

India Ratings Assigns Edgro Finance's Bank Loan Facilities 'IND BBB'/Stable

Mar 23, 2026 | EDGRO FINANCE PRIVATE LIMITED | Non Banking Financial Company (NBFC)

India Ratings and Research (Ind-Ra) has rated Edgro Finance Private Limited (EFPL) debt instruments as follows:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Bank loan facilities	-	-	-	INR500	IND BBB/Stable	Assigned

Analytical Approach

Ind-Ra has taken a fully consolidated view of EFPL and its 100% parent, Bluebear Technology Private Limited (BTPL), together referred to as the group, to arrive at the rating.

Detailed Rationale of the Rating Action

The rating reflects EFPL's adequate capitalisation and low leverage levels (debt/tangible net worth), and the group's ability to raise capital from institutional investors. The rating is further supported by its stable tech-platform and fairly diversified funding profile. The rating is, however, constrained by the company's modest, albeit improving, profitability and evolving product profile.

List of Key Rating Drivers

Strengths

- Adequately Capitalised
- Increasing scale of business aided by stable tech-platform
- Fairly diversified funding profile

Weaknesses

- Modest profitability
- Seasoning to be established on own originated portfolio

Detailed Description of Key Rating Drivers

Adequately Capitalised: Since inception, BTPL has raised equity of about INR5,140 million, of which INR2,600 million was raised in 9MFY26. With a focused presence in the education financing space, the company benefits from promoter leadership, which is supported by the second line of management that has over 15 years of experience in their respective domains. The company has also been successful in attracting private equity investments, with WestBridge Capital infusing approximately INR2,400 million and Stellaris Venture contributing nearly INR200 million during the latest equity round in

9MFY26. These steady equity infusions have helped BTPL strengthen its platform capabilities and facilitated consistent AUM growth while preserving a healthy capital position, with a consolidated tangible net worth of about INR4,186 million in 9MFY26 (FY25: INR1,576 million). Following the recent capital raise, the consolidated leverage ratio (debt to tangible equity) was 0.79x in 9MFY26 (FY25: 1.4x; FY24:0.82x). Although the leverage is likely to increase over the medium term due to planned borrowings, Ind-Ra expects it be below 3x on a sustained basis.

At end-9MFY26, EFPL's tier 1 capital adequacy ratio (CAR) stood at 54.29% (FY25:34.74%; FY24: 48.17%) and its standalone total debt to tangible equity stood at 0.94x. The company benefits from the presence of marquee investors with long-term capital commitments and significant remaining fund life, positioning it well for continued franchise growth. This along with the improving internal accruals is likely to support growth over the medium term.

Increasing Scale Of Business, Aided by Stable Tech-platform: BTPL started its education financing service in 2018 via its proprietary technology platform, Propelld, initially offering loans for test preparation-coaching and upskilling certifications. The group entered the domestic higher education space in 2024, its portfolio grew to INR13,039 million in 9MFY26 from INR900 million in 2021, reflecting a CAGR of 75%. The company has its in-house sourcing and distribution network and is not dependent on third-party direct selling agents (DSAs). EFPL has built its own proprietary infrastructure through direct, deep-seated partnerships with educational institutions across 25 states. This direct-to-institute model ensures control over quality of origination, underwriting discipline, and portfolio monitoring. The founders have identified a strong opportunity in the domestic education financing space, especially for students in Tier 1, 2, and 3 cities who seek admission in reputed institutes that are not typically serviced by major financial institutions. Banks generally focus on top tier institutes such as IITs and IIMs, while leading non-bank financial institutions (NBFCs) in the education loan segment cater largely to international higher-education financing. While the company's scale of operations remains moderate in comparison with larger peers in the education finance space, the growth trajectory reflects improving franchise strength and expanding market presence.

BTPL has partnerships with various institutes, and loan disbursements are made directly to these institutions, ensuring clear visibility over the end-use. The partnered institutes are given limited access to the in-house tech-platform, which gives a curated experience to its users. The company manages the entire loan lifecycle on a real-time basis — from underwriting to disbursement — leveraging advanced data analytics and algorithms to assess borrower creditworthiness directly through the platform, resulting in a short turnaround time. The underwriting framework is based on a combination of traditional and alternative data points, including borrower profile, course type, institute quality, and expected employability outcomes. The risk and control system in place is driven at two levels – pre and post disbursement stage, and as the new data gets fed in the system, the underwriting gets fine-tuned. Regular reviews and audits further ensure that its platform remains strong and effective.

Fairly Diversified Funding Profile: At end-December 2025, EFPL's lender base included three banks and nine NBFCs. Its borrowing cost reduced in 9MFY26 largely due to the company securing bank term loans and also because the interest rates on new borrowings raised in recent quarters have trended lower. Among funding sources, NBFCs accounted for 75%, and banks accounted for the balance 25% as of December 2025; furthermore, the company has on-boarded three new lenders in the past three months. EFPL has been increasing its usage of securitisation/direct assignment, which strengthens its asset-liability management, since these structures ensure that the funding duration aligns with the life of the underlying assets. The diversification of its funding sources (type of lender and instruments) and the cost at which these funds would be mobilised are rating key monitorables.

