

December 18, 2025

Vivriti Capital Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Market linked debentures (MLD)	65.65	65.65	PP-MLD[ICRA]A+ (Stable); reaffirmed
Non-convertible debentures (NCDs)	433.00	433.00	[ICRA]A+ (Stable); reaffirmed
	225.00	0.00	[ICRA]A+ (Stable); reaffirmed and withdrawn
NCD – Public issuance	7.26	7.26	[ICRA]A+ (Stable); reaffirmed
	492.74	0.00	[ICRA]A+ (Stable); reaffirmed and withdrawn
Long term – Fund-based bank facilities	2,600.00	2,600.00	[ICRA]A+ (Stable); reaffirmed
Total	3,823.65	3,105.91	

* Instrument details are provided in Annexure I

Rationale

The ratings factor in Vivriti Capital Limited's (VCL) adequate capitalisation profile with a managed gearing of 3.9 times as of September 2025 (3.8 times as of March 2025). VCL has raised Rs. 1,399 crore of capital since its incorporation in 2018, which has helped keep the capital profile under control even as the assets under management (AUM) expanded at a high rate in the past. However, the scaleup slowed down in FY2025 and H1 FY2026, with AUM of Rs. 10,307 crore as of September 2025 vis-à-vis Rs. 8,071 crore as of March 2024, owing to market conditions. VCL is looking to increase its AUM at a compound annual growth rate (CAGR) of 20-25% over the next three years. ICRA notes that the company is expected to raise capital, post the implementation of the proposed scheme, to keep its managed gearing below 4.5 times in the near to medium term.

VCL's profitability¹ (profit after tax/average managed assets; PAT/AMA) was adequate at 2.2-2.3% in FY2025 and FY2024, but moderated to 1.8% in H1 FY2026. This was on account of higher credit costs due to the one-time provision requirement for the co-lending/partnership segment and the increase in the cost of funds.

ICRA notes that VCL's board of directors had approved a composite scheme of arrangement (proposed scheme) in June 2024 between the company, Hari and Company Investments Madras Private Limited (HCIMPL), Vivriti Next Limited (VNL; erstwhile Vivriti Next Private Limited), Vivriti Asset Management Private Limited (VAM; VCL's subsidiary operating as an asset management company (AMC)), Vivriti Funds Private Limited (VFPL) and their respective shareholders. As per the proposed scheme, the Vivriti Group is separating the online platform business without any shareholding linkages with its non-banking financial company (NBFC) and AMC businesses. Nevertheless, the demerged NBFC and AMC businesses would become wholly-owned subsidiaries of VNL, following the implementation of the proposed scheme. ICRA is of the view that the implementation of the proposed scheme would not lead to a change in the credit profile of the demerged NBFC business. The proposed scheme has received final approval from National Company Law Tribunal (NCLT), and the effective date is to be determined shortly.

The ratings also consider VCL's exposure to borrowers with a moderate risk profile, largely comprising small and mid-sized NBFCs and enterprises (other than financial sector entities). ICRA notes that portfolio concentration has declined with the top 20 exposures reducing to 12% of the AUM as of September 2025 (12% in March 2025) as well as March 2024 (20% in March 2023). The gross stage 3 (GS3) increased to 2.5% as of September 2025 from 1.9% as of March 2025 (1.1% as of March 2024) mainly due to the change in the reporting of delinquencies in the co-lending/partnership segment, following the revised digital lending guidelines.

¹ Return on average net worth of 9.2% in H1 FY2026 and 10.9% in FY2025

The Stable outlook reflects ICRA's opinion that the company would continue to benefit from its established clientele and partnerships in the financial sector, coupled with its stable underwriting and risk management practices and its adequate capitalisation, which would help maintain its performance over the near to medium term.

ICRA has reaffirmed and withdrawn the long-term rating for the company's Rs. 225.00-crore non-convertible debentures (NCDs) and Rs. 492.74-crore NCDs (public issuance), in accordance with its policy on the withdrawal of credit ratings, as the instruments have matured and have been fully repaid.

Key rating drivers and their description

Credit strengths

Adequate near-term capitalisation – VCL is adequately capitalised for its current scale of operations with a managed gearing² of 3.9 times as of September 2025 (3.8 times as of March 2025). The managed gearing, adjusted for exposure to associates and subsidiaries³, stood at 4.3 times as of September 2025 (4.2 times as of March 2025). VCL had raised around Rs. 1,399 crore from various investors during FY2019-FY2024, including Rs. 100 crore of capital in FY2024 from TVS Shriram Growth Fund.

