

Finkurve Financial Services Limited

June 15, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	300.00	CARE BBB+; Stable	Reaffirmed
Non-convertible debentures	100.00	CARE BBB+; Stable	Assigned
Non-convertible debentures	150.00	CARE BBB+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

Rationale and key rating drivers

Ratings assigned to Finkurve Financial Services Limited's (FFSL's) non-convertible debentures (NCDs) and bank facilities reflect the company's adequate capitalisation, supported by recent equity infusion and healthy internal accruals, and the promoter's established track record in the gold ecosystem. FFSL is promoted by Ketan Kothari, who has over two decades of experience in the precious metals industry and is associated with the Augmont Group, which is into bullion trading and allied activities. The promoter family held 56.24% the company's shareholding as on March 31, 2026. In FY26, FFSL raised ₹111.5 crore through a preferential allotment to external investors and promoters, leading to tangible net worth (TNW) of ₹345 crore as on March 31, 2026.

Ratings also consider the company's experienced management team, expanding operations, and moderate asset quality, supported by a predominantly secured loan book. As on March 31, 2026, FFSL's assets under management (AUM) stood at ₹1,096 crore, reflecting substantial growth from ₹440 crore as on March 31, 2025. The portfolio comprised 95% gold loans, 4% personal loans, and 1% small and medium enterprise (SME) loans.

However, ratings are constrained by FFSL's moderate operating track record, relatively small scale of operations, and moderate resource profile. Ratings are further constrained by geographical and product concentration and exposure to gold price volatility. While asset quality indicators remain comfortable, their resilience across economic cycles is yet to be demonstrated.

Rating sensitivities: Factors likely to lead to rating actions

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

- Significant mobilisation of equity capital for further growth in business.
- Sustained improvement in scale of operation while maintaining profitability and stable asset quality.
- Diversification in the resource profile at competitive cost of borrowings.

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

- Deterioration in asset quality parameters with gross non-performing asset (GNPA)/Gross stage 3 (GS3) ratio above 3% on a sustained basis.
- Deterioration in profitability parameters with return on total asset (ROTA) less than 2% on a sustained basis.
- Overall gearing exceeding 4x.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Analytical approach: Standalone

CARE Ratings Limited (CareEdge Ratings) has considered standalone profile of FFSL for assessing its financial and business profile.

Outlook: Stable

The "Stable" outlook is on the expectation that FFSL will continue to grow its loan book with stable asset quality and relatively stable profitability, considering its healthy capitalisation levels.

Detailed description of key rating drivers:
Key strengths
Adequate capitalisation supported by equity infusions and internal accruals

The company's capitalisation remains adequate, supported by profitable operations and periodic equity infusions. Till date, FFSL raised ₹225 crore from investors, including its most recent infusion of ₹111.5 crore through a preferential share issuance completed in H1FY26. Promoters are expected to infuse ~₹30 crore through subscription of share warrants in FY27. As on March 31, 2026, the shareholding pattern comprised 56% held by the promoter, Ketan Kothari family, 37% by public investors, and 7% by foreign institutional investors. CareEdge Ratings notes that the promoter intends to hold over 50% stake in the company.

The company's TNW stood at ₹345 crore as on March 31, 2026, improving from ₹206 crore as on March 31, 2025, supported by equity infusion and internal accruals. Overall gearing increased to 2.42x as of March 31, 2026 (March 31, 2025: 1.15x), reflecting substantial growth in operations. Total capital adequacy ratio (CAR) stood comfortable at 31% as on March 31, 2026, well-above regulatory requirement. The company plans to scale up its operations, while maintaining gearing below 4x in the medium term.

Experienced management and promoters

FFSL was acquired by Ketan Kothari, who has 20 years of experience in the precious metals industry. He currently serves as the company's non-executive, non-independent chairperson and is also joint secretary at the India Bullion and Jewellers Association Limited (IBJA). He represents the Kothari family's third generation in the bullion trading business and is a promoter of Augmont Group entities, such as Augmont Enterprises Private Limited (AEPL) and Augmont GoldTech Private Limited (AGTPL). AEPL operates as the flagship entity and created an entire ecosystem for gold and silver, right from refinery to retail, under its brand. The Augmont Group has two tech platforms (i) Augmont Spot – for the B2B business and (ii) Augmont Gold For All – for B2C business, offering varied products and services around gold. AEPL has filed a Draft Red Herring Prospectus (DRHP) in September 2025 and received clearance from the Securities and Exchange Board of India (SEBI) for listing.

