Finnable Credit Private Limited

July 29, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term bank facilities	RBI	450.00 (Enhanced from 250.00)	CARE BBB+; Stable	Reaffirmed
Non-convertible debentures	SEBI	375.00	CARE BBB+; Stable	Reaffirmed
Non-convertible debentures	SEBI	350.00	CARE BBB+; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings of long-term bank facilities and non-convertible debentures (NCDs) of Finnable Credit Private Limited (FCPL) continue to factor in the group's adequate capitalisation levels, supported by a demonstrated track record of equity raise (~₹525 crore since inception) with further infusion expected in current fiscal. Ratings assigned are based on a consolidated view of credit profiles of FCPL and its wholly owned subsidiary – Finnable Technologies Private Limited (FTPL), together referred to as the Finnable Group, owing to the shared brand name and managerial synergies. Ratings also derive comfort from the experienced leadership team and the consistent scale-up in operations, with assets under management (AUM) rising to ₹3,556 crore as on March 31, 2026, from ₹2,756 crore as on March 31, 2025. The scale benefits and the modest credit cost have supported improvement in profitability in FY26.

However, ratings remain constrained by FCPL's relatively moderate track record of operations, limited seasoning of on-book loans with meaningful scale-up starting FY25. Although profitability and the resource profile have improved over the past year, both continue to remain moderate. While on-book gearing levels is comfortable, the AUM-to-net worth ratio remains elevated, owing to significant share of the off-book portfolio. CARE Ratings Limited (CareEdge Ratings) notes inherent risks from FCPL's predominant focus on unsecured lending, a segment typically associated with higher credit costs. As the company continues to expand its loan portfolio, the strength and effectiveness of its credit engine will be critical in sustaining asset quality. These risks are partly offset by its emphasis on salaried borrowers. Regulatory risks from the evolving digital lending framework also remain key monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

- Sizable growth in scale of operations while maintaining profitability and asset quality metrics /credit cost at comfortable levels.
- Diversification in resource profile with raising funds at competitive rates.

Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- Decline in capitalisation levels with overall gearing (borrowings/tangible net worth [TNW] adjusted for first loss default guarantee [FLDG]) of over 3.5x at consolidated level or AUM/ TNW exceeding 6x at consolidated level on a sustained basis.
- Significant rise in credit cost, leading to deterioration in its profitability.
- Adverse regulatory event/developments, impacting business risk profile.

Analytical approach: Consolidated.

CareEdge Ratings has taken a consolidated view of the Finnable group (FCPL consolidated). FCPL holds 100% stake in FTPL. Consolidated entities considered are listed under Annexure-5.

Outlook: Stable

The Stable outlook reflects that the company will continue to grow its portfolio while maintaining healthy asset quality and healthy capitalisation levels.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority
[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Detailed description of key rating drivers

Key strengths

Increase in scale of operations driven by technology-led underwriting model

The Finnable group witnessed consistent increase in its scale of operations with AUM rising by 29%, from ₹2,755 crore as on March 31, 2025, to ₹3,556 crore as on March 31, 2026. The company's growth is underpinned by its technology-based underwriting framework, executed through its subsidiary, FTPL, which manages the end-to-end credit cycle—origination, risk assessment, and disbursement—on a fully digital platform. Minimal manual intervention enables faster turnaround time (TAT), efficient processing, and scalability. 100% of AUM is given to salaried customers with average ticket size of 2.5 lakh (Max 10 lakh) with average tenure of 42 months and yield of ~25%. All 100% collection is in-house with no outsource up to 150 days past due (DPD).

While the technology-driven model has facilitated rapid growth and geographic diversification, CareEdge Ratings notes that maintaining asset quality in this high-growth phase remains a key monitorable.

