

MFSL/SEC/EQ/2026/87

October 14, 2026

To, The Manager, BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400001 Scrip Code: 540749, 947381	To, General Manager National Stock Exchange of India Limited Exchange Plaza Plot No. C/1, G Block Bandra-Kurla Complex Bandra (East) Mumbai – 400051 Trading Symbol: MASFIN
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Dear Sir,

Subject: Intimation of Credit Rating on Pass Through Certificates given by CARE Ratings Limited

With reference to Regulation 30 of the SEBI Listing Regulations; we are pleased to inform that CARE Ratings Limited (CARE/Rating Agency) has re-affirmed & upgraded Credit Rating on Company's Pass Through Certificates. The communication about the disclosure filed by the Rating Agency with the BSE Limited was received by the Company on October 13, 2026. The details are as below:

Credit Rating Agency Name	ISIN of the Company for which rating is assigned	Rating Assigned on (details of instrument)	Amount (in crore)	Credit Rating (actual rating provided)	Current Action
CARE RATINGS LIMITED	INE348L01012	Pass Through Certificates	21	CARE AAA (SO)	Re-affirm
CARE RATINGS LIMITED	INE348L01012	Pass Through Certificates	9	CARE A+ (SO)	Upgrade

Press release issued by CARE is enclosed for reference.

You are requested to take the same on record please.

Thanking you,
Yours faithfully,

For, MAS Financial Services Limited

BHAYANI
RIDDHI
BHAVESHBHAI
Date: 2026.10.14
16:48:48 +05'30'

Riddhi Bhayani

Company Secretary and Chief Compliance Officer

Membership No.: A41206

INDIGO 045**Originator: Mas Financial Services Limited**

October 12, 2026

Instrument	Name of the Regulator ¹	Amount (₹ crore) @	Balance Tenure (months)*	Credit Enhancement (₹ crore)		Rating ²	Rating Action
				Cash Collateral	Principal Subordination		
Series A PTCs	RBI [§]	21.02	37	4.60	12.91	CARE AAA (SO)	Reaffirmed
Equity Tranche PTCs		9.19			3.72	CARE A+(SO)	Upgraded from CARE A(SO)

Details of instruments/facilities in Annexure-1.

The Series A PTCs are rated based on timely payment of interest and payment of principal on or before the last scheduled payout date and Equity Tranche PTCs are rated based on payment of principal on or before the last scheduled payout.

@After September 2026 payout.

*Tenure/door-to-door maturity may change due to prepayments or changes in interest rates.

§By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed the rating of the Series A PTC and upgraded the rating for Equity Tranche PTC issued by INDIGO 045, backed by micro enterprise (ME), small & medium enterprise (SME), commercial vehicle (CV) and 2-wheeler loan receivables originated by MAS Financial Services Limited (MFSL), at 'CARE AAA (SO)' [pronounced as Triple A (Structured Obligation)] and at 'CARE A+ (SO)' [pronounced as Single A Plus (Structured Obligation)] respectively.

Reaffirmation in rating of Series A PTCs and the upward revision in the rating of Equity Tranche PTCs are primarily based on the performance of the underlying loans in the last 11 months post-securitisation, robust legal structure, well-defined payment mechanism, significant built-up in cash collateral (CC), over collateral (OC) and Equity Tranche (ET) – as a percentage of balance amount of pass-through certificates (PTCs), subordination of excess interest spread (EIS), servicing capability and overall performance of MFSL.

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%).
- Sustained 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.

Analytical approach

The rating action is based on inter alia, observed and expected pool performance, presence of credit enhancement (CE) and adherence to the transaction structure.

Detailed description of key rating drivers

Pool Performance:

For Series A PTCs, the transaction is structured at timely payment of interest and payment of principal on or before the final legal maturity date. For Equity Tranche PTCs, the transaction is structured at payment of principal on or before the final legal maturity

¹SEBI: 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.

²Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications

date. The pool has amortised by around 63% in eleven months post-securitisation. As of September 2026 payout, overdue (OD; as a percentage of initial pool POS) is 0.58% and CC which is in the form of fixed deposit (FD) stands at around 14% (as percentage of balance pool POS) with nil utilisation. The CE available is sufficient to sustain ratings for the balance tenure.

Pool summary (as of Sept - 2026 payout)	
Months post-securitisation	11
Pool amortisation	63.08%
30+ delinquency (percentage of the initial pool POS)	3.94%
90+ delinquency (percentage of the initial pool POS)	0.00%
Overdue amount (percentage of the initial pool POS)	0.58%
Cumulative Collection Efficiency (CCE)	98.80%
CC (percentage of the balance PTC POS)	15.21%
Cumulative prepayments	25.29%

Key strengths:

- CC as a percentage of PTC (both Series A PTCs and Equity Tranche PTCs) POS is around 15%, which remains unutilised, and OC, which is around 12% of PTC POS (Series A PTCs and Equity Tranche PTCs).
- The pool has performed on expected lines for 11 months (post-securitisation) and has amortised around 63%.
- Well-defined payment mechanism and adherence to the transaction structure.
- The pool displays nil 90+DPD delinquencies.

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 delinquency, payouts are expected to be supported by CE consisting of CC, principal subordination in the form of equity tranche PTCs and OC and EIS.

For Equity Tranche PTCs: adequate

The inherent liquidity for equity tranche PTCs is adequate. The equity tranche PTCs is supported by cash collateral 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 performance of static pools provided by the originator and the 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 the 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 (among) others (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 a non-banking financial company (NBFC) in 1995 with RBI. It was initially engaged in lending two-wheeler and micro enterprises loans and later on forayed in commercial vehicle loan and micro, small and medium enterprise (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 microfinance institutions (MFIs). As on June 30, 2025, MFSL had relationships with 203 NBFC partners and ~35% of the total assets under management (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 11 years and is an active player in bilateral market and as of June 30, 2026, MFSL has 145 such live pools with initial size amounting to around ₹ 9,536 crore.

As on March 31, 2026, the promoter and promoter group held 66.65% 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.

The loan portfolio of MFSL consists of micro enterprises loans, SME loans, two-wheeler loans, commercial vehicle (CV) loans. Even in the aforesaid loan categories, a significant amount of the loan portfolio is built up through NBFCs and Non-Banking Finance Companies – Micro Finance Institutions (NBFC-MFIs).

Key financial indicators - MFSL

Brief financials (₹ crore)	FY25 (A)	FY26 (A)	Q1FY27 (UA)
Total income	1,520.45	1,900.33	530.32
Profit after tax (PAT)	305.93	366.81	104.60
Assets under management (AUM)	12,099.82	14,363.67	15,146.73
On-book gearing (x)	3.39	3.33	3.38
AUM / tangible net-worth (TNW) (x)	4.70	4.91	4.96
Gross non-performing assets (NPA) / gross stage 3 (%)	2.44%	2.57%	2.58%
Return on managed assets (ROMA) (%)	2.41%	2.45%	2.58%
Capital adequacy ratio (CAR) (%)	24.72%	22.84%	23.25%

A: Audited; UA: Unaudited; 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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:

A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

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

Annexure-1: Details of instruments/facilities:

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Highly Complex	INE2KK515010	08-Oct-2025	9.16	10-Oct-2029	21.02	CARE AAA (SO)
Pass Through Certificates	RBI	Highly Complex	INE2KK515028		-		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 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	Pass Through Certificates	LT	21.02	CARE AAA (SO)	-	1)CARE AAA (SO) (16-Oct-25) 2)Provisional CARE AAA (SO) (26-Sep-25)	-	-
2	Pass Through Certificates	LT	9.19	CARE A+ (SO)	-	1)CARE A (SO) (16-Oct-25) 2)Provisional CARE A (SO) (26-Sep-25)	-	-

LT: Long Term

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

Not applicable

Annexure-4: 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.

Contact us

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About us:

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