VIVRITI INDIA RETAIL ASSETS FUND

Total Investments

INR 28.39 Bn

Outstanding Portfolio

INR 14.87 Bn

Average ESG Score Across Portfolio

VIVRITI SA3 (56%)

A portfolio of companies demonstrating progress in managing ESG risks through sustainability initiatives, while continuing to enhance their ESG frameworks and practices

Impact Dashboard

What

VIRAF expands access to small-ticket financing for underserved micro and small enterprises (MSEs), women entrepreneurs, and low-income borrowers by channelling capital to financial institutions operating in underserved markets. By addressing the credit gap for India's "missing middle," the fund enables business growth, income generation, and employment while advancing women's economic empowerment through targeted financing. In parallel, VIRAF strengthens the impact investing ecosystem by demonstrating the commercial viability of securitized social finance, helping unlock larger pools of private capital for inclusive lending.

Fund tenure: 10 years (FY2023 – FY2032)

Raised: USD 195 Mn, Target Size: USD 250 Mn

Who

General Partner

M&G Catalyst Investments

Lending Partners

IFC, BII, Calvert Impact, OeEB, DEG

Investee Companies

The Fund targets established, financially sound NBFCs and MFIs that provide loans for income-generating purposes. Eligible originators typically have at least 4 years of operating history, BBB- to A+ credit ratings, strong capitalization, proven debt-raising and securitization track records, and lending assets as their core business.

End Beneficiaries

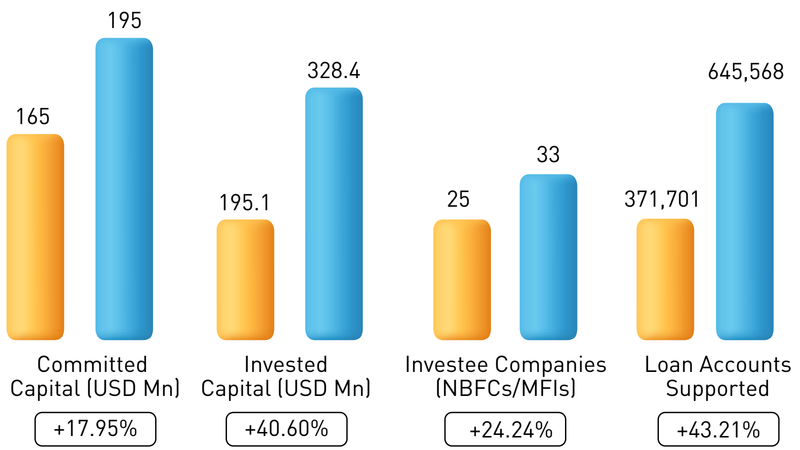
Retail borrowers of portfolio companies, which include women MFI borrowers, women-owned micro-entrepreneurs, small retailers and salaried individuals in Tier 2/3/4 India.

How Much

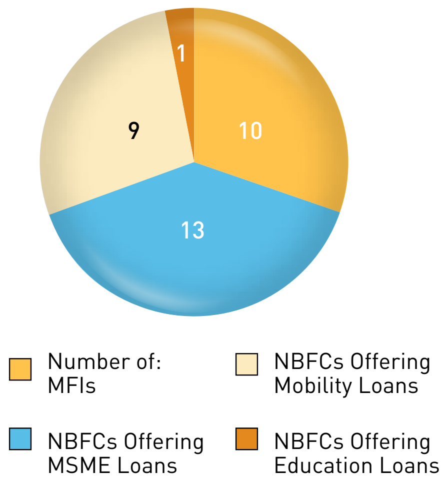
Through strategic asset recycling, the USD 190 million fund corpus has generated exponential “deployable” power.
By recycling capital over its 10-year term, VAM targets up to USD 1 billion in total cumulative deployments.

