CareEdge Global assigns 'CareEdge B-/Stable' rating to Zincmoney Finance IFSC Private Limited

USD 20 million Foreign Currency Bonds	CareEdge B-/ Stable

CareEdge Global has assigned a Long-Term Foreign Currency rating of **'CareEdge B-/Stable'** to Zincmoney Finance IFSC Private Limited's (Zincmoney) proposed Debt of USD 20 million.

Rating rationale

The rating centrally factors the strength of financial support available to Zincmoney (founded recently in 2024) from its parent, Zinc Money Pte. Ltd, Singapore, in the form of equity capital of ~US$21 million, as well as the parent's capability to tap investors for fund infusion. The rating also draws comfort from the established track record of promoters and top management in building a profitable unsecured lending business during their previous role with PayU Finance India Pvt Ltd. The company's assets and liabilities shall be in USD, which eliminates currency risk and hedging costs. These credit strengths, however, are offset by the company's nascent stage of business, where a track record of growth, profitability, and asset quality has yet to be established. The asset under management (AUM) for the company is projected to grow from ~ US$3 million in FY26 to ~ US$100 million by FY30.

Outlook: Stable

The stable rating outlook reflects CareEdge Global's expectation that Zincmoney will scale up its business over the coming years, with adequate capital support from the parent, both for growth and to absorb losses in the initial phase of the business.

Rating Sensitivities

Upward

- Establishing and achieving scale in operations profitably, while maintaining the asset quality within segment norms

Downward

- The actual performance of the company remains significantly short of expectations.
- Change in core management and any reduction in expectation of capital support and financial flexibility from the parent company.
- Asset quality weakening below segment norms owing to financial stress in the underlying borrower segment consisting of unsecured lending.

Analytical Approach

CareEdge Global has assessed the credit profile of Zincmoney Finance IFSC Private Ltd (Zincmoney) and factored the strength of support from its parent company viz. Zinc Money Pte. Ltd, Singapore to arrive at the overall credit profile. The parent has extended a Letter of Comfort (LoC) in favour of Zincmoney to provide financial support on an ongoing basis in the form of equity infusion for latter's business growth, covering of losses in initial years and at times of distress.

Key Rating Drivers

Strengths

Experienced leadership and strong financial flexibility of the parent company

Zincmoney is led by seasoned professionals with deep expertise in unsecured retail lending in India. Key executives, such as Prashanth Ranganathan (Founder & CEO) and Mayuresh Kini (CFO), have over 20 years of experience in this segment, with a demonstrated track record in their previous organisations. Piyush Gupta (CTO) also brings over 13 years of strong data and technology credentials.

The company also benefits from strong backing by its parent, Zinc Money Pte Ltd (Singapore), which raised ~US$25 million in equity last year, of which ~US$21 million is available as cash as of March 31, 2025. This equity capital at the parent is intended to fund the growth requirements of the subsidiaries, thereby providing financial flexibility to enhance creditworthiness and support operations. The parent company is backed by marquee investors including Nexus Venture Partners, Quona Capital, EDBI, and Credit Saison, reflecting confidence in the promoters.

Currency-matched model & adequate approach towards Asset-Liability Management

Operating under the IFSCA framework in GIFT City, Zincmoney conducts all transactions in USD, with both assets and liabilities denominated in the same currency. This eliminates foreign exchange risk and hedging costs, thereby reducing operating costs and their variability. Furthermore, the company intends to borrow funds in a laddered approach across one-, two-, and three-year maturities, as the average tenor of the loans in the company's books will be 3-4 years. As such, the Asset-Liability Management profile is expected to be balanced.

Zincmoney also intends to maintain a conservative leverage (debt-to-equity) cap of 4x Net Owned Funds and a minimum Capital Adequacy Ratio (CAR) of 15%, ensuring long-term solvency and resilience. Capitalisation levels are expected to remain well above regulatory thresholds, notwithstanding the projected AUM growth. The gearing level (debt-to-equity ratio) for FY26 is expected to be below 1x, which is expected to peak at 2.5x by FY28, due to steep growth in AUM and the required equity infusion by the parent company.

