



Press Release
INDIA FACTORING AND FINANCE SOLUTIONS PRIVATE LIMITED
September 04, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	200.00	ACUITE A- Stable Assigned	-
Bank Loan Ratings	300.00	-	ACUITE A2+ Assigned
Total Outstanding Quantum (Rs. Cr)	500.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned the long-term rating of '**ACUITE A-**' (read as **ACUITEA minus**) on the Rs. 200.00 crore bank facilities of India Factoring and Finance Solutions Private Limited (IFFS). The outlook is '**Stable**'.

Acuite has assigned the short-term rating of '**ACUITE A2+**' (read as **ACUITEA two plus**) on the Rs. 300.00 crore bank facilities of India Factoring and Finance Solutions Private Limited (IFFS).

Rationale for the rating

The rating assigned factors the strong parentage, leading market position in export factoring business, healthy capitalization level, growth in scale of operations and improved asset quality metrics. FIMBank Plc has 88.79 percent shareholding as on March 31, 2025 and provides operational and financial support in the form of credit lines and capital infusions; accordingly company's networth stood at Rs. 306.02 Cr. as on March 31, 2025. IFFS a leading player in India's export factoring segment, commanding more than 50 percent of the market share in export conducted via Factors Chain International (FCI) in CY2024. The company has registered a growth in its scale of operations as reported by an increase in transactional volumes from ~Rs. 6,977 Cr. during FY24 to ~Rs. 7,687 Cr. during FY25 (FY23: ~Rs. 6,007 Cr.). Over the past 5 years, the asset quality metrics improved significantly as indicated by a reduction in the GNPA from 3.61 percent as on March 31, 2024 to 0.22 percent as on March 31, 2025 owing to recoveries and write-offs. The NNPA stands at zero percent for FY2024 and FY2025 reflecting 100 percent provisioning of assets. Acuite notes that the reported NPAs are on account of legacy book (pre-2019) and slippage has been minimal over the last 5 years. However, the above strengths are partially offset by moderate profitability, high customer concentration and undiversified borrowing profile. ROAA remains at moderate level of 2.27 percent for FY25 and has largely remained at similar levels over the past 3 years. The top 20 FIUs account for 69 percent of the AUM outstanding as on March 31, 2025 indicating high concentration risk. Further, 89 percent of the borrowing profile of the company as on March 31, 2025 are credit lines provided by FIMBank Plc. Additionally, the company has a large exposure of export factoring in the US market, and given the hike in tariffs to 50 percent to select sectors, the impact of the same on the transactional volumes and earning profile will remain the monitorable for the company.

Going forward, Acuite believes that the company's ability to profitably scale up the business and sustained support from FIMBank Plc will remain a key monitorable.

About the company

Incorporated in 2009, India Factoring And Finance Solutions Private Limited is engaged in working capital solutions through the Factoring product, aimed at converting receivables into cash. The Directors of the company are Mr. Adrian Alejandro Gostuski, Mr. Kishor Prabhakar Pradhan, Mr. Nirmal Parik and Mr. Rajiv Nayar. The registered office is located at Mumbai.

Unsupported Rating

Not applicable

Analytical Approach

Acuité has adopted a standalone approach on IFFS's business and financial risk profile for arriving at the rating.

Key Rating Drivers

Strength

Strong Parentage; FIMBank Plc

FIMBank Plc, the parent company of IFFS, is a prominent provider of trade finance, factoring, and forfaiting services, headquartered in Malta. FIMBank Plc is ultimately owned by Kuwait Projects Company (KIPCO) via United Gulf Holding Inc (Bahrain) and Burgan Bank (Kuwait). To expand its global factoring footprint, FIMBank Plc has strategically established joint ventures and operational units in select emerging economies. IFFS has benefited from substantial financial backing from FIMBank Plc in the form of capital infusions; the company has received USD 3 million during FY2025 and expected to receive an additional USD 17 million during the period 2026-2029. Additionally, FIMBank Plc provides CC/OD limits of USD 155 million as on March 31, 2025. Two of IFFS's five board members are drawn from FIMBank's executive leadership.

