



Press Release

Arthmate Financing India Private Limited (AFIPL)

(erstwhile Mamta Projects Private Limited)

March 07, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	67.49	IVR BB+/Stable (IVR Double B Plus with Stable Outlook)	IVR BBB/Stable (IVR Triple B with Stable Outlook)	Rating downgraded	Simple
Long Term Bank Facilities-Proposed	132.51	IVR BB+/Stable (IVR Double B Plus with Stable Outlook)	IVR BBB/Stable (IVR Triple B with Stable Outlook)	Rating downgraded	Simple
Non-Convertible Debenture	45.02	IVR BB+/Stable (IVR Double B Plus with Stable Outlook)	IVR BBB/Stable (IVR Triple B with Stable Outlook)	Rating downgraded	Simple
Non-Convertible Debenture-Proposed	50.46	IVR BB+/Stable (IVR Double B Plus with Stable Outlook)	IVR BBB/Stable (IVR Triple B with Stable Outlook)	Rating downgraded	Simple
Total	295.48 (Rupees Two Hundred Ninety-Five Crore and Forty Eight Lakhs Only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has downgraded the ratings assigned to the bank facilities / NCDs of AFIPL reflects substantial deterioration in asset quality levels leading to higher credit cost impacting



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the profitability during 8MFY25. Asset quality has been deteriorated due to higher delinquencies in unsecured business loans.

Additionally, the sole debenture holder for the NCDs (ISIN: INE0GA407317) has requested for tenor extension by 367 days from the original date of redemption (February 28, 2025) on Feb 20, 2025. The same has been approved by board of directors vide resolution dated Feb 24, 2025. Infomerics also notes that management has confirmed that NCD's with ISIN INE0GA407226, INE0GA407234, INE0GA407242, INE0GA407259, INE0GA407267, INE0GA407275, INE0GA407283, INE0GA407291 and INE0GA407309 along with term loans from the lenders namely Profectus Capital Private Limited, Usha Financial Services Limited and Tata Capital Limited has repaid on the maturity date. Infomerics will withdraw the ratings post receipt of necessary documents and in accordance with Infomerics Policy of Withdrawal I. ([Policy on Withdrawal of Ratings](#)). However, the ratings continue to derive strength from adequate capitalisation levels, experienced management and strategic investors and viable technology-based business model.

The ratings are, however, constrained by poor asset quality, degrowth in AUM, decline in profitability, intense competition and susceptibility to regulatory changes.

Infomerics Ratings expects outlook to remain stable on the expectations of plateauing in the delinquency levels in the loan portfolio coupled with continued support from the promoters.

Key Rating Sensitivities:

Upward Factors:

- Sustained improvement in asset quality along with profitability while maintaining the comfortable capitalisation levels.

Downward Factors

- Inability to improve asset quality levels or lower than expected equity infusion and/or sustained declined in AUM levels.



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List of Key Rating Drivers with Detailed Description

Key Rating Strengths:

- **Adequate capitalization levels:**

AFIPL's capitalization levels are adequate marked by CRAR which stood at 38.90% as on 30th November 2024. The capitalization levels are supported by equity infusion from the promoters with total infusion of ~Rs. 214 crores during FY24 (refers period from 01st April 2023 to 31st March 2024). As on 30th November 2024, AFIPL's tangible net worth stood at Rs. 308.88 crore. Going forward, AFIPL's ability to maintain capitalization levels with regular equity infusion amidst elevated credit costs will remain key rating monitorable.

- **Experienced management and strategic investors:**

AFIPL is currently managed by two directors Ms. Baljeet Kaur and Mr. Sachin Khandelwal, who have more than two decades of experience in banking and NBFC sector. The directors are ably supported by qualified and well experienced management team. The board has adequate representation from investors and extends strategic support to the company. AFIPL is promoted by Arthmate Tech Private Limited (ATPL) with 99.70% stake as on 31st March 2024, a Gurgaon-based fintech platform, which offers various products such as credit exchange, credit cloud and risk engine services to its partners. AFIPL has received periodic equity infusion from its parent to support its lending operations, while equity infusion in ATPL has been led by a number of investors including Aartieca Family Trust (AFT), Resilient Innovations Private Limited (RIPL-known as BharatPe) and PSNBK Advisors LLP

- **Viable technology-based business model:**

AFIPL has adopted a branchless business model with most of the operations from sourcing to evaluation happening online. AFIPL uses a proprietary algorithm which provides the score for each application filed which is used to evaluate credit decisions. This supports the entity's ability to scale up its portfolio with limited incremental investment, as well as being present across locations in the country.



