

Mantra Capital Limited

April 20, 2026

| Facilities/Instruments | Amount (₹ crore) | Rating ¹ | Rating Action |
|----------------------------|------------------|---------------------|---------------|
| Long-term bank facilities | 50.00 | CARE BB+; Stable | Assigned |
| Non-convertible debentures | 25.00 | CARE BB+; Stable | Assigned |

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of financial sector regulators (FSRs), and the names of respective FSRs has been disclosed under Annexure-6.

Rationale and key rating drivers

Ratings assigned to bank facilities and non-convertible debentures (NCDs) of Mantra Capital limited (MCL) derive strength from the experience of the management and promoters, a secured lending portfolio, a healthy capital adequacy ratio (CAR), and comfortable gearing. However, ratings remain constrained by the company's early stage of operations resulting in limited operating track record and weak profitability, primarily driven by relatively high operating expenses. Concentration in select geographies and resource profile constrains the business risk profile. The company's ability to scale up operations in a profitable manner, while maintaining asset quality and enhancing geographic diversification will remain key rating monitorable.

Rating sensitivities: Factors likely to lead to rating actions

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

- Sizable growth in scale of operations while improving profitability parameters profitability and maintaining asset quality parameters at comfortable levels.
- Significant increase in the net worth base with support in the form of equity infusion.

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

- Continued losses, and a lack of capital infusion negatively impacting the financial profile.
- Significant reduction in the shareholding of promoter and/or moderation in the expected support from promoter.
- Rise in gearing above 3x on a sustained basis.
- Decline in the asset quality with gross non-performing assets (GNPA) basis 90+ days past due (dpd) remaining above 4% on a sustained basis.

Analytical approach: Standalone

CARE Ratings Limited (CareEdge Ratings) has analysed standalone business profile of MCL considering its linkages with the promoter, given the support received through capital infusions and management involvement.

Outlook: Stable

Stable Outlook reflects MCL will continue receiving funding support from its promoters while improving profitability parameters and improve its scale of operations.

Detailed description of key rating drivers:

Key weaknesses

Early stage of operations with limited seasoning

The company commenced its first disbursements in FY25. As on December 31, 2025, the assets under management (AUM) stood at ₹94.41 crore, compared to ₹25.86 crore as on March 31, 2025, reflecting a ramp-up in operations. The loan portfolio comprises two products—loans against property (LAP) and electric vehicle (EV) financing—resulting in a secured lending profile. As on December 31, 2025, the EV financing book accounted for 56.79% of total AUM, while the LAP book constituted the remaining 43.20%. Since inception, the company has disbursed loans aggregating to ₹102.20 crore. Given that MCL's loans have an average tenor of ~5 years, its portfolio seasoning is limited.

GNPA stood at 0.00% as on March 31, 2025, and 0.99% as on December 31, 2025, indicating currently healthy asset quality levels. However, given the short operating track record, the portfolio's performance across different credit cycles is yet to be

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

established. However, due to the secured nature of lending and management experience in underwriting, the credit losses are expected to be lower.

As the company continues to expand its scale and geographical footprint, maintaining asset quality and ensuring robust credit risk controls will remain critical. The company's ability to effectively sustain portfolio performance as it scales up will be a key monitorable.

Geographical concentration risk

Geographically, the company's portfolio remains concentrated in a few key states, reflecting geographical concentration risk as diversification is still in progress. Currently, the company operates in six states, with Delhi NCR accounting for 38.60% and Karnataka contributing 25.79% of the loan book across 23 branches and a workforce of over 172 employees. While efforts to expand the geographical footprint are ongoing, a significant portion of the portfolio depends on these top regions. This concentration exposes the company to region-specific risks, which could impact asset quality and overall performance. Continued diversification across additional states will be important to mitigate this risk over time.

