

March 10, 2026

FINO Payments Bank Limited: Rating placed on watch with developing implications

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term/Short-term fund-based overdraft	294.54	294.54	[ICRA]BBB+; Rating placed on Watch with Developing Implications/ [ICRA]A2+ ; Rating placed on Watch with Developing Implications
Total	294.54	294.54	

*Instrument details are provided in Annexure I

Rationale

Material event

Vide a stock exchange disclosure on February 27, 2026, FINO Payments Bank Limited (FPBL) announced that its Managing Director and Chief Executive Officer (MD & CEO), Mr. Rishi Gupta, has been arrested. This development is pursuant to an investigation by the Director General of GST Intelligence – the authority in relation to the programme manager(s) associated with multiple banks, including FPBL. The bank has clarified that none of its officials are involved, including its MD & CEO. It maintains that it has not evaded any goods and services tax (GST) dues and is compliant with all the regulations relating to the payment of GST. In Mr. Gupta’s absence, the board of directors has appointed Mr. Ketan Merchant, Chief Financial Officer, as the head of the organisation to carry and oversee the day-to-day operations of the bank.

Impact of material event

Following the announcement, ICRA has placed FPBL’s ratings on Watch with Developing Implications. While the management has emphasised that the bank has no role in the alleged GST evasion and has fully complied with tax laws, the matter remains under assessment by the authorities. ICRA notes that FPBL’s average deposits remained largely stable between February 23, 2026 and March 04, 2026—As per the Reserve Bank of India’s (RBI) regulations for payment banks, FPBL is required to maintain at least 75% of its demand deposit balances (DDB) in Government securities (G-Secs) on T+3 days and a maximum of 25% with other scheduled commercial banks (SCBs), which provides comfort from a liquidity perspective. Further, the management has clarified that the bank has been able to maintain its overall transaction/throughput volumes and daily average openings of current and savings accounts (CASA). ICRA shall continue to monitor developments, including FPBL’s deposits and transaction volumes, and take appropriate rating action as more clarity emerges on the investigation and its impact on the bank’s credit profile.

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

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Non-Banking Finance Companies (NBFCs)
Parent/group Support	Not Applicable
Consolidation/standalone	Standalone

About the company

FINO Payments Bank Limited (FPBL) is a 2017-licensed payments bank, which currently operates through around 19 lakh merchant points and 54 branches across India. It provides products like account opening, CASA deposits, insurance, remittance services, etc, to self and business correspondent (BC) partners. It reported a net profit of Rs. 45 crore in 9M FY2026 against a net profit of Rs. 69 crore in 9M FY2025.

FPBL was granted scheduled commercial bank (SCB) status by the Reserve Bank of India (RBI) in February 2021. FPBL targets the lower-income category in rural areas where financial inclusion is required, especially people with an annual income of Rs. 2-5 lakh

Status of non-cooperation with previous CRA

Not applicable

Any other information

Not applicable

Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years							
	Type	Amount rated (Rs crore)	March 10, 2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based - Overdraft	Long-term/Short-term	294.54	[ICRA]BBB+; Rating watch with Developing Implications /[ICRA]A2+; Rating watch with Developing Implications	May 22, 2025	[ICRA]BBB+ (Stable)/[ICRA]A2+	April 30, 2024	[ICRA]BBB+ (Stable)/[ICRA]A2+	-	-	December 30, 2022	[ICRA]BBB+ (Stable)/[ICRA]A2+
				-		-		-	-	February 21, 2023	[ICRA]BBB+ (Stable)/[ICRA]A2+

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term/Short-term - Fund-based - Overdraft	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 / sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	Long-term/Short-term fund-based overdraft	NA	NA	NA	294.54	[ICRA]BBB+; Rating Watch with Developing Implications / [ICRA]A2+; Rating Watch with Developing Implications

Source: FPBL

[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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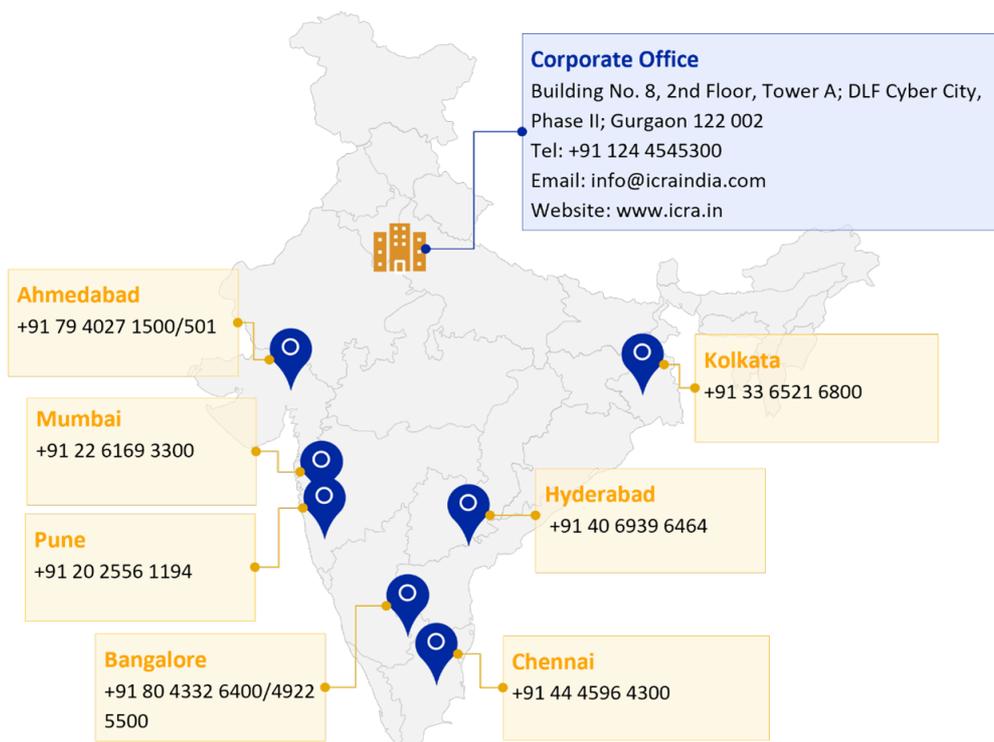


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