met:

- On the commencement of the transaction for the purchase of the initial identified receivables
- At each replenishment date of the transaction for the purchase of additional identified receivables

### The key eligibility criteria that must be met are:

1. Invoices drawn by the Seller<sup>2</sup> on the Buyer, where the Buyer has accepted his obligation to pay on a due date on a portal or on email, Good received Note with Inspection certificate and gate pass or any other form/document of proof of delivery.
2. Sellers should have relationship of at least 12 months with the Buyer
3. Credit notes per buyer not to exceed 5% of the total invoices drawn by the client
4. Total concentration for each rating category is capped at 5% of the total pool for BBB+, followed by up to 30% for A category, and up to 40% for the AA category (AA and AA-) with the remaining pool allocated to AA+ and above.
5. Maximum concentration allowed per buyer is 5% of the total pool for BBB+, up to 10% for A category, up to 10% for AA category (AA and AA-) and up to 25% for the AA+ and above.
6. Debtors should never have been in 30+ days past due (dpd) during 3 months prior to assignment on any past invoice financed by Originator
7. Each relevant obligor has fully repaid the entire amount of the last two trade receivables within 90 days of the due date
8. The balance tenor of the identified receivables is not more than 120 days
9. Buyer should not be delinquent on any other financial obligations
10. No overdue invoices at the time of initial as well as subsequent assignments during the replenishment period
11. A CA certificate would be provided at quarterly intervals on the above covenants
12. The pool would adhere to the debtor level and debtor rating level limits
13. CA would confirm (to the Trustee) sighting the confirmation of obligation to pay on basis of random sample. Originator would replace assets with cash or cash equivalents if there are not enough eligible receivables

### Key trigger events for early amortisation

Following are the triggers for early commencement of amortisation of the PTCs:

- Utilisation of cash collateral for making interest payment in full
- If 15% or more of the identified receivables are overdue (unpaid for 30 days beyond the due date)
- Failure of the Originator to provide sufficient additional identified receivables during the replenishment period such that the additional identified receivables being provided are less than 75% of the accumulated amounts
- If any of the obligors in the pool are subject to a credit rating downgrade such that more than 5% of the total Pool is BBB+ or below

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<sup>2</sup> The Originator has identified a set of eligible Sellers and Buyers for the transaction, which will adhere to the pre-defined pool eligibility criteria

## Key rating drivers and their description

### Credit strengths

**Strong credit profile of the Buyers whose invoices will be assigned** – The buyers have a strong credit profile with domestic credit rating of at least BBB+ category (as per the pool eligibility criteria). Comfort can also be drawn from the predefined trigger events. The breach of any trigger events would lead to the early amortisation of the PTC instruments, thereby mitigating the risk of a deterioration in the credit quality of the buyers.

**Stringent predefined eligibility criteria of invoices supporting the quality of cover pool** – The replenished pool will be guided by stringent eligibility criteria such that buyer should never have been in 30+ days past due (dpd) during 3 months prior to assignment to the pool. The eligibility criteria would ensure the quality of the pool in terms of the Buyers and the Sellers such that the sellers should have relationship of at-least 12 months with the buyer.

**Presence of credit enhancement in form of cash collateral and subordination** – The first line of support for Series A1 PTCs in the transaction is in the form of a principal subordination of 40.00% of the eligible finance value of invoices (comprising the principal payable to Series A2 and Equity PTC). Further, there is subordination of 10.00% of the eligible finance value of invoices (comprising the principal payable to Equity PTC) could be available for Series A2 PTCs. A CC of Rs. 2.50 crore (5.00% of the disbursed amount<sup>3</sup>), to be provided by the originators, would act as further credit enhancement in the transaction. In the event of a shortfall in meeting the promised PTC payouts, the trustee will utilise the CC to meet the same. Further, there is a buffer of three months between the expected and legal maturity date built into the transaction structure.

### Credit challenges

**Exposure to any delays in payments by Buyers, as payment obligation from Buyers is only a contractual payment** – The trust would be seen as an operational creditor of the buyers. Therefore, the risk of non-payment by the Buyers can be deemed to be higher vis-à-vis the obligations to its financial creditors.

**Relatively smaller share of Buyers' procurement requirements are met by Sellers** – While the originators have established relationships with most of the buyers, they would be meeting a relatively small share of the procurement needs of the buyers, given the large scale of operations of the latter.

## Key rating assumptions

ICRA's cash flow modelling for rating securitisation transactions involves the simulation of potential losses in the pool. ICRA's rating assumption for the quality of the cash flows being securitised, along with the tenure of the payments, has been considered to estimate the default probability of each underlying Buyer payment. Additionally, a certain degree of correlation is assumed in the performance of the various entities in the pool as they are in the same sector/sub-sector. ICRA has also taken note of the Originator's track record in the business. Moreover, the cash flow modelling considers the assumptions regarding the build-up of delinquency/loss and the transaction structure.

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<sup>3</sup>Disbursed amount for the transaction is Rs. 50 crore, which is arrived at after adjusting for margin and discounting the trade receivables.

## Liquidity position: Adequate

As per the transaction structure, both the interest and the principal amount is promised to the PTC holders on the scheduled maturity date of the transaction. The cash flows from the pool and the available credit enhancement are expected to be adequate to meet the promised payouts to the Series A1 PTC and Series A2 PTC investors.

