Best Capital Services Limited

May 12, 2026

Rating Action

Total Bank Loan Facilities Rated	**Rs. 100.00 Crore (Enhanced from Rs 67.97 Crore)**	**Regulator^**
Long Term Rating	**IVR BBB/Stable (Rating Reaffirmed)**	**RBI**
^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.		

Instrument	Amount (Rs. crore)	Ratings	Rating Action	Regulator^
NCD	49.99	IVR BBB/Stable	Rating Reaffirmed	SEBI
Proposed NCD	57.04	IVR BBB/Stable	Rating Reaffirmed	SEBI
Proposed NCD	68.00	IVR BBB/Stable	Rating Assigned	SEBI
Total	**175.03 (Rupees One Hundred Seventy-Five Crore and Three Lakh only)**			
^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.				

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: *None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.*

Rationale

Infomerics Ratings has reviewed the ratings assigned and reaffirmed to the bank facilities / NCDs of Best Capital Services Limited (BCSL) which continues to derive strength from moderate AUM growth with stable earnings profile, comfortable capitalisation levels, healthy asset quality levels given the limited seasoning of portfolio and experienced promoters and management. The ratings are however partially constrained by geographical concentration, moderate profitability due to high cost to income ratio and competitive nature of industry.

Outlook: Stable

Infomerics Ratings expects outlook to remain stable on the back of stable growth in AUM levels due to expected capital infusion from the promoters and improvement in overall profitability while maintaining capitalisation as well as asset quality levels.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Standalone
Parent/ Group Support	Not applicable

Key Rating Drivers with Detailed Description

Strengths

- **Moderate AUM Growth with Stable Earnings Profile**

  BCSL's total AUM grew by ~27% year-on-year to Rs. 270.20 crore in FY25 (refers to the period from 1st April 2024 to 31st March 2025), with on-book AUM at Rs. 267.58 crore and off-book AUM at Rs. 2.62 crore. This growth was primarily driven by an increase in the secured MSME loan segment. Correspondingly, total income for FY25 rose by ~30% to Rs. 68.55 crore. However, the company's Net Interest Margin (NIM) saw a decline, reducing to 10.52% in FY25 from 17.61% in FY24, attributed to higher disbursements in the Q4FY25 leading to lower interest spread. As of 31st December 2025, BCSL's AUM remained stable at Rs. 273.51 crore, reflecting the company's conservative credit appraisal approach, which has led to moderated disbursement levels. Additionally, the company executed PTC transactions amounting to approximately Rs. 70 crore to support future AUM growth. Going forward, the ability of BCSL to scale its AUM amidst competitive pressures, while adhering to its stringent credit appraisal processes, will remain a key rating monitorable.

- **Comfortable Capitalisation levels**

  BCSL's capitalisation remains comfortable, with the total CRAR at 33.93% as of 31st December 2025 (31st March 2024: 30.32%; 31st March 2025: 30.91%), well above the minimum regulatory requirements. This is supported by equity infusions from the promoters, who have already contributed ~Rs. 31 crore in FY24-FY25. Additionally, the promoters are expected to infuse further equity of ~Rs. 45 crore over the period FY26-FY28. Infomerics Ratings expects BCSL's capitalisation to remain comfortable in the medium term, driven by the anticipated equity infusion and an improvement in the generation of internal accruals.

- **Healthy asset quality levels given the limited seasoning of portfolio:**

  BCSL's asset quality remains healthy, with Gross NPA (GNPA) and Net NPA (NNPA) at 1.20% and 1.08% respectively as of 31st December 2025 (31st March 2024: 0.32% & 0.27%; 31st March 2023: 0.37% & 0.34%; 31st March 2025: 1.08% and 0.92%, respectively). The asset quality is primarily driven by the limited seasoning of BCSL's portfolio, which saw disbursements of ~Rs. 423 crores between FY24 and 9MFY26, with

~69% of the portfolio having a tenure of 2 to 6 years. However, BSCL's entire loan book is secured, with ~73% of the portfolio concentrated in the secured MSME segment. The average Loan-to-Value (LTV) ratio for the MSME segment stands at ~50%, offering a level of comfort. As of 31st December 2025, the on-time portfolio stood at ~93%, while the provision coverage ratio (PCR) remained low at ~10% (FY25: 15%) given the secured nature of portfolio. Going forward, with expected growth in AUM, the seasoning of the portfolio, and changes in NPA recognition policies, BCSL's ability to maintain its healthy asset quality will remain a key rating monitorable.