Profitability metrics in line with early stage of operations

Since commencing operations in FY25, the company has reported losses in FY25 and 9MFY26, reflecting its early stage of operations. MCL reported a loss of ₹8.79 crore for FY25, followed by a loss of ₹8.82 crore in 9MFY26. Operating expenses as percentage of average total assets remained elevated at 47.41% in FY25 and 26.34% in 9MFY26, which is in line with the company's early growth phase and upfront investment in branch expansion and staffing. These expenses are expected to moderate over the medium term with operating leverage and economies of scale.

Credit costs remained low at 1.68% in 9MFY26, largely reflecting the limited seasoning of the loan book. Going forward, as the scale of operations increases, operating expenses are expected to moderate, supporting a gradual improvement in profitability.

Given the increasing competitive intensity in Micro, Small, and Medium Enterprises (MSME) lending, CareEdge Ratings will closely monitor MCL's ability to grow its portfolio while containing credit costs, operating expenses, and improving profitability.

Key strengths

Experienced promoters and management

MCL is promoted by Deepa Tracy, who holds 75% of the company's shareholding. She is a first-generation entrepreneur, and has built Mantra Exports Private Limited (MEPL) into a leading Indian apparel export company. MEPL has a strong financial risk profile with net worth of ₹288 crore as on March 31, 2025 (FY24: ₹249 crore). MEPL reported a PAT of ₹39.20 crore in FY25 compared to ₹104.44 crore in FY24. MCL's establishment was driven by the promoter's intent to enter the financial services space, with a focus on lending to underserved segments in rural and semi-urban areas. Deepa Tracy is a seasoned businesswoman with a demonstrated track record of building and scaling successful enterprises.

The company is led by Jatinder Shah, Chief Executive Officer (CEO), who has over 25 years of experience in the financial services sector. He has held senior positions at institutions such as ICICI Bank, ABN AMRO Bank, Fincare Small Finance Bank, and GE Money, and has experience in scaling products including LAP, home loans (HL), commercial vehicle loans (CV), and point-of-sale (POS) digital loans. Jatinder Shah holds an MBA from Symbiosis University and an MA (Economics) from Pune University.

CareEdge Ratings expects that MCL will continue to benefit from capital support and strategic guidance from its promoter. This backing is likely to remain a critical enabler for the company's growth trajectory, and its continuity will be an important factor as a key sensitivity.

Healthy capital adequacy levels

As on December 31, 2025, the company's capital adequacy ratio (CAR) remained comfortable at 31.45%, with Tier-I CAR at 30.43%, compared to 109.65% and 97.43%, respectively, as on March 31, 2025. Both ratios continue to remain well above the regulatory minimum requirements of 15% for overall CAR and 10% for Tier-I CAR, reflecting a strong capital buffer. However, the elevated capital ratios are partly attributable to the company being in the nascent stage of operations, with limited balance sheet leverage and a relatively small loan book. As the company scales up its operations, capital ratios are expected to moderate.

Overall gearing stood at a comfortable level of 2.32x as on December 31, 2025, compared to 0.12x as on March 31, 2025, reflecting an increase in borrowings in line with business scale up. Gearing is expected to rise further with the expansion of the loan portfolio, though it is likely to remain within moderate levels over near-to-medium term. The tangible net worth stood at ₹30.82 crore as on December 31, 2025, compared to ₹39.90 crore as on March 31, 2025.

Going forward, the company's ability to raise capital supporting its growth will remain a key monitorable.

Liquidity: Adequate

MCL has unencumbered cash and cash equivalents of ₹1.53 crore as on December 31, 2025 with ₹7.49 crore in liquid investments. The asset and liability management (ALM) profile as on December 31, 2025, reflects positive cumulative mismatches across all maturity buckets. Inflows from advances aggregated ₹19.28 crore and liquid investments against outflows from borrowings of ₹26.11 crore over the up-to-one-year maturity bucket, indicating adequate liquidity support.

