

September 29, 2025

Oxyzo Financial Services Limited (erstwhile Oxyzo Financial Services Private Limited): [ICRA]A+ (Stable) assigned to NCD programme; ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount	Current rated amount	Rating action
	(Rs. crore)	(Rs. crore)	
Non-convertible debenture	0.00	500.00	[ICRA]A+ (Stable); assigned
Non-convertible debenture	991.75	991.75	[ICRA]A+ (Stable); reaffirmed
Non-convertible debenture	20.00	-	[ICRA]A+ (Stable); reaffirmed and withdrawn
Commercial paper programme	485.00	485.00	[ICRA]A1+; reaffirmed
Long term/Short term fund based	3,208.00	3,208.00	[ICRA]A+ (Stable)/[ICRA]A1+; reaffirmed
LT – Market linked debenture	11.00	11.00	PP-MLD[ICRA]A+ (Stable); reaffirmed
LT borrowing programme	2.00	2.00	[ICRA]A+ (Stable); reaffirmed
Issuer rating	-	-	[ICRA]A+ (Stable); reaffirmed
Total	4,717.75	5,197.75	

*Instrument details are provided in Annexure I

Rationale

The ratings for Oxyzo Financial Services Limited (Oxyzo) factor in its demonstrated ability to grow its business while maintaining good control over the asset quality, its adequate profitability and comfortable capitalisation for its near-to-medium-term growth. While the company has registered significant portfolio growth in the past, ICRA draws comfort from its ability to manage the asset quality by controlling slippages and achieving recoveries. The leverage is expected to increase with the further scale-up of operations. ICRA expects Oxyzo to maintain a prudent capitalisation level with the gearing not exceeding 3-4x in the near term.

The company has achieved a sharp growth in its scale of operations over the past few years (3-year compound annual growth rate (CAGR) of 49% during FY2022-FY2025). ICRA believes that sharp growth can pose challenges in maintaining the underwriting quality and consequently the asset quality indicators.

The ratings consider Oxyzo's parentage, OFB Tech Private Limited (OFB; rated [ICRA]A+ (Stable)/[ICRA]A1+), given the majority shareholding (70% as on June 30, 2025), and the track record of significant financial and operational support from OFB, which has previously included access to capital, management and systems, and supervision by the board. While the ratings do not envisage any need for financial support from OFB, ICRA expects the parent to maintain significant ownership as Oxyzo acts as the financial services lending arm of the Group.

The Stable outlook factors in ICRA's expectation that the company will maintain adequate earnings while keeping its managed gearing and asset quality under control, which shall support its credit profile in the near to medium term.

ICRA has reaffirmed and withdrawn the rating for the Rs. 20-crore non-convertible debentures (NCDs) as no amount is outstanding against the same. The rating has been withdrawn in accordance with ICRA's policy on the withdrawal of credit ratings.

Key rating drivers and their description

Credit strengths

Comfortable capitalisation – Oxyzo’s capitalisation profile is characterised by a net worth of Rs. 3,012 crore with a capital adequacy ratio (capital-to-risk weighted assets ratio; CRAR) of 36.5% and a managed gearing of 1.9x as on June 30, 2025. ICRA expects the capital to be sufficient for the envisaged growth in the near to medium term. While the leverage is expected to increase over the medium term due to the targeted growth plans, Oxyzo is likely to maintain a prudent capitalisation profile (managed gearing below 4x) with sufficient capital buffers.

Good asset quality – Oxyzo’s lending operations have seen high growth in the last few fiscals. Thus, its ability to manage the asset quality through multiple economic cycles would remain a key monitorable. ICRA also notes that Oxyzo has set up a strong underwriting framework as demonstrated by its good asset quality indicators. The asset quality indicators have been under control so far with the gross and net stage 3 at 1.0% and 0.4%, respectively, as on June 30, 2025 (1.1% and 0.4%, respectively, as on March 31, 2025). The company’s ability to control fresh slippages while growing its business volumes would have a bearing on its overall financial profile and would be a key monitorable.