- **Professional Management**

  BCSL is promoted by Mr. Arun Bagadia (Managing Director) who has more than two decades of experience in finance industry and automobile financing (in operations, collection and legal). BCSL was taken over by present promoter in 2011 and since then, it has been involved in the financing of auto and CV and has over the years started SME loans. Presently, Mr. Arun Bagadia looks after the overall management of BCSL and is well supported by experienced key personnel.

Weaknesses

- **Geographical Concentration:**

  BCSL currently operates across seven states — Rajasthan, Gujarat, Karnataka, Delhi, Telangana, Maharashtra, and Uttar Pradesh. Among these, Rajasthan remains the company’s primary market, contributing approximately 67% of the total loan portfolio as of December 2025. Consequently, any adverse changes in the regulatory or macroeconomic environment in Rajasthan could materially affect the company’s overall business profile.

- **Moderate Profitability due to high cost to income ratio**

  BCSL’s profitability remains moderate, despite an increase in PAT to Rs. 4.70 crore in FY25, compared to Rs. 3.87 crore in FY24. The company’s profitability is constrained by its high cost-to-income ratio, which stood at 77.05% in FY25 (FY24: 79.10%), primarily due to elevated interest expenses. The Return on Total Assets (ROTA) also remained moderate at 1.44% in FY25, down from 1.80% in FY24. Going forward, BCSL’s ability to improve profitability by bringing down the overall cost to income ratio will remain a key rating monitorable.

- **Competitive nature of industry**
  The company is exposed to stiff competition from other varied sized NBFCs. The lending industry focused on NBFC financing of varied ticket size is highly fragmented with unorganized lenders also vying for the same set of borrowers.

Liquidity –Adequate

Considering the current AUM size, BCSL's total CRAR remains comfortable at 33.93% as on December 2025 which is well above the minimum regulatory requirement. Also, it has adequately matched asset liability profile as of 31st December 2025, across all the buckets with no negative cumulative mismatches. Moreover, BCSL's free cash and cash equivalents stood at Rs. 39.58 crore as on 31st Dec 2025 which provides additional comfort.

Rating Sensitivities

Upward Factors

- Significant and sustained increase in the AUM scale while maintaining healthy asset quality, capitalization levels, liquidity and profitability.

Downward Factors

- Substantial decline in AUM scale and/or significant deterioration in the asset quality, capitalization levels and profitability.

About the Company

BCSL is a Non-Banking Finance Company (NBFC) incorporated in 1995 and having valid Certificate of Registration with Reserve Bank of India ('RBI') under current RBI classification as Non-Banking Finance Company-Non-Deposit Accepting. Registered Office is at located Jaipur, Rajasthan. BCSL is engaged in mortgage financing and vehicles financing including cars, light commercial vehicle, medium commercial vehicle etc.

Key Financial Indicators (Standalone):

For the year ended* / As on	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	52.77	68.55
PAT	3.87	4.70
Tangible Net worth	62.12	81.87

For the year ended* / As on	31-03-2024	31-03-2025
Total Asset	284.89	367.61
Ratios		
NIM (%)	17.61	10.52
ROTA (%)	1.80	1.44
Total CAR (%)	30.32	30.91
Gross NPA [Stage III] (%)	0.32	1.08
Net NPA [Stage III] (%)	0.27	0.92

Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

Applicable Criteria

Rating Methodology for Financial Institutions/NBFCs

Financial Ratios & Interpretation (Financial Sector)

Criteria for assigning Rating outlook.

Complexity Level of Rated Instrument/Facilities

Policy on Default Recognition and Post-Default Curing Period

Policy on Withdrawal of Ratings

Status of non-cooperation with previous CRA: None

Any other information: Not Applicable

Rating History for last three years

Sr. No.	Instruments/ Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years						
		Type (Long Term/ Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26		Date(s) & Rating(s) assigned in 2024-25			Date(s) & Rating(s) assigned in 2023-24	
					Feb 20, 2026	May 13, 2025	March 12, 2025	Jan 15, 2025	Oct 14, 2024	March 20, 2024	Oct 17, 2023
1.	Fund based facilities	LT	100.00	IVR BBB/Stable	IVR BBB/Stable	IVR BBB/Stable	IVR BBB / Stable	IVR BBB / Stable	IVR BBB / Stable	IVR BBB / Stable	VR BBB- / Stable
2.	Proposed Commercial Paper	ST	--	--	Withdrawn	IVR A3+	IVR A3+	--	--		
3.	NCD	LT	49.99	IVR BBB/Stable	IVR BBB/ Stable	--					
4.	NCD	LT	57.04	IVR BBB/Stable	IVR BBB/ Stable	--					
5.	NCD	LT	68.00	IVR BBB/Stable	--	--					

