

March 25, 2026

## Vivriti Asset Management Private Limited: Rating assigned to Class A units in Vivriti India Retail Assets Fund – Series II

### Summary of rating action

Trust Name	Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Vivriti India Retail Assets Fund – Series II	Class A <sup>1</sup>	200.00	[ICRA]AA+(SO); Assigned

\*Instrument details are provided in Annexure I; 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> 1 Class A units represents A1, A2, A3, A4, A5 and XA1, XA2, XA3, XA4 and XA5 units

### Rationale

The Class A units are issued by Vivriti India Retail Assets Fund – Series II, 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 would be managed by Vivriti Asset Management Private Limited (VAMPL). The scheme is a close-ended scheme with a total tenure of 42 months post the initial close and a fund size of Rs. 400 crores, with a greenshoe option of Rs.300 crores. The fund comprises of Class A (Class A1, Class A2, Class A3, Class A4, Class A5, Class XA1, Class XA2, Class XA3, Class XA4, and Class XA5).

The assigned rating represents the credit risk associated with the underlying debt instruments and the adequacy of cash flows from the debt instruments to repay the principal to the investors while covering the operating expenses for managing the scheme and thus is 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 receivable as permitted, net of expenses) gross of taxes and redemption proceeds (principal repayments, capital repayments, pre-payments and redemption from one or more portfolio investments), are considered to be available for principal or capital redemption for 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. The rating 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.

The rating factors in the support available to the class A unitholders for capital redemption in the form of their share in the distribution proceeds, the expected moderate credit risk profile of the investments and the limited asset-liability mismatch risk supported by the scheme’s investment criterion. Adherence to this criterion over the life of the fund would remain critical.

## Key rating drivers and their descriptions

### Credit strengths

**Support available for capital redemption** – According to the scheme documents, distribution proceeds (including interest, cash dividends, premiums, capital gains, prepayment penalties, or other forms of cash receivables) from investments, after deducting fund expenses, management fees, and reserves for expenses and liabilities, will be allocated and distributed to all classes of unit holders A on a pro-rata to their outstanding capital contribution at a monthly frequency. Redemption proceeds will also be distributed to unitholders no later than the fund's maturity. All cashflows, whether from distributions or redemption proceeds, are considered available for capital redemption.

**No cashflow mismatch** – The scheme will not invest in instruments with maturity dates later than the scheme's maturity date, reducing the risk of timing mismatches between investment redemptions and payouts to unitholders.

**Credit quality of the underlying instruments** – The scheme will remain invested in A-(SO)/A and above rated instruments at all times. Adherence to this criterion throughout the fund's life would remain crucial.

### Credit challenges

**Exposure to concentration risk** – The scheme remains exposed to concentration risks with upto 12.5% exposure to any single trust or entity. However, the portfolio will comprise a minimum of 10 investments. On the other hand, the management's intent to allow single-sector exposure of up to 50.0% indicates a relatively high degree of sectoral concentration, which may exert pressure on portfolio performance during periods of sector-specific stress.

**Reinvestment risk** – Tenure mismatches between invested instruments and the fund's maturity, along with potential prepayments, could lead to reinvestment risk. The scheme primarily targets investments in Pass through Certificates (PTCs). While the investment horizon will align with the scheme's life and objectives, factors such as amortisation, early redemption, or maturity mismatches could expose the scheme to reinvestment risks. The reinvestment rate may be negatively impacted if reinvestments are made below the minimum headline yield.

### Liquidity position: Not applicable

### Rating sensitivities

**Positive Factors** – Rating would be upgraded based on the credit quality and performance of the underlying investments post full deployment

**Negative Factors** – Pressure on the rating could emerge due to deterioration in the credit quality of the underlying investments or non-adherence to the proposed fund structure

### Waterfall Mechanism

#### Investment Proceeds

The Fund will receive proceeds by way of (i) income proceeds relating to interest, cash dividends, premium, capital gains, prepayment penalties and other proceeds of similar nature ("Income Proceeds"), and (ii) Redemption proceeds relating to principal repayments, capital repayments, pre-payments and redemption, from one or more Portfolio Investments and/or Temporary Investments or other forms of cash receivable as may be permitted by Applicable Laws from the Portfolio Investments and returns / yield on Temporary Investments ("Redemption Proceeds") ("Income Proceeds" and "Redemption Proceeds" hereinafter referred to as "Investment Proceeds"). The Investment Proceeds shall be apportioned between holder of Class A1 Units, Class A2 Units, Class A3 Units, Class A4 Units, Class A5 Units, Class XA1 Units, Class XA2 Units, Class XA3 Units,

Class XA4 Units, Class XA5 Units, Class S1 Units and any other Class or sub-class of a Class of Units pro rata to their respective Outstanding Capital Contribution.