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Key Rating Weaknesses:

- **Poor Asset Quality:**

AFIPL's asset quality is poor marked by substantial deterioration in GNPA and NNPA which stood at 30.94% & 20.92% respectively as on 31st December 2024 (FY24: 2.98% & 2.23% respectively) marked by high delinquencies in the unsecured business loan segment. Furthermore, AFIPL's on time portfolio stood at a poor ~57.40% (FY24 : ~89.68%) whereas its PCR stood at 32.38% (FY24 : 25.15%) as on 31st December 2024. Going forward, AFIPL's ability to improve its asset quality amidst significant stress in its loan book will remain key rating monitorable

- **Degrowth in AUM levels:**

AFIPL's total AUM has declined to Rs. 722.13 crore as on 31st December 2024 from Rs. 821.76 crore as on 31st March 2024 due to conservative approach adopted by the company in terms of disbursements. This is primarily on account of significant stress in its loan book which primarily consists of unsecured business loan segment. Going forward, AFIPL's ability to grow its AUM amidst stress in its loan book will remain key rating monitorable.

- **Decline in profitability:**

AFIPL's has reported a net loss of Rs. 40.15 crore during 8MFY25 against PAT of Rs. 10.57 crore in FY24 due to uptick credit costs on account of substantial deterioration in the asset quality. Going forward, AFIPL's profitability amidst elevated credit costs will be a key rating monitorable.

- **Intense competition and susceptibility to regulatory changes:**

AFIPL is exposed to intense competition within the financial services sector, often contending with traditional banks as well as emerging fintech companies vying for market share and customer loyalty. Additionally, NBFCs in India are highly susceptible to changes in the regulatory environment. Government policies, 4 regulatory reforms, and compliance requirements can directly impact their operations, liquidity management, and profitability.



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Therefore, navigating these competitive pressures and regulatory dynamics is crucial for AFIPL to sustain growth and maintain stability.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Financial Institutions/NBFCs](#)

[Financial Ratios & Interpretation \(Financial Sector\)](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity –Adequate

Considering its scale of operations, AFIPL's total CRAR remains adequate at 38.90% as on 30th November 2024 which is well above the minimum regulatory requirement. Also, it has adequately matched asset liability profile as on 30th November 2024, across all the buckets. Moreover, Cash and cash equivalents stood at Rs. 8.00 crore as on 30th November 2024.

About the Company

Arthmate Financing India Private Limited (formerly known as Mamta Projects Private Limited) was registered as an NBFC Loan Company with the RBI in May 2003. It operates under the brand name "Arthmate" and offers a bouquet of loan products to the customers sourced by partner fintech companies/financial institutions. It commenced its retail lending operations from December 2020 onwards. AFIPL does lending to the niche segment of low ticket size, shorter tenure unsecured loans. It offers products like term loans, line of credit, invoice discounting, personal loan, payday loans, education loans and bullet loans etc



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Financials (Standalone):

For the year ended* / As on	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	129.76	160.68
PAT	5.53	10.57
Tangible Net worth	95.10	319.46
Total Loan Asset	368.32	821.76
Ratios		
NIM (%)	25.78	13.46
ROTA (%)	1.56	2.42
Interest Coverage (times)	1.15	1.37
Total CAR (%)	23.80	35.56
Gross NPA [Stage III] (%)	1.01	2.98
Net NPA [Stage III] (%)	0.78	2.23

* Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: None

Any other information: None

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2024 - 25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023 -24	Date(s) & Rating(s) assigned in 2022 - 23	Date(s) & Rating(s) assigned in 2021 -22
					--	--	--
1.	Long Term Bank Facilities	Long Term	67.49	IVR BB+ / Stable (March 07, 2025) IVR BBB / Stable (April 09, 2024)	IVR BBB / Stable (March 12, 2024) IVR BBB- / Positive (Feb 16, 2024) IVR BBB- / Stable (July 07, 2023)	IVR BBB- / Stable & IVR A3 (Feb 24, 2023) IVR BBB- / Stable & IVR A3 (Sept 15, 2022)	--
2.	Long Term Bank Facilities-Proposed	Long Term	132.51	IVR BB+ / Stable (March 07, 2025)	IVR BBB / Stable (March 12, 2024)	IVR BBB- / Stable & IVR A3	--



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Sr. No.	Name of Security/Facilities	Current Ratings (2024 - 25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023 -24	Date(s) & Rating(s) assigned in 2022 - 23	Date(s) & Rating(s) assigned in 2021 -22
					--	--	--
				IVR BBB / Stable (April 09, 2024)	IVR BBB- / Positive (Feb 16, 2024) IVR BBB- / Stable (July 07, 2023)	(Feb 24, 2023) IVR BBB- / Stable & IVR A3 (Sept 15, 2022)	
3.	Non-Convertible Debenture	Long Term	45.02	IVR BB+ / Stable (March 07, 2025) IVR BBB / Stable (April 09, 2024)	IVR BBB / Stable (March 12, 2024) IVR BBB- / Positive (Feb 16, 2024) IVR BBB- / Stable (July 07, 2023)	IVR BBB- / Stable (Feb 24, 2023) IVR BBB- / Stable (Sept 15, 2022)	--
4.	Non-Convertible Debenture-Proposed	Long Term	50.46	IVR BB+ / Stable (March 07, 2025) IVR BBB / Stable (April 09, 2024)	IVR BBB / Stable (March 12, 2024) IVR BBB- / Positive (Feb 16, 2024) IVR BBB- / Stable (July 07, 2023)	IVR BBB- / Stable (Feb 24, 2023) IVR BBB- / Stable (Sept 15, 2022)	--



