

Infinity Fincorp Solutions Private Limited

July 17, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term / Short-term bank facilities	1,800.00	CARE A / CARE A1 (RWD)	Placed on Rating Watch with Developing Implications
Non-convertible debentures	50.00	CARE A (RWD)	Placed on Rating Watch with Developing Implications
Non-convertible debentures	150.00	CARE A (RWD)	Placed on Rating Watch with Developing Implications

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has placed ratings assigned to debt instruments and bank facilities of Infinity Fincorp Solutions Private Limited (IFSPL) under 'Rating Watch with Developing Implications'. The rating watch continues to factor in the announcement made on July 08, 2025, by IFSPL, whereby Board of Directors of the company has approved the execution of a share purchase agreement, wherein PG Lotus Pte. Ltd (Partners Group) acquire 61.70% stake in company from Indium IV (Mauritius) Holdings Limited (Advised by True North Managers LLP) and additional stake from other shareholders. The acquisition is expected to close on fulfilment of customary conditions, including receipt of Reserve Bank of India (RBI)/shareholder approvals. CareEdge Ratings will continue to closely monitor developments and would take a view accordingly post completion of transaction.

Till the transaction consummates, ratings will continue to factor in expected support from parent, Indium IV (Mauritius) Holdings Limited Fund (Advised by True North Managers LLP). Ratings also derive strength from the company's improved net worth, supported by recent capital infusions, reflecting its ability to mobilise funds from a diverse investor base. The growing scale of operations and adequate profitability metrics lend additional support to the credit profile. However, ratings remain constrained by the limited portfolio seasoning and geographic concentration of operations.

As on March 31, 2025, IFSPL reported assets under management (AUM) of ₹1,238.36 crore, reflecting a robust year-on-year growth of 64.58% (FY24: 59.54%). Correspondingly, disbursements increased by 63.24% in FY25 compared to 22.47 in FY24. The company's return on total assets (ROTA) improved to 3.73%, aided by higher net interest margin (NIM) and non-interest income, though partially offset by a marginal rise in credit costs. Operating expenses remained largely stable as a percentage of total assets. Capitalisation metrics strengthened following capital infusion, with gearing reducing to 1.56x (FY24: 2.72x) and the capital adequacy ratio (CAR) improving significantly to 42.44% from 28.83%. On the asset quality front, the gross non-performing asset (GNPA) ratio increased slightly to 1.79% (FY24: 1.48%), while adequate provisioning contained the net NPA (NNPA) at 1.03%.

Rating sensitivities: Factors likely to lead to rating actions

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

- Significantly scaling up in operations with improving earnings profile while maintaining resilience in asset quality on a sustained basis.
- The company consistently attracting capital at competitive rates.

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

- Change in ownership leading to moderation in support stance of the promoter (True North Managers LLP).
- Increasing leverage with overall gearing exceeding 4x.
- Continuously deteriorating asset quality with Gross NPA of over 3% on a sustained basis.
- Decline in profitability metrics with return on total assets (ROTA) reducing below 1.5%.

Analytical approach: Standalone

Standalone profile of IFSPL taking into consideration the benefits derived from Indium IV (Mauritius) Holdings Limited Fund.

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

Detailed description of key rating drivers:

Key strengths

Investor support and access to diverse capital sources

IFSPL was established in 2016 by Indium IV (Mauritius) Holdings Limited Fund and remained a wholly owned subsidiary until March 31, 2023. Reserve Bank of India (RBI) licence was received in September 2017. In the first nine months of FY24, IFSPL has raised ₹288 crore from Jungle Ventures, ACO Fund and Magnifico Ventures, diluting Indium IV's stake to 66.93%, though it is expected to retain at least 51% ownership in the near term.

CareEdge Ratings expects that the company will continue to benefit from the strategic oversight and management expertise of its promoter, and the adoption of industry best practices. Moving forward, ongoing support from the private equity (PE) investors, if needed, will remain an important factor in maintaining the company's rating.

Experienced board of directors and management team

IFSPL's management team is led by Mr. Shrikant Ravalkar, the Founder, Managing Director, and Chief Executive Officer, who brings over two decades of experience, having previously worked with large housing finance companies, banks, and non-banking finance companies (NBFCs). Mr. Gunjan Jain, Chief Strategy Officer, has over 15 years of industry experience and was earlier associated with Mahindra Logistics Limited and Meru Cabs. Mr. Vijay Paliwal, appointed as the CFO in November 2024, comes with 20+ years of experience in various Finance functions and Treasury. IFSPL has various departments which are headed by personnel with relevant experience in their respective fields.