Adequate capitalisation levels

At a consolidated level, FCPL's TNW stood at ₹515 crore as on March 31, 2026, supported by regular equity infusions from investors. Since inception, the company raised a cumulative ₹525 crore of equity, reflecting consistent investor backing. Increased focus is towards growing on book portfolio, which has increased to 28.9% of overall AUM as on March 31, 2026 (March 31, 2025: 10.4%). Capitalisation levels continue to remain comfortable with capital adequacy ratio (CAR) of 37.86% as on March 31, 2026. However, with majority AUM continuing to be off-book, the AUM to net worth ratio stood elevated at 6.90x as on March 31, 2026 (March 31, 2025: 13.14x). Adjusted gearing (debt/TNW adjusted for FLDG) continues to remain comfortable at 1.89x as on March 31, 2026 (March 31, 2025: 1.66x).

Going forward, the management intends to maintain gearing levels below 3.5x (On-book) and AUM/net worth (NW) less than 6x on a steady-state basis. CareEdge Ratings notes that the company is in advanced stages of raising equity capital in Q2FY27. Timely execution of the proposed equity raise will be crucial to support the company's planned growth while preserving capitalisation and keeping leverage within the stated thresholds.

Experienced founders and management team

The Finnable group is co-founded by Nitin Gupta and Amit Arora, both seasoned professionals with over two decades of experience each in financial services sector. Nitin Gupta, Co-founder, began his career in analytics with a leading MNC Bank before establishing an analytics company catering to global banks. Amit Arora has 21 years of experience in retail banking across risk, business, and digital banking functions. Promoters are supported by an experienced leadership team. Sandeep Koul, Chief Technology Officer, brings over 22 years of expertise in technology and product management, having earlier co-founded HummingWave, a fintech-focused technology solutions company. Shrenik Sethi, Senior Vice President – Risk & Analytics, has over a decade of experience in credit risk and analytics, with prior stints at Citibank, PwC, and Bajaj Finserv.

Extensive experience of the founding team and senior management across credit, risk management, and digital solutions underpins Finnable's business strategy, technology-driven model, and operational resilience. However, CareEdge Ratings notes that the company's ability to retain and further strengthen its senior leadership bench will remain important to sustain growth and manage risks effectively in the high-growth phase.

Healthy asset quality; yet to be tested across cycles

The Finnable group's reported asset quality is currently healthy, with the gross non-performing assets (GNPA) ratio at 0.46% as on March 31, 2026. However, it is noteworthy that significant portion of AUM is off-book and 90+ DPD continued to remain healthy at 0.85% as on March 31, 2026 (March 31, 2025: 1.23%). Most of the off-book portfolio is covered by FLDG of upto 5% of portfolio outstanding.

The company's proprietary technology-driven underwriting and risk management framework has supported healthy portfolio performance thus far. However, given the relatively limited seasoning of the rapidly expanding on-book portfolio, its ability to consistently maintain asset quality across credit cycles will be monitorable. Elevated write-offs are inherent to unsecured PL segment; however, this risk is partly mitigated by the company's focus on salaried borrowers and its data-driven underwriting framework.

Key weaknesses

Moderate track record of operations

The group has an operational track record of eight years. The company has been on significant growth path with AUM growing at compounded annual growth rate (CAGR) of ~85% post FY22. On a consolidated basis, the company's AUM stood at ₹3,556 crore as on March 31, 2026. The on-book expansion has largely started from FY25, leading to limited seasoning of on-book.

Moderate, despite improving profitability

At a consolidated level, the company has turned profitable from Q3FY25. In FY26, the company reported profit after tax (PAT) of ₹45.9 crore on a total income of ₹431.3 crore compared to a PAT of ₹2.8 crore on a total income of ₹259.9 crore in FY25. Profitability was aided by improvement in net interest margin (NIM)+ Other income/ Average managed assets to 10.53% in FY26 against 9.54% in FY25, supported by higher share of on-book AUM. With the benefits of scale of operations, operational expenses/ average managed assets reduced from 7.26% in FY25 to 6.69% in FY26 and credit cost remained stable at 2.25% in FY26 (FY25: 2.18%), resulting in improvement in profitability levels with return on managed assets (ROMA) at 1.30% in FY26 against 0.11% in FY25. Going forward, the company's ability to source funds at competitive rates, and keep operational expenses and credit costs under control would be critical to attaining healthy profitability.