March 2025 | March 2026 | Growth

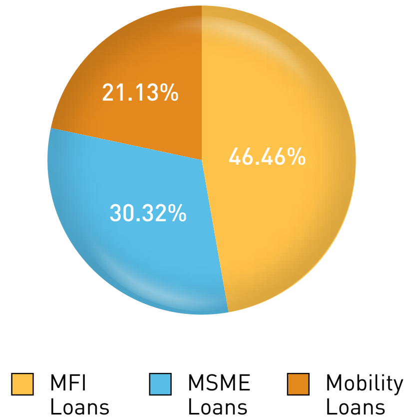
Scale of Capital Mobilisation and Portfolio Expansion



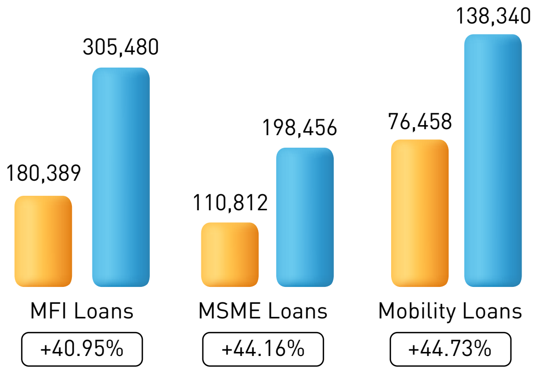
Scale of Investee Reach



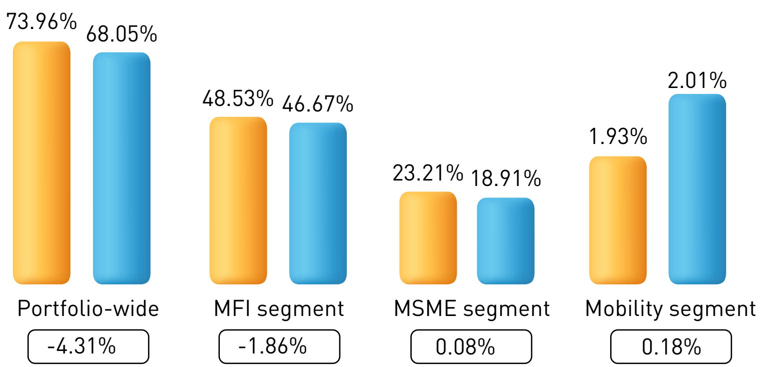
Asset Category



Scale of Credit Deployed Across Asset Classes



Depth of Inclusive Reach Across the Portfolio - Share of Women



All data presented covers the period from inception through March 2026.
The average RBI reference rate used for the period April 2024 to March 2026 is 86.43.

Risks

Risk Category	Identified Risk	Risk Description	Vivriti's Mitigation Strategy
Execution	Credit and delinquency risk	Delinquencies in the underlying microfinance and MSME pools could impact fund yields.	Focuses on mid-market players with a median rating of BBB and a minimum 4-year vintage. Utilizes First-Loss Default Guarantees (FLDG) and over-collateralization.
	Aggressive selling and coercive recovery	Inadequate protection of last-mile borrowers—such as non-transparent pricing, over-indebtedness, breach of customer data privacy, lack of robust grievance redressal, or unethical recovery practices. Any failure in these areas harms vulnerable consumer segments, can severely tarnish public trust, and negative publicity can lead to sector-wide scepticism.	Robust ESG due diligence and mandatory alignment with Client Protection Principles, with Board-approved Fair Practices Codes (FPC). Implements ESG Action Plans (ESAPs) with regular compliance audits.
External	Macroeconomic & Geopolitical Risks	Global volatility (e.g., West Asia tensions) impacting local economic recovery.	Strong underwriting and regular monitoring of borrower cashflows minimises the external shocks on the portfolio.

Contribution

Financial Contribution

Concessional Capital Structuring: By combining first-loss equity tranches (retained by sponsors and concessional catalytic investors) with senior debt tranches, VIRAF de-risks private investments, unlocking commercial credit that would not otherwise flow to mid-market Indian enterprises.

Dynamic Asset Recycling: Rather than a simple "buy-and-hold" credit fund, VAM actively recycles cash flows from short-tenor, small-ticket loans. A single USD 250 million corpus can thus be multiplied to support up to USD 1 billion in cumulative disbursements over the 10-year term.

Alternate Pools of Capital: Partners gain access to an additional source of liquidity at a lower cost than conventional on-balance sheet funding through innovative financing structures, such as replenishment mechanisms. This enables longer-tenor funding that supports sustainable business growth. Additionally, the approach facilitates counter-cyclical investments in sectors experiencing temporary downturns, helping maintain long-term resilience and stability.

