

October 22, 2025

Sub-k Impact Solutions Limited: Update on the entity

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term fund-based cash credit	14.00	14.00	[ICRA]BB (Stable); outstanding
Total	14.00	14.00	

*Instrument details are provided in Annexure I

Rationale

Sub-k Impact Solutions Limited (SKISL) has sold its business correspondent (BC) book, with outstanding assets under management (AUM) of Rs. 700 crore, to Pahal Financial Services Pvt Ltd {rated [ICRA]BBB- (Negative)} for a consideration of Rs. 50 crore. Under this transaction, SKISL has transferred fixed assets with a book value of Rs. 1.7 crore and the entire operational infrastructure under the BC segment, including employees, branches and the existing BC partnership arrangements with seven banks. The transferred AUM is entirely an off-balance sheet (off-b/s) exposure under various BC arrangements. The company has received Rs. 42.5 crore (85% of the consideration) in advance while the balance would be payable upon meeting certain conditions under the business transfer agreement (BTA).

ICRA notes that SKISL was incurring losses in the credit segment since FY2022, with the losses increasing in FY2025 due to the invocation of the first loss default guarantee (FLDG) on account of higher non-performing advances (NPAs). The company incurred an overall net loss of Rs. 52.7 crore in FY2025, predominantly on account of the BC book. Consequently, its net worth reduced to Rs. 43.7 crore as of March 2025 from Rs. 96.1 crore as of March 2024. In the near term, SKISL is likely to face some losses on its investment in Praayan Capital Pvt Ltd, intangibles and on account of performance shortfall expenses in the transferred BC book. The net worth shall, however, be supported by the receipt of the BTA consideration. SKISL's debt stood at Rs. 5.6 crore as of March 2025; it currently has a cash credit (CC) limit of Rs. 1.5 crore, down from Rs. 8.0 crore at the start of the year.

ICRA notes that SKISL's overall operations would be significantly scaled down, going forward, as its presence would be limited to its agency¹ business, which is predominantly a fee/commission-based business model. ICRA has sought further information on the company's future business plans and would take appropriate action once more clarity emerges.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position and rating sensitivities: [Click here](#)

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Non-banking Finance Companies (NBFCs)
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

¹ It includes services like money transfer, account opening, deposits, withdrawals, balance enquiry, passbook printing, recoveries from delinquent accounts and sourcing loans by acting as agents on behalf of banks/institutions

About the company

Incorporated in August 2010, Sub-k Impact Solutions Limited (previously known as Basix Sub-K iTransactions Ltd) is registered under the Indian Companies Act. It was promoted by Hyderabad-based Bhartiya Samruddhi Investments and Consulting Services Ltd (BASICS).

SKISL was set up to enable financial inclusion by providing affordable and accessible digitised services with a mobile technology based transactional platform. These include banking services, savings, National Rural Employment Guarantee Act (NREGA) and other government payments, money transfers, and utility payments through a network of basic convenience outlets (BCO) operated by company agents.

It also acts as a business correspondent (BC) to banks and facilitates them by originating microcredit loans. The BC operations commenced with a tie-up with RBL Bank Ltd (RBL), initially undertaken by Indian Grameen Services (IGS), another entity promoted by BASICS. IGS started operating as a BC of RBL in 2013 and the portfolio was finally transferred to Basix Sub-K in July 2015. In the current year, SKISL has sold its BC operations, with outstanding assets under management of Rs. 700 crore, to Pahal Financial Services Pvt Ltd. Going forward, it would continue to have a presence in the agency business.