Improving resource profile, however, continues to remain moderate

While borrowings were initially concentrated among non-banking financial companies (NBFCs) and financial institutions prior to FY25, the company has progressively diversified its funding profile with increasing access to banks and capital market borrowings. Share of bank borrowings witnessed significant increase from 5.7% as on March 31, 2025, to 26.5% as on March 31, 2026. Consequently, share of borrowings from NBFCs/ financial institutions (Fis) decreased from 43.1% as on March 31, 2025, to 27.4% as on March 31, 2026. Market borrowings by way of NCD formed largest share forming 40.4% of total borrowings as on March 31, 2026 (March 31, 2025: 51.1%). Remaining portion comprised pass-through certificate (PTC) borrowings forming 5.6% (March 31, 2025- Nil). Weighted average cost of incremental sanctions raised in FY26 witnessed significant improvement and stood at 11.76% against 13.58% in FY25.

Going forward, the management also plans to continue tapping into market borrowings by raising funds through NCD and also further diversify its lender base with access to public and private sector banks based on the borrowing rate scenario. The company's ability to raise funds from diversified sources, at competitive rates, will be critical from credit perspective.

Regulatory risk related to the digital lending space

Ratings also take note of regulatory risk associated with entities operating in digital lending, as regulations are still evolving. Digital lending gaining momentum and size, and evolving industry regulations expose the industry to regulatory risk. Recent regulatory actions by the Reserve Bank of India (RBI), particularly in the unsecured lending segment have impacted growth and yield profiles of several players, highlighting the sector's vulnerability to policy shifts. However, recent reversal of increased risk weights on unsecured loans by the regulator is viewed as a positive development for entities operating in this space.

Liquidity: Adequate

The company's liquidity profile remains adequate, supported by healthy cash balances. As on April 30, 2026, the asset liability management (ALM) statement reflected no negative cumulative mismatches across time bucket (excluding interest inflows). For the next 12 months, scheduled inflows from advances stood at ₹294 crore, compared to scheduled repayments of ₹350 crore on a standalone basis. Liquidity is supported by cash and cash equivalents of ₹72 crore as on April 30, 2026. Going forward, the company's ability to maintain adequate liquidity while scaling up its on-book portfolio, and to diversify funding sources in line with growth requirements, will remain a key monitorable.

Applicable criteria

Consolidation
Definition of Default
Rating Outlook and Rating Watch
Financial Ratios - Financial Sector
Non Banking Financial Companies

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Finance	Non-banking financial company (NBFC)

FCPL was incorporated on August 12, 2015, and received its NBFC registration from the RBI as a Base Layer NBFC. The company provides unsecured personal loans targeting salaried individuals through a fully digital platform with quick turnaround and paperless processing. The company's technology platform led origination and servicing capabilities is catered by FTPL, which was incorporated on June 17, 2020, as a group entity acting as the lending service provider, while FCPL undertakes regulated lending activities. FTPL is a wholly owned subsidiary of FCPL.

The company was founded by Nitin Gupta, Viraj Tyagi, and Amit Arora, all of whom are ex-bankers with significant entrepreneurial and global financial services experience. FCPL offers unsecured personal loans of up to ₹10 lakh and caters completely to salaried professionals. Apart from lending through its NBFC, FCPL also undertakes co-lending with partner NBFCs.

As on March 31, 2026, FCPL reported an overall AUM of ₹3,556 crore. The NBFC's own loan book portfolio stood at ₹1,026 crore as on March 31, 2026.

Consolidated Financials

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	March 31, 2026 (A)
Total income	183.00	259.88	431.32
Profit after tax (PAT)	-5.81	2.82	45.90
Assets under management (AUM)	1,899	2,756	3,556
On-book gearing (x)	NM	1.22	1.54
AUM / tangible net-worth (TNW) (x)	NM	13.14	6.90
Gross non-performing assets (NPA) / gross stage 3 (%)	2.86	0.15	0.46
Return on managed assets (ROMA) (%)	-0.38	0.11	1.30
Capital adequacy ratio (CAR) (%)	NA	35.91	37.86

