Press Release

Finkurve Financial Services Limited

February 10, 2026

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Non-convertible debentures	7.50	IVR BBB+ / Stable (IVR Triple B Plus with Stable Outlook)	IVR BBB / Stable (IVR Triple B with Stable Outlook)	Rating upgraded	**Simple**
Long term Facilities – Term loans	12.22 (Reduced from 19.06)	IVR BBB+ / Stable (IVR Triple B Plus with Stable Outlook)	IVR BBB / Stable (IVR Triple B with Stable Outlook)	Rating upgraded	**Simple**
Short term Facilities – Overdraft / Cash Credit	29.61 (Enhanced from 11.00)	IVR A2 (IVR A Two))	IVR A3+ (IVR A Three Plus)	Rating upgraded	**Simple**
Short term Facilities – Overdraft / Cash Credit	0.00* (Reduced from 20.00)	Withdrawn	IVR A3+ (IVR A Three Plus)	Rating withdrawn	**Simple**
Long Term/ Short Term Facilities – Proposed	50.87 (Enhanced from 35.14)	IVR BBB+ / Stable; IVR A2 (IVR Triple B Plus with Stable Outlook; IVR A Two)	IVR BBB / Stable; IVR A3+ (IVR Triple B with Stable Outlook; IVR A Three Plus)	Rating upgraded	**Simple**
Total	**100.20 (Rupees Hundred Crore and Twenty Lacs)**				

** Infomerics has withdrawn the rating assigned to CC / OD as the loans have been fully repaid and based on the request of the company and no dues certificate received from the lenders, and the withdrawal of rating is in line with Infomerics policy on withdrawal of ratings.*

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Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale:

Infomerics Ratings has upgraded the ratings to the bank facilities / NCDs of Finkurve Financial Services Limited (FFSL) reflects sustained growth in asset under management (AUM), growth in income levels coupled with healthy Net Interest Margin (NIM), comfortable capitalisation levels and experienced promoters and management. However, the ratings are partially constrained by limited seasoning of the portfolio, moderate resource profile and intense competition & susceptibility to regulatory changes.

Infomerics Ratings expects outlook to remain stable on the back of expected stable growth in AUM levels with support from equity infusion equity and expected improvement in overall earnings profile couple with expected comfortable capitalisation and asset quality.

Key Rating Sensitivities:

Upward Factors:

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

Downward Factors:

- Substantial deterioration in the AUM size impacting capital position, liquidity, and profitability.
- Decline in collection efficiency leading to deterioration in FFSL's asset quality.

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List of Key Rating Drivers with Detailed Description

Key Rating Strengths:

Sustained Growth in AUM Levels: FFSL's total AUM (including on-book and off-book) increased by 69% y-o-y to Rs. 439.52 crore in FY25 (refers to period April 1,2024 to March 31, 2025) (FY24: Rs 259.46 crore), driven by higher disbursements in the gold loan portfolio. The growth momentum continued in 1HFY26 numbers, with total AUM rising to Rs. 671.35 crore. As on September 30, 2025, the loan portfolio remains concentrated in gold loans, accounting for ~91%, up from ~73% in FY24 and ~88% in FY25 respectively. Infomerics Ratings expects AUM growth to sustain over the medium term, supported by equity infusion of ~Rs. 140 crore from external investors and promoters in FY26 – FY27, along with healthy demand in the gold loan segment, underpinned by elevated gold prices.

Growth in Income Levels coupled with Healthy NIM: FFSL's Net Interest Income (NII) increased by ~38% y-o-y to Rs. 64.28 crore in FY25, primarily driven by high yields in its short tenor personal loan portfolio. The company's NIM, while remaining healthy, moderated marginally to 18.81% in FY25 from 19.41% in FY24, reflecting a lower net spread and a higher base effect. Other income recorded a significant increase to Rs. 60.89 crore in FY25 from Rs. 37.89 crore in FY24, largely supported by higher fee and commission-based income which includes service charges and other fee on loans. FFSL's Return on Total Assets (ROTA) declined to 4.75% in FY25 from 6.37% in FY24. The cost-to-income ratio stood at a high 66.66% in FY25 compared to 49.60% in FY24, reflecting higher operating expenses due to branch expansion focusing on AUM expansion. Going forward, FFSL's earnings profile will remain contingent on its ability to scale up its AUM.

