

December 30, 2025

## Vivriti Asset Management Private Limited: Rating reaffirmed

### Summary of rating action

Trust name	Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Vivriti Emerging Corporate Bond Fund	Class A <sup>1</sup>	922.00	922.00	[ICRA]A-(SO); reaffirmed

\*Instrument details are provided in Annexure I; The rating is indicative of the capital protection available to the investors and should not be construed as an indication of the expected returns

<sup>1</sup> Class A represents Class A1, Class A2, Class XA1 and Class XA2 units

### Rationale

Vivriti Emerging Corporate Bond Fund (VECBF), a scheme of Vivriti Vihaan Trust, is a trust organised in India and registered with the Securities and Exchange Board of India (SEBI) as a Category II – Alternative Investment Fund (AIF). The AIF has been sponsored and managed by Vivriti Asset Management Private Limited (VAMPL or the asset management company (AMC); rated [ICRA]A- (Stable)). VECBF is a close-ended scheme with a total tenure of 3.5 years after the final closure. The fund comprises Class A1, Class A2, Class XA1, Class XA2 and Class S units<sup>1</sup>. Class A collectively means Class A1, Class A2, Class XA1 and Class XA2 units.

The rating reaffirmation factors in the support available to the Class A unitholders for capital redemption in the form of their share in the distribution proceeds, the extended moderate credit risk profile of the investments and the limited asset-liability mismatch risk supported by the scheme's investment criterion. At the same time, adherence to this criterion over the life of the fund would remain critical.

The fund is not expected to invest in instruments with a maturity date later than its own maturity date. The proposed maturity of the fund is September 30, 2026. As on October 30, 2025, the scheme had raised a commitment of Rs. 927 crore (from Class A and Class S investors) and had drawdowns of Rs. 904 crore, distributed across non-convertible debentures (NCDs)/market linked debentures (MLDs)/commercial paper (CP).

The rating represents the credit risk associated with the underlying debt instruments and the adequacy of the cashflows from the debt instruments to repay the principal to the investors while covering the operating expenses for managing the scheme. It is thus indicative of the capital protection available to the investors. For this analysis, all cashflows available to the investors from the fund, which could be in the form of distribution proceeds (including interest, cash dividends, premium, capital gains, prepayment penalties or other forms of cash receivables as permitted, net of expenses), gross of taxes, and redemption proceeds (principal repayments, capital repayments, prepayments and redemption from one or more portfolio investments), are considered to be available for principal or capital redemption to the investors.

The rating does not factor in the market risks and hence should not be construed as an indication of the expected returns or the prospective performance of the scheme. It is also not a reflection of the quality of the fund's management or its financial performance, reputation and other business practices including investment strategies, pricing, marketing and distribution activities. Furthermore, the rating is not a reflection of the adherence of the fund to the regulatory requirements.

### Key rating drivers and their descriptions

#### Credit strengths

**Support available for capital redemption** – As per the scheme's documents, the distribution proceeds (including returns like interest, cash dividend, premium, capital gains, prepayment penalty or other forms of cash receivables) from the investments, as reduced by fund expenses, management fees and reserves for expenses and liabilities, would be simultaneously allocated and distributed to all classes of unitholders on a quarterly basis or a higher frequency. The redemption proceeds

would also be simultaneously allocated and distributed to the unitholders no later than at the end of the fund. While determining capital protection, all cashflows, be it in the form of distribution or redemption proceeds, are considered to be available for the purpose of capital redemption. Class A unitholders, thus, have support available for capital redemption in the form of their share in the distribution proceeds.

**Track record of repayment of investor funds** – Approximately Rs. 348 crore, comprising both principal and interest, has already been distributed to Class A investors. The portfolio has delivered a gross yield of around 15% until October 2025, reflecting the fund's strong track record in executing partial distributions to investors in a satisfactory manner.

**Credit quality of underlying instruments** – As per the investment criteria, at least 80% of the investments in the scheme should be in instruments rated BBB- and above, of which 20% would be in instruments rated at least BBB. Investments in unrated/BB/BB+ rated instruments will be capped at 20% with no investment in an entity exceeding 5% of the overall investment. Further, investments in unrated instruments would be capped at 10%. The scheme's underlying portfolio currently meets the prescribed credit quality parameters. However, as of October 2025, around 35% of its holdings are in debt instruments rated BBB or lower, which reflects moderate credit risk. Therefore, maintaining compliance with these criteria throughout the fund's tenure would remain monitorable.