The Board of Directors includes Mr. Nitin Nayak and Mrs. Jolly Abraham, both Nominee Directors from Indium IV (Mauritius) Holdings Limited. Mr. Nayak, a Chartered Accountant, has 17 years of experience in the financial services industry and has been with True North since 2012. Mrs. Abraham, who joined True North in 2017, leads the Legal function, overseeing legal and regulatory aspects of investments and exits. Before True North, she was a Partner at Desai & Diwanji, specialising in cross-border private equity, M&A, financing transactions, and corporate and securities law. Mr. Arpit Beri has joined as a Nominee Director from M/s. Jungle Ventures IV VCC in January 2025. He is a graduate from Indian Institute of Technology, Bombay, and holds an MBA from INSEAD. Before Jungle Ventures IV VCC, he led India investments at Shunwei Capital, focusing on e-commerce, consumer marketplaces, and content platforms.

Improving scale of operations along with adequate profitability metrics

IFSPL is an MSME-focused NBFC, which primarily provides business loans backed by residential or commercial property. The target customers include traders, retail outlets, dairy, Kirana stores medical or provisional stores, among others. The secured business loans are secured against residential or commercial property. Around 98.81% of secured loans are secured against self-occupied residential property as on December 31, 2024.

As on December 31, 2024, IFSPL has a 100% loan against property (LAP) book in its AUM, and commodity financing and bill discounting loan book has been run down. As on December 31, 2024, AUM stood at ₹1,082.65 crore, compared to ₹752.43 crore in FY24 and ₹471.60 crore in FY23, reflecting robust growth of 59.54% in FY24 and 43.89% in 9MFY25. Disbursements continued to rise, with ₹401.80 crore disbursed in FY24 and ₹451.31 crore in 9MFY25. The growth in the loan book has been further supported by a capital infusion of ₹315.50 crore between October 2023 and December 2024.

LAP being a high yielding product has helped the company improve its NIM and profit margins. The company reported a ROTA of 3.77% on an annualised basis as on December 31, 2024, up from 3.62% as on March 31, 2024, and 3.15% as on March 31, 2023. This improvement was primarily driven by an increase in NIM and slight reduction in Opex as a percentage of total assets. In this period, credit costs slightly increased as book gets seasoned.

In FY24, IFSPL reported a profit after tax (PAT) of ₹25.72 crore, a significant improvement from the PAT of ₹13.80 crore in the previous fiscal. For 9MFY25, PAT stood at ₹32.23 crore. The company's ability to sustainably and profitably scale its operations across business cycles will continue to be closely monitored.

Comfortable capitalisation levels

The company maintains a comfortable capital position, with a capital adequacy ratio (CAR) of 42.71% as on December 31, 2024, and 28.83% as on March 31, 2024, well above the regulatory requirement of 15%, ensuring ample capital for growth and loss absorption. Total debt increased to ₹835.75 crore as on December 31, 2024, compared to ₹603.06 crore in FY24 and ₹375.30

crore in FY23. However, gearing reduced to 1.61x as a result of capital infusion (2.72x as on March 31, 2024, and 2.42x as on March 31, 2023). CareEdge Ratings expects the leverage levels to remain below 4x.

As on December 31, 2024, tangible net worth (TNW) stood at ₹520.39 crore with gearing of 1.61x compared to a TNW of ₹221.98 crore and gearing of 2.72x as on March 31, 2024. IFSP's larger part of growth has been reported since FY23, its portfolio has witnessed limited seasoning across business cycles. As on December 31, 2024, IFSP's AUM stood at ₹1,082.65 crore. Since inception, the company has disbursed loans aggregating to over ₹2,000 crore, of which ~₹850 crore have been disbursed over the last two years. Given that IFSP's loans have a tenor of five to seven years, its portfolio is moderately seasoned.

Key weaknesses

Moderate seasoning and geographical and product concentration

The company's loan portfolio is concentrated with secured MSME financing constituting 100% as on December 31, 2024. Given IFSP's larger part of growth has been reported since FY23, its portfolio has witnessed limited seasoning across business cycles. As on December 31, 2024, IFSP's AUM stood at ₹1,082.65 crore. Since inception, the company has disbursed loans aggregating to over ₹2,000 crore, of which ~₹850 crore have been disbursed over the last two years. Given that IFSP's loans have a tenor of five to seven years, its portfolio is moderately seasoned.

In terms of asset quality, 90+ assets stood comfortable at 1.94% as on December 31, 2024, against 1.48% as on March 31, 2024. Net 90+ stood at 1.42% in 9MFY25 against 1.24% in FY24. However, due to the secured nature of lending, the final credit losses are expected to be lower.