Comfortable Capitalisation levels: FFSL's capitalisation levels are comfortable marked by total CRAR which stood at 47.13% as on September 30, 2025 (March 31, 2024: 67.70%; March 31, 2025: 44.94%) which is well above the minimum regulatory requirement. The capitalisation levels are supported by FFSL's tangible net worth which stood at Rs. 328.57 crore as on September 30 2025. Infomerics Ratings expects FFSL's capitalisation levels to remain comfortable over medium term on back of equity infusion of Rs. 140 crore out of which

~Rs. 100 crore has already been received in May 2025 from external investors whereas out of the remaining ~Rs. 40 crore, ~Rs. 10 crore has already been received from the promoters and balance ~Rs. 30 crore is expected to be received over the next 18 months in the form of warrants.

Experienced Promoters and management: FFSL has an experienced board of directors and a management with senior-level experience in the financial services sector. It was acquired in 2010 by Mr Ketan Kothari, who has experience of more than two decades in the precious metals and finance industry.

Key Rating Weaknesses:

Limited seasoning of portfolio:

FFSL has demonstrated an improvement in asset quality, with its Gross Non-Performing Assets (GNPA) and Net Non-Performing Assets (NNPA) decreasing to 0.94% and 0.65%, respectively, as of March 312025, compared to 1.98% and 1.50% as of March 31 2024. However, these metrics have slightly moderated to 1.13% and 0.89%, respectively, as of September 30, 2025. The asset quality remains supported by ~94% of the loan book being in the secured segment. Additionally, FFSL's on-time portfolio as on 30th September 2025 stood at ~97% whereas its average collection efficiency for 12 months ending Sept. 25 stood at ~89% is inherent to the gold loan segment due to factors like tenure with bullet repayment along with the interest getting accrued. Given that FFSL is in the early stages of its operations, the portfolio has limited seasoning. Consequently, the company's ability to sustain asset quality while scaling its AUM will remain a key rating factor.

Moderate resource profile:

FFSL has raised resources from over 15 lenders, with outstanding borrowings of Rs 375 crore as of 30th September 2025. The borrowings are composed of Non-Convertible Debentures (21%), term loans (41%), cash credit/working capital demand loans (7%), and inter-corporate deposits (31%). While the company has been focusing on growing its off-balance sheet book

through avenues such as co-lending, its ability to expand the on-balance sheet portfolio will be contingent upon raising funds at competitive costs. As such, the company's ability to diversify its resource profile and raise adequate funds as required will remain a key rating factor to monitor.

Intense competition and susceptibility to regulatory changes:

FFSL is exposed to intense competition within the financial services sector, often contending with traditional banks as well as emerging fintech companies vying for market share and customer loyalty. Additionally, NBFCs in India are highly susceptible to changes in the regulatory environment. Government policies, regulatory reforms, and compliance requirements can directly impact their operations, liquidity management, and profitability. Therefore, navigating these competitive pressures and regulatory dynamics is crucial for FFSL to sustain growth and maintain stability.

Analytical Approach: Standalone

Applicable Criteria:

Rating Methodology for Financial Institutions/NBFCs

Financial Ratios & Interpretation (Financial Sector)

Criteria for assigning Rating outlook.
Policy on Default Recognition
Complexity Level of Rated Instruments/Facilities
Policy on Withdrawal of Ratings

Liquidity – Adequate

Considering its asset size, FFSL's CRAR stood comfortable at 47.13% as on 30th September 2025 which is well above the minimum regulatory requirement. Also, it has adequately matched asset liability profile as on 30th September 2025, across all the buckets. Moreover,

cash and cash equivalent stood at Rs. 24.38 crore as on 30th September 2025, which provides additional liquidity cushion

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About the Company:

Incorporated in 1984, FFSL (erstwhile Arvog Finance) is a non-deposit taking non-banking financial company (NBFC) listed on Bombay Stock Exchange. FFSL received NBFC license in 1998 and currently offers Gold Loans and Pay Day loans.