A: Audited; NA: Not available; NM: Not Meaningful; Note: these are latest available financial results; FY24 (A) financials are based on I-GAAP, while FY25 (A) and FY26 (A) financials are based on Ind AS.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Debentures-Non-convertible debentures	SEBI	Simple	Proposed	-	-	-	9.03	CARE BBB+; Stable
Debentures-Non-convertible debentures	SEBI	Simple	INE14H407017	14-Feb-2025	13.75	31-Aug-2027	21.47	CARE BBB+; Stable
Debentures-Non-convertible debentures	SEBI	Simple	INE14H407058	26-Sep-2026	12.75	26-Sep-2027	19.50	CARE BBB+; Stable
Debentures-Non-convertible debentures	SEBI	Simple	INE14H407074	11-Dec-2025	12.25	11-Jun-2028	30.00	CARE BBB+; Stable
Debentures-Non-convertible debentures	SEBI	Simple	INE14H407082	24-Dec-2025	12.20	17-Apr-2029	30.00	CARE BBB+; Stable
Debentures-Non-convertible debentures	SEBI	Simple	INE14H407090	31-Dec-2025	11.75	30-Jun-2028	20.00	CARE BBB+; Stable
Debentures-Non-convertible debentures	SEBI	Simple	INE14H407108	31-Dec-2025	11.80	30-Apr-2029	20.00	CARE BBB+; Stable
Debentures-Non-convertible debentures	SEBI	Simple	INE14H407116	16-Feb-2026	11.00	26-Aug-2028	40.00	CARE BBB+; Stable
Debentures-Non-convertible debentures	SEBI	Simple	INE14H407116	27-Feb-2026	11.00	26-Aug-2028	45.00	CARE BBB+; Stable
Debentures-Non-convertible debentures	SEBI	Simple	INE14H407124	16-Mar-2026	11.00	16-Sep-2028	30.00	CARE BBB+; Stable
Debentures-Non-convertible debentures	SEBI	Simple	INE14H407132	16-Mar-2026	11.10	16-Jul-2029	20.00	CARE BBB+; Stable
Debentures-Non-convertible debentures	SEBI	Simple	INE14H407116	27-May-2026	11.00	26-Aug-2028	65.00	CARE BBB+; Stable
Debentures-Non-convertible debentures	SEBI	Complex	INE14H407140	27-May-2026	Variable	20-Nov-2029	25.00	CARE BBB+; Stable
Debentures-Non-convertible debentures	SEBI	Simple	Proposed	-	-	-	200.00	CARE BBB+; Stable
Debentures-Non-convertible debentures	SEBI	Simple	Proposed	-	-	-	150.00	CARE BBB+; Stable
Fund-based - LT-Term Loan	RBI	Simple	-		-	June 2029	272.35	CARE BBB+; Stable
Fund-based - LT-Term Loan	RBI	Simple	-		-	Proposed	177.65	CARE BBB+; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Fund-based - LT-Term Loan	LT	450.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (13-Mar-26) 2)CARE BBB+; Stable (13-Jan-26) 3)CARE BBB+; Stable (30-Sep-25) 4)CARE BBB+; Stable (23-Sep-25)	-	-
2	Debentures-Non-convertible debentures	LT	25.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (13-Mar-26) 2)CARE BBB+; Stable (13-Jan-26) 3)CARE BBB+; Stable (30-Sep-25) 4)CARE BBB+; Stable (23-Sep-25)	-	-

3	Debentures-Non-convertible debentures	LT	100.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (13-Mar-26) 2)CARE BBB+; Stable (13-Jan-26) 3)CARE BBB+; Stable (30-Sep-25)	-	-
4	Debentures-Non-convertible debentures	LT	100.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (13-Mar-26) 2)CARE BBB+; Stable (13-Jan-26)	-	-
5	Debentures-Non-convertible debentures	LT	150.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (13-Mar-26)	-	-
6	Debentures-Non-convertible debentures	LT	200.00	CARE BBB+; Stable				
7	Debentures-Non-convertible debentures	LT	150.00	CARE BBB+; Stable				

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Lender details

To view lender-wise details of bank facilities please click here

Annexure-5: List of entities consolidated

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Finnable Technologies Private Limited	Full	Subsidiary

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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