MINTIFI Finserve Private Limited

June 30, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	2,000.00	CARE A; Positive	Reaffirmed; Outlook revised from Stable
Commercial paper	100.00	CARE A1+	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed the rating at 'CARE A' and revised the outlook from stable to positive for bank facilities and has assigned short-term rating at 'CARE A1+' to the commercial paper. The ratings reflect substantial equity capital infusion of ~₹797 crore in MINTIFI Private Limited (MPL), the parent company of MINTIFI Finserve Private Limited (MFPL), which is expected to support the company's assets under management (AUM) expansion in the medium term. The ratings continue to be supported by growing scale of operations and improving earning profile driven by operational efficiencies, diversified geographical and sectoral presence. It further considers comfortable capitalisation metrics resulting in comfortable gearing at the consolidated level, experienced management team and adequate resource profile. The ratings draw comfort from anchor-based customer underwriting model. The company's relatively limited track record is mitigated by better loan seasoning due to short tenures and multiple loan cycles. However, the ratings remain constrained by MPL's focus on the relatively riskier MSME segment—characterised by largely unsecured lending—and its moderate asset quality profile, as reflected in a gradual rise in early-stage delinquencies in FY25.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

- Significant increase in the scale of operations maintaining profitability metrices.
- Improvement in asset quality with credit cost less than 1.5% (consolidated level) on sustained basis.

Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- Increase in the AUM to tangible net worth above 3x (consolidated level).
- Deterioration in overall profitability with return on total assets (ROTA) less than 3% / credit cost exceeding 2% (consolidated level).
- Lack of significant scale-up in the loan book over the medium term.
- Deterioration in asset quality with net stressed assets to tangible net-worth ratio exceeding 10%.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has considered a consolidated view of MPL, 100% holding company of MFPL (non-banking financial company [NBFC]), for arriving at the ratings of MFPL considering financial and technological support derived from the parent. Entities considered for consolidation are listed under Annexure-6.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Outlook: Positive

The revision in outlook reflects substantial equity capital infusion of ~₹797 crore in MINTIFI Private Limited (MPL), the parent company of MINTIFI Finserve Private Limited (MFPL), which is expected to support the company's assets under management (AUM) expansion in the medium term. The positive outlook considers expected growth in scale of operations, while maintaining its profitability metrics and the company's ability to secure funds at competitive rates.

Detailed description of key rating drivers:

Key strengths

Comfortable capitalisation and gearing levels aided by equity infusion

As on March 31, 2025, the total capital adequacy ratio (CAR) of the NBFC stood at 46.01% (March 2024: 44.72%) comfortably above the regulatory requirement of 15% supported by equity infusion of ₹797 in November 2024, from Ontario Teachers' pension Plan (OTPP), Prosus Ventures, and the company's founders. Prior to this, the group had received ₹700 crore as primary equity infusion in March 2023 from Premji Invest and the existing set of investors (such as Norwest Venture Partners, IFC and Elevation Capital). The group's tangible net worth (TNW) also improved, reaching ₹2,160 crore on a consolidated basis as of March 31, 2025 (FY24: ₹1,225 crore) while gearing remained comfortable at 0.42x (March 31, 2024: 0.79x) on a consolidated basis and at 1.10x on a standalone basis (March 31, 2024: 1.12x). While CareEdge Ratings expects leverage to rise in line with MPL's medium-term growth plans, the company is expected to maintain a prudent capital structure with consolidated gearing below 3x, ensuring an adequate buffer to absorb potential asset-side risks.

Experienced management team

MFPL's management team reflects an adequate level of depth of experience and capability. MFPL is co-founded by Anup Agarwal, who currently is the CEO, having experience of over 20+ years in investment banking being the Ex-MD & TMT Head (India & SEA), Jefferies Investment Bank and Ex-Vice President with Goldman Sachs. Sanjoy Shome, co-founder and COO, has an experience of 24+ years in retail lending across all functions, including sales, credit, risk and collections having worked with Neo-Growth as President and COO. Ankit Mehta, who is also a co-founder and chief architect of technology at MFPL, is the Co-founder & CEO of Audience 73 (Big data/ digital marketing platform), having graduated from IIT-B (Indian Institute of Technology, Mumbai). The management team comprises personnel having over 20 years of experience in their respective fields.

