

December 16, 2025^(Revised)

Hiveloop Capital Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term/Short term – Fund Based-Bank facilities	500.00	500.00	[ICRA]BBB- (Stable)/[ICRA]A3; reaffirmed
Total	500.00	500.00	

*Instrument details are provided in Annexure I

Rationale

The ratings reaffirmation factors in Hiveloop Capital Private Limited's (HCPL) adequate capitalisation profile. The company mainly extends short-term supply chain finance to small businesses and micro, small and medium enterprises (MSMEs) and had a portfolio outstanding of Rs. 351.8 crore¹ as of March 2025 (Rs. 369.4 crore as of September 2025). It currently focusses on anchor-based supply chain financing (SCF), which accounted for 85.6% of the overall loan book as of September 2025 (79.6% and 51.8% in March 2025 and March 2024, respectively). Over the last 2-3 years, HCPL has progressively transitioned from financing transactions for borrowers on the Udaan e-commerce platform (on-Udaan transactions) to supply chain finance (SCF) transactions conducted outside the Udaan platform (off-Udaan) and backed by established anchors. The company no longer depends on the Udaan platform for customer acquisition, loan origination, or underwriting, having stopped onboarding new customers from the platform approximately two years ago. However, the company utilises the Group's information technology (IT) systems/software for loan origination, due diligence, servicing, etc.

The ratings consider the company's current profitability profile, which is supported by its low leverage. ICRA also notes that HCPL's asset quality is adequate, with the portfolio-at-risk (PAR) 0 and PAR 90 at 4.9% and 0.6%, respectively, as of September 2025. While the company previously benefited from first loss default guarantees (FLDGs) from the Group, no FLDG is provided by the Group entities/platform at present. Although HCPL's funding profile remains commensurate with the current scale of operations, its ability to scale up while sustainably diversifying its funding sources will be critical.

Hiveloop E-Commerce Private Limited (HEPL) is the holding entity of the Udaan Group's Indian lending and e-commerce operations following the Group-level restructuring, which was concluded in FY2025. HEPL reported a loss of Rs. 350.1 crore (Rs. 967.0 crore excluding exceptional items²) on a standalone basis in FY2025 vis-à-vis a loss of Rs. 1,158.6 crore (Rs. 1,366.5 crore excluding exceptional income) in FY2024. HEPL's losses have declined on the back of the various cost-control and optimisation measures undertaken by the Group. ICRA also notes that some of other Group entities have been in losses in the past. Singapore-based Trustroot Internet Private limited (TIPL), the ultimate holding company of the Group, received capital of \$114 million in February 2025. Prior to this, it had raised \$340 million in December 2023 via a combination of a fresh equity infusion [around \$112.5 million] and conversion of existing debt into equity. This would support the Group's near-term requirements. From inception till FY2025, TIPL had raised total equity capital of \$1.6 billion and convertible notes of \$452.5 million.

¹ Rs. 425.0 crore including loans originated for other lenders on the group's digital lending platform

² Income from sale of software to TIPL, which is the ultimate parent based in Singapore

Key rating drivers and their description

Credit strengths

Linkages to Udaan Group – The Udaan Group’s India operations comprise the flagship business-to-business (B2B) e-commerce platform. Its lending operations and other associated services, including logistics and warehousing, cash and carry, and fintech lending, are housed under HEPL. The platform operates under the brand name ‘Udaan’ and connects buyers (retailers, kirana shops, etc) to sellers (wholesalers, distributors and manufacturers) in more than 900 cities across India. The Group’s fintech arm, branded as ‘Udaan Capital,’ includes HCPL and Kwickedge Technology Private Limited (KWPL), which hosts the digital lending platform. Additionally, other Indian operations involved in payment gateway services, as well as technology and related services, are directly or indirectly owned by the ultimate parent, i.e., Singapore-based TIPL.

ICRA notes the operational and financial linkages among HCPL, KWPL, Newloop Apps Private Limited (NAPL) and HEPL. NAPL, a subsidiary of HEPL, acts as the holding company of HCPL and KWPL. KWPL provides technology support to the Udaan Capital while HCPL delivers credit solutions to MSME customers. Over the last three years, HCPL has fully transitioned from on-Udaan transactions (now completely phased out) to off-Udaan transactions, which constitute 85.6% of the loan portfolio as of September 2025 (up from 79.6% in March 2025 and 51.8% in March 2024). The company independently manages customer acquisition, loan origination, and underwriting without reliance on the udaan.com platform, though it would still use the Group’s IT systems (managed by KWPL). HCPL also maintains a portion of its loan portfolio as short-term loans/overdrafts to other Udaan Group entities, which stood at 14.4% as of September 2025, down from 20.4% in March 2025 and 28.7% in March 2024. This proportion is expected to decline further.

Adequate capitalisation profile of HCPL – HCPL had a net worth of Rs. 263.0 crore as of September 2025 and its gearing stood at 0.3 times. Its net worth reduced to Rs. 250.2 crore as of March 2025 from Rs. 273.8 crore as of March 2024. This was mainly due to the reclassification of employee stock ownership plan (ESOP) related expenses from the capital reserve to payable to related parties, following revised contractual terms and invoicing arrangements with TIPL. At the Group level, equity capital is raised by TIPL and down streamed to Group companies as per their requirements.

