



Press Release
BRANCH INTERNATIONAL FINANCIAL SERVICES PRIVATE LIMITED
August 13, 2025
Rating Assigned and Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	50.00	ACUITE BBB Stable Assigned	-
Bank Loan Ratings	80.00	ACUITE BBB Stable Upgraded	-
Non Convertible Debentures (NCD)	100.00	ACUITE BBB Stable Assigned	-
Non Convertible Debentures (NCD)	80.00	ACUITE BBB Stable Upgraded	-
Total Outstanding Quantum (Rs. Cr)	310.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded the long-term rating of ‘ACUITE BBB-’ (read as ACUITE triple B minus) to ‘ACUITE BBB’ (read as ACUITE triple B) on the Rs. 80.00 Crore bank facilities of Branch International Financial Services Private Limited (BIFSPL). The outlook is ‘Stable’.

Acuite has assigned the long-term rating of ‘ACUITE BBB’ (read as ACUITE triple B) on the Rs. 50.00 Crore bank facilities of Branch International Financial Services Private Limited (BIFSPL). The outlook is ‘Stable’.

Acuite has upgraded the long-term rating of ‘ACUITE BBB-’ (read as ACUITE triple B minus) to ‘ACUITE BBB’ (read as ACUITE triple B) on the Rs. 80.00 Crore Non-Convertible Debentures of Branch International Financial Services Private Limited (BIFSPL). The outlook is ‘Stable’.

Acuite has assigned the long-term rating of ‘ACUITE BBB’ (read as ACUITE triple B) on the Rs. 100.00 Crore on Non-Convertible Debentures of Branch International Financial Services Private Limited (BIFSPL). The outlook is ‘Stable’.

Rationale for rating

The upgrade in the rating factors the company’s experienced promoters, growth in AUM and business performance and comfortable capitalisation. The promoters of the company have helped build a scalable business model with technology driven digital lending platform which has aided the company to grow its scale of operations where the company made disbursements of Rs 5128.44 Cr. in FY25 (provisional) as against Rs 2066.20 Cr. in FY24. This has fueled the AUM to grow from Rs. 400.30 Cr. as on March 31, 2024 to Rs. 908.72 Cr. as on March 31, 2025 (provisional). The company reported PAT of ~Rs. 103.91 Cr. during FY25 (provisional) as against ~Rs. 71.02 Cr. during FY24. The rating also factors in the regular capital infusion by the promoters with Rs 36.25 Cr. received in FY25 and expected capital infusion of ~Rs. 120 Cr. in FY26. The company has comfortable capital structure marked with net worth of Rs 262.26 Cr. and total debt of Rs 482.41 Cr. resulting in gearing of 1.84 times as on March 31, 2025 (provisional).

These strengths are partially offset by high credit costs and short-term unsecured nature of loan portfolio. The credit cost (write-off and provision) during FY25 (provisional) increased to Rs. 398.18 Cr. as against Rs. 139.68 Cr. during FY24. However for FY25, the net write-off remained contained at ~5% of disbursements.

Acuite believes the ability of BIFSPL to profitably scale up its portfolio while maintaining robustness of its technology platform given the evolving nature of FinTech model and containing credit costs is a key monitorable.

About the company

Mumbai based Branch International Financial Services Private Limited was incorporated in the year 2017 and is engaged in the business of providing unsecured personal loans through mobile based application. Mr. Matthew Joseph Flannery and Mr. Neeraj Gupta are the directors of the company.

Unsupported Rating

Not applicable

Analytical Approach

Key Rating Drivers

Strength

Comfortable Capitalization and Gearing

BIFSPL is a wholly owned subsidiary of Branch International Inc, USA. which has been able to raise more than 100 million dollars from global investors since 2015. BIFSPL has received capital infusion in regular intervals from its parent company with the infusion amounting to Rs 36.27 Cr. received in FY25 and expected capital infusion of ~Rs. 120 Cr. in FY26. The company has comfortable capital structure marked with net worth of Rs 262.26 Cr. and total debt of Rs 482.41 Cr. resulting in gearing of 1.84 times as on March 31, 2025 (provisional). Capital adequacy profile of the company remains comfortable with the overall capital adequacy ratio (CAR) of 41.57% as on March 31, 2025 (provisional).

Acuité expects BIFSPL's capital structure and business to continue to benefit from fund raising ability from investors.

Technology driven scalable business model

BIFSPL follows digital lending model with majority of credit underwriting process performed digitally over in-house technology platform "Branch", owned by parent company, Branch International which leverages self-learning algorithm. This enables the company to achieve scalability in business at a faster pace with well-defined risk and rule engines continuously monitoring asset quality metrics.

Growth in scale of operations and improving profitability

The company made disbursements of Rs 5128.44 Cr. in FY25 (provisional) as against Rs 2066.20 Cr. in FY24. This has fuelled the AUM to grow from Rs. 400.30 Cr. as on March 31, 2024 to Rs. 908.72 Cr. as on March 31, 2025 (provisional). The company reported PAT of ~Rs. 103.91 Cr. during FY25 (provisional) as against ~Rs.71.02 Cr. during FY24. The total income (net of interest expense) increased from Rs. 335.86 Cr. during FY24 to Rs. 769.53 Cr. during FY25 (provisional).