CareEdge Ratings believes that promoters' experience and their connects in the market, and ability to raise capital should help entity in scaling up its portfolio, going forward.

Established anchor-based approach for borrower/distributor selection

The selection of these borrowers /distributors is based on selection of anchors dealing in these industries. The company has established partnerships with over 300+ anchors across sectors. An in-house digital scorecard model is used to evaluate and onboard anchors based on their risk profile. Following this, the anchor provides distributor/customer data, enabling the company to assess the latter's creditworthiness. The corporate partner shares underlying transaction data with MFPL, offering insights into the distributor's historical performance, monthly cash flows, and overall credit behaviour. Distributors are then selectively onboarded based on the in-house risk assessment model, and credit exposure is defined in line with the risk categorisation. As of March 31, 2025, top 10 anchors accounted for 37% of the AUM (compared to 38% in the previous year). These corporate partners also benefit from enhanced end-use monitoring of funds facilitated by the platform.

Improving scale of operations and profitability metrics

MFPL's portfolio has witnessed strong growth, driven by rising disbursements—from ₹5,516 crore in FY23 to ₹13,917 crore in FY24, and further to ₹21,519 crore in FY25. However, in the same period AUM grew from ₹1,181 crore to ₹2,904 crore witnessing CAGR of 57%. Shorter tenure of loans has enabled the company to cycle its portfolio multiple times. Even though the supply chain financing (SCF) book is high churning short term in nature, comfort is derived from the fact that ~85% of the AUM of last year is retained with an average increase of ~15% in ticket size, leading to higher AUM retention ratio.

The ₹2,904 crore of AUM is bifurcated into three products; Supply Chain Finance (SCF), term loan (TL); with end-use monitoring as disbursements are made to the corporate partner's account) and, the recently launched, loan against property (LAP). SCF compromises 90% of the on-book portfolio and is provided as part of supply chain financing to distributors with an average ticket size of ₹14 lakhs and loan tenure of 45 to 60 days. TL forms 7% of on-book portfolio and is provided to distributors of these anchors/corporate partners as working capital loans with an average ticket size of ₹3.6 lakhs and loan tenure of 12 months. Remaining 3% is formed by LAP, which is a recently launched product, where the company provides secured business loan to individuals with an average ticket size of ₹15-20 lakh and an average tenure of eight years. Since LAP is a relatively higher tenure book with limited seasoning, the LAP book's performance and growth will remain a key monitorable.

On standalone basis, MFPL became profitable on a monthly basis, in September 2021 and has maintained profitability since then. In FY25, the company reported ROTA of 4.25% (3.91% in FY24) and profit after tax (PAT) of ₹120 crore (FY24: ₹71 crore). Improvement in ROTA was mainly driven by a reduction in credit costs (FY25: 1.88%; FY24: 2.50%) and lower operating expenses (FY25: 5.33%; FY24: 5.4%), which more than offset decline in net interest margins (NIMs). Going forward, operating expenses as a percentage of average total assets are expected to decline further with continued scale-up of operations.

On a consolidated basis, the company reported a PAT of ₹145 crore, resulting in a ROTA of 5.01% in FY25 (FY24: 4.44%). On a consolidated basis, majority MPL's profits come from MFPL, while the rest of it comes from its own distributor business. At the parent level, the group raised ₹797 crore in FY25, of which ₹336 crore has already been infused into the lending business. The remaining ₹461 crore is also expected to be channelled into lending operations, supporting MFPL's continued business growth and earnings profile.

CareEdge Ratings believes that the company's ability to maintain low credit cost and stable profitability metrics as AUM grows will be a key monitorable.

