

May 07, 2026

Orient Exchange And Financial Services (P) Ltd: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Unallocated limits	20.00	20.00	[ICRA]BBB- (Stable); reaffirmed
Short-term – Unallocated limits	14.00	14.00	[ICRA]A3; reaffirmed
Total	34.00	34.00	

*Instrument details are provided in Annexure-II

Rationale

The reaffirmation of ratings for Orient Exchange And Financial Services (P) Ltd. (OEFS) factors in the expectation of a steady operational performance over the medium term, following the moderation in its revenues and earnings in FY2025 and FY2026 due to increased competition and global geopolitical issues. OEFS' operating income declined by 9.4% in FY2026 to around Rs. 46.7 crore, following a moderation of 9.4% on a YoY basis in FY2025. The same was primarily led by subdued demand for foreign exchange (forex) currencies, reflecting reduced outbound travel as well as a decline in foreign student visas. Further, OEFS' operating profit margin (OPM) moderated to 9.2% in FY2026 (provisional) and 10.0% in FY2025, compared to 15.1% in FY2024 because of a decline in business volumes, coupled with higher discounts offered. Going forward, the company's earnings are expected to improve gradually over the medium term, supported by likely recovery in demand conditions and a gradual scaling-up of operations.

The ratings continue to favourably factor in OEFS' established position as an Authorised Dealer Category-II (AD-II) player, along with the extensive industry experience of its promoters. Moreover, the ratings derive comfort from the company's healthy capitalisation, adequate coverage metrics and liquidity position, which is primarily supported by its forex inventory. ICRA expects steady growth in OEFS' business with favourable demographics, and its limited reliance on bank debt going forward as well. The company's continued focus on the margin-accretive retail business is also likely to support margins.

The ratings, however, remain constrained by the company's modest scale of operations, low margins in the currency exchange and remittance business, and intense competition from other established dealers including AD-I banks and unorganised players. While the main competition in the outward remittance segment comes from commercial banks, forex services are not offered by all bank branches, which AD-II players like OEFS capitalise on. Further, OEFS' forex demand and revenues are vulnerable to exogenous shocks and consequent impact on travel. Also, the company's margins are susceptible to forex fluctuations. Nevertheless, hedging through forward and future contracts minimises the impact of forex fluctuations to a large extent.

The Stable outlook on the long-term rating reflects ICRA's expectation that the company's credit profile will remain healthy, supported by its comfortable debt metrics and adequate liquidity position, amid a favourable outlook for the industry.

Key rating drivers and their description

Credit strengths

Extensive industry experience of the management – OEFS was started by the promoters of Orient Exchange Co. LLC (Dubai), in 2004 and is involved in the currency exchange and remittance business. Its operations in India are managed by Mr. Bhaskar Rao P, Managing Director. Mr. Rao and the management team have over two decades of experience in the money exchange

industry. The same has enabled the company in establishing robust risk management practices with respect to forex fluctuations, among others.

Comfortable capital structure and coverage indicators – OEFS has been free of bank borrowings since FY2020 and there was no external debt as on March 31, 2026. This has resulted in comfortable capital structure and debt coverage indicators. With no major debt-funded capex envisaged, OEFS' capital structure and coverage indicators are expected to remain comfortable in the near to medium term as well.

Credit challenges

Modest scale of operations – The company's operating income is relatively modest and stood at Rs. 51.4 crore in FY2025 and Rs. 46.7 crore in FY2026. The modest scale limits the benefits arising from economies of scale. OEFS' net cash accruals also remain relatively low and stood at Rs. 2.5 crore in FY2025 and Rs. 2.2 crore in FY2026. The likely revival of demand outlook for the industry is expected to support the company's volumes and operating income, going forward.

Intense competition from other established and unorganised players – The company witnesses intense competition in the retail money exchange business from other established players like Thomas Cook, Ebixcash World Money India Limited and Unimoni Financial Services Limited, among others. Further, it also faces competition from other established dealers including AD-I banks and unorganised players. The intense competition along with the trading nature of the business results in limited pricing flexibility. In the outward remittance segment, the main competition is from commercial banks that are increasingly targeting the retail segment, which is the company's focus area as well. However, forex services are not offered by all branches of banks, which AD-II players like OEFS capitalise on.

Susceptibility of the business to exogenous shocks – Akin to other players in the business, OEFS' forex demand and revenues are vulnerable to exogenous shocks and consequent impact on travel. Further, its margins are exposed to forex fluctuations, although the risk is limited to a large extent by hedging through forward and future contracts, healthy turnaround of stock and payables in USD to group companies.

Liquidity position: Adequate

OEFS's liquidity remains adequate, supported by its steady earnings, the forex inventory of Rs. 37.4 crore and unencumbered cash and bank balances of around Rs. 4.0 crore as on March 31, 2026. Owing to the absence of term loans in its books, the company has no repayment obligations. Further, it does not have any significant capex plans, going forward. The cash surplus from business is expected to be sufficient for the company's additional working requirement, if any.

Rating sensitivities

Positive factors – ICRA can upgrade OEFS' ratings if the company demonstrates a significant improvement in its revenues and earnings accruals on a sustained basis, while maintaining limited reliance on external debt.

Negative factors – Pressure on OEFS' ratings could arise if there is significant decline in revenues and earnings, resulting in weakening of cash flows and liquidity on a sustained basis. Further, any large debt-funded acquisition or increase in debt levels owing to weakening of the liquidity position, working capital stretch or significant capex could lead to a downward revision in ratings.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the standalone financials of OEFS.

About the company

OEFS is an Authorised Dealer Category-II licence holder with close to two decades of presence with 25 branches across India, covering all metros and major cities. It initially had a Full-Fledged Money Changers (FFMC) licence from the RBI, before receiving the AD-II licence in 2017. Its core business is buying and selling currencies for the foreign exchange needs of retail customers, corporate and wholesale customers. It is also involved in the issuance of forex cards, traveller's cheques, outward remittance business and distribution of third-party financial products like travel insurances. OEFS is a group company of Orient Exchange Co. (L.L.C.), Dubai, whose principal business segments include forex and remittances.

Key financial indicators (audited)

Standalone	FY2025	FY2026*
Operating income (OI)	51.4	46.7
PAT	3.4	2.7
OPBDIT/OI	10.0%	9.2%
PAT/OI	6.6%	5.8%
Total outside liabilities/Tangible net worth (times)	1.2	0.9
Total debt/OPBDIT (times)	0.1	0.1
Interest coverage (times)	20.3	15.5

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes, and amortisation, *Provisional numbers submitted by company

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	May 07, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Unallocated limits	Long term	20.00	[ICRA]BBB-(Stable)	-	-	Feb 27, 2025	[ICRA]BBB-(Stable)	Dec 15, 2023	[ICRA]BBB-(Stable)
Unallocated limits	Short term	14.00	[ICRA]A3	-	-	Feb 27, 2025	[ICRA]A3	Dec 15, 2023	[ICRA]A3

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10, 2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSRs), as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (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 Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	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	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	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.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under the regulatory purview of various FSRs, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)

9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) 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 can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI’s grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSRs other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term - Unallocated	Not applicable
Short-term – Unallocated	Not applicable

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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Unallocated limits	NA	NA	NA	20.00	[ICRA]BBB- (Stable)
NA	Unallocated limits	NA	NA	NA	14.00	[ICRA]A3

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure III: List of entities considered for consolidated analysis – Not applicable

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