### Credit challenges

**Exposure to concentration risk** – As per the investment criteria, the scheme would have a maximum exposure of 10% to any entity (but only 5% if the entity is rated BB or BB+ or is unrated) and 30% to any sector. Each subsector of financial services (for instance, class-wise asset segments for non-banks) would be treated as a sector for this criterion and the total exposure to the financial sector would be capped at 60% as per the investment criterion. However, the management has stated their intent to limit the exposure to financial services to 50% while single investment exposure is expected to be 7.5%. The current concentration risk is lower than the prescribed boundary condition and remains a key monitorable.

**Reinvestment risk** – Tenure mismatches between the invested instruments and the maturity of the fund in addition to any prepayment could lead to reinvestment risk. The scheme aims to invest predominantly in NCDs. While the investment horizon for the instruments would be planned in line with the scheme's life and objectives, factors such as amortisation or early redemption of the investments or a possible maturity mismatch could expose the scheme to reinvestment risk. The reinvestment rate could be negatively affected when reinvestments are made by the scheme below the minimum headline yield.

### Liquidity position

Not applicable

### Rating sensitivities

**Positive factors** – The rating would be upgraded based on the credit quality and performance of the underlying investments.

**Negative factors** – Pressure on the rating could emerge on a deterioration in the credit quality of the underlying investments or non-adherence to the proposed investment criteria and fund structure.

## Waterfall mechanism

### Distribution proceeds

The fund will receive proceeds by way of interest, cash dividends, premium, capital gains, prepayment penalties or other forms of cash receivables from the portfolio's investments and returns/yield on temporary investments, referred to as proceeds from gains, but excluding redemption proceeds. Any available proceeds from gains, as reduced by the amounts attributable to fund expenses, management fees, taxes and reserve for expenses and other liabilities, will determine the distribution proceeds. The distribution proceeds will be distributed in the following manner:

- 1. Return to Class A, Class O and Class S unitholders:** The entire distribution proceeds will be simultaneously allocated and distributed to each unitholder till the yield calculated on a cumulative basis is passed on to the respective unitholders based on the respective hurdle rate on their respective outstanding capital contribution<sup>1</sup>. These distributions would be made on a quarterly basis or a higher frequency.
- 2. Residual distribution proceeds:** The residual distribution proceeds, after meeting the hurdle rate, shall be allocated and distributed simultaneously to all classes of unitholders in the following manner:
  - 90% of the residual distribution proceeds will be simultaneously allocated and distributed to each Class A, Class O and Class S unitholder in proportion to their respective capital commitment.
  - 10% of the residual distribution proceeds will be simultaneously allocated and distributed to each Class S unitholder in proportion to their respective capital commitment.

### 3. Redemption distribution proceeds

The fund will receive proceeds by way of principal repayments, capital repayments, prepayments and redemption from one or more portfolio investments and/or temporary investments referred to as redemption proceeds. The redemption distribution proceeds, as reduced by the amounts attributable to fund expenses, management fees, taxes and reserves for expenses and other liabilities, will determine the redemption distribution proceeds. The redemption distribution proceeds will be distributed in the following manner:

- **Return of capital contribution to Class A, Class O and Class S unitholders:** The entire redemption distribution proceeds will be allocated and distributed to each unitholder in proportion to their respective outstanding capital contribution until each unitholder has received an amount equal to 100% of their respective outstanding capital contribution on a cumulative basis.

## Analytical approach

The rating action is based on the adequacy of the cashflows from the debt instruments to repay the principal to the investors while covering the operating expenses for managing the scheme.

