

## 'CareEdge BBB+/Stable' rating assigned to India Exim Finserve IFSC Private Limited

**USD 15 million foreign currency working capital limit**

**CareEdge BBB+/Stable**

CareEdge Global has assigned Long-Term Foreign Currency rating of '**CareEdge BBB+/Stable**' to the bank facility of India Exim Finserve IFSC Private Limited (Exim Finserve/Company). It was established as a wholly owned subsidiary of Export-Import Bank of India (Exim Bank; 'CareEdge BBB+/Stable'), wholly owned by the Government of India (GoI), to promote and finance India's international trade & investment.

### **Rationale**

Exim Finserve's rating is aligned with that of Exim Bank, reflecting the parent's moral commitment to providing proactive financial support, as and when required.

Exim Finserve is of strategic importance to the parent, having been established as a dedicated vehicle to execute the policy mandate of advancing India's international trade. The linkage is reinforced by the Exim Bank extending its brand identity, management and managerial oversight. Although Exim Finserve operates independently with an autonomous organisational setup, its policies and objectives are fully aligned with those of the parent.

Exim Finserve's standalone credit profile remains constrained by its nascent stage of operations and modest profitability. The company has achieved breakeven at net level this fiscal and profitability metrics are expected to remain modest in the near to medium term. Nonetheless, these factors are partially offset by the company's comfortable capitalisation and leverage indicators, with gearing at 0.8x and capital adequacy over 90% as of December 31, 2025. Credit strength is also derived from continued parent support through regular equity infusions and active management oversight.

### **Outlook**

CareEdge Global's outlook for Exim Finserve is intrinsically linked to our rating of Exim Bank and is expected to be synchronised with any subsequent rating actions on the latter.

The rating outlook for Exim Bank reflects CareEdge Global's expectation of sustained sovereign support and integration with the GoI. Consequently, the bank's rating and outlook will move in tandem with India's sovereign rating.

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## Rating sensitivities

### Upward factors

- Any upward revision in the rating of the parent, Exim Bank

### Downward factors

- Any material dilution in the shareholding and/or support philosophy towards the company by the parent
- Any downward revision in the parent's rating

### Analytical approach

The standalone rating of Exim Finserve is assessed using CareEdge Global's Financial Institutions Rating Methodology. The Group Rating Methodology has been applied to factor in support from Exim Bank.

### Key rating drivers

#### Strengths

##### Support from a parent with a strong credit profile

Exim Bank's credit profile is intrinsically linked to the sovereign, reflecting the creditworthiness of India. Its subsidiary, Exim Finserve, was established following an announcement by the finance minister of India in the FY23 budget to complement the parent's mandate of advancing international trade. This strategic importance underpins the likelihood of sustained support from Exim Bank. The parent has already infused USD 10 million equity in Exim Finserve, including recent capital infusion of USD 5 million in December 2025. Additionally, as per the approved business plan, Exim Bank is expected to provide additional need based capital at periodic intervals linked to projected increase in Exim Finserve's operating business. The strong institutional linkage has enabled Exim Finserve to raise debt at competitive rates. While no explicit guarantee exists, the parent has demonstrated its support to the subsidiary as and when required.

Additionally, Exim Bank is involved in the overall governance of Exim Finserve through board representation. While Exim Finserve maintains operational independence, larger sanction decisions require board approval, ensuring prudent oversight and alignment with broader strategic objectives. This reinforces Exim Finserve's strategic importance to the parent and strengthens stakeholder confidence in its operational stability.

##### An experienced board and management

Exim Finserve benefits from an experienced board and management team, with several senior members having over two decades of domain expertise across export finance, corporate lending, project appraisal, and risk management. The chairperson and key board members hold leadership roles at Exim Bank, providing profound understanding of the niche trade finance sector. As per the policy, senior level executive from Exim Bank is deputed as MD & CEO of Exim Finserve.

The board is further bolstered by an experienced independent director, a senior academician specialising in strategy and innovation. The diverse and seasoned leadership team enhances the institution's decision-making framework.

### **Healthy capitalisation and comfortable leverage, providing headroom for growth**

Exim Finserve has a healthy capitalisation profile, with its capital levels substantially exceeding the minimum regulatory requirements stipulated by International Financial Services Centres Authority (IFSCA), at 8%, and Reserve Bank of India (RBI), at 9%. As on December 31, 2025, capital adequacy was above 90%, well above the regulatory requirement. High level of capital adequacy is primarily attributable to the currently low level of operations, as the business is still in nascent stage and books are in the process of being built. While with the expansion of operating business, capital adequacy levels would be rationalized, it is still expected to remain healthy during medium term.

The company's leverage was low at 0.8x as on December 31, 2025, reflecting a nascent stage where equity has been the primary funding source. It currently has a single lender for its working capital requirements, with monthly utilisation averaging ~67%. Expansion in operations will raise leverage materially. However, healthy capital buffers, expectation of maintaining prudent gearing on a steady state basis, and adequate internal policies for risk management will provide Exim Finserve adequate financial flexibility and headroom to expand, while maintaining a comfortable risk profile.