Applicable criteria

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios - Financial Sector](#)

[Non Banking Financial Companies](#)

[Notching by Factoring Linkages in Ratings](#)

About the company and industry

Industry classification

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

MCL (formerly Savani Financials Limited) is a BSE-listed, Reserve Bank of India (RBI)-registered non-banking finance company (NBFC) focused on empowering entrepreneurs through tailored credit solutions, primarily catering to general trade, logistics, and mobility segments. The company's lending portfolio comprises LAP and loans against EVs.

Incorporated in December 1983, MCL commenced lending operations in FY25. As on December 31, 2025, the company reported AUM of ₹94.41 crore, with cumulative disbursements of ₹102.20 crore since inception.

Standalone Financials of MCL

| Brief Financials (₹ crore) | March 31, 2024 (A) | March 31, 2025 (A) | 9MFY26 (UA) |
|---|--------------------|--------------------|-------------|
| Total income | 0.13 | 3.43 | 10.76 |
| Profit after tax (PAT) | -2.00 | -8.79 | -8.82 |
| Assets under management (AUM) | 0.00 | 25.86 | 94.41 |
| On-book gearing (x) | NM | 0.12 | 2.32 |
| AUM / tangible net worth (TNW) (x) | NM | 0.65 | 3.06 |
| Gross non-performing assets (NPA) / gross stage three (%) | NA | 0.00 | 0.99 |
| Return on managed assets (ROMA) (%) | -83.51 | -34.32 | -15.16* |
| Capital adequacy ratio (CAR) (%) | NA | 109.65 | 31.45 |

A: Audited UA: Unaudited NA: Not applicable NM: Not meaningful *Annualised; Note: these are latest available financial results

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 |
|---------------------------------------|----------|-------------------------------|-----------------|----------------------------|-----------------------------|------------------------------------|
| Debentures-Non-convertible debentures | Proposed | - | - | - | 25.00 | CARE BB+; Stable |
| Term Loan-Long Term | Proposed | - | - | - | 50.00 | CARE BB+; Stable |

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 2026-2027 | 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 |
| 1 | Term Loan-Long Term | LT | 50.00 | CARE BB+; Stable | | | | |
| 2 | Debentures-Non-convertible debentures | LT | 25.00 | CARE BB+; Stable | | | | |

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 the Instrument | Complexity Level |
|---------|---------------------------------------|------------------|
| 1 | Debentures-Non-convertible debentures | Simple |
| 2 | Term Loan-Long Term | Simple |

Annexure-5: Lender details

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

Annexure-6: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of FSRs, along with the names of respective FSRs, is being disclosed below:

| Sr. No. | Facilities/Instruments Name | Regulator of the Instruments ² |
|---------|--|--|
| 1. | Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities) | SEBI |
| 2. | Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities) | MCA |
| 3. | Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) * | SEBI |
| 4. | Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) * | SEBI |
| 5. | Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) * | RBI |
| 6. | Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year | RBI |
| 7. | Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year | RBI |
| 8. | Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^ | RBI |
| 9. | External Commercial Borrowings and Other Similar Borrowings | RBI |
| 10. | Certificates of Deposit | RBI |
| 11. | Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs | RBI |
| 12. | Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs | MCA |
| 13. | Inter Corporate Deposits / Loans Extended by Corporates | MCA |
| 14. | Borrowing Programme ~ | - |
| 15. | Issuer Ratings # | - |
| 16. | Credit Ratings for Capital Protection Oriented Schemes (By Mutual Funds and AIFs) | SEBI |
| 17. | Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs | SEBI |
| 18. | Listed Security Receipts | SEBI |
| 19. | Unlisted Security Receipts | RBI |
| 20. | Independent Credit Evaluation (ICE) | RBI |
| 21. | Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs) | RBI |
| 22. | Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)) | SEBI |
| 23. | Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)) | MCA |
| 24. | Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) * | Investor-side regulator such as IRDAI, PFRDA @ |

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details and names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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.

²SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

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About us:

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