Going forward, the credit profile of FIMBank Plc and timely support in the form of credit and equity will remain a key monitorable.

Increase in scale of business and Improving asset quality metrics

The export factoring transaction volumes grew from ~Rs. 5,058 crore in FY24 to ~Rs. 5,459 crore in FY25, reflecting a growth of ~8 percent. The domestic factoring transaction volumes grew from ~Rs.1,919 crore in FY24 to ₹2,228 crore in FY25, reflecting a growth of ~16%. The asset quality metrics improved significantly as indicated by a reduction in the GNPA from 3.61 percent as on March 31, 2024 to 0.22 percent as on March 31, 2025 owing to recoveries and write-offs. The NNPA stands at zero percent for FY2024 and FY2025 reflecting 100 percent provisioning of assets. With ~82 percent of its portfolio backed by import factor or insurance coverage, the company's asset quality is expected to remain stable and within manageable levels.

Healthy capitalisation levels

The company reported a networth of Rs. 306.02 Cr. as on March 31, 2025 as compared to Rs. 247.85 Cr. as on March 31, 2024. The CRAR stood comfortable at 20 percent with Tier-1 at 19.59 percent. The gearing stood at 4.01 times as on March 31, 2025 as compared to 3.88 times as on March 31, 2024.

Weakness

Moderate profitability

ROAA remains at moderate level of 2.27 percent for FY25 and has largely remained at similar levels over the past 3 years. The PAT, although indicated a growth YoY of ~25 percent from Rs. 25.68 Cr during FY24 to Rs. 32.07 Cr. during FY25, has deteriorated from Rs. 33.06 Cr. during FY23. The company's ability to scale up its business profitably would be a key monitorable.

High customer concentration

The FIUs as on March 31, 2025 have a high customer concentration with the top 20 customers accounting for ~69 percent of the receivables. Approximately 85 percent of the FIUs as on March 31, 2025 were attributed to large and/or medium enterprises. However, any slippages from these large accounts can put pressure on the asset quality.

Concentrated borrowing profile

Of the outstanding debt as on March 31, 2025, 89 percent are credit lines in the form of Cash Credit/Overdraft limits provided by the parent company, FIMBank Plc. This indicates restricted diversification in their borrowing profile. The credit profile of FIMBank Plc and ability to diversify its resource profile remains a key monitorable.

Rating Sensitivity

- Movement in profitability and asset quality metrics
- Movement in credit profile of FIMBank Plc and extent of support to IFFS
- Movement in capital structure
- Changes in Regulatory environment

Liquidity Position

Adequate

IFFS's overall liquidity profile remains adequate. The company's assets and liabilities are well matched with no deficit in any of the time buckets upto 5 years as on March 31, 2025. IFFS has maintained cash on hand of Rs. 13.68 Cr. and unutilised bank limits of Rs. 299.31 Cr. as on March 31, 2025.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials - Standalone / Originator

Particulars	Unit	FY25 (Actual)	FY24 (Actual)
Total Assets	Rs. Cr.	1581.54	1240.32
Total Income*	Rs. Cr.	79.66	68.16
PAT	Rs. Cr.	32.07	25.68
Net Worth	Rs. Cr.	306.02	247.85
Return on Average Assets (RoAA)	(%)	2.27	2.08
Return on Average Net Worth (RoNW)	(%)	11.58	10.93
Debt/Equity	Times	4.01	3.88
Gross NPA	(%)	0.22	3.61
Net NPA	(%)	0.00	0.00

*Total income equals to Net interest income plus other income

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

None

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: Not applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	23 Dec 2024	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A2+ Assigned
Axis Bank	Not avl. / Not appl.	Cash Credit	06 Feb 2025	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A2+ Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	200.00	Simple	ACUITE A- Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	140.00	Simple	ACUITE A2+ Assigned
Axis Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A2+ Assigned
IDFC First Bank Limited	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A2+ Assigned
Central Bank of India	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	80.00	Simple	ACUITE A2+ Assigned

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About Acuité Ratings & Research

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