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Rating Methodology for Alternative Investment Funds (AIFs)</a> <a href="#">Rating Methodology for Collateralised Debt Obligations</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Not applicable

<sup>1</sup> Capital contribution means the portion of capital commitment given by a contributor to the fund, in accordance with the contribution agreement

## About the scheme

Vivriti Emerging Corporate Bond Fund (VECBF) is a scheme of Vivriti Vihaan Trust, which is a trust organised in India and registered with SEBI as a Category II-AIF. The AIF has been sponsored and would be managed by VAMPL, the AMC. VECBF is a close-ended scheme with a total tenure of 3.5 years, post the final closure. It targets to invest predominantly in NCDs. It shall not invest more than 10% in any entity and more than 30% in any sector. At least 80% of its investments would be in instruments rated BBB- and above, of which 20% would be in instruments rated at least BBB. The scheme would have investments in unrated or BB/BB+ rated instruments, which will be capped at 20% where no investment in an entity would exceed 5% of the investments; investments in unrated instruments would, however, be capped at 10%. VECBF is not expected to invest in instruments with a maturity date later than its own maturity date. At least 50% of the commitment shall be deployed within three months from the date of final closing and the balance within nine months of the final closing. The proposed maturity of the fund is September 30, 2026.

As of October 2025, the fund had raised a capital commitment of Rs. 927 crore (from Class A and Class S investors) while the drawdown amount stood at Rs. 904 crore. Of the total drawdown, the fund has deployed Rs. 478 crore across 21 entities, distributed among NCDs/market linked debentures (MLDs)/commercial paper (CP). Further, it has distributed Rs. 348 crore, comprising both principal and interest, to Class A investors.

## About the AMC

Incorporated in February 2019, Vivriti Asset Management Private Limited (VAMPL), a wholly-owned subsidiary of Vivriti Capital Private Limited (VCPL), manages fixed income funds. The company has launched nine funds till date. It has 100 employees across sales, fund management, credit, products, operations, legal, compliance, and other support functions. Brief details on the nine funds are given below:

1. **Samarth Bond Fund (SBF):** This is a Category II close-ended fund with a tenor of six years. The fund declared its final close in March 2021. It invests in debt instruments issued by companies in the financial services sector, including retail non-banking financial companies (NBFCs).
2. **India Impact Bond Fund (IIF):** This is a Category II close-ended fund with a tenor of three years, investing in causes furthering the UN Sustainable Development Goals (UN SDG).
3. **Short Term Bond Fund (STBF):** This is a Category II close-ended fund with a tenor of three years. The fund declared its final close in March 2022. It invests in debt instruments issued by companies in the financial services sector, including retail NBFCs.
4. **Vivriti Emerging Corporate Bond Fund:** This is a Category II close-ended fund with a tenor of 3.5 years. The fund declared its first close in December 2021. It will invest in securities issued by high-growth operating companies and is sector agnostic.
5. **Vivriti Alpha Debt Fund – Enhanced (ADE):** This is a Category II close-ended fund with a tenor of 3.5 years. The fund declared its initial close in March 2022. It targets superior risk-adjusted returns by investing in debt instruments issued by mid-market corporates in India.
6. **Vivriti Alpha Debt Fund/Vivriti Wealth Optimizer Fund (VWOF):** This is a Category II close-ended fund with a tenor of 3.5 years. The fund declared its initial close in March 2022. It is targeting superior risk-adjusted returns by investing in debt instruments issued by mid-market corporates in India. The fund is a bit conservative compared to Vivriti Alpha Debt Fund – Enhanced.
7. **Promising Lenders Fund I (PLF I):** This is a Category II close-ended fund with a tenor of three years. The fund declared its final close in March 2022. It intends to provide credit to micro, small and medium enterprises (MSMEs) through investments in financial institutions.
8. **Promising Lenders Fund II (PLF II):** This is a Category II close-ended fund with a 45-month tenor. The fund declared its final close in March 2024. It intends to provide credit to MSMEs through investments in financial institutions.
9. **Vivriti India Retail Asset Fund:** This is a Category III close-ended fund with a 10-year tenor. It seeks to provide superior risk-adjusted returns by investing predominantly in pass-through certificates (PTCs) issued in India.