ICRA expects HCPL’s capital structure to remain adequate with the leverage expected to be maintained below 2 times in the near term.

Credit challenges

Sizeable, though moderating, losses at Group level; Group’s track record in raising capital provides comfort – Following the March 2025 restructuring, HEPL became the holding entity of Udaan’s Indian lending and e-commerce businesses. HEPL reported a loss of Rs. 350.1 crore (Rs. 967.0 crore excluding exceptional items) on a consolidated basis in FY2025 vis-à-vis a loss of Rs. 1,158.6 crore (Rs. 1,366.5 crore excluding exceptional income) in FY2024. As part of the restructuring, NAPL was made a subsidiary of HEPL and now owns HCPL, which posted a profit of Rs. 10.0 crore in FY2025. Previously, HCPL was jointly held by Hiveloop Technology Private Limited (HTPL) and Unison Private Limited. HTPL, which had incurred substantial losses in earlier years, plays a limited role, post restructuring, as the holding company of the residual businesses that are being wound down and have no material operations. Regular capital infusions remain essential to sustain operations and maintain a healthy capital profile at the Group level. Till FY2025, TIPL had raised a total of \$1.6 billion in equity capital and \$452.5 million through convertible notes across multiple funding rounds, led by investors such as Lightspeed Venture Partners, M&G Investments, DST Global, Tencent, Altimeter Capital, Hillhouse Capital, GGV Capital, Citi Ventures and Moonstone Capital.

Moderate scale of HCPL’s operations – HCPL received its non-banking financial company (NBFC) licence from the Reserve Bank of India (RBI) in October 2018 and commenced operations in December 2018, initially focussing on short-term working capital loans to retailers and wholesalers/distributors transacting on the Udaan e-commerce platform. Over the past three years, HCPL has diversified into offering unsecured SCF loans and term loans for off-Udaan transactions, i.e., SCF transactions

undertaken outside the Udaan platform. As of September 2025, such SCF loans accounted for 85.6% of HCPL’s standalone gross loan portfolio.

HCPL reported a net profit of Rs. 10.0 crore in FY2025 on a portfolio of Rs. 352 crore (net profit of Rs. 8.9 crore in FY2024 on a portfolio of Rs. 359 crore and net profit of Rs. 3.1 crore in FY2023 on a portfolio of Rs. 322 crore). The return on managed assets (RoMA) improved to 2.4% in FY2025 from 2.0% in FY2024 and 0.7% in FY2023, supported by lower operating costs (5.1% in FY2025 vis-à-vis 6.8% in FY2024). Profit before tax (PBT)/average managed assets (AMA) stood at 5.5% in H1 FY2026 (provisional) compared to 4.2% in FY2025 and 2.7% in FY2024.

Modest credit profile of borrowers – HCPL’s asset quality reflects the modest credit profile of its borrower base across diversified sectors (fast-moving consumer goods (FMCG), chemicals, electricals, construction, consumer durables, polymers/plastics, mobile and accessories, light engineering, etc). The company is currently focussed on financing transactions outside the Udaan platform without any default loss guarantees from the Group. HCPL’s anchor-backed portfolio scaled up meaningfully to 57.3% in September 2025 and 47.3% in March 2025 from 6.6% in March 2022. It added 35 new anchors in H1 FY2026, bringing the total to approximately 250 anchors. The top 10 anchors collectively contribute 26.8% to the assets under management (AUM). HCPL is expected to increasingly emphasise anchor-based financing, going forward, as well; write-offs in this segment stood at 1.0% in FY2025 (compared to overall write-off of 2.2% in FY2025) and 2.2% (annualised) in H1 FY2026. HCPL’s ability to sustain growth while keeping credit costs under control will remain a key credit monitorable.

Strengthening of funding profile critical for growth plans – As of September 2025, HCPL had debt outstanding from seven lenders. The funding profile remains skewed towards NBFCs, with borrowings from five NBFCs and two private sector banks, compared to nine NBFCs and two banks as of March 2024. Going forward, HCPL will need to sustain funding from existing lenders and actively broaden its funding base to support growth. Further, given the margin pressure in its operating segment, i.e. anchor-based SCF, securing funding at competitive rates will be critical.

Liquidity position: Adequate

The company had cash, liquid investments, and fixed deposits of Rs. 22.0 crore as on September 30, 2025. The debt obligations from October 2025 to March 2026 stood at Rs. 27.3 crore. The available on-book liquidity, as on September 30, 2025, and collections, would be sufficient to fund the debt obligations for the next six months considering the short-term nature of their loan book.

Rating sensitivities

Positive factors – HCPL’s ratings would be positively impacted if there is a substantial improvement in the Group's earnings profile. Further, a sustained improvement in HCPL’s profitability and good quality scale-up would positively impact the ratings.