Going forward the company's ability to scale the business while improving its financial metrics will be a key monitorable.

Weakness

Moderate asset quality and High credit costs

BIFSPL reported NIL GNPA and NNPA as on March 2025 largely on account of write offs. However, the slippages in softer buckets 1+dpd upto 90 dpd remain moderate accounting to 10.32 percent of the AUM as on March 31, 2025 (provisional). As the company writes off the loans that slip into the 90+dpd bucket, the headline asset quality metrics remain healthy but due to the write offs, the credit costs remain on the higher side for the company. Hence, any slippages from the softer buckets could impact the credit profile of the company. The credit cost (write-off and provision) during FY25 (provisional) increased to Rs. 398.18 Cr. as against Rs. 139.86 Cr. during FY24. However for FY25, the net write-off remained contained at ~5% of disbursements.

Acuite believes the ability of BIFSPL to contain asset quality risks through efficient underwriting and collection given the inherent nature of the portfolio and evolving data analytics and machine learning will be crucial.

Evolving nature of fintech business model; technology and regulatory risks

Given that the digital lending particularly in B2C segment is evolving and innovative technology is the backbone of fintech business model, the company is exposed to technology risks encompassing data security, privacy and technology failure. Since all the business functions including data storage, disbursements and collections is done digitally, any breach shall expose the company to cyber events and liabilities arising thereon. Also, the company is also exposed to evolving regulatory developments given that the fintech business model is at nascent stage.

Rating Sensitivity

- Promoter/ investor support
- Significant and sustained increase in AUM
- Movement in profitability and asset quality metrics
- Capitalisation and liquidity buffers
- Changes in Regulatory environment

All Covenants

For ISIN INE12VA07264, the financial covenants are as under:

1. GNPA to be less than 2% and NNPA to be less than 1%
2. During the period from the Deemed Date of Allotment until the Final Redemption Date, the Company shall maintain, on a standalone basis, that the number of days past due (90 dpd) Affirmative Covenants Negative Covenants plus write off on disbursed twelve-month basis, shall not exceed 8.5%. Amounts, calculated on a trailing

3. No cumulative mismatch of ALM till the tenure of the issuance. Undrawn sanctions loans to be excluded
4. PAT of Branch International India to be positive during the tenor of the issuance
5. Prior approval in case of change in Shareholding resulting the issuer not being wholly owned subsidiary of parent Branch International Inc
6. Networth to be more than 100 crores
7. Maximum leverage ratio (computed as total outstanding borrowings/ net worth less deferred tax) shall be 2.5x
8. PAR 90+ <=20% of TNW
9. Mr Neeraj Gupta shall continue to hold Managing position

For INE12VA07348, the financial covenants are as under:

1. Total Debt (excluding ECB from the Parent) to Adjusted Tangible Net Worth (ATNW) ratio shall not exceed 3x during currency of the facility.
2. Maintain the minimum rating of BBB-(Stable) during the tenure of the facility
3. Write offs not to exceed 8% of total disbursement in any quarter
4. Net Advances to remain at least 750 Cr during tenor of the facility
5. No change in Provisioning, Write off & Liquidity Policies during the tenure of facility
6. Current monthly collection efficiency* not to drop below 85% [*Current Collection Efficiency (%) = (EMI Collected in current month for the due month Prepayments of current months EMI)/ Current month EMI demand * 100]
7. The Borrower to remain profitable during the tenure of the facility. This will be tested on quarterly basis
8. No loans/Advances to any related party/entity, by Borrower
9. Cumulative mismatch in ALM should be positive for all the buckets
10. No change in shareholding and control by Branch International Inc
11. Dividends to be paid only out of the distributable profits and free reserves relating to that year and after setting off accumulated losses (if any) and after making al due and necessary provisions, provided that there have been no defaults in repayments under seek the prior written consent of the Lender before declaring dividends.
12. Always maintain all security cover with assets in the form of loan receivables
13. Borrowers loan book must have par 30 of less than 12% as a portion of Principal Outstanding during the current of facility

For INE12VA07389, the financial covenants are as under:

1. GNPA to be less than 2% and NNPA to be less than 1%
2. During the period from the Deemed Date of Allotment until the Final Redemption Date, the Company shall maintain, on a standalone basis, that the number of days past due (90 dpd) Affirmative Covenants Negative Covenants plus write off on disbursed twelve-month basis, shall not exceed 8.5%. Amounts, calculated on a trailing
3. No cumulative mismatch of ALM till the tenure of the issuance. Undrawn sanctions loans to be excluded
4. Operating Profit (PBT + Depreciation) of Branch International India (BIFSPL) to be maintained minimum 15 Crore on a quarterly
5. Prior approval in case of change in Shareholding resulting the issuer not being wholly owned subsidiary of parent Branch International Inc
6. Networth to be more than 100 crores
7. Maximum leverage ratio (computed as total outstanding borrowings/ net worth less deferred tax) shall be 2.5x
8. Maintain Tier 1 capital ratio >=15% during the tenor of the issuance
9. Maintain a Capital Adequacy Ratio (CRAR) >= 30% during the tenor of the issuance (While calculation of Tier 2 Capital, 100% of general provisions are to be allowed)
10. PAR 90+ <=20% of TNW
11. Mr Neeraj Gupta shall continue to hold Managing position
12. LTV <=75% where LTV= Total Debt/(Cash+ Loan Receivables)
13. The Company shall maintain an average monthly free cash balance of Rs 12 Crore (including cash balance & loan related receivables from payment gateways if any.)