### Key financial indicators of (audited; Ind-AS)

Vivriti Capital Limited (standalone)	FY2023	FY2024	FY2025
Total income	671.2	1,050.7	1,364.0
Profit after tax	129.3	191.3	220.0
Total managed assets	6,821.1	9,521.5	10,831.8
RoMA	2.2%	2.3%	2.2%
Managed gearing (times)	3.3	3.8	3.9
Gross NPA	0.3%	1.1%	1.9%
CRAR	25.7%	21.3%	22.0%

Source: Company; 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	Initial rated amount (Rs. crore)	Current rated amount (Rs. crore)	Date & rating in FY2026		Date & rating in FY2025		Date & rating in FY2024	
					December 30, 2025	December 27, 2024	December 08, 2023	Mar 13, 2023	Jun 14, 2022	
1	Vivriti Emerging Corporate Bond Fund	Class A	922.00	922.00	[ICRA]A-(SO)	[ICRA]A-(SO)	[ICRA]A-(SO)	[ICRA]A-(SO)	[ICRA]A-(SO)	

### Complexity level of the rated instrument

Instrument	Complexity indicator
Class A	Highly 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	Maturity date	Amount rated (Rs. crore)	Current rating
<b>Vivriti Emerging Corporate Bond Fund</b>	Class A	NA	NA	Sep-26	922.00	[ICRA]A-(SO)

Source: Company

**Annexure II: List of entities considered for consolidated analysis**

Not applicable

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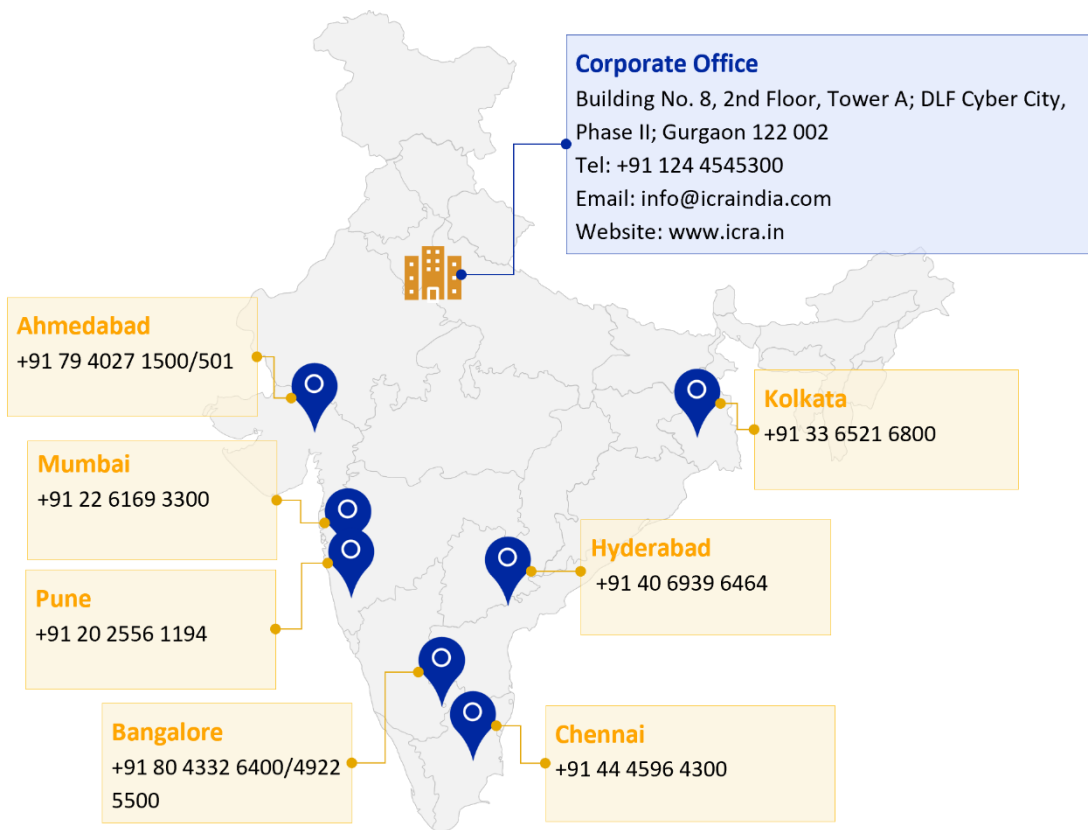
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