### Expenses and Reserves

Investment Proceeds shall be applied towards satisfying the following expenses, Taxes, liabilities paid/payable on each distribution / allocation date. For the avoidance of doubt, the below Taxes, expenses, provisions or liabilities shall first be adjusted against Income Proceeds (“Net Income Proceeds”) as available on such distribution / allocation date and only the balance portion of the expenses or liabilities shall be adjusted against the Redemption Proceeds (“Net Redemption Proceeds”) (“Net Income Proceeds” and “Net Redemption Proceeds” hereinafter referred to as “Net Investment Proceeds”):

- Fund Expenses, including future expenses, whether or not incurred as at the date of creation of such reserves;
- Taxes (including interest and penalties thereon), including any tax on any payouts made by the Fund other than direct tax payable on distributions made by the Fund, or reserves for such Taxes (including interest and penalties thereon), duties and any other statutory charges or levies, if any (including claims beyond the Term of the Fund);
- any liabilities or contingent liabilities of the Fund; and
- any other extraordinary expenses.
- Allocation and apportionment of Fund Expenses, Taxes, liabilities and any other extraordinary expenses, to each and amongst each Class or sub-class of Units shall be on a pro rata basis to their Outstanding Capital Contribution unless such amounts are required to be charged/ allocated to such specific Class or sub-class of Units.

### Distributable Proceeds

The Net Investment Proceeds shall first be available for reinvestment, subject to the terms in the paragraph titled ‘Reinvestment’. Net Investment Proceeds that are not intended or available for reinvestment as per the paragraph titled ‘Reinvestment’ shall hereinafter be referred to as “Distributable Proceeds”.

### Distribution Waterfall for Distributable Proceeds

The Distributable Proceeds shall be initiated for distribution based on the availability of funds at a frequency determined by the Investment Manager.

The Distributable Proceeds apportioned to each Class of Units shall be distributed to the respective Unitholders, with 100% (One Hundred Percent) distributed to the Unitholders of the respective Class on a pro rata basis in proportion to their respective Outstanding Capital Contribution.

### Analytical approach

The rating action is based on the proposed investment criteria and adequacy of cash flows from the debt instruments to repay the capital 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

### About the Scheme

Vivriti India Retail Assets Fund – Series II (VIRAF-II) is a trust organised in India and registered with SEBI as a Category II Alternative Investment Fund (AIF). The AIF has been sponsored and managed by Vivriti Asset Management Private Limited (VAMPL). VIRAF-II is a close-ended scheme with a total tenure of 42 months, post the initial close. It targets to invest predominantly in PTCs (at least 80%) and upto 20% in senior NCDs. It shall not invest more than 12.5% in any entity and more

than 50% in any sector. All the scheme's investments would be in instruments rated A-/A-(SO) and above. The trust is not expected to invest in instruments with a maturity date later than its own maturity date. The final close of the fund will be in 30 months from initial close.

## 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. VAMPL has deployed over Rs. 10,000 crore in investments and has raised total investor commitments of over Rs. 7,800 crore from a base of 1,700+ investors. It has 70+ employees across sales, fund management, credit, products, operations, legal, compliance, and other support functions. Brief details on the nine funds are given below:

- 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).
- India Impact Bond Fund (IIF):** This is a Category II close-ended fund. The fund declared its final close in June 2022. The fund is designed as a Separately Managed Account (SMA) for an offshore institutional pool of capital.
- 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.
- Vivriti Emerging Corporate Bond Fund:** This is a Category II close-ended fund with a tenor of 3.5 years. The fund declared its final close in September 2023. It targets superior risk-adjusted returns by investing in debt instruments issued by mid-market corporates in India.
- Vivriti Alpha Debt Fund – Enhanced:** This is a Category II close-ended fund with a tenor of 3.5 years from final close. The fund declared its final close in September 2023. It targets superior risk-adjusted returns by investing in debt instruments issued by mid-market corporates in India.
- Vivriti Alpha Debt Fund/Vivriti Wealth Optimizer Fund (VWOF):** This is a Category II close-ended fund with a tenor of 3.5 years from final close. The fund declared its final close in September 2023. 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.
- Promising Lenders Fund I (PLF I):** This is a Category II close-ended fund with a tenor of three years. It declared its initial close in March 2022. The fund intends to provide credit to micro, small and medium enterprise (MSMEs) through investments in financial institutions.
- Promising Lenders Fund II (PLF II):** This is a Category II close-ended fund with a 45-month tenor. The fund declared its initial close in March 2023. It intends to provide credit to MSMEs through investments in financial institutions.
- Vivriti India Retail Asset Fund:** This is a Category III close-ended fund with a 10-year tenor. The Fund declared its initial close in March 2023. It seeks to provide superior risk-adjusted returns by investing predominantly in pass-through certificates (PTCs) issued in India