Key financial indicators (audited)

Sub-k	FY2023	FY2024	FY2025*
Total income	78.3	110.0	95.1
PAT	(26.8)	(7.3)	(52.7)
Total managed assets	607.0	1,137.8	779.4
Return on managed assets	(3.6%)	(0.8%)	(5.5%)
Managed/Adjusted/Reported gearing (times)	0.0	0.1	0.2
Gross stage 3	-	-	-
CRAR	-	-	-

Amount in Rs. crore; *Assumed based on BC loan portfolio of Rs. 700 crore as of March 2025

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
	Type	Amount rated (Rs. crore)	Oct-22-2025	Date	Rating	Date	Rating	Date	Rating
Fund based – Cash credit	Long term	14.00	[ICRA]BB (Stable)	Sep-02-2024	[ICRA]BB (Stable)	Jul-11-2023	[ICRA]BB (Stable)	May-26-2022	[ICRA]BB (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund-based cash credit facility	Simple

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

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund-based cash credit facility	Feb 07, 2025	9.5%	Feb 06, 2026	1.50	[ICRA]BB (Stable)
NA	Fund-based cash credit facility*	NA	NA	NA	12.50	[ICRA]BB (Stable)

Source: Company; *Unallocated limit

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

Annexure II: List of entities considered for consolidated analysis

Not applicable

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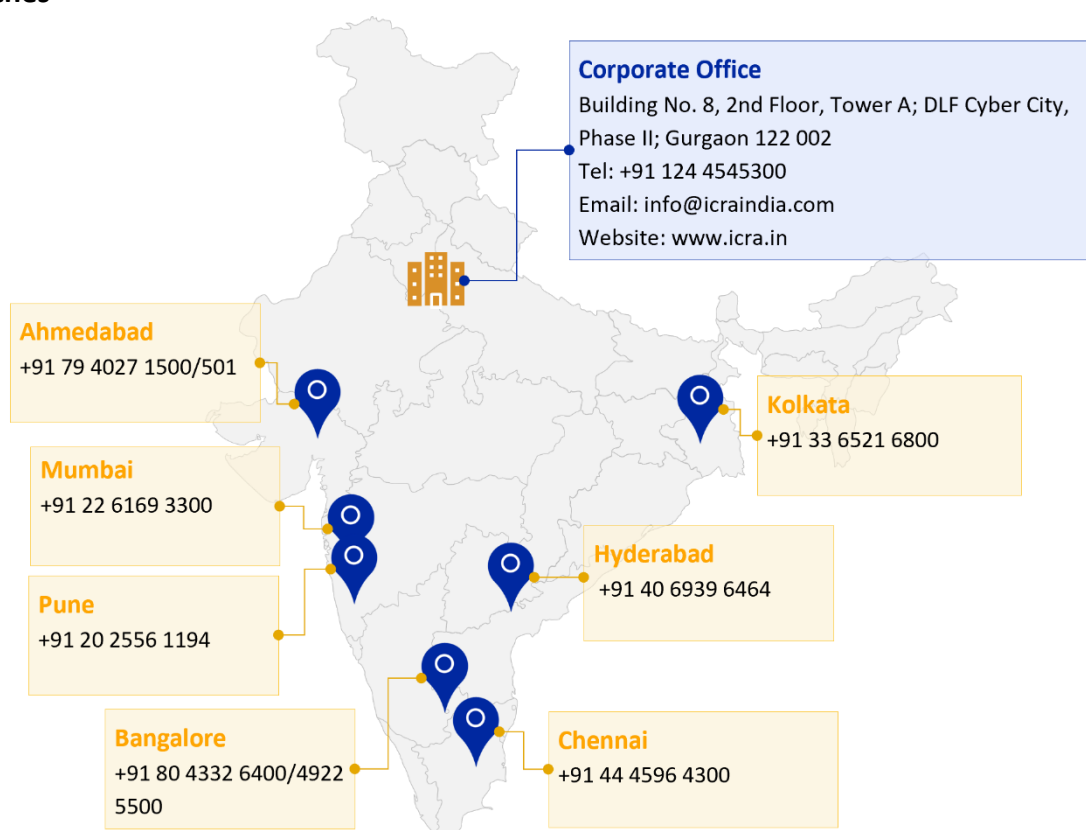
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