

May 15, 2026

Namdev Finvest Limited: [ICRA]A- (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
NCD programme	100.00	[ICRA]A- (Stable); assigned
Total	100.00	

**Instrument details are provided in Annexure II; NCD – Non-convertible debenture*

Rationale

The rating takes into consideration Namdev Finvest Limited’s (NFL) adequate capitalisation profile and its improving earnings profile. With a net worth of Rs. 516 crore and gearing (managed) of 3.1 times as on December 31, 2025, the company is adequately capitalised to meet its near-term growth plans. It has been regularly raising equity capital (~Rs. 363 crore since inception), which helped it maintain an adequate capitalisation profile as it scaled up its operations over the years. As on December 31, 2025, the company was present in nine states/Union Territories (UTs) with assets under management (AUM) of Rs. 1,616 crore [18% annualised growth in 9M FY2026; compound annual growth rate (CAGR) of ~61% during March 2022 to March 2025]. Given its moderate scale, ICRA expects NFL’s growth to remain relatively high and the company shall continue requiring regular equity infusions over the medium term to maintain a prudent capitalisation profile.

The rating considers NFL’s limited portfolio seasoning as a significant portion of the AUM was sourced in the last few years like most of its peers. Moreover, given the relatively riskier borrower profile of the low-and-assessed-income segments, the company remains exposed to volatility in the asset quality. The rating also factors in NFL’s relatively high, albeit improving, geographical concentration with Rajasthan comprising ~70% of its AUM as on December 31, 2025 (75% as on March 31, 2025).

The Stable outlook reflects ICRA’s expectation that the company will continue to maintain an adequate capitalisation profile, supported by regular equity infusions, along with a healthy earnings profile.

Key rating drivers and their description

Credit strengths

Adequate near-term capital profile; equity infusion required to manage medium-term growth – Given the current scale of operations, the capitalisation profile is adequate, characterised by a net worth of Rs. 516 crore, capital adequacy of 29.4% and a managed gearing of 3.1 times as on December 31, 2025 (3.1 times as of March 2025). The company has been regularly raising equity capital (Rs. 21.9 crore in FY2026; Rs. 25 crore in FY2025; Rs. 235 crore in FY2024), which has helped its capitalisation profile. Nonetheless, given its growth plans, NFL shall continue requiring equity capital infusions to maintain a prudent capitalisation profile. ICRA takes note of the company’s growth target of 30-40% per annum and its plans to raise further equity capital in the near term.

Improving earnings profile – The earnings profile is gradually improving with the company reporting a provisional profit after tax (PAT) of Rs. 37 crore in 9M FY2026, translating into a return of 2.4% on average managed assets (AMA; Rs. 41 crore and 2.3%, respectively, in FY2025; Rs. 21 crore and 1.7%, respectively, in FY2024). The improvement in its lending yields and net interest margins, while keeping its operating expenses under control, supported its earnings performance. NFL’s net interest margin expanded over the years and stood at 8.7% of AMA in 9M FY2026 (8.8% in FY2025; 7.2% in FY2024), while operating expenses remained under control at 5.2% of AMA (5.3% in FY2024 as well as FY2025). ICRA notes that the company’s credit

costs inched up to 0.9% of AMA in 9M FY2026 (0.9% in FY2025; 0.6% in FY2024), though it remains moderate. Going forward, ICRA expects a gradual improvement in NFL’s operating efficiency, which shall support profitability provided it is able to keep its credit costs under control.

Credit challenges

Limited portfolio seasoning and relatively vulnerable borrower profile – NFL has a limited track with the majority of its AUM sourced over the last three years. Given the high pace of growth, portfolio seasoning is low and the asset quality is yet to be established. Further, it primarily caters to low- and middle-income individuals and families, many of whom rely on informal or undocumented sources of income. This borrower segment is more vulnerable to economic downturns due to their limited financial buffers to absorb external shocks. The company’s 30+ and 90+ days past due (dpd) remained under control at 4.0% and 2.4%, respectively, as on December 31, 2025. ICRA takes note of the steps taken by NFL to improve its asset quality, including setting up a dedicated collections team. Nonetheless, ultimate losses are expected to be under control, given the secured nature of the portfolio.

