INDIGO 045

Originator: MAS Financial Services Limited

October 16, 2025

Instrument[#]	Amount Rated (₹ crore)	Rating[1]	Rating Action
Series A PTCs	79.00	CARE AAA (SO)	Final Rating Assigned
Equity Tranche PTCs	9.19	CARE A (SO)	Final Rating Assigned

Details of instruments/facilities in Annexure-1.

[#]Pass-through certificates (PTCs) are rated based on the timely payment of interest and the payment of principal on or before the final legal maturity.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) had assigned the rating of 'Provisional CARE AAA (SO)' [pronounced as 'Triple A (Structured Obligation)'] and 'Provisional CARE A (SO)' [pronounced as 'Single A (Structured Obligation)'] to the Series A PTCs and Equity Tranche PTCs respectively, issued by INDIGO 045, backed by a pool of micro enterprise (ME), small & medium enterprise (SME), commercial vehicle (CV) and 2-wheeler loan receivables originated by MAS Financial Services Limited (MFSL).

The settlement date for the transaction was revised from September 29, 2025, to October 08, 2025, due to which quantum of excess interest spread (EIS) changed from 11.01% to 11.21%. All other aspects of the transaction remain unchanged.

The rating is now confirmed at 'CARE AAA (SO)' [pronounced as 'Triple A (Structured Obligation)'] and 'CARE A (SO)' [pronounced as 'Single A (Structured Obligation)'] has been assigned to Series A PTCs and Equity Tranche PTCs respectively.

This rating was final based on following documents submitted to the satisfaction of CareEdge Ratings:

a) Account agreement
b) Assignment agreement
c) Servicing agreement
d) Trust deed
e) Power of attorney
f) Information memorandum
g) Legal opinion from an independent legal counsel
h) KYC audit report.

Rating sensitivities: Factors likely to lead to rating actions

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

For Series A PTCs: None

For Equity tranche PTCs:

- Delinquencies (90+ days past due [DPD] as percentage of initial POS) of less than 2% and sustained high collection efficiency (cumulative collection efficiency of over 98%).
- Build-up of cash collateral (CC) of over 2x the initial proposed (as a percentage of the balance principal outstanding [POS]).

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

- Delinquencies (90+ DPD as percentage of initial POS) of over 5% and sustained lower collection efficiency (cumulative collection efficiency of less than 90%).
- Utilisation of CC.
- Deterioration in the credit profile of the originator.
- Non-adherence to key transaction terms envisaged at the time of the rating.

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

Analytical approach

The final rating is based on conformity of the executed transaction documents with the proposed structure of the transaction. The rating also factors inter alia, analysis of underlying pool of receivables, expected pool performance, performance of originator's portfolio and transaction structure including the proposed credit enhancement (CE).

Detailed description of key rating drivers

Ratings assigned are finalised based on the structure provided to CareEdge Ratings by MFSL, the originator. Ratings have been confirmed after copies of legal documents executed in accordance with the structure, a due-diligence audit report by an external auditor, and an independent legal opinion was furnished by the originator (MFSL), to the satisfaction of CareEdge Ratings.

Key strengths:

- Robustness of transaction structure and well-defined payment mechanism.
- Credit enhancement comprising cash collateral, subordinated equity tranche PTCs, subordinated over collateral and EIS.
- No overdue contracts as on the pool cut-off date.
- Underwriting policies and collection capabilities of MFSL.
- High-weighted average seasoning (based on equated monthly installments [EMIs] paid) of ~12.04 months with amortisation of ~30.94% as of pool cut-off date.

Key weakness:

- The pool has volatile cash flows due to a portion being backed by CV, and it is also subject to inherent risks associated with unsecured loans within the pool.

Liquidity:

For Series A PTCs: Strong

Inherent liquidity in the structure is strong. Interest payouts for Series A PTCs are promised monthly, while the principal of Series A PTCs is promised to be paid by final legal maturity. In case of delinquencies, payouts are expected to be supported by CE consisting of CC, principal subordination in the form of equity tranche PTCs and over collateral and EIS.

For Equity Tranche PTCs: Adequate

Inherent liquidity for equity tranche PTCs is adequate. Equity tranche PTCs is supported by CC and over collateral.

Key rating assumptions and adequacy of credit enhancement

CareEdge Ratings has analysed the transaction to assess whether the CE is sufficient to cover shortfalls. Since the transaction is sensitive to credit quality of the underlying pool, CareEdge Ratings has analysed monthly performance of pool, performance of static pools provided by the originator and overall portfolio performance of the originator. Considering borrower profile, nature of the loan, pool characteristics, and portfolio performance, CareEdge Ratings has taken average shortfall at 5.00-6.00% of the POS. Base case shortfalls were stressed along with other key factors, such as timing of shortfalls, recovery assumptions, and time to recovery. Pool cash flow has been further adjusted for prepayments of underlying loans, assuming a monthly prepayment in the range of 0.50-1.00%. CareEdge Ratings has stipulated CE, which is commensurate with credit rating of PTCs.