Diversified geographical and sectoral presence

MFPL has wide presence across 28 states and six union territories through 154 branches as on March 31, 2025 (125 branches as on March 31, 2024). Top five states account for 52.50% of the total AUM as on March 31, 2025 (March 31, 2024: 52.19%). Among top five states, Uttar Pradesh accounts for ~19% of AUM, followed by Maharashtra (~12%), Andhra Pradesh (~9%), Tamil Nadu (~6%), Rajasthan (~6%), and others (~48%) as on March 31, 2025.

MFPL provides supply chain financing to the distributors across sectors, of which food and beverages comprise ~18%, auto parts & ancillary comprise ~14%, FMCG ~13%, paints comprise ~11% and the rest ~44% of the total AUM as on March 31, 2025, is shared by other businesses. As part of risk management, entity caps sector exposure at 20%, anchor exposure at 10%.

While, banks are also active in the segment, MFPL's ability to cater to small ticket invoices of ₹2 lakhs-50 lakhs is a key differentiator, while banks are largely catering to large ticket size invoices. Also, with the help of technology, the ability to disburse money as and when required, i.e., round the clock servicing along with no prepayment charges provides an edge to the company.

With digital onboarding and technology, banks/larger NBFCs have ability to cater to such lower ticket customers creating a potential competition in this segment.

Adequate resource profile

MFPL's resource profile consists of TLs and working capital demand loans (WCDL) as on March 31, 2025. The company has been expanding its lender base and has developed relationships with 16 lenders comprising banks (including small finance banks), and other lending institutions. However, resource profile is concentrated in terms of bank borrowings with top five lenders account for 59% of overall borrowings. The cost of borrowings improved since inception and MFPL has been able to raise funds at competitive rates due to onward lending shorter tenure loans, strong liquidity profile. Going forward, given the target growth plans, the company will have to focus on broadening its lender base while continue to raise funds at competitive rates.

Key weaknesses

Presence in the relatively riskier borrower profile and unsecured nature of loans

The group caters to customers in the MSME sector, providing unsecured lending, which is highly susceptible to economic downturns, thus asset quality being a key monitorable. However, the anchor-based approach provides MFPL with significant volume of past transaction data of supply chain distributors with the respective anchor which enables better credit assessment in addition to reducing customer acquisition costs. The invoice payment is directly made to the anchor account, which enables end-use management. There is a stop-supply agreement with the anchor, which acts as a risk mitigant, aiding delinquency control. Apart from the stop supply agreement, anchors don't have recourse in case the distributor defaults. However, the group has started providing secured funding by collecting margin money from customers. As on March 31, 2025, ~8% of the total outstanding is secured (in the form of margin money of ₹219 crore). Of the loan book, ~79% has CIBIL score of 700 and above.

Large borrowers/distributors are vulnerable to competition, specific sectoral stress, macroeconomic shocks with asset quality moderated to 90+ days past due (dpd) of 2.09% of AUM as on March 31, 2025, against 1.27% of AUM as on March 31, 2024. Softer bucket delinquencies have also increased with 0+ increased from 6.01% FY24 to 6.70% in FY25. As per the company's write off policy, loans are written off post 180 days. Overall, the company has done write off at 1.57% of advances in FY25 against 1.54% in FY24. Performance of the asset quality of largely unsecured loans across economic cycles remains a key monitorable. The company's ability to arrest fresh slippages, while growing its business volumes would have a bearing on its overall financial profile and would be a key monitorable.

Liquidity: Strong

Given the low leverage and short-tenor loans extended by MFPL, its asset-liability maturity (ALM) profile is characterised by positive cumulative mismatches across all buckets. As on March 31, 2025, the total debt obligations in the next one year stood at ~₹790 crore against which, expected inflows from advances stood at ~₹2,798 crore. Despite high growth targets and associated liquidity needs, the liquidity profile is supported by availability of sufficient on balance sheet and off-balance sheet liquidity buffers with cash & liquid investments aggregating ~₹336 crore and unutilised funding lines of ~₹258 crore as on March 31, 2025. Comfort is derived from regular capital infusion and inter-corporate deposit (ICD) support from its parent to support the company's growth.