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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Instrument/Facility Details:

Name of Facility/Instrument	ISIN	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (Rs. Crore)	Listing Status	Rating Assigned/ Outlook
Term Loan	-	-	-	May 2024	3.34	-	IVR BB+ / Stable
Term Loan	-	-	-	August 2024	2.74	-	IVR BB+ / Stable
Term Loan	-	-	-	January 2025	8.33	-	IVR BB+ / Stable
Term Loan	-	-	-	February 2025	5.17	-	IVR BB+ / Stable
Term Loan	-	-	-	September 2025	5.00	-	IVR BB+ / Stable
Term Loan	-	-	-	March 2026	20.00	-	IVR BB+ / Stable
Term Loan	-	-	-	December 2026	22.91	-	IVR BB+ / Stable
Proposed Term Loan	-	-	-	-	132.51	-	IVR BB+ / Stable
NCD	INE0GA407226	01-02-2023	13.50%	30-04-2024	9.00	Unlisted	IVR BB+ / Stable
NCD	INE0GA407234	01-03-2023	13.50%	31-05-2024	2.53	Unlisted	IVR BB+ / Stable
NCD	NE0GA407242	06-04-2023	13.50%	06-07-2024	1.00	Unlisted	IVR BB+ / Stable
NCD	INE0GA407259	30-05-2023	13.50%	29-08-2024	2.32	Unlisted	IVR BB+ / Stable
NCD	INE0GA407267	30-05-2023	13.50%	29-08-2024	0.45	Unlisted	IVR BB+ / Stable
NCD	INE0GA407275	01-07-2023	13.50%	30-09-2024	0.53	Unlisted	IVR BB+ / Stable
NCD	INE0GA407283	01-07-2023	13.50%	30-09-2024	0.53	Unlisted	IVR BB+ / Stable



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NCD	INE0GA407291	01-09-2023	13.50%	30-11-2024	0.99	Unlisted	IVR BB+ / Stable
NCD	INE0GA407309	19-10-2023	13.50%	18-01-2025	1.36	Unlisted	IVR BB+ / Stable
NCD*	INE0GA407317	01-12-2023	13.50%	28-02-2025	10.00	Unlisted	IVR BB+ / Stable
NCD	INE0GA407325	27-12-2023	13.50%	26-03-2025	1.95	Unlisted	IVR BB+ / Stable
NCD	INE0GA407341	19-01-2024	13.50%	18-04-2025	1.28	Unlisted	IVR BB+ / Stable
NCD	INE0GA407333	19-01-2024	13.50%	18-04-2025	2.52	Unlisted	IVR BB+ / Stable
NCD	INE0GA407358	31-01-2024	13.50%	30-04-2025	2.71	Unlisted	IVR BB+ / Stable
NCD	INE0GA407366	31-01-2024	13.50%	30-04-2025	1.48	Unlisted	IVR BB+ / Stable
NCD	INE0GA407374	16-02-2024	13.50%	15-05-2025	1.18	Unlisted	IVR BB+ / Stable
NCD	INE0GA407382	16-02-2024	13.50%	15-05-2025	0.99	Unlisted	IVR BB+ / Stable
NCD	NE0GA407390	03-01-2024	13.50%	31-05-2025	1.75	Unlisted	IVR BB+ / Stable
NCD	INE0GA407408	03-01-2024	13.50%	31-05-2025	1.25	Unlisted	IVR BB+ / Stable
NCD	INE0GA407416	30-03-2024	13.50%	29-06-2025	1.20	Unlisted	IVR BB+ / Stable
Proposed NCD	-	-	-	-	50.46	Unlisted	IVR BB+ / Stable

* The debenture holder for the NCDs (ISIN: INE0GA407317) has requested for tenor extension by 367 days from the original date of redemption (February 28, 2025). The same has been approved by board of directors vide resolution dated January 24, 2025.

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-arthmate-mar25.pdf>



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Annexure 3: Detailed explanation of covenants of the rated Security/facilities:

Name of Instrument	NCD
Financial Covenant	Nil
Rating Covenant	Nil
Non-Financial Covenant	<p>-Debentures shall be secured by continuing security by way of an exclusive charge up to extent of 1.10x (existing) and 1.25x (proposed) of principal amount of Debentures outstanding (Security cover) on standard/hypothecated receivable in favour of the Debenture trustee for the benefit of debenture holders</p> <p>-The record date shall be 2 business days prior to each coupon payment date/ redemption date.</p>

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Name of the company/Entity	Consolidation/Combined Approach

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.