Healthy earnings profile – The company’s earnings profile remained healthy in FY2025 despite the decline in the return on average assets (RoA) to 4.0% from 4.4% in FY2024. This was due to the increase in credit costs to 1.1% in FY2025 from 0.6% in FY2024 while the net interest margin (NIM; 8.3% in FY2025 as well as FY2024) and operating expenses/average managed assets (AMA; 1.9% in FY2025 vis-à-vis 1.8% in FY2024) remained stable. Further, the company reported a profit after tax (PAT) of Rs. 88 crore in Q1 FY2026 (RoA of 3.9%). Going forward, although the margins may decline from the current level with the gradual increase in leverage, improvement in the operating efficiency, while keeping control over the asset quality, will remain imperative for maintaining healthy profitability.

Credit challenges

High pace of growth in relation to existing scale of operations – Although the company achieved sharp growth in its scale of operations till FY2025 (3-year CAGR of 49% during FY2022-FY2025), it witnessed a marginal decline of 3.5% (annualised basis) in the loan book in Q1 FY2026 on account of seasonal moderation. It decreased to ~Rs. 8,060 crore as on June 30, 2025 from Rs. 8,351 crore as on March 31, 2025 and Rs. 6,600 crore as on March 31, 2024. ICRA expects Oxyzo to grow the loan book at 15-25% per annum over the medium term.

Exposure to vulnerable borrowing profile for unsecured lending portfolio; intense competition – ICRA takes note of the inherent vulnerability of the unsecured loan book (~34% of Oxyzo’s loan book as on June 30, 2025), though its performance remains comfortable (PAR 90+ of 1.0% as on June 30, 2025). Given its limited track record of operations, the asset quality of unsecured loans across economic cycles remains a key monitorable.

ICRA notes that the target borrower segment has existing borrowing relationships. Hence, the risk of high competition from banks and/or the replication of the lending model by other non-banking financial companies (NBFCs) cannot be ruled out. Nevertheless, comfort is drawn from the synergies with OFB, facilitating enhanced connect because of various touchpoints with small and medium enterprises (SMEs), and the company’s early-mover advantage with a presence in multiple supply chains.

Liquidity position: Strong

Given the low leverage and short-tenor loans extended by Oxyzo, its asset-liability maturity (ALM) profile is characterised by positive cumulative mismatches across all buckets. As on June 30, 2025, the total debt obligations over the next one year stood at ~Rs. 2,956 crore against expected inflows from advances of ~Rs. 5,688 crore. Further, notwithstanding the high growth targets and associated liquidity needs, the Group’s liquidity profile is supported by the availability of sufficient on-balance sheet and off-balance sheet liquidity buffers with unencumbered cash and bank balance and unencumbered liquid investments of Rs. 870 crore and unutilised funding lines of ~Rs. 691 crore as on June 30, 2025.

The company has been expanding its lender base and has developed relationships with more than 40 lenders, comprising banks (including small finance banks), NBFCs and other lending institutions. It has also diversified its borrowing mix to include market instruments like NCDs and market linked debentures. The proportion of banks and NBFCs in the overall borrowing mix stood at ~80% as on June 30, 2025.

Rating sensitivities

Positive factors – The company’s ability to scale up its secured lending operations profitably, while maintaining healthy asset quality, on a sustained basis would be a credit positive. Further, an improvement in the parent’s credit profile could be a credit positive for Oxyzo.

Negative factors – Pressure on Oxyzo’s ratings could arise if the leverage increases significantly (managed gearing of more than 4x) or the asset quality weakens on a sustained basis, putting pressure on the profitability. A significant change in the likelihood of support from the parent or a deterioration in the parent’s credit profile could be a credit negative.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Rating Methodology for Non-banking Finance Companies (NBFCs) ICRA’s Policy on withdrawal of credit ratings
Parent/Group support	OFB Tech Private Limited Oxyzo’s ratings consider its parentage, OFB, given the majority shareholding (70% stake as on June 30, 2025) and the track record of significant financial and operational support from the parent, which has previously included access to capital, management and systems, and supervision by the board. While Oxyzo’s ratings do not envisage any need for financial support from OFB, ICRA expects OFB to maintain significant ownership in the company.
Consolidation/Standalone	Standalone

About the company

Oxyzo is a Gurgaon-based NBFC, which commenced lending operations in November 2017. It primarily provides secured and unsecured term loans and working capital loans to small and medium enterprises (MSMEs) for financing their core business requirements.