As of September 2025, VCL had investments of Rs. 184 crore in VAM and CredAvenue Private Limited (CAPL), contributing 8.2% to its net worth. Overall, the company's exposure to its subsidiary and associates is expected to be capped at 10% of its net worth. VCL is expected to obtain equity capital after the implementation of the proposed scheme, which would be crucial for keeping the managed gearing below 4.5 times.

Adequate earnings profile; moderation in current fiscal – VCL reported adequate PAT/AMA⁴ of 2.2-2.3% in FY2025 and FY2024. It moderated to 1.8% in H1 FY2026 on account of higher credit costs of 2.3% in H1 FY2026 vis-à-vis 1.9% in FY2025 (1.3% in FY2024) due to the increase in provisions for the co-lending/partnership segment following the regulatory direction, and the rise in the cost of funds. ICRA notes that the cost of funds was higher at 9.7% in H1 FY2026 vis-à-vis 9.3% in FY2025. The operating cost remained stable at 1.9% in H1 FY2026 and 1.8% in FY2025 (1.9% in FY2024). In the near term, ICRA expects the profitability to remain adequate. However, it will be critical for the company to control credit costs and augment margins in view of the increase in the cost of funds.

Credit challenges

Limited track record of operations – VCL commenced operations in June 2017 and received its NBFC licence in January 2018. It started out by providing loans to financial sector entities and has diversified over the years into lending to non-financial enterprises (predominantly in the mid-market segment), exposures via co-lending/partnership arrangements, supply chain financing, factoring and leasing. Its AUM increased to Rs. 9,302 crore as of March 2025 (Rs. 8,071 crore as of March 2024), reflecting a CAGR of 56% over the last five financial years. However, the growth had moderated in FY2025 and H1 FY2026 due to slowing NBFC credit growth and pressure on unsecured loan quality, with the AUM rising by 15% and 22% (annualised), respectively. It stood at Rs. 10,307 crore as of September 2025. VCL is expected to expand its AUM at a CAGR of 20-25% over the next three years, with the share of non-financial sector entities projected to improve steadily over the medium term.

ICRA notes that exposures with longer tenors (original tenor of more than three years) have increased over the years. However, the majority of VCL's exposures have an original tenor of less than three years and are monthly amortising in nature. Maintaining the established underwriting standards and risk management practices (including for single party and group exposure limits, sectoral exposure limits, etc) would be key as the portfolio expands and its exposures season.

² (Total debt including guarantee and assigned book/Net worth)

³ (Total debt including guarantee and assigned book/Net worth reduced by investments and loans to VAM and CAPL)

⁴ Return on average net worth of 10.9% in FY2025 and 9.2% in H1 FY2026

Moderate risk profile of wholesale exposures; performance of retail book is monitorable – VCL’s AUM consists of exposures to financial service entities (~32% as of September 2025), co-lending/partnership arrangements (~37%), non-financial enterprise finance (~24%), and supply chain finance (SCF), leasing & factoring (8%). Its credit exposures are predominantly to small and mid-sized NBFCs/corporates with moderate risk profiles. Exposure to small business loan financing entities continued to account for the largest share in the overall AUM at 9% as of September 2025 (14% in March 2024), followed by consumer finance entities at 7% (8% in March 2024) and the microfinance sector at 5% (5% as of March 2024). The company’s exposure to guarantees and subordinated pass-through certificates (PTCs) was modest at less than 1% and is likely to remain restricted.

About 16% of the AUM, as of September 2025 (16% in March 2025), was towards entities in the non-investment grade rating or unrated category, down from about 17% in March 2024 (21% as of March 2023). Further, 28% of the exposures, as of September 2025, were in the BBB rating category. ICRA notes that the share of non-financial enterprise finance (including SCF) in the overall AUM increased to 32% as of September 2025 (28% in March 2025) from 27% as of March 2024 (~30% as of March 2023) and is targeted to increase to 50% over the medium term. Given its intention of increasing its share further in the enterprises segment, the performance of this segment would remain a monitorable.