Well-documented underwriting & collection framework

Zincmoney shall employ a rigorous underwriting framework, prioritising co-applicant (parent, sibling, or guardian) evaluation (70% weight) alongside student profiles (30%). Eligibility filters include Indian citizenship, a 17–40 year age bracket, a minimum academic score of 50%, an offer of admission to an approved foreign university, and visa eligibility. The underwriting for the parents includes a deep understanding of their sources of income (formal as well as informal). Furthermore, in cases of limited documentations, Zincmoney adopts a more on-the-field approach, visiting the farms, businesses, or other collateral of the co-applicant to gain a better understanding of the business income and cash flows.

Loans are classified delinquent at >90 DPD and written off at >180 DPD unless under recovery. Collection actions escalate across DPD buckets—from reminders and field visits to legal notices and recovery proceedings. Disbursements follow a tranche-based model, with phased releases aligned to the fee schedules of the student's university or institute. EMI begins one month after the disbursement of the first tranche, with a minimum monthly recovery of 1% of the sanctioned amount, ensuring a portion of the principal is recovered even before the completion of the education program.

Weaknesses

Nascent stage of the business and full exposure in the unsecured lending segment

Zincmoney is in its nascent stage, with a current loan book of US$20,000. Growth in AUM is expected to be gradual, as the company establish itself in the target segment of overseas student loans. Currently, the focus is on building the brand and enhancing the customer experience to drive adoption. AUM is projected to grow from ~ US$3 million in FY26 to ~ US$100 million by FY30, primarily driven by education loans. The company would likely follow an unsecured loan model, allowing for faster access and a broader reach. However, the absence of collateral will also increase credit risk and impact asset quality. Growth in AUM and movement in asset quality will be monitored.

Low profitability in the initial years of operation

Owing to a high fixed cost base in the initial years, driven by salaries and fixed overheads, the company is projected to turn profitable only in FY28 at an operating level. Positive PAT is projected in FY29 as operations scale up and the benefits of operating leverage kick in. On a steady-state basis, profitability will depend upon the company’s ability to generate adequate yields on its loans while raising resources at competitive rates.

Liquidity

Zincmoney is expected to maintain a liquidity buffer equivalent to three months of operating expenses and debt repayments. To ensure immediate availability and minimal risk, management intends to hold the liquidity buffer in cash or near-cash instruments, such as Treasury Bills, overnight liquid funds, or equivalent highly liquid, low-risk instruments. The liquidity position is being reviewed monthly. Quarterly stress tests assess resilience under various scenarios, and contingency plans include standby credit lines (however, not yet availed) and board-approved capital infusion strategies.

About the Company

Zincmoney Finance IFSC Private Limited (Zincmoney) is a fintech registered as a ‘Finance Company‘ in GIFT City, Gujarat, and regulated by the International Financial Services Centres Authority (IFSCA). Founded in 2024 by Prashanth Ranganathan and Mayuresh Kini, the company is in the lending business and focuses on providing USD loans to Indian students for expenses associated with overseas education. Zincmoney is the first foreign lender registered with CIBIL of India, allowing it to report and monitor credit behaviour for foreign currency loans taken by Indian borrowers.

The company is wholly owned by its Singapore-based parent, Zinc Money Pte Ltd. The parent has four other wholly owned subsidiaries in India, which operate in allied financial services, including Investment Advisory, Brokerage, Financial Technology, and Payment Services. All the companies are in the nascent stage of their operations.

The company intends to tap the international education sector in India, which is evolving rapidly, with over 1.7 million Indian students projected to study abroad in 2025, showing a compound annual growth rate (CAGR) of around 18% over FY20, indicating high growth potential. Zincmoney’s competition comes from banks and NBFCs that cater to the financing needs in this space, largely in Indian currency and through standard products.

Zincmoney, therefore, specifically targets those borrowers in this segment who face challenges such as insufficient collateral and credit history and thus, not served by traditional lenders. The company offers goal-based financial planning, credit enhancement (by improving the quality of documentation and loan structuring), and loans in USD, making it easier for families to manage expenses related to overseas education. Zincmoney has partnered with over 600 counsellors, and financial institutions as a direct selling agent (DSA) for education loan disbursements.