Non-financial Contribution

VIRAF's proprietary Vivriti Sustainability Assessment Model (VSAM) serves as a capacity-building framework by assessing the ESG performance of all portfolio companies and developing tailored ESG Action Plans to strengthen their ESG practices and facilitate ESG risk mitigation. From FY26, ESAP implementation became mandatory for NCD investments. Additionally, Vivriti provides hands-on support to NBFCs and MFIs to enhance corporate governance, institutional capacity, and policy frameworks.

Engagement With Berar Finance Limited

Berar Finance Limited (BFL) is an NBFC, headquarter in Nagpur, India, that is focused on expanding financial inclusion, with a growing presence across India. Historically, BFL's portfolio was predominantly focused on Two-Wheeler financing. In line with its evolving business strategy, BFL has now diversified its lending portfolio with a greater focus on Secured MSME financing, while continuing to maintain its core Two-Wheeler franchise. The Secured MSME business is focused on providing financing to small and medium-sized businesses, with loans primarily secured against self-occupied residential properties. This diversification is aimed at creating a more balanced and secured portfolio while expanding the Company's addressable customer segment. BFL's broader product suite also includes used car loans, vehicle refinance and personal loans, supporting mobility, entrepreneurship and access to credit across underserved customer segments. As of June 2026, the Company has 211 branches spread across 10+ states, enabling it to serve customers across rural, semi-urban and emerging markets. VIRAF's PTC pools with BFL comprises two-wheeler loans, supporting income generation and enhancing mobility for underserved populations across Tier 2 and Tier 3 cities in India.

BFL's Business at a Glance

- ~30% AUM growth: AUM increased from ₹1,386 crore to ₹1,795 crore between March 2025 and March 2026.
- ₹140 crore equity infusion: Strengthened the capital base, supported portfolio expansion, reduced reliance on debt funding and strengthened overall debt-to-equity ratio.
- Improved asset quality: GNPA / PAR 90 improved year-on-year, supported by disciplined underwriting and collection practices.
- Portfolio diversification: BFL is transitioning from a predominantly two-wheeler-focused lender towards a more diversified lending platform, with secured MSME finance emerging as an important growth engine.
- Focus on responsible growth: Business expansion continues alongside a focus on asset quality, capital strength and responsible lending.

The ESG Journey

The Foundation: 2023-24: In the initial assessment, BFL demonstrated a solid governance framework and strong customer protection practices. The assessment identified opportunities to further develop its ESG framework, including formalising an ESMS aligned with IFC Performance Standards, strengthening resource efficiency initiatives such as reducing paper usage, exploring renewable energy adoption, formalising a DEI policy, and further enhancing anti-bribery and anti-corruption practices.

The Transformation Phase: 2024-25: During this phase, BFL continued to build on its ESG framework through a range of operational, environmental and governance initiatives. This included enhancements to customer-facing processes, the introduction of sustainability and compliance measures, further development of internal policies and oversight mechanisms, and progress towards a more structured ESMS.

Progress to Date: 2025-26: BFL has continued to advance its ESG practices, reflecting its ongoing commitment to strengthening responsible business practices. Key developments include:

- Environmental: Rooftop solar panels were installed at the head office in Nagpur, supporting the Company's transition towards renewable energy. The customer journey has also been digitised, contributing to reduced paper usage
- Social: A formal Board-approved ESMS, Data Protection and Security Policy, and Code of Conduct for Service Providers are now in place, further supporting the Company's approach to responsible business practices and stakeholder protection
- Governance: Female representation on the Board increased to 35%, while Board independence stood at 37.5%, reflecting continued progress in strengthening Board diversity and independence

Vivriti's engagement with Berar Finance has been characterised by ongoing partnership and collaboration. Through periodic ESG assessments and regular engagement, Vivriti and BFL have identified opportunities to further develop the ESG framework and track progress over time. The continued stewardship has supported BFL in strengthening its ESG practices, policies and processes while building on the strong foundations already in place.

"Berar Finance has partnered with Vivriti for 7 years, during which we have received over ₹260 crores of capital across Vivriti Capital Limited (VCL) and Vivriti Asset Management (VAM). Over the years, our relationship has grown on the foundation of trust, transparency, and shared values.