The co-lending/partnership arrangements are mainly for consumer loans, followed by small business loans, vehicle finance and education loans. ICRA notes that while VCL determines the underwriting criteria for this segment, it depends on its partners for the origination and servicing of exposures. The reported GS3 in the co-lending book has been on an increasing trend as it stood at 5.5% as of September 2025 vis-à-vis 4.3% as of March 2025 (1.5% as of March 2024), post the change in the reporting requirements, though the ultimate credit losses are largely offset by the combination of higher yields and the first loss default guarantee (FLDG) agreed upon with the partners. ICRA notes that the FLDG coverage is currently limited to 5% of the disbursements in some cases, pursuant to the revised digital lending guidelines. As such, managing the partnerships over cycles, including adequate diversification (partners/sectors), stepping in to service the loan portfolio, if necessary, etc, would be critical for scaling up this segment on a sustainable basis over the long term.

Further, VCL’s portfolio concentration has moderated with the top 20 exposures reducing to 12% of the AUM as of September 2025 as well as March 2025 vis-à-vis 20% in March 2023. The overall GS3 increased to 2.5% as of September 2025 from 1.9% as of March 2025 (1.1% as of March 2024), mainly due to the change in accounting for the co-lending segment following the revised digital lending guidelines. VCL carried provisions of 2.4% of the AUM as of September 2025 (1.9% as of March 2025), which includes the higher provision impact as entities were required to exclude FLDG coverage from expected credit loss calculations. Going forward, the ability to keep the credit costs under control, considering the wholesale nature of the exposures and the increasing share of retail exposures which are largely unsecured, would be monitorable from a rating perspective.

Liquidity position: Adequate

VCL had free cash and liquid investments of Rs. 508 crore and undrawn bank lines of Rs. 56 crore as on September 30, 2025 and scheduled collections of Rs. 2,466 crore in Q3 FY2026 against debt repayment obligations of Rs. 1,714 crore in Q3 FY2026. The liquidity profile draws comfort from the healthy collection efficiency level, which stood at 97-98% in H1 FY2026. Further, the asset-liability maturity (ALM) profile, as of September 2025, reflected positive cumulative mismatches across all buckets. The liquidity coverage ratio (LCR) was 150% as of September 2025. VCL has more than ~66 lenders with banks comprising ~50% of the overall borrowings followed by NBFCs & financial institutions (~20%). Private wealth managers, mutual funds, corporates and other foreign investors accounted for the balance.

Rating sensitivities

Positive factors – A sustained improvement in the earnings profile, while scaling up the portfolio and maintaining tight control over delinquencies, could have a positive impact on the ratings.

Negative factors – A sustained deterioration in the asset quality (90+ days past due (dpd)/AUM beyond 3%), impacting the earnings performance, would put pressure on the ratings. Continued increase in the managed gearing above 4.5 times or a deterioration in the liquidity profile would also impact the ratings.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	ICRA's Credit Rating Methodology for Non-banking Finance Companies Policy on Withdrawal of Ratings
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the standalone financials of VCL. However, in line with ICRA's limited consolidation approach, the funding requirement of the subsidiary (VAM), going forward, has been factored in.

About the company

VCL is a registered non-deposit taking systemically important non-banking financial company (NBFC-ND-SI). Promoted by Mr. Vineet Sukumar and Mr. Gaurav Kumar in June 2017, VCL provides diverse debt financing solutions including loans, working capital finance and trade finance to NBFCs and other enterprises across sectors including manufacturing, infrastructure and financial services. It has also expanded its presence in the retail segment through various co-lending partnerships with other NBFCs.

In FY2025, VCL reported a net profit of Rs. 220 crore, on a standalone basis, on total managed assets of Rs. 10,868 crore while it reported a net profit of Rs. 191 crore on total managed assets of Rs. 9,521 crore in FY2024. It reported a net profit of Rs. 101 crore on total managed assets of Rs. 11,701 crore in H1 FY2026.

VCL has a stake in two Group entities – VAM and CAPL. VAM is a ~70% subsidiary (on a diluted basis) and manages alternative investment funds (AIFs). It managed eight funds with a combined AUM of Rs. 3,909 crore as of March 2025. VCL holds a 48.1% stake in its associate company, CAPL, which is in the syndication platform business. VCL announced a composite scheme of arrangement in June 2024, which would separate its online platform business from its NBFC and AMC businesses. Both businesses would become 100% subsidiaries of Vivriti Next Limited. The scheme of arrangement has received final approval from NCLT, and the effective date is to be determined shortly.