Modest Profitability: On a consolidated level, BTPL achieved PAT break-even in 9MFY26, recording a profit of INR19 million (FY25: loss of INR338 million). On a standalone basis, EFPL has been profitable since inception and posted net profit of INR37.3 million in 9MFY26 (FY25: INR24.8 million), with return on average total assets (annualised) of 0.94% (FY25: 0.8%). During 9MFY26, at a consolidated level, the company benefited from lower borrowing costs and higher interest income, supported by a 102% year-to-date expansion in its own book. Additionally, a reduction in the opex-to-average AUM ratio (9MFY26: 7.27%; FY25: 12.24%) contributed to an improvement in the PPOP to AUM to 1.97% in 9MFY26 from negative levels in FY25. With major investments in manpower and technology already completed, this ratio is likely to improve further, as the growing AUM would enhance operating leverage. The consolidated credit costs to AUM has been moderate over the past few years. In 9MFY26, the credit cost to AUM stood at 1.6% (FY25: 1.2%; FY24: 1.9%). Ind-Ra anticipates continued profitability growth, subject to BTPL maintaining effective control over credit costs and fixed costs as it expands.

Seasoning to be Established on Own Originated Portfolio: In 2018, BTPL via its business correspondent partnerships started its education financing towards coaching and certifications, which accounted for 60% and 12% of the overall AUM at 9MFYE26 (FYE25: 64%, 14%). In FY24, BTPL's NBFC arm, EFPL, commenced operations and entered the higher education segment, disbursing loans through its own balance sheet. EFPL also disburses its upskilling and test preparation financing products via the on-book route and also via co-lending partners. As of December 2025, the split between the off-book and on-book loan portfolio stood at 57%-43% (FY25: 70%-30%). For the higher education product, the tenor ranges between 48 months to 72 months, and it has a moratorium of one year. This product, which constituted 22% of the AUM in 9MFY26 (FY25:17% FY24:4%), is yet to be seasoned as majority of the disbursements happened in the last one and a half years, and it was under principal moratorium at end-9MFY26. EFPL's asset quality has remained under control, with gross non-performing asset and net non-performing assets standing at 0.34% (FY25: 0.95%) and 0.26% (0.39%), respectively, as of December 2025. On consolidated basis, the 90+ dpd accounted for 0.76% of the AUM as of December 2025 (FY25:0.95%). A sustained increase in the share of own originated book coupled with stable operating performance and asset quality metrics will be a key rating monitorable.

Liquidity

Adequate: At 3QFYE26, EFPL had a total liquidity of around INR990 million, combining unencumbered cash and liquid investments, which was sufficient to meet its debt obligations of INR863.2 million over January-March 2026, without considering any inflows from collections. Furthermore, the company had undrawn sanctioned limits of INR40 million at 3QFYE26. According to the asset-liability management statement, at end-December 2025, the company was in a surplus position in the up-to-one-year buckets, with a cumulative surplus (excess of short-term assets over short-term liabilities in the up-to-one-year bucket).

Rating Sensitivities

Positive: Events that could collectively lead to a positive rating action are:

- franchise expansion, leading to a significant improvement in the profitability buffers
- widening and deepening of liability relationship with existing and new lenders
- adequate control on credit cost, along with seasoning of the portfolio

Negative: Events that could, individually or collectively, lead to a negative rating action are:

- any substantial pressure on profitability due to a rise in credit cost or otherwise
- leverage exceeding 3.0x on a sustained basis over the medium term
- funding challenges, leading to a weakened liquidity profile, without sufficient contingent buffers
- a material weakening of the business franchise or a deterioration of the business competitiveness

Any Other Information

Not applicable

About the Company

EFPL is a Reserve Bank of India-registered NBFC that commenced lending operations in July 2023. EFPL is one of the few NBFCs that operate in the domestic education financing segment. The company is a wholly owned subsidiary of BTPL, which operates its technology platform under the brand name of Propelld. The company provides unsecured education financing solutions, comprising loans for certifications extended to working professionals through institute tie-

ups (ticket size of INR0.1–0.3 million with tenures of two-to-three years), loans for students enrolled in coaching institutes, sourced through a mix of institutional partnerships and offline channels, and it also provides higher education loans through university tie-ups for degree programs, typically with longer tenures of six-to-seven years.

Key Financial Indicators

Particulars (Consolidated)	9MFY26	FY25	FY24
Total tangible assets * (INR million)	7793	4123	3774
Total tangible equity * (INR million)	4186	1576	1914
Net profit (INR million)	19	-338	-431
Return on average tangible assets (%)*	0.42	-8.57	-13.84
Total debt/tangible equity (x)*	0.79	1.4	0.82
Source: Ind-Ra, EFPL			
*net of deferred tax and intangible assets			

Particulars (Standalone)	9MFY26	FY25	FY24
Total tangible assets * (INR million)	7025	3522	2706
Total tangible equity * (INR million)	3511	1125	1066
Net profit (INR million)	37.3	24.8	3.1
Return on average tangible assets (%)*	0.94	0.8	0.2
Total debt/tangible equity (x)*	0.94	1.96	1.46
Source: Ind-Ra, EFPL			
*net of deferred tax and intangible assets			

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook		
	Rating Type	Rated Limits (million)	Rating
Bank loan facilities	Long-term	INR 500	IND BBB/Stable

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity- indicators>.

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Evaluating Corporate Governance

Financial Institutions Rating Criteria

Non-Bank Finance Companies Criteria

The Rating Process

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