

March 25, 2026

Vedika Credit Capital Ltd: Rating confirmed as final for PTCs backed by microfinance loan receivables issued by INDIGO 050

Summary of rating action

Trust name	Instrument*	Current rated amount (Rs. crore)	Rating action
INDIGO 050	Series A1 PTC	40.40	[ICRA]A(SO); provisional rating confirmed as final

*Instrument details are provided in Annexure I

Rationale

ICRA had assigned provisional rating to Series A1 PTC issued by INDIGO 050 under a securitisation transaction originated by Vedika Credit Capital Ltd (Vedika/Originator). The PTCs are backed by a pool of microfinance loan receivables originated by Vedika with an aggregate principal outstanding of Rs. 45.40 crore (pool receivables of Rs. 61.20 crore). Vedika also acts as the servicer for the 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.

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. Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will be used for the prepayment of the Series A1 PTC principal. Any prepayment in the pool would be used for the prepayment of the Series A1 PTC principal.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 11.00% of the initial pool principal, amounting to Rs. 4.99 crore, provided by the Originator, (ii) subordination of 11.00% of the initial pool principal for Series A1 PTC, and (iii) the EIS of 24.67% of the initial pool principal for Series A1 PTC.

Credit strengths

Granular pool supported by presence of credit enhancement – The pool is granular, consisting of 4,811 contracts, with no contract exceeding 1% 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.

Seasoned contracts in the pool – The pool has amortised by almost ~16% as on the cut-off date with no delinquencies observed in any of the contracts, post loan disbursement, thereby reflecting the borrowers' relatively better credit profile.

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, none of the contracts in the pool have ever been delinquent, which is a credit positive.

Servicing capability of Vedika – The company has adequate processes for servicing of the loan accounts in the securitised pool. It has demonstrated long track record of regular collections and recovery across geography and multiple economic cycles.

Credit challenges

High geographical concentration- The pool has high geographical concentration with the top 3 states, viz. Assam, West Bengal and Jharkhand, contributing ~77% 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.

Risk 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. The performance of microfinance loans would also be exposed to political and communal risks.

Increasing delinquencies in microfinance sector – The microfinance sector has seen a decline in collections and consequently rise in delinquencies in the current fiscal on account of multiple factors like heat wave, general elections, borrower overleveraging and attrition in collection teams. Any sustained impact of these factors on the collections from the pool would be monitorable.

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%, with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 3.00% to 9.00% 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 mentioned below:

Transaction Name	INDIGO 050
Originator	Vedika Credit Capital Ltd
Servicer	Vedika Credit Capital Ltd
Trustee	Catalyst Trusteeship Limited
CC holding bank	ICICI Bank Limited
Collection and payout account Bank	ICICI Bank Limited

Liquidity position: Superior

The liquidity for PTC Series A1 is superior after factoring in the credit enhancement available to meet the promised payouts to the investor. The total credit enhancement is 9 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 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

Vedika Credit Capital Ltd is a non-deposit taking non-banking financial company (NBFC). It was originally registered as a private limited company but was later converted into a public limited company in November 1995. It was recognised and re-registered to carry out the business of an NBFC with approval from the Reserve Bank of India in March 1998. Until February 2004, the company was involved in stockbroking activities under its earlier owners. In February 2004, it was acquired by its present owners, who stopped the stockbroking activities and started financing activities. They were carrying out financing activities through a sole proprietorship, and the business was diverted to Vedika following the acquisition. Since 2007, the company has been providing microfinance products like joint liability group loans and individual loans. As of December 2025, Vedika's AUM stood at Rs. 1,609.5 crore.