Our commitment to responsible business practices has been an important part of our long-term growth journey. Vivriti's annual sustainability assessments have provided a valuable opportunity to reflect on our progress, strengthen our ESG practices, and reinforce stakeholder confidence. We value Vivriti's continued engagement and recognition of our continued efforts towards responsible and sustainable growth."

Sandeep Jawanjal,
Managing Director, Berar Finance Limited

VIRAF and 2X

VIRAF became a ***2X Global*** Member in July 2024, reinforcing Vivriti Asset Management's commitment to advancing women's economic empowerment through gender-lens investing. As one of the first eleven private sector participants – and the first fund from Asia - to join the ***2X Challenge***, a platform traditionally led by Development Finance Institutions (DFIs), VIRAF is participating in the 2X Challenge 2024–2027, contributing to the mobilisation of gender-focused capital. Other private sector participants include: Deetken Impact, Global Innovation Fund, Investisseurs & Partenaires (I&P), Advance Global Capital, Altree Capital, DWM Impact Investing, Global Gender-Smart Fund, Acumen, Sarona Asset Management, and responsAbility Investments AG.

The Fund promotes women's economic empowerment by expanding access to finance for women borrowers and women-led enterprises, where applicable, and tracks relevant gender-focused indicators to measure and report its contribution towards the 2X Challenge objectives.

2X Criteria	Requirement as per 2X Criteria	Alignment of VIRAF at Fund and Portfolio Levels
ESG	▪ EDFI Exclusion List and EDFI fossil fuel exclusion list ▪ ESG policy and processes aligned with international standards ▪ GBVH safeguarding measures in place	▪ VIRAF's ESG Policy with EDFI aligned Exclusion List, and international standards ▪ Group Level Zero-tolerance POSH Policy
Governance and Accountability	Practice that advances gender equality in strategic action – Public commitment related to gender equity	VIRAF is committed to advancing gender inclusion by expanding access to finance for women entrepreneurs and increasing the flow of capital to underserved women borrowers across India. The fund embeds this commitment within its investment strategy and publicly tracks its gender reach and impact. DEG commits USD 25 million to Vivriti's GIFT City fund to expand financing for small businesses and women entrepreneurs in India. Vivriti Asset Management. January 2026.
Leadership**	Practice that advances gender equality in management systems – 3 core gender policies, risk management efforts that explicitly consider gender, and internal stakeholder engagement with a gender perspective	Core gender Policies: DEI Policy, POSH Policy, Leave Policy (parental care)*. For more, refer to *'People First. Always.'*
	Practice that advances gender equality in data and transparency – Regular collection and analysis of gender-/sex-disaggregated data (at least annually)	**Fund Level** The following gender-related metrics are collected and analysed periodically at the Fund level, including women's representation on the Board, in leadership positions, and across the workforce. Gender-disaggregated indicators such as employee turnover, promotions, and pay gaps are collected and analysed annually. Refer *'People First. Always'* for more. **Portfolio Level** At the portfolio level, borrower-level gender data is systematically tracked across investment instruments. Gender-disaggregated data for pool assets (PTCs) is collected monthly, while corresponding data for book debt (NCDs) is collected quarterly. This enables VIRAF to monitor and assess gender reach and outcomes across its portfolio.
Employment**	At least 30% of senior management are women	33.33% of senior leadership are women
	At least 25% of employees are women; In addition, at least one quality employment indicator beyond legal minimums should be in place (for example, parental leave, flexible work, equal pay measures, or safe reporting mechanisms).	43.02% of employees are women, along with equal parental leave, flexible work arrangements and safe reporting mechanisms as outlined in *'People First. Always'* chapter.
Portfolio***	30% of portfolio companies meet at least one 2X Criterion at origination	33% of NCD and PTC trades have products and services intentionally enhance the wellbeing of women and girls or drive gender equality by volume of disbursement.

*Leave Policy is a restricted document, for internal circulation only. Details of leaves provided to employees are outlined in *'People First. Always.'*

**Data as of March 2026, representing employees at the Group level associated with VIRAF.

*** Data since Fund inception. While the Fund's investment period commenced in April 2023, 2X Challenge qualification applies to investments assessed post-July 2024. 9 investments have qualified under the criteria to date.