Financials (Standalone):

(Rs. crore)

For the year ended* / As on	**31-03-2024**	**31-03-2025**
	Audited	**Audited**
Total Income	90.27	141.06
PAT	16.07	17.41
Tangible Net worth	188.57	206.26
AUM (On book as well as off book)	259.46	439.52
Ratios		
NIM (%)	19.41	18.81
ROTA (%)	6.37	4.75
Interest Coverage (times)	4.44	2.44
Total CRAR (%)	67.70	44.94
Gross NPA [Stage III] (%)	1.98	0.94
Net NPA [Stage III] (%)	1.50	0.65

** Classification as per Infomerics' standards*

Status of non-cooperation with previous CRA: None

Any other information: None

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Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024 – 25	Date(s) & Rating(s) assigned in 2023 – 24	Date(s) & Rating(s) assigned in 2022 - 23
1.	NCD	Long Term	7.50	IVR BBB+/ Stable (Feb 10, 2026)	IVR BBB/ Stable (Feb 12, 2025)	IVR BBB/ Stable (Feb 14, 2024) IVR BBB/ Stable (April 25, 2023)	IVR BBB-/ Stable (Sept. 16, 2022)
2.	CC / OD	Short Term	29.61	IVR A2 (Feb 10, 2026)	IVR A3+ (Feb 12, 2025)	IVR A3+ (Feb 14, 2024) IVR A3+ (April 25, 2023)	IVR A3 (Sept. 16, 2022)
3.	CC / OD	Short Term	0.00	Withdrawn (Feb 10, 2026)	IVR A3+ (Feb 12, 2025)	IVR A3+ (Feb 14, 2024) IVR A3+ (April	IVR A3 (Sept. 16, 2022)

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		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024 – 25	Date(s) & Rating(s) assigned in 2023 – 24	Date(s) & Rating(s) assigned in 2022 - 23
						25, 2023)	
4.	Proposed	Long Term / Short Term	50.87	IVR BBB+ / Stable; IVR A2 (Feb 10, 2026)	IVR BBB / Stable; IVR A3+ (Feb 12, 2025)	IVR BBB / Stable; IVR A3+ (Feb 14, 2024) IVR BBB / Stable; IVR A3+ (April 25, 2023)	IVR BBB- / Stable; IVR A3 (Sept. 16, 2022)
4.	Term Loan	Long Term	12.22	IVR BBB+/ Stable (Feb 10, 2026)	IVR BBB/ Stable (Feb 14, 2024)	IVR BBB/ Stable (Feb 14, 2024)	--

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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Annexure 1: Instrument/Facility Details:

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size ox`f Facility (Rs. Crore)	Listing Status	Rating Assigned/ Outlook
NCD	INE734I07016	May 19, 2022	10% payable quarterly	August 12, 2031	7.50	Unlisted	IVR BBB+/ Stable
CC / OD	--	--	--	Revolving	29.61	--	IVR A2
Proposed	--	--	--	--	50.87	--	IVR BBB+ / Stable; IVR A2
Term Loam	--	--		October 25, 2027	12.22	--	IVR BBB+/ Stable

Annexure 2: Facility wise lender details:
https://infomericstorage.blob.core.windows.net/uploads/len_finkurve_feb26_2031fe0ae4.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities:

Synopsis of the Term Sheet	
Total Issue Size	Rs. 7.50 Crore
ISIN number	INE734I07016
Mode of Issue:	Private Placement (non-EBP)
Seniority	10% Secured, Rated, Unlisted, Redeemable Non-Convertible Debentures
Redemption date	August 12, 2031
Affirmative covenants:	a) use the finance availed solely for the purposes set out in Article II (2.4) above. b) As and when required by the Investor to furnish to the Investor a detailed statement showing the manner in which the finance availed has been utilized.

	c) To keep such records as the Investor may require to facilitate verification of the utilization of the said finances. d) To provide to the Investor all such information relating to the Company's services, operations and other matters as the Investor may from time to time at its discretion request, including information relating to the administration, management and financial condition of the Company. e) To promptly notify the Investor if it has notice of any application for winding up having been made or of any statutory notice of winding up under the provisions of the Companies Act, 2013, or any other notice under or in respect of any other legal process filed or intended to be filed or initiated against the Company or if a custodian, liquidator or receiver is appointed of any of its properties, business or undertaking. f) To furnish to the Investor such financial statements as the Investor may specify, covering such periods as the Investor may specify.

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.