At the standalone level, Oxyzo’s loan book stood at ~Rs. 8,060 crore as on June 30, 2025 compared to Rs. 8,351 crore as on March 31, 2025. It comprised business loans (66%) and working capital (34%) as on June 30, 2025. Oxyzo reported a profit after tax (PAT) of Rs. 88 crore on total income of Rs. 339 crore in Q1 FY2026 against Rs. 329 crore and Rs. 1,129 crore, respectively, in FY2025. Its net worth stood at Rs. 3,012 crore as on June 30, 2025 with a gearing of 1.9x. It reported a gross stage 3% of 0.96% as on June 30, 2025 (1.09% as on March 31, 2025).

OFB Tech Private Limited

Incorporated in 2015, OFB provides raw material fulfilment and value addition and marketing services through its tech-enabled business-to-business (B2B) platform under the brand, OfBusiness. Through its platform, the company primarily trades in bulk raw materials and does basic processing in sectors such as steel, non-ferrous metals, agri-commodities, polymers, chemicals and cement, with a focus on SME-centric B2B business entities and corporates. It has raised equity capital of Rs. 5,370 crore through multiple rounds till date and the promoters continue to hold a 27.76% stake in the company. The rest is primarily held by private equity investors including SoftBank Group, Z47, Tiger Global, Creation Capital, Alpha Wave, and Norwest Venture Partners.

Key financial indicators

Oxyzo (standalone)	FY2024 Audited	FY2025 Audited	Q1 FY2026 Unaudited
Total income	853	1,129	339
Profit after tax	286	329	88
Total assets	7,353	9,212	9,087
Return on assets	4.4%	4.0%	3.9%
Gearing (times)	1.8	2.07	1.9
Gross stage 3	1.0%	1.1%	1.0%
CRAR	36.8%	33.5%	36.5%

Source: Oxyzo, ICRA Research; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2026)		Chronology of rating history for the past 3 years					
		FY2026		FY2025		FY2024		FY2023	
		Amount rated (Rs. crore)	Sep-29-2025	Date	Rating	Date	Rating	Date	Rating
Fund-based bank facilities	Long term/Short term	3,208.00	[ICRA]A+ (Stable)/[ICRA]A1+	19-Dec-24	[ICRA]A+ (Stable)/[ICRA]A1+	-	-	-	-
				27-Mar-25	[ICRA]A+ (Stable)/[ICRA]A1+	-	-	-	-
				28-Mar-25	[ICRA]A+ (Stable)/[ICRA]A1+	-	-	-	-
Commercial paper	Short term	485	[ICRA]A1+	19-Nov-24	[ICRA]A1+	29-Nov-23	[ICRA]A1+	21-Mar-23	[ICRA]A1+
				19-Dec-24	[ICRA]A1+	-	-	30-Mar-23	[ICRA]A1+
				27-Mar-25	[ICRA]A1+	-	-	-	-
				28-Mar-25	[ICRA]A1+	-	-	-	-
Borrowing programme	Long term	2	[ICRA]A+ (Stable)	19-Nov-24	[ICRA]A+ (Stable)	29-Nov-23	[ICRA]A+ (Stable)	21-Mar-23	[ICRA]A+ (Stable)
				19-Dec-24	[ICRA]A+ (Stable)	-	-	30-Mar-23	[ICRA]A+ (Stable)
				27-Mar-25	[ICRA]A+ (Stable)	-	-	-	-
				28-Mar-25	[ICRA]A+ (Stable)	-	-	-	-
Market linked debenture	Long term	11	PP-MLD[ICRA]A+ (Stable)	19-Nov-24	PP-MLD[ICRA]A+ (Stable)	29-Nov-23	PP-MLD[ICRA]A+ (Stable)	21-Mar-23	PP-MLD[ICRA]A+ (Stable)
				19-Dec-24	PP-MLD[ICRA]A+ (Stable)	-	-	30-Mar-23	PP-MLD[ICRA]A+ (Stable)
				27-Mar-25	PP-MLD[ICRA]A+ (Stable)	-	-	-	-
				28-Mar-25	PP-MLD[ICRA]A+ (Stable)	-	-	-	-