FFSL's operations are headed by Naveen Kotalla, Chief Executive Officer, who has over 15 years of experience in financial services with expertise in scaling gold loan and micro, small and medium enterprise (MSME) lending businesses. He is supported by Aakash Jain, Chief Financial Officer, who brings over 12 years of experience in finance, investment banking, and corporate advisory. The senior leadership is strengthened by a team of seasoned professionals overseeing key functions across the organisation.

Profitable operations; sustenance to be seen

The company's profitability remains supported by healthy net interest margins (NIMs). In FY26, FFSL reported a profit after tax (PAT) of ₹26 crore on total income of ₹210 crore, compared to a PAT of ₹17 crore on total income of ₹141 crore in FY25, driven by higher income from growth in AUM. The company's ROTA stood at 3.04% in FY26, supported by strong NIMs and higher fee income from the personal loan portfolio.

However, operating expenses remain elevated given the early stage of operations. Increase in operating expenses is predominantly contributed by fees and commission expenses, payable in line with the arrangement with FinTech partners for Personal Loans. Increase in employee strength and branch network also contributed to higher operating costs. Credit costs improved in FY26 due to a shift in the loan mix toward secured gold loans and remained elevated, because the company follows a policy of writing off unsecured personal loans once they cross 82 days past due. As operations scale further, operating efficiencies are expected to improve. In FY26, the company reported a PAT of ₹26 crore on total income of ₹210 crore, with a ROTA of 3.04%.

The company's ability to raise funds at competitive rates, manage operating expenses efficiently, and maintain prudent credit costs will remain key to sustaining profitability going forward.

Moderate asset quality and secured nature of product profile

FFSL's asset quality improved, with GS3 and Net Stage 3 (NS3) ratios at 0.13% and 0.09%, respectively, as on March 31, 2026, improving from 0.94% and 0.65% as on March 31, 2025. Improvement was majorly driven by a rally in gold prices thereby increasing the top up loans at the same loan-to-value (LTV).

In FY25 and FY26, the company reported no write-offs in its gold loan portfolio; however, write-offs continued in the unsecured personal loan and SME segments.

CareEdge Ratings notes that the SME/corporate portfolio, which comprises legacy exposures, is being gradually phased out, with no new disbursements in this segment. Gold loans, accounting for 95% of AUM as on March 31, 2026, are fully secured by gold, significantly mitigating credit risk. Secured nature of the portfolio supports comfortable asset quality, as FFSL can swiftly enforce and liquidate collateral in case of default, limiting credit losses.

Key weaknesses

Small scale of operations and limited operational track record

FFSL currently operates under the brand name 'Arvog' and was originally established in 1984. It obtained its non-banking financial company (NBFC) licence from the Reserve Bank of India (RBI) in 1998. The company was acquired by Ketan Kothari, the present promoter, in 2010. FFSL commenced retail lending operations in 2019 and launched its gold loan business in October 2020. The company's operating track record remains limited.

The company's AUM grew by 149% year-on-year in FY26, increasing to ₹1,096 crore as on March 31, 2026, from ₹440 crore as on March 31, 2025. Considering a significant proportion of the portfolio was originated recently, portfolio seasoning remains limited. However, shorter tenor nature of the book provides comfort from a risk perspective.

Ratings also reflect regulatory risks associated with the personal loan book, given the evolving regulatory framework.

Moderate resource profile

As on March 31, 2026, FFSL's resource profile remained moderately diversified, with established borrowing relationships across 24 lenders, including banks and NBFCs. Funding mix comprised 45% Term Loans from Banks and FIIs, 35% NCDs, 16% ICDs, and 4% from other sources. Weighted average cost of borrowings for outstanding debt stood at 11.23% as on March 31, 2026.

The company's ability to further diversify its funding sources will remain critical to supporting its planned growth trajectory.