Exhibit 1. Key Financial Indicators

Vedika Credit Capital Ltd	FY2024 (Audited)	FY2025 (Audited)	9M FY2026 (Provisional)
Total income	229.2	265.6	221.3
PAT	27.9	30.8	25.5
Total managed assets	451.1	477.8	408.1
AUM	1,379.5	1,452.3	1,609.5
CRAR	23.5%	29.7%	25.5%
Gross stage 3	0.7%	2.1%	1.6%

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Trust name	Instrument	Initial rated amount (Rs. crore)	Current rated amount (Rs. crore)	Current rating (FY2026)		Chronology of rating history for the past 3 years			
				Date & rating in FY2026		Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023	
				March 25, 2026	March 18, 2026				
INDIGO 050	Series A1 PTC	40.40	40.40	[ICRA]A(SO)	Provisional [ICRA]A(SO)	-	-	-	

Complexity level of the rated instrument

Instrument	Complexity indicator
Series A1(a) PTC	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

ISIN	Trust name	Instrument name	Date of issuance/ Sanction	Coupon rate (p.a.p.m.)	Maturity date	Amount rated (Rs. crore)	Current rating
INE2T1G15010	INDIGO 050	Series A1 PTC	March 18, 2026	13.50%	August 20, 2028	40.40	[ICRA]A(SO)

Annexure II: List of entities considered for consolidated analysis

Not applicable

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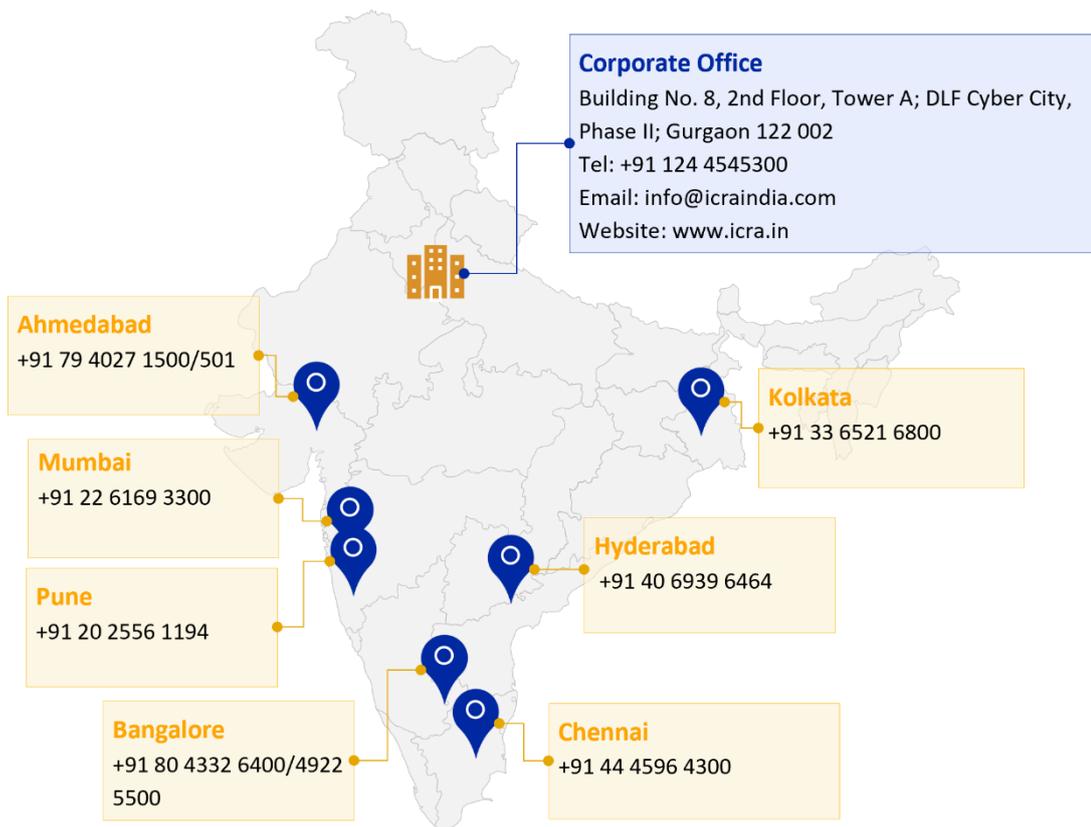
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