Non-convertible debenture	Long term	500	[ICRA]A+ (Stable)	-	-	-	-	-	-
Non-convertible debenture	Long term	991.75	[ICRA]A+ (Stable)	19-Nov-24	[ICRA]A+ (Stable)	29-Nov-23	[ICRA]A+ (Stable)	21-Mar-23	[ICRA]A+ (Stable)
				19-Dec-24	[ICRA]A+ (Stable)	-	-	30-Mar-23	[ICRA]A+ (Stable)
				27-Mar-25	[ICRA]A+ (Stable)	-	-	-	-
				28-Mar-25	[ICRA]A+ (Stable)	-	-	-	-
Non-convertible debenture	Long term	20	[ICRA]A+ (Stable); withdrawn	-	-	-	-	-	-
Issuer	Long term	0	[ICRA]A+ (Stable)	19-Nov-24	[ICRA]A+ (Stable)	29-Nov-23	[ICRA]A+ (Stable)	21-Mar-23	[ICRA]A+ (Stable)
				19-Dec-24	[ICRA]A+ (Stable)	-	-	30-Mar-23	[ICRA]A+ (Stable)
				27-Mar-25	[ICRA]A+ (Stable)	-	-	-	-
				28-Mar-25	[ICRA]A+ (Stable)	-	-	-	-
Fund based – Cash credit	Long term	0	-	19-Nov-24	[ICRA]A+ (Stable)	29-Nov-23	[ICRA]A+ (Stable)	21-Mar-23	[ICRA]A+ (Stable)
				19-Dec-24	[ICRA]A+ (Stable)	-	-	30-Mar-23	[ICRA]A+ (Stable)
Fund based – Term loan	Long term	0	-	19-Nov-24	[ICRA]A+ (Stable)	29-Nov-23	[ICRA]A+ (Stable)	21-Mar-23	[ICRA]A+ (Stable)
				19-Dec-24	[ICRA]A+ (Stable)	-	-	30-Mar-23	[ICRA]A+ (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Non-convertible debentures	Simple
LT-Market linked debentures	Moderately Complex
Commercial paper programme	Very Simple
Long term/Short term fund based	Simple
LT borrowing programme	Simple
Issuer rating	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details as on September 18, 2025

ISIN	Instrument name	Date of issuance / sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating And outlook
INE04VS07321	NCD	11-Mar-2024	9.90%	15-Feb-2027	25.00	[ICRA]A+ (Stable)
INE04VS07339	NCD	15-Mar-2024	9.75%	12-Mar-2027	24.00	[ICRA]A+ (Stable)
INE04VS07347	NCD	16-Sep-2024	9.25%	16-Mar-2026	10.00	[ICRA]A+ (Stable)
INE04VS07354	NCD	11-Nov-2024	9.45%	11-Nov-2026	50.00	[ICRA]A+ (Stable)
INE04VS07362	NCD	18-Feb-2025	9.75%	18-Feb-2027	100.00	[ICRA]A+ (Stable)
INE04VS07370	NCD	19-Mar-2025	9.75%	19-Mar-2027	110.00	[ICRA]A+ (Stable)
INE04VS07412	NCD	27-Mar-2025	9.75%	27-Mar-2028	75.00	[ICRA]A+ (Stable)
INE04VS07404	NCD	27-Mar-2025	9.75%	27-Mar-2027	58.00	[ICRA]A+ (Stable)
INE04VS07388	NCD	27-Mar-2025	9.75%	27-Mar-2027	50.00	[ICRA]A+ (Stable)
INE04VS07396	NCD	27-Mar-2025	9.75%	26-Mar-2028	100.00	[ICRA]A+ (Stable)
INE04VS07370	NCD	17-Apr-2025	9.75%	19-Mar-2027	140.00	[ICRA]A+ (Stable)
INE04VS07420	NCD	13-Jun-2025	9.50%	14-Dec-2026	50.00	[ICRA]A+ (Stable)
INE04VS07438	NCD	13-Jun-2025	9.60%	14-Jun-2027	60.00	[ICRA]A+ (Stable)
INE04VS07446	NCD	24-Jul-2025	9.90%	14-Jul-2028	25.00	[ICRA]A+ (Stable)
Yet to be placed [#]	NCD	NA	NA	NA	114.75	[ICRA]A+ (Stable)
Yet to be placed [#]	NCD	NA	NA	NA	500.00	[ICRA]A+ (Stable)
Yet to be placed [#]	Long-term borrowing programme	NA	NA	NA	2.00	[ICRA]A+ (Stable)
Yet to be placed [#]	MLD	NA	NA	NA	11.00	PP-MLD[ICRA]A+ (Stable)
NA	Issuer rating	-	-	-	-	[ICRA]A+ (Stable)
INE04VS14301	Commercial paper	22-Sep-2025	NA	06-Apr-2026	25.00	[ICRA]A1+
INE04VS14293	Commercial paper	11-Aug-2025	NA	10-Nov-2025	25.00	[ICRA]A1+
INE04VS14244	Commercial paper	13-Mar-2025	NA	12-Mar-2026	55.00	[ICRA]A1+
Yet to be placed [#]	Commercial paper	NA	NA	NA	380.00	[ICRA]A1+
NA	Long-term/Short-term fund-based bank facilities	FY2022	NA	FY2029	3,208.00	[ICRA]A+ (Stable)/[ICRA]A1+
INE04VS07313	NCD	20-Mar-2023	9.75%	19-Mar-2025	20.00	[ICRA]A+ (Stable); withdrawn