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulator^	Complexity Indicator
Term Loan	--	--	--	30-04-2026	0.19	IVR BBB/Stable	--	RBI	Simple
Term Loan	--	--	--	30-07-2026	1.66	IVR BBB/Stable	--	RBI	Simple
Term Loan	--	--	--	30-06-2027	6.25	IVR BBB/Stable	--	RBI	Simple
Term Loan	--	--	--	--	0.00* (Previous Rated 1.67)	--	--	RBI	Simple
Term Loan	--	--	--	--	0.00* (Previous Rated 0.69)	--	--	RBI	Simple
Term Loan	--	--	--	31-05-2029	9.50	IVR BBB/Stable	--	RBI	Simple
Term Loan	--	--	--	18-02-2027	8.00	IVR BBB/Stable	--	RBI	Simple
Term Loan	--	--	--	31-08-2026	1.45	IVR BBB/Stable	--	RBI	Simple
Term Loan	--	--	--	--	0.00* (Previous Rated 1.03)	--	--	RBI	Simple
Term Loan	--	--	--	--	0.00* (Previous Rated 0.36)	--	--	RBI	Simple
Term Loan	--	--	--	--	0.00* (Previous Rated 0.47)	--	--	RBI	Simple
Term Loan	--	--	--	30-03-2028	9.00	IVR BBB/Stable	--	RBI	Simple

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulator^	Complexity Indicator
Cash Credit	--	--	--	30-03-2028	1.00	IVR BBB/Stable	--	RBI	Simple
Proposed Fund Based Bank Facilities	--	--	--	--	62.95	IVR BBB/Stable	--	RBI	Simple
Non-Convertible Debentures (NCD)	INE04UP07162	18-03-2026	12.50%	18-03-2029	19.99	IVR BBB/Stable	Listed	SEBI	Simple
Non-Convertible Debentures (NCD)	INE04UP07170	30-03-2026	12.50%	30-03-2029	30.00	IVR BBB/Stable	Listed	SEBI	Simple
Proposed Non-convertible Debentures (NCD)	--	To be decided	To be decided	To be decided	57.04	IVR BBB/Stable	Proposed to be listed	SEBI	Simple
Proposed Non-convertible Debentures (NCD)	--	To be decided	To be decided	To be decided	68.00	IVR BBB/Stable	Proposed to be listed	SEBI	Simple

**The term loans from AU small Finance Bank, ESAF small Finance Bank, Capital Small Finance Bank, Nabsamruddhi Finance Limited, rated during the previous rating exercise, has been fully repaid and accordingly withdrawn. The No Dues Certificate (NDC) has been furnished by Best Capital Services Limited vide email dated April 21, 2026. The rating withdrawal has been undertaken at the request of the company and is in accordance with Infomerics' policy on withdrawal of ratings.*

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details:
https://infomericstorage.blob.core.windows.net/uploads/Len_Best_Capital_Services_12_May26_dd2480a2df.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: None

Annexure 4: List of companies considered for Consolidated: Not applicable

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) *	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) *	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings/Loans from overseas lenders/Loans from Multilaterals	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	Refer foot note
15	Issuer Ratings #	Refer foot note
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI

22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) @	Investor-side Regulator such as IRDAI, PFRDA

Footnotes:

** Includes securitisation transactions involving assignee payout, acquirer's payout.*

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

 # There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

@ These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side regulators have been included.

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About Infomerics

Infomerics Valuation and Rating Ltd. (“Infomerics”) [Formerly known as Infomerics Valuation and Rating Private Limited], a SEBI-registered and RBI-accredited credit rating agency, is dedicated to delivering independent, transparent, and research-driven ratings. Licensed for credit rating operations since 2015, Infomerics has empowered investors with reliable insights to make informed credit decisions. Driven by robust frameworks and methodologies, enriched by sectoral depth, and defined by analytical precision, Infomerics evaluates a wide spectrum of borrowers including MSMEs, large corporates, banks, NBFCs, state governments, municipal bodies, infrastructure projects, REITs, and InvITs— covering the entire range of debt instruments. With a strong pan-India presence anchored by its Head Office in Delhi and Corporate Office in Mumbai, alongside branches in major cities, Infomerics has rapidly expanded its footprint. Its joint venture in Nepal further underscores its growing influence across South Asia. Over the past decade, Infomerics has emerged as a rapidly expanding force in the credit rating space, achieving broad market recognition and building enduring trust among investors, institutions, and issuers.

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