Geographical and product concentration; exposure to gold price risk

As on March 31, 2026, the company's loan portfolio was primarily concentrated in gold loans, which accounted for 95% of AUM, followed by personal loans at 4% and SME loans at 1%. Considering the company's strategic focus on gold loans, product concentration is expected to remain high in the near term. As of March 31, 2026, average ticket size of gold loans stood at ₹1.8 lakh, offered at an average interest rate of 21% for an average 10-month tenor. Average ticket size of personal loans was ₹10,222, with an average interest rate of 46% and one month tenor. The product profile comprised 95% secured and 5% unsecured loans as on March 31, 2026.

The company's gold loan operations are geographically concentrated in four states. As on March 31, 2026, Telangana, Andhra Pradesh, Karnataka, and Tamil Nadu, accounted for 54%, 28%, 11%, and 3% of AUM, respectively. Combined share of these states increased to 96% as on March 31, 2026, compared to 90% as on March 31, 2025, indicating sustained concentration in key geographies. The company intends to deepen its presence within existing regions before expanding further. The entity remains exposed to gold price risk, as sharp movement in gold prices can affect LTV ratio and asset cover for the gold loan portfolio.

Liquidity: Adequate

FFSL's asset-liability profile reflected positive cumulative mismatches across all time buckets up to five years. The company had cumulative total outflows of ₹438 crore up to one year, against contractual inflows of ₹1,183 crore, indicating a comfortable liquidity position. FFSL held unencumbered liquidity of ₹102 crore in cash and bank balances, which is sufficient for debt obligations up to three months. Average current monthly collection efficiency for FY26 stood at 93.59%.

Applicable criteria

[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)

FFSL is registered with the RBI as a non-deposit-taking NBFC. Operating under the brand name Arvog, FFSL was originally established in 1984 as Sanjay Leasing Limited. The company obtained its NBFC license from RBI in 1998. In 2010, the organisation was acquired by Ketan Kothari, marking a transition in its ownership and strategic direction. FFSL commenced its retail lending operations in 2019 and subsequently launched its gold loan business in October 2020. As on March 31, 2026, the promoter group held a 56.24% equity stake in the company. FFSL does not have direct parent–subsidiary relationship with the Augmont group; however, both entities share a common promoter family.

The company provides gold loans, personal loans to customers in the Tier-II/Tier-III cities mainly in Telangana, Andra Pradesh, Karnataka, and Tamil Nadu. Gold loans constituted 95% of its total AUM of ₹1,096 crore as on March 31, 2026. FFSL is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 Restated (A)	March 31, 2026 (A)
Total income	90	141	210
Profit after tax (PAT)	16	17	26
Assets under management (AUM)	259	440	1096
On-book gearing (x)	0.40	1.15	2.43
AUM / tangible net-worth (TNW) (x)	1.38	2.13	3.18
Gross non-performing assets (NPA) / gross stage 3 (%)	1.98	0.94	0.13
Return on managed assets (ROMA) (%)	6.22	4.52	2.99
Capital adequacy ratio (CAR) (%)	67.70	44.94	31.00

A: Audited; Note: these are latest available financial results

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

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	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	Proposed	-	-	-	100.00	CARE BBB+; Stable
Debentures-Non-convertible debentures	INE734I07107	14-May-2026	11.33	13-Aug-2028	75.00	CARE BBB+; Stable
Debentures-Non-convertible debentures	Proposed	-	-	-	75.00	CARE BBB+; Stable
Fund-based - LT-Term Loan	-	-	-	27-Mar-2028	300.00	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	Debentures-Non-convertible debentures	LT	150.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (30-Mar-26)	-	-
2	Fund-based - LT-Term Loan	LT	300.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (30-Mar-26)	-	-
3	Debentures-Non-convertible debentures	LT	100.00	CARE BBB+; Stable		-	-	-

LT: Long term

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

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Non-convertible debentures	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026 to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments ²
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	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 Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
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 @

* 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 the rating notes subsequent to issuance(s), CARE Ratings Limited shall separately capture the rated quantum details along with names of respective regulators.

²SEBI: 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

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

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.

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

Note: For facilities / 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

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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