Applicable criteria

Definition of Default
Rating Outlook and Rating Watch
Financial Ratios - Financial Sector
Short Term Instruments

Non Banking Financial Companies
Consolidation & Combined Approach

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Finance	Non-banking financial company (NBFC)

MFPL is an NBFC set up in January 2019 and is one of few specialised NBFC providing SCF to distributors/dealers of corporate partners across the network. MFPL has partnership with ~250+ corporate players acting as anchor partners across retail industries including food and beverages, FMCG, apparel, kitchenware, auto ancillaries and tyres, paints and varnishes, batteries and lubricants products and so on. The company is a technologically driven entity providing financing through a digital platform; however, the traditional branch model has also been adopted by the company for touching base with customers. As on March 31, 2025, AUM stood at ₹2,904 crore consisting of 90% supply chain finance loans, 7% term loans and remaining 3% LAP provided to distributors of these anchors/corporate partners. The company had branch network and physical presence (hub and spoke model) of 154 branches as on March 31, 2025.

Consolidated financials of MPL:

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (P)
Total Net Income	157	331	494
PAT	25	93	145
Total assets^	1,757	2,409	3,378
Overall debt/ Equity ratio (times)	0.46	0.79	0.42
ROTA (%)	2.08	4.44	5.01

A: Audited P: Provisional; Note: these are latest available financial results
^ Adjusted for deferred tax assets and intangible assets

Standalone financials of MFPL:

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (P)
Total income	150	319	482
PAT	16	71	120
Total Assets^	1,337	2,316	3,317
Overall debt/ Equity ratio (times)	0.73	1.12	1.10
Net NPA/ Stage 3 (%)	0.61	0.83	1.40

A: Audited P: Provisional; Note: these are latest available financial results
^ Adjusted for deferred tax assets and intangible assets

Status of non-cooperation with previous CRA:
Not applicable

Any other information:
Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Commercial Paper-Commercial Paper (Standalone) (Proposed)		-	-	-	100.00	CARE A1+
Fund-based-Long Term (Proposed)	-	-	-	-	805.19	CARE A; Positive
Fund-based-Long Term	-	-	-	30-09-2027	1,194.81	CARE A; Positive

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based-Long Term	LT	2000.00	CARE A; Positive	-	1)CARE A; Stable (05-Jul-24)	1)CARE A-; Stable (05-Jan-24) 2)CARE A-; Stable (05-Oct-23) 3)CARE A-; Stable (30-Jun-23)	1)CARE BBB+; Stable (09-Feb-23) 2)CARE BBB+; Stable (27-Jan-23)
2	Commercial Paper-Commercial Paper (Standalone)	ST	100.00	CARE A1+				

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities

Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Fund-based-Long Term	Simple

Annexure-5: Lender details

To view the lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	MINTIFI Private Limited	Full	Parent
2	MINTIFI Finserve Private Limited	Full	Subsidiary

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact	**Analytical Contacts**
Mradul Mishra Director **CARE Ratings Limited** Phone: +91 22 6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Pradeep Kumar V Senior Director **CARE Ratings Limited** Phone: +044 2850 1001 E-mail: pradeep.kumar@careedge.in	Vineet Jain Senior Director **CARE Ratings Limited** Phone: +91 22 6754 3623 E-mail: vineet.jain@careedge.in Jitendra Meghrajani Associate Director **CARE Ratings Limited** Phone: +91 22 6754 3526 E-mail: Jitendra.Meghrajani@careedge.in Pranjal Mulekar Analyst **CARE Ratings Limited** E-mail: Pranjal.mulekar@careedge.in

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CareEdge Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CareEdge Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CareEdge Ratings.

For detailed Rating Report and subscription information, please visit www.careratings.com