Key risks, concerns and mitigants:

The securitisation transaction involves several risks, including credit risk from borrower defaults, commingling risk due to time lags in fund deposits, prepayment risk from early principal repayments, servicer bankruptcy risk, legal risk regarding the validity of receivable transfers, and counterparty risk involving transaction parties. These risks are factored while assigning rating, wherever needed, and partially mitigated through credit enhancements, separate record-keeping, credit rating/profile of the originator, transaction structuring, true sale of receivables, legal opinion from independent legal counsel. The transaction structure also has provision to change counterparties including trustee, and banker among others.

Applicable criteria

Policy on Default Recognition
CARE Ratings' methodology for asset/mortgage-backed securitisation

About the Originator / Servicer and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Finance	Securitisation

MFSL was incorporated in 1995 by Kamlesh Gandhi and Mukesh Gandhi. The company was registered as an NBFC in 1995 with RBI. It was initially engaged in lending two-wheeler and micro enterprises loans and later on forayed into commercial vehicle loan and MSME loan segments. MFSL's lending activities are carried out through its own network of 206 branches on a standalone level and 101 branches of its HFC subsidiary as on June 30, 2025, and also through other smaller NBFCs and MFIs. As on June 30, 2025, MFSL had relationships with 203 NBFC partners and ~35% of the total AUM of MFSL was built through these NBFCs. MFSL's shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). MFSL is engaged in ME and SME loan business for over 10 years and is an active player in bilateral market and as of June 30, 2025, MFSL has 121 such live pools with initial size amounting to ₹8,184 crore

As on June 30, 2025, the promoter and promoter group held 66.63% shares of the company while the rest are held by public shareholders. MFSL's shareholders included marquee investors such as Motilal Oswal private equity, Axis Mutual Fund, TATA AIA Life insurance among others.

MFSL's loan portfolio consists of micro enterprises loans, SME loans, two-wheeler loans, commercial vehicle (CV) loans. Even in these loan categories, a significant amount of the loan portfolio is built up through NBFCs and Non-Banking Finance Companies – Micro Finance Institutions (NBFC-MFIs). Around 35% of the AUM was through NBFC and NBFC-MFI route in June 2025 compared to ~33% of AUM in March 2024 was through NBFC and NBFC-MFI route.

Key financial indicators - MFSL

Brief Financials (₹ crore)	FY24 (A)	FY25 (A)	Q1FY26 (UA)
Total operating income	1,225	1,520	443
PAT	248	306	84
Interest coverage (times)	NA	NA	NA
Total assets	9,109	11,664	12,003
Net NPA (%)	1.48	1.49	1.51
ROTA (%)	2.95	2.95	2.84

A: Audited; UA: Unaudited; NA: Not available. Note: these are latest financial results available.

Key terms of servicer contract:

The servicing agreement has covered role of the originator as the Collection and Payment Agent (CPA) for the SPV in managing collections from underlying borrowers, who have consented to such assignment through provisions incorporated in the respective loan agreements. The Servicer (originator) follows its standard procedures for collections, including recovery actions, and ensures timely transfers of funds to the SPV under an M+1 payment structure. The trustee monitors the sufficiency of funds for investor payouts one day prior to payout date and utilises cash collateral in case of shortfall. The Servicer is also submitting detailed reports on billing, collections (including prepayment), overdue amounts with aging thereof, cash flow schedules to the trustee and such other information as may be required by the trustee. The terms of the agreement have provisions for the appointment of an alternate servicer in case of servicer event of default.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Nil

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instruments/facilities: 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
Pass Through Certificates	INE2KK515010	08-Oct-2025	9.16	10-Oct-2029	79.00	CARE AAA (SO)
Pass Through Certificates	INE2KK515028	08-Oct-2025	-	10-Oct-2029	9.19	CARE A (SO)

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	Pass Through Certificates	LT	79.00	CARE AAA (SO)	1)Provisional CARE AAA (SO) (26-Sep-25)	-	-	-
2	Pass Through Certificates	LT	9.19	CARE A (SO)	1)Provisional CARE A (SO) (26-Sep-25)	-	-	-

LT-Long Term

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

Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of Instrument	Complexity Level
1.	Pass Through Certificates	Highly complex

Annexure-5: Lender details

Not applicable

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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