CareEdge Ratings believes that IFSP's asset quality shall continue to remain anchored on the income profile of the underlying borrowers, as majority are self-employed borrowers, and their cash flows remain vulnerable to economic shocks. However, the management team's knowledge on this target customer segment provides comfort and the risk is mitigated to an extent as AUM is of secured loans which are majorly backed by mortgage of self-occupied residential property. As portfolio is moderately seasoned, asset quality performance over economic cycles is yet to be established and hence remains to be a key rating sensitivity going forward.

Geographically, over the years, the company has made progress in diversifying its geographical presence. Initially, it expanded into the southern states of India, establishing a presence in Andhra Pradesh, Telangana, and Tamil Nadu in FY22, followed by Karnataka in 9MFY23. No new states were entered since then.

As on December 31, 2024, the company operates across eight states in western and southern India, with 123 branches and 1507 employees. The top three states - Andhra Pradesh, Telangana, and Tamil Nadu contribute to ~75% of the total AUM.

CareEdge Ratings observes the company's ability to manage its growing scale of operations as it opens new branches and enters new geographies, while maintaining good asset quality remains critical for its growth prospects.

Liquidity: Adequate

As per the asset liability management (ALM) dated March 31, 2025, there are no negative cumulative mismatches across time buckets. As on March 31, 2025, IFSP had cash and cash equivalents and liquid investments of ₹127.81 crore and advances of ₹99.09 crore against contractual debt obligations of only ₹190.97 crore for the next six months. CareEdge Ratings believes that the cash and expected inflows from advances are substantial for meeting the company's expected outflows.

Applicable criteria

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios - Financial Sector](#)

[Short Term Instruments](#)

[Non Banking Financial Companies](#)

[Linkages of Parent Sub JV Group PE](#)

About the company and industry

Industry classification

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

IFSPL is a non-systematically important non-deposit taking NBFC, incorporated in November 2016, with seed capital from True North Fund Managers LLP. IFSPL provides secured MSME loans (LAP) in the unbanked and under-banked areas of Tier-2 and Tier-3 cities in India. IFSPL is spread across eight states, including Maharashtra, Gujarat, Madhya Pradesh, and Rajasthan with gradual expansion towards the southern region penetrating in Telangana, Andhra Pradesh, Tamil Nadu, and Karnataka.

As on March 31, 2025, AUM stood at ₹1,238.36 crore consisting of 100% MSME LAP loans. The company has stopped disbursing commodity financing loans and bill discounting loans since April 2023.

IFSPL Standalone Financials

Brief Financials (₹ crore)	31-03-2023	31-03-2024	31-03-2025
	(A)	(A)	(A)
Total income	85.81	143.65	240.72
PAT	13.8	25.72	44.36
Adjusted Total assets*	554.9	865.48	1513.57
Net NPA (%)	1.16	1.24	1.03
ROTA (%)	3.15	3.62	3.73

A: Audited; Note: these are latest available financial results

*Adjusted total assets: Total assets adjusted for deferred tax assets and intangible assets

Status of non-cooperation with previous CRA:

None

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
Debentures-Non-convertible debentures	INE00VD07016*	30-Sep-2024	11	30-Sep-2027	49.00	CARE A (RWD)
Debentures-Non Convertible Debentures	INE00VD07024	02-Apr-2025	10.5	02-Apr-2028	5.00	CARE A (RWD)
Debentures-Non-convertible debentures (proposed)	-	-	-	-	146.00	CARE A (RWD)
Fund-based/Non-fund-based-LT/ST	-	-	-	26-Jun-2030	798.56	CARE A / CARE A1 (RWD)
Fund-based/Non-fund-based-LT/ST (proposed)	-	-	-	-	1001.44	CARE A / CARE A1 (RWD)

*ISIN INE00VD08014 has been restructured into ISIN INE00VD07016

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/Non-fund-based-LT/ST	LT/ST	1800.00	CARE A / CARE A1 (RWD)	-	1)CARE A; Stable / CARE A1 (26-Mar-25)	1)CARE A-; Stable / CARE A2+ (29-Mar-24)	1)CARE A-; Stable / CARE A2+ (31-Mar-23)
2	Debentures-Non Convertible Debentures	LT	50.00	CARE A (RWD)	-	1)CARE A; Stable (26-Mar-25)	1)CARE A-; Stable (29-Mar-24)	1)CARE A-; Stable (31-Mar-23)
3	Debentures-Non Convertible Debentures	LT	150.00	CARE A (RWD)	-	1)CARE A; Stable (26-Mar-25)	-	-

LT: Long term; LT/ST: Long term/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	Debentures-Non-convertible Debentures	Simple
2	Fund-based/non-fund-based-LT/ST	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

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.

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About us:

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