## Key financial indicators

Vivriti Asset Management Private Limited (standalone)	FY2024	FY2025
Operating income (Rs Cr)	50.1	58.7
PAT (Rs Cr)	(2.1)	(1.0)
OPBDITA /OI	-7.0%	-4.3%
PAT/OI	-4.1%	-1.7%
Total outside liabilities/Tangible net worth (times)	0.5	0.4
Total debt/OPBDITA (times)	-10.8	-12.7
Interest coverage ratio (times)	-0.7	-0.6

**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			
		Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023	
				March 25, 2026	-	-	-	
1 Vivriti India Retail Assets Fund – Series II	Class A	200.00	NA	[ICRA]AA+(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 (p.a.p.m.)	Maturity Date	Current Amount Rated (Rs. crore)	Current Rating
<b>Vivriti India Retail Assets Fund – Series II</b>	Class A	NA	NA	31 <sup>st</sup> December 2029	200.00	[ICRA]AA+(SO)

Source: Company

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

Not Applicable

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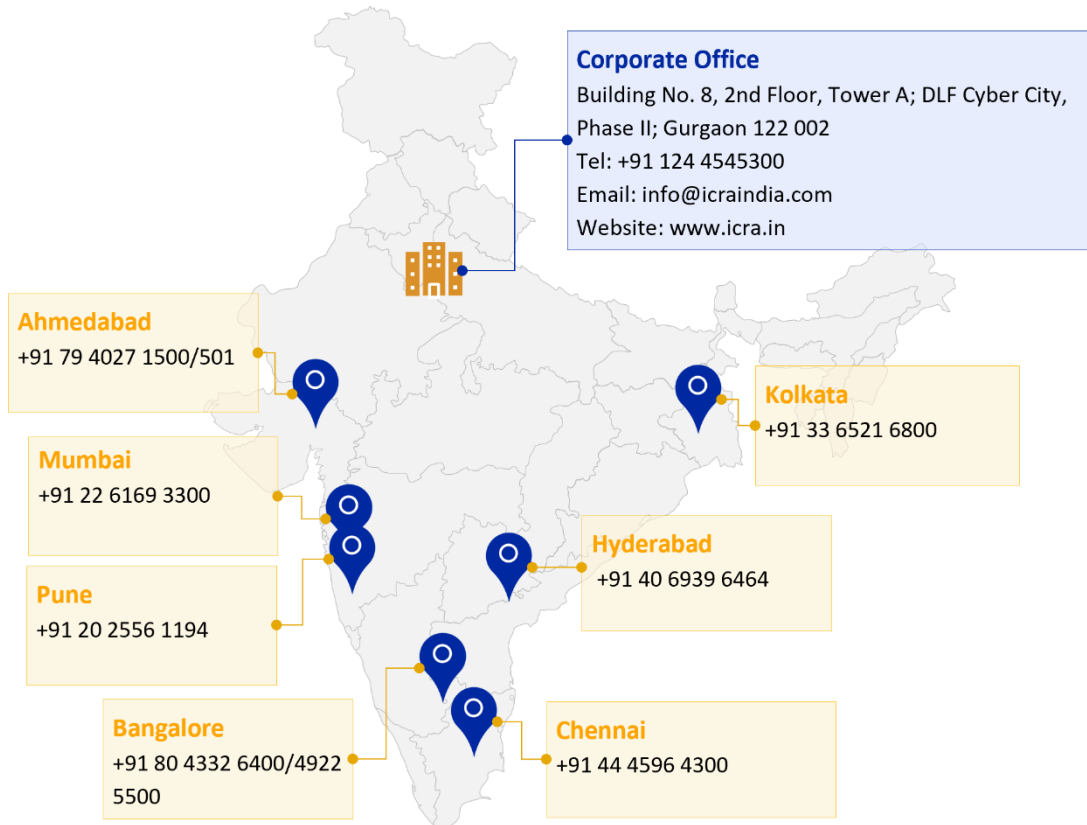


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