Solicitation Status

These ratings are solicited. The management has provided information and meetings to the CareEdge Global analytical team for the rating.

Rating History

Instrument	Type	Rating	Date
Foreign Currency Bonds	Long-Term Foreign Currency (Solicited)	CareEdge B-/Stable	July 03, 2025

Criteria Applied

CareEdge Global's Rating Methodology for Financial Institutions

Analytical Contacts

Ankit Kedia
ankit.kedia@careedgeglobal.com

Abhilash Dash
abhilash.dash@careedgeglobal.com

Siddhi Jain
siddhi.jain@careedgeglobal.com

Media Contact

Mradul Mishra
mradul.mishra@careedge.in

About Us
CareEdge Global IFSC Limited (CareEdge Global) is a full-service Credit Rating Agency (CRA) with a mission of **Empowering Global Capital Market Participants Through Unrivalled Insights and Expertise.** As the first CRA registered and authorized by the International Financial Services Centres Authority (India), CareEdge Global is uniquely positioned to provide comprehensive ratings on a global scale. A part of the CareEdge Group, which is a knowledge-based analytical organisation offering a wide range of services in Credit Ratings, Analytics, Consulting, and Sustainability. Established in 1993, our parent company, **CARE Ratings Limited (CareEdge Ratings)**, stands as India's second-largest rating agency.

Disclaimer
This disclaimer applies to each credit rating report and/ or credit rating rationale ('report') that is provided by CareEdge Global IFSC Limited ('CareEdge Global').

Ratings from CareEdge Global are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities/ instruments or to make any investment decisions. The report is not a solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. CareEdge Global assumes no obligation to update its opinions following publication in any form or format although CareEdge Global may disseminate its opinions and analysis. The rating contained in the report is not a substitute for the skill, judgment and experience of the investor, user, its management, employees, advisors and/ or clients when making investment or other business decisions. The recipients of the report should rely on their own judgment and take their own professional advice before acting on the report in any way. Therefore, the report is not intended to and does not constitute an investment advice. The report should not be the sole or primary basis for any investment decision. CareEdge Global is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CareEdge Global. CareEdge Global does not act as a fiduciary by providing the rating.

Any unsolicited ratings assigned by CareEdge Global are based on publicly available information as CareEdge Global may or may not have access to documents / information or participation from management of such issuers. While CareEdge Global has obtained information from sources it believes to be reliable, CareEdge Global does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives and/ or relies on in its reports. CareEdge Global ratings are subject to a periodic review, which may lead to revision in ratings. CareEdge Global has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. CareEdge Global has in place a ratings code of conduct and policies for managing conflict of interest.

Neither CareEdge Global nor its affiliates, third-party providers, as well as their directors, officers, shareholders, employees or agents guarantee the accuracy, completeness or adequacy of the report, and shall not have any liability for any errors, omissions or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the report. CareEdge Global DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall any CareEdge Global or its associated entities or persons be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the report even if advised of the possibility of such damages.

This report does not constitute an offer of services. This report is solely for use in the jurisdiction of IFSCA, GIFT City in Gandhinagar. Without limiting the generality of the foregoing, nothing in the report is to be construed as CareEdge Global providing or intending to provide any services in jurisdictions where CareEdge Global does not have the necessary licenses and/ or registration to carry out its business activities referred to above. Access or use of this report does not create a client relationship between CareEdge Global and the user.

For latest rating information on any instrument of any company rated by CareEdge Global, you may visit our website www.careedgeglobal.com.

This report should not be reproduced or redistributed to any other person or in any form without prior written consent from CareEdge Global.

CareEdge Global IFSC Limited
(A subsidiary of CARE Ratings Ltd.)
Unit No. 06, 11 T-2, Block-11, GIFT SEZ, Gift City, Gandhi Nagar, Gujarat – 382355
CIN-U66190GJ2024PLC151103