Negative factors – Pressure on HCPL’s ratings could arise if there is a material deterioration in the asset quality, impacting the earnings profile. The Group’s inability to raise capital in a timely manner would also negatively impact the ratings.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	ICRA’s Credit Rating Methodology for Non-banking Finance Companies
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financials of HCPL

About the company

Hiveloop Capital Private Limited (HCPL), incorporated in December 2016, is a non-deposit taking NBFC registered with the RBI. It offers unsecured MSME loans. The company commenced business in December 2018 and had a portfolio of Rs. 369.4 crore

as on September 30, 2025. Following the Group-level restructuring, it is now fully owned by Newloop Apps Private Limited (NAPL), which is a subsidiary of HEPL (100% subsidiary of TIPL). Equity capital of Rs. 242 crore has been infused into HCPL till date by the group.

Key financial indicators

HCPL	FY2024	FY2025
Total income	60.8	57.9
Profit after tax	8.9	10.0
Total managed assets	434.5	398.1
Return on managed assets	2.0%	2.4%
Gearing (times)	0.5	0.4
Gross stage 3	0.3%	1.1%
CRAR	70.6%	67.0%

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2026) Amount rated (Rs. crore)	Chronology of rating history for the past 3 years			
			Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024	Date and rating in FY2023
			Dec 16, 2025	Sep 05, 2024	Dec 19, 2023	Oct 31, 2022
Long term/ Short term – Fund based	LT/ST	500.00	[ICRA]BBB- (Stable)/ [ICRA]A3	[ICRA]BBB- (Stable)/ [ICRA]A3	[ICRA]BBB- (Stable)/ [ICRA]A3	[ICRA]BBB- (Stable)/ [ICRA]A3

LT – Long term; ST – Short term

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund based	Simple
Short term – Fund based	Simple

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

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long term/Short term – Fund based	NA	NA	NA	500.00	[ICRA]BBB-(Stable)/[ICRA]A3

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis: Not applicable

Corrigendum

Document dated December 16, 2025, has been corrected with revision as detailed below:

- i. The link to the applicable rating methodology in the Analytical Approach table, Page [4] has been updated from the December 2021 methodology to the December 2023 methodology.

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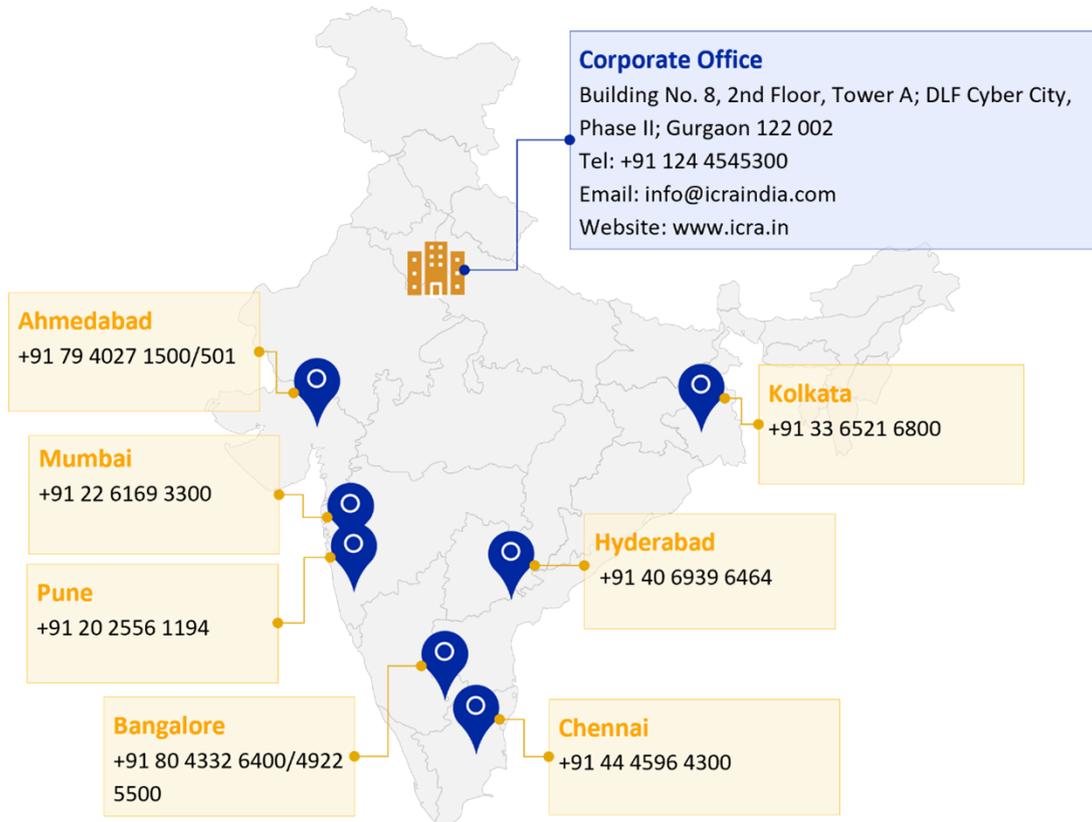
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