For INE12VA07371, the financial covenants are as under:

1. GNPA to be less than 2% and NNPA to be less than 1%
2. During the period from the Deemed Date of Allotment until the Final Redemption Date, the Company shall maintain, on a standalone basis, that the number of days past due (90 dpd). Affirmative Covenants Negative Covenants plus write off on disbursed twelve-month basis, shall not exceed 8.5%. Amounts, calculated on a trailing
3. No cumulative mismatch of ALM till the tenure of the issuance. Undrawn sanctions loans to be excluded
4. PAT of Branch International India to be positive during the tenor of the issuance
5. Prior approval in case of change in Shareholding resulting the issuer not being wholly owned subsidiary of parent Branch International Inc
6. Networth to be more than 100 crores
7. Maximum leverage ratio (computed as total outstanding borrowings/ net worth less deferred tax) shall be 2.5x
8. Tier 1 capital ratio >=15%
9. Maintain a Capital Adequacy Ratio (CRAR) >= 30% during the tenor of the issuance (While calculation of Tier

- 2 Capital, 100% of general provisions are to be allowed)
 10. PAR 90+ <=20% of TNW
 11. Mr Neeraj Gupta shall continue to hold Managing position

Liquidity Position

Adequate

BIFSPL reported adequate liquidity profile as on March 31, 2025 with no negative cumulative mismatches in near to medium term. BIFSPL's cash and cash equivalents stood at Rs. 65.94 crore as on March 31, 2025 (provisional). The company additionally has unutilised limits of Rs. 113 Cr. as on March 31, 2025.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials - Standalone / Originator

Particulars	Unit	FY25 (Provisional)	FY24 (Actual)
Total Assets	Rs. Cr.	1031.47	451.19
Total Income*	Rs. Cr.	769.53	335.86
PAT	Rs. Cr.	103.91	71.02
Net Worth	Rs. Cr.	262.26	122.11
Return on Average Assets (RoAA)	(%)	14.02	23.39
Return on Average Net Worth (RoNW)	(%)	54.07	82.00
Total Debt/Tangible Net worth (Gearing)	Times	1.84	1.84
Gross NPA	(%)	0	0
Net NPA	(%)	0	0

*Total income equals to Total Income net of interest expense

Status of non-cooperation with previous CRA (if applicable):

Not applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
01 Oct 2024	Term Loan	Long Term	5.42	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	54.58	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	10.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	10.00	ACUITE BBB- Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	80.00	ACUITE BBB- Stable (Assigned)
30 May 2024	Term Loan	Long Term	7.92	ACUITE BBB- Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	72.08	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	INE12VA07389	Non-Convertible Debentures (NCD)	01 Jul 2025	12.00	05 Jul 2026	40.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Not Applicable	INE12VA07264	Non-Convertible Debentures (NCD)	04 Mar 2025	10.00	09 Mar 2026	10.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Not Applicable	INE12VA07348	Non-Convertible Debentures (NCD)	30 May 2025	15.00	31 May 2026	10.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Not Applicable	INE12VA07371	Non-Convertible Debentures (NCD)	27 Jun 2025	10.30	30 Jun 2026	20.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	68.75	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	11.67	Simple	ACUITE BBB Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	100.00	Simple	ACUITE BBB Stable Assigned
ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	28 Sep 2023	Not avl. / Not appl.	25 Sep 2025	1.25	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
slice Small Finance Bank Limited (erstwhile North East Small Finance Bank Limited)	Not avl. / Not appl.	Term Loan	21 Jul 2025	Not avl. / Not appl.	21 Jan 2026	15.00	Simple	ACUITE BBB Stable Assigned
ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	25 Oct 2024	Not avl. / Not	25 Oct 2026	3.33	Simple	ACUITE BBB Stable

				appl.				Assigned
Suryoday Small Finance Bank Limited	Not avl. / Not appl.	Term Loan	20 Jun 2025	Not avl. / Not appl.	05 Apr 2026	15.00	Simple	ACUITE BBB Stable Assigned
Suryoday Small Finance Bank Limited	Not avl. / Not appl.	Term Loan	23 Jan 2025	Not avl. / Not appl.	05 Aug 2025	5.00	Simple	ACUITE BBB Stable Assigned
Yes Bank Ltd	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Jul 2025	10.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)

Contacts

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About Acuité Ratings & Research

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