### **Weaknesses**

#### **Nascent stage of operations and limited product offerings**

The company is in its early stage of operations, having commenced meaningful business activities in fiscal 2025, thereby possessing a short operating track record. While asset quality is currently strong with zero non-performing assets (NPAs), its performance will need to be monitored over a longer period as operational scale increases. Furthermore, for export factoring, company relies on credit underwriting from well reputed trade credit insurer as well as import factors under FCI's two factor model. Since Exim Finserve commenced operations only in September 2024, its ability to grow within the defined policy framework and maintain underwriting discipline will bear watching.

Exim Finserve's current operations are exclusively focused on export factoring, despite holding approvals for a comprehensive suite of services such as import factoring, forfaiting, and credit enhancement. The concentrated product mix limits operational scale and diversification, even though the factoring market in India offers significant growth potential. While the company intends to gradually expand its product portfolio, the pace and effectiveness of this diversification will remain critical to improving business granularity and reducing product concentration risks.

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### **Exposure to external trade and corridor risks**

Cross-border factoring is inherently exposed to macro trade dynamics, counterparty risk and risk of operational as well as financial frauds, given the lack of common jurisdiction across participating entities. Sector-specific volatility, global shifts in tariff regimes, sanctions, or supply-chain disruptions can materially affect buyer behaviour and payment timelines. While the company mitigates these risks through investment-grade corridors and adhering to diversification rules, such event-driven exposures are inherent to the nature of the business.

### **Low profitability; achieved breakeven in fiscal 2026**

Exim Finserve is in the early stage of operations, as reflected in its current scale of business, notwithstanding the recent increase in disbursements. The company continues to incur high fixed operating costs associated with its initial setup resulting in losses in the preceding periods. It has achieved breakeven with increase in scale of operations and reported a net profit of USD 30,000 in 9MFY26.

### **Liquidity**

At end-2025, Exim Finserve had cash and bank balances of USD 10 million, which also includes the additional equity infusion of USD 5 million in December 2025. Given the short tenure of receivables (<120 days), there is no asset-liability mismatch as of December 2025. A working capital line of USD 15 million is also available to fund disbursements. Further, the company's liquidity profile benefits from the need based support from the parent.

### **About the company**

Exim Finserve was set up as a wholly owned subsidiary of Exim Bank in August 2023 to promote the country's international trade by providing factoring and forfeiting of receivables to the exporters. At present, it is offering services of short term receivables financing, specifically for export factoring. The company gradually plans to venture into other related services also.

Exim Finserve has achieved cumulative invoice turnover of USD 35 million up to December 31, 2025, with outstanding AUM of USD 8.4 million as of December 31, 2025. Exim Finserve's receivables are short term in nature with maximum tenor of up to 120 days. Exim Finserve is a member of FCI, international body of factoring companies. Through the FCI member network, Exim Finserve engages with various import factors through a two-factor model, whereby import factor provides importer due-diligence, risk assessment & underwriting, and supports in collections and payments. Exim Finserve also relies on risk underwriting through trade credit insurance, further strengthening its overall risk mitigation framework.

### **Recent updates and financial summary**

The company posted a net profit of USD 30,000 for 9MFY26, against a loss of USD 2,557 for FY25. As on December 31, 2025, the AUM in terms of bills receivable amounted to USD 8.4 million, increasing from USD 4.6 million as on March 31, 2025. The parent company (Exim

Bank) infused additional equity of USD 5 million in December 2025, leading to healthy CAR of above 90% as on December 31, 2025.

### Key financial metrics

Not meaningful<sup>1</sup>

### Solicitation status

The rating is solicited. The management has provided information to and held meetings with the CareEdge Global analytical team for the rating process.

### Details of lenders and facilities

Instrument	Lender name	Issue size	Rating
Foreign Currency Working Capital Limit	IDBI Bank Limited	USD 15 million	CareEdge BBB+/Stable

### Rating history

Instrument	Type	Rating	Date
Foreign Currency Working Capital Limit	Long-Term Foreign Currency	CareEdge BBB+/ Stable	April 06, 2026

### Criteria applied

[CareEdge Global's Financial Institutions Rating Methodology](#)

[CareEdge Global's Group Rating Methodology](#)

### Analytical contacts

Ankit Kedia

[ankit.kedia@careedgeglobal.com](mailto:ankit.kedia@careedgeglobal.com)

Abhilash Dash

[abhilash.dash@careedgeglobal.com](mailto:abhilash.dash@careedgeglobal.com)

Smit Doshi

[smit.doshi@careedgeglobal.com](mailto:smit.doshi@careedgeglobal.com)

### Media contact

Mradul Mishra

[mradul.mishra@careedge.in](mailto:mradul.mishra@careedge.in)

<sup>1</sup> Exim Finserv's financial metrics are not meaningful owing to its nascent stage of operations

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CareEdge Global IFSC Limited  
(A subsidiary of CARE Ratings Ltd.)  
501, FlexOne, GIFT SEZ, Block 15, Gandhinagar, Gujarat – 382050, India. Phone: +91-79-6519 0701 | [www.careedgeglobal.com](http://www.careedgeglobal.com)  
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