Key financial indicators (audited) – IndAS

Vivriti Capital Limited (standalone)	FY2024	FY2025	H1 FY2026
Total income	1,051	1,364	775
Profit after tax	191	220	101
Total managed assets	9,521	10,868	11,701
RoMA	2.3%	2.2%	1.8%
Managed gearing (times)	3.8	3.8	3.9
Gross NPA	1.1%	1.9%	2.5%
CRAR	21.3%	21.0%	20.1%

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2026)			Chronology of rating history for the past 3 years						
Instrument	Type	Amount rated (Rs. crore)	Dec-18-2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
NCD	Long term	433.00	[ICRA]A+ (Stable)	May-14-2024	[ICRA]A (Stable)	09-Jun-2023	[ICRA]A (Stable)	01-Jul-2022	[ICRA]A (Stable)
				04-Jun-2024	[ICRA]A+ (Stable)	-	-	30-Aug-2022	[ICRA]A (Stable)
				12-Jul-2024	[ICRA]A+ (Stable)	-	-	23-Dec-2022	[ICRA]A (Stable)
				12-Dec-2024	[ICRA]A+ (Stable)	-	-	-	-
				19-Dec-2024	[ICRA]A+ (Stable)	-	-	-	-
NCD – Public issuance	Long term	7.26	[ICRA]A+ (Stable)	14-May-2024	[ICRA]A (Stable)	09-Jun-2023	[ICRA]A (Stable)	-	-
				04-Jun-2024	[ICRA]A+ (Stable)	-	-	-	-
				12-Jul-2024	[ICRA]A+ (Stable)	-	-	-	-
				12-Dec-2024	[ICRA]A+ (Stable)	-	-	-	-
				19-Dec-2024	[ICRA]A+ (Stable)	-	-	-	-
Market linked debenture	Long term	65.65	PP-MLD[ICRA]A+ (Stable)	14-May-2024	PP-MLD[ICRA]A (Stable)	09-Jun-2023	PP-MLD[ICRA]A (Stable)	01-Jul-2022	PP-MLD[ICRA]A (Stable)
				04-Jun-2024	PP-MLD[ICRA]A+ (Stable)	-	-	30-Aug-2022	PP-MLD[ICRA]A (Stable)
				12-Jul-2024	PP-MLD[ICRA]A+ (Stable)	-	-	23-Dec-2022	PP-MLD[ICRA]A (Stable)
				12-Dec-2024	PP-MLD[ICRA]A+ (Stable)	-	-	-	-
				19-Dec-2024	PP-MLD[ICRA]A+ (Stable)	-	-	-	-
Long term fund based – Bank facilities	Long term	2,600.00	[ICRA]A+ (Stable)	14-May-2024	[ICRA]A (Stable)	09-Jun-2023	[ICRA]A (Stable)	01-Jul-2022	[ICRA]A (Stable)
				04-Jun-2024	[ICRA]A+ (Stable)	-	-	30-Aug-2022	[ICRA]A (Stable)
				12-Jul-2024	[ICRA]A+ (Stable)	-	-	23-Dec-2022	[ICRA]A (Stable)
				12-Dec-2024	[ICRA]A+ (Stable)	-	-	-	-
				19-Dec-2024	[ICRA]A+ (Stable)	-	-	-	-