## Rating sensitivities

**Positive/Negative factors** – The ratings are unlikely to be revised during the replenishment period. Any rating revision would depend on the performance of the underlying pool and the utilisation of credit enhancement during the amortisation period. Ratings could also be under pressure if sustained delays are observed in payments to Sellers from Buyers in normal course of business.

## Analytical approach

The rating action is based on the legal structure of the transaction and factors in the payment mechanism along with the credit profile of the Buyers.

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Rating Methodology – Collateralised Debt Obligations</a>
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. Power of Attorney
4. Legal opinion
5. Trustee letter
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](http://www.icra.in).

## About the originator

VCPL, the financing arm of the Veefin Group, operates as a non-banking financial institution with an NBFC-Factors license granted in June 2025. Its strategy focuses on two key areas: originating and syndicating structured finance solutions for corporate value chains across receivables and payables financing; and securitizing these portfolios under RBI and SEBI guidelines to provide corporates with diversified funding sources and develop India's trade receivables securitization market.

Led by CEO Shantanu Bairagi, a seasoned banker with expertise in structured trade finance and securitization, VCPL aims to combine innovative financing with robust risk management to support sustainable growth.

### Key financial indicators

Particulars	FY2025	H1 FY2026
	Audited	Provisional
Total income	50.41	54.56
Profit after tax (PAT)	3.68	32.21
Gross loan portfolio	--	--
Gross stage 3	--	--
Net stage 3	--	--

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

### 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		
		Current rated amount (Rs. crore)	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023
			December 04, 2025	-	-	-
Trade Receivables	Series A1 PTC	30.00	Provisional [ICRA]A1(SO)	-	-	-
Securitization Trust (TreSe)	Series B1 PTC	15.00	Provisional [ICRA]A2(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 Type	Date of Issuance / Sanction	Coupon Rate (p.a.)	Maturity Date	Current Rated Amount (Rs. crore)	Current Rating
<b>Trade Receivables Securitization Trust (TreSe)</b>	Series A1 PTC	To be issued	9.50%	12 months post issuance	30.00	Provisional [ICRA]A1(SO)
	Series A2 PTC	To be issued	12.50%	12 months post issuance	15.00	Provisional [ICRA]A2(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.

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

## ICRA Limited



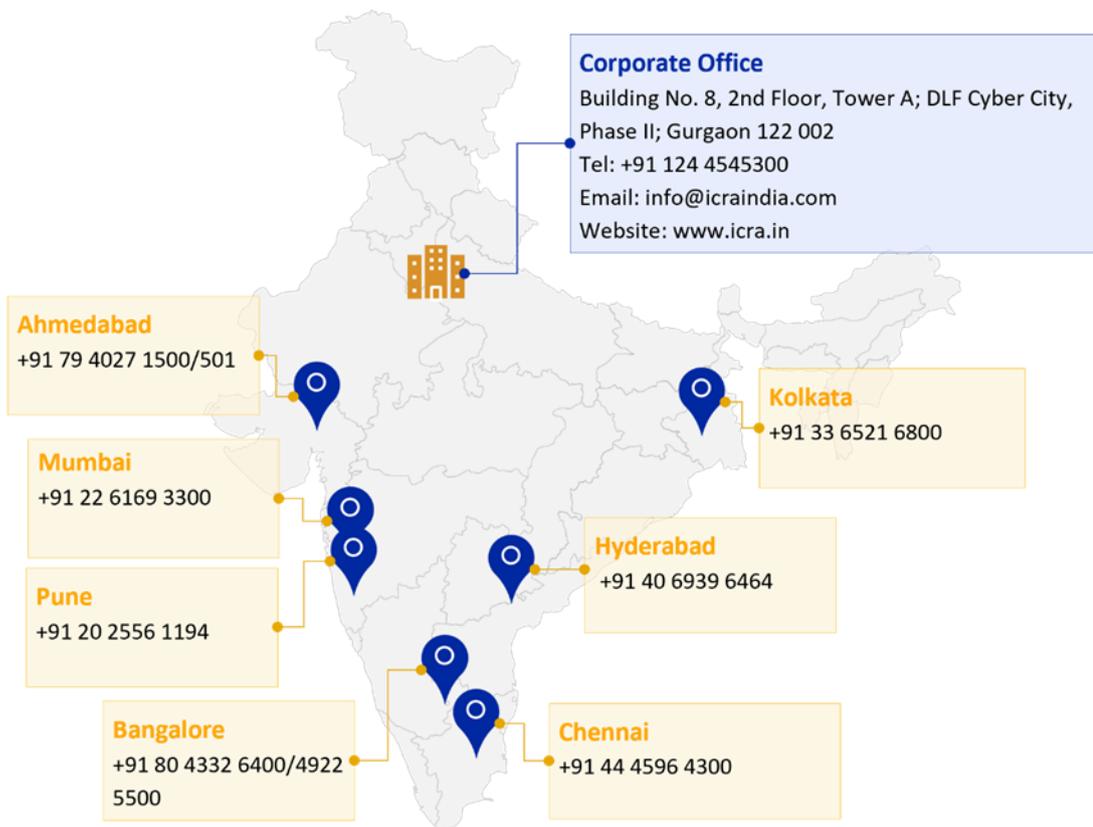
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