Source: Oxyzo, ICRA Research; [#]Proposed

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Not applicable

ANALYST CONTACTS

Karthik Srinivasan
+91 22 6114 3444
karthiks@icraindia.com

Sandeep Sharma
+91 22 6114 3419
sandeep.sharma@icraindia.com

A M Karthik
+91 44 4596 4308
a.karthik@icraindia.com

Mishi Yadav
+91 124 4545 320
mishi.yadav@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

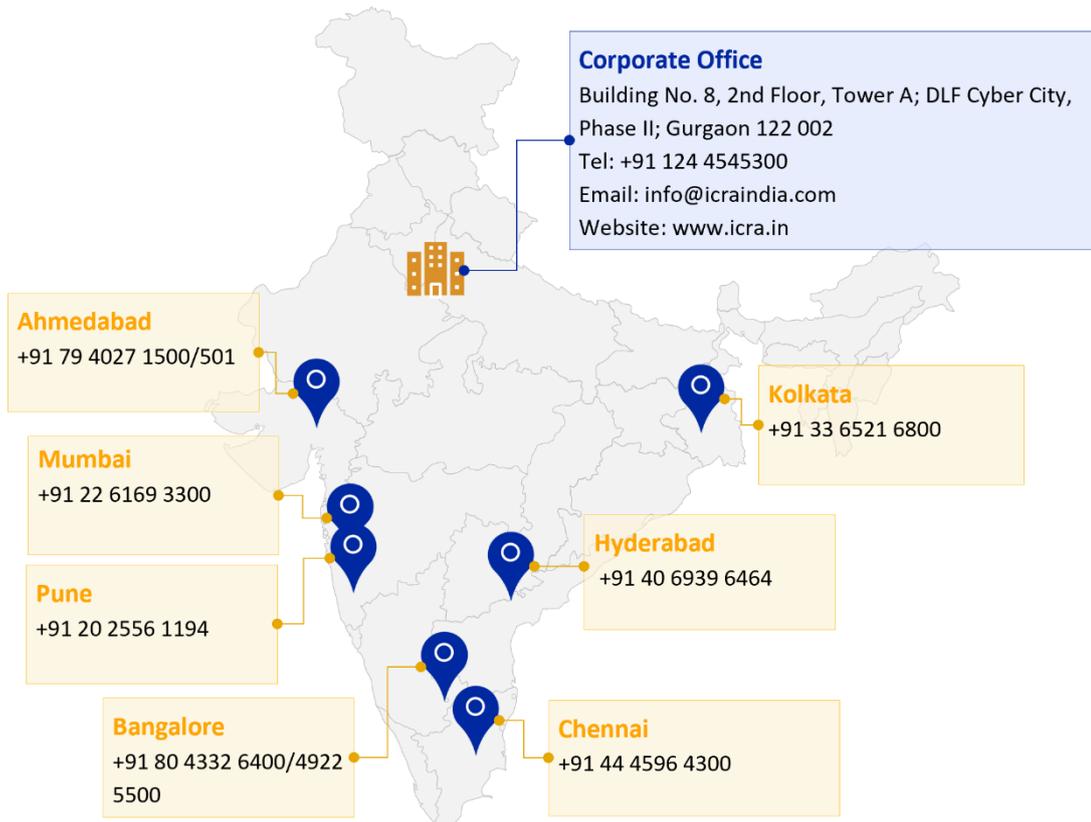


Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91-11-23357940-45



Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.