Moderate scale and geographically concentrated operations – Since commencing operations in 2013, the company achieved an AUM of Rs. 1,616 crore as on December 31, 2025 (Rs. 1,417 crore as of March 2025). Despite this, its scale of operations remains moderate. Moreover, its operations are geographically concentrated, largely focussed on Rajasthan. NFL currently operates in nine states/UTs though ~70% of the AUM was concentrated in Rajasthan as of December 2025 (~75% as of March 2025). ICRA notes that the concentration in Rajasthan has been coming down over the years and ICRA expects geographical diversity to improve gradually as the company scales up its operations over the medium term.

Liquidity position: Adequate

As on February 28, 2026, the company held a free cash and bank balance of ~Rs. 373 crore (~Rs. 496 crore (provisional) as on March 31, 2026). As per the asset-liability management (ALM) statement as on February 28, 2026, NFL had scheduled inflows from standard advances of Rs. 397 crore against scheduled debt repayments of Rs. 536 crore during March 2026 to February 2027. However, the ALM profile remains cumulatively positive across all buckets. Factoring in the expected collections from advances, free on-book liquidity and undrawn lines, the liquidity profile is expected to remain sufficient to meet the debt obligations in a timely manner.

Rating sensitivities

Positive factors – A significant improvement in the scale while maintaining healthy asset quality and profitability could positively impact the rating.

Negative factors – Weakening in NFL’s asset quality or earnings profile (return on managed assets (RoMA) of less than 2.0%) on a sustained basis or an increase in its gearing levels (managed gearing beyond 5 times) shall exert pressure on the rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Non-banking Finance Companies (NBFCs)
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Namdev Finvest Limited is a non-banking financial company (NBFC) primarily providing loans to micro, small and medium enterprises (MSMEs). It commenced operations in 1997. The company reported assets under management (AUM) of Rs. 1,616 crore as of December 2025, which is managed through a network of 129 branches spread across Rajasthan, Delhi, Gujarat, Haryana, Madhya Pradesh, Punjab, Uttarakhand, Uttar Pradesh and Bihar. The company registered with the Reserve Bank of

India (RBI) as a NBFC in 2013 after being acquired by Mr. Jitendra Tanwar and Mrs. Latika Tanwar and began operations by disbursing vehicle loans. In 2017, it launched MSME lending as a new vertical, with the share of this segment gradually increasing to ~91% of the AUM as of December 2025.

Key financial indicators (audited)

NFL	FY2024	FY2025	9M FY2026*
Total income	207	331	280
Profit after tax (PAT)	21	41	37
Total managed assets	1,596	1,963	2,183
Return on average managed assets	1.7%	2.3%	2.4%
Managed gearing (times)	2.9	3.1	3.1
Capital-to-risk weighted assets ratio	34.2%	30.2%	29.4%
Gross NPA	1.07%	1.81%	2.36%
Net NPA	0.86%	0.80%	0.95%

Source: Company, ICRA Research; Amount in Rs. crore; *Provisional; Total managed assets = Total assets + Impairment allowance + Off-book portfolio; Managed gearing = (On-book borrowings + Off-book portfolio)/Net worth

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	May 15, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
NCD	Long term	100.00	[ICRA]A- (Stable)	-	-	-	-	-	-

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 regulatory purview of various Financial Sector Regulators (FSR) 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/ Fls (\$)	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, Fls	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, Fls	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 regulatory purview of various Financial Sector Regulators (FSR) 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 Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
NCD programme	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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Non-convertible debentures – Yet to be issued	NA	NA	NA	100.00	[ICRA]A- (Stable)

Source: Company

Annexure III: List of entities considered for consolidated analysis

Not applicable

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