Complexity level of the rated instrument

Instrument	Complexity indicator
Market linked debenture	Highly Complex
Non-convertible debenture	Simple
Non-convertible debenture – Public issuance	Simple
Long-term fund-based bank facilities	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/ Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	Long-term fund-based bank facilities	Oct-28-2021 to Feb-28-2025	NA	Dec-30-2025 to Jun-30-2034	2,600.00	[ICRA]A+ (Stable)
INE01HV07379	NCD	Apr-04-2023	10.15%	May-25-2026	25.00	[ICRA]A+ (Stable)
INE01HV07494	NCD	Sep-27-2024	10.6632 %	Sep-27-2026	100.00	[ICRA]A+ (Stable)
INE01HV07510	NCD	Dec-24-2024	9.74%	Jun-24-2026	125.00	[ICRA]A+ (Stable)
INE01HV07528	NCD	Dec-24-2024	10.11%	Dec-23-2026	125.00	[ICRA]A+ (Stable)
Unutilised	NCD	NA	NA	NA	58.00	[ICRA]A+ (Stable)
INE01HV07387	NCD	May-08-2023	8.62%	May-08-2025	150.00	[ICRA]A+ (Stable); withdrawn
INE01HV07395	NCD	Jun-09-2023	8.90%	May-05-2025	75.00	[ICRA]A+ (Stable); withdrawn
INE01HV07411	NCD – Public issuance	Sep-06-2023	9.57%	Mar-06-2025	86.16	[ICRA]A+ (Stable); withdrawn
INE01HV07403	NCD – Public issuance	Sep-06-2023	10.00%	Mar-06-2025	45.60	[ICRA]A+ (Stable); withdrawn
INE01HV07429	NCD – Public issuance	Sep-06-2023	9.65%	Sep-06-2025	104.72	[ICRA]A+ (Stable); withdrawn
INE01HV07437	NCD – Public issuance	Sep-06-2023	10.03%	Sep-06-2025	188.80	[ICRA]A+ (Stable); withdrawn
INE01HV07445	NCD – Public issuance	Sep-06-2023	10.50%	Sep-06-2025	67.46	[ICRA]A+ (Stable); withdrawn
Unutilised	NCD – Public issuance	NA	NA	NA	7.26	[ICRA]A+ (Stable)
Unutilised	MLD	NA	NA	NA	65.65	PP-MLD[ICRA]A+ (Stable)

Source: Company

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

Annexure II: List of entities considered for limited consolidated analysis

Company name	VCL ownership*	Consolidation approach
Vivriti Asset Management Private Limited	69.99%	Limited consolidation

Source: Company; * On a diluted basis

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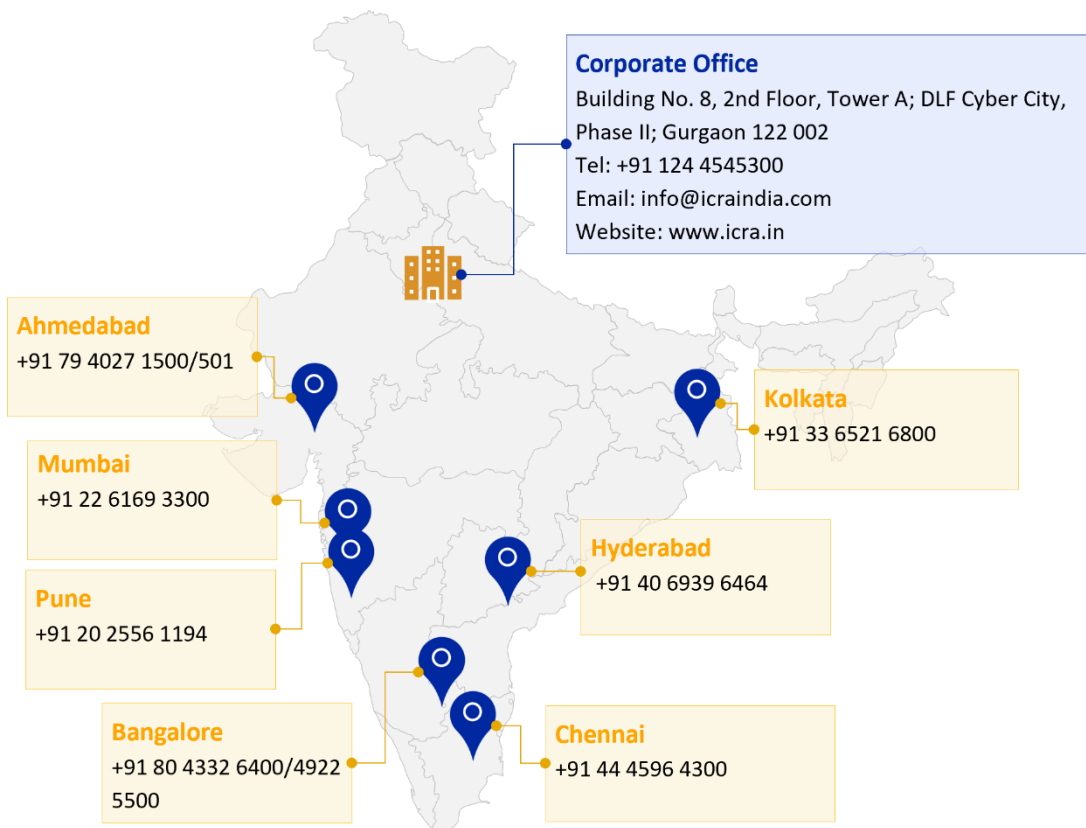
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