Arvesta Financial Services Private Limited (Revised)

May 29, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Commercial Paper	200.00	CARE A1+	Assigned

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

CARE Ratings Limited (CareEdge Ratings) has considered the consolidated financials of Neo Investment Value Advisors Private Limited (NIVA) (Parent entity of the group) and its subsidiaries, such as Neo Wealth Management Private Limited, Neo Alternative Asset Managers Private Limited, and Arvesta Financial Services Private Limited (AFSPL)- collectively referred to as the Neo Group while arriving at the rating of AFSPL.

The rating assigned to AFSPL reflects the Neo Group's comfortable capitalisation and liquidity, experienced management and demonstrated performance, whereby the group achieved client assets of close to ₹1 Lakh crore as on March 31, 2026 (~₹93,000 crore as on December 31, 2025) since it started operations in 2021. Rating also takes into account AFSPL's healthy capitalization levels and comfortable liquidity position. AFSPL being the lending arm of the Neo Group, is expected to serve the High-Net-Worth Individuals (HNI), Ultra HNI and family offices clientele of the group. CareEdge Ratings believes that NIVA will continue to provide need-based financial and operational support to AFSPL, given its strategic importance within the Neo Group and will continue maintaining a majority stake.

The rating, however, remains constrained by the Neo Group's relatively limited track record in the wealth management business and in lending operations through AFSPL, along with exposure to regulatory, client retention, and employee attrition risks inherent in the wealth management industry. In addition, the lending business remains vulnerable to capital market volatility. The group's profitability also remains subdued due to a relatively high cost-to-income ratio, as it continues to invest in and scale multiple business segments. Accordingly, the group's ability to improve its cost-to-income ratio remains a 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:

- Not applicable

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

- Deterioration in the credit profile of the parent company (NIVA)
- Overall gearing exceeding 2.5x on a consolidated basis (NIVA level)
- Regulatory action in the wealth management segment, resulting in a change in the business profile

Analytical approach: Standalone

CareEdge Ratings has taken a standalone approach for the rating of AFSPL while factoring in its linkage with the parent, NIVA, and demonstrated capital support by NIVA.

Outlook: Not applicable

Detailed description of key rating drivers:

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

Key strengths

Healthy capitalisation and demonstrated ability to raise capital

Neo Group had a consolidated tangible net worth (TNW) of ₹1,816 crore as on December 31, 2025 (including NCI) (₹1,603 crore as on March 31, 2025) and a consolidated gearing of 0.85x as on December 31, 2025 (0.71x as on March 31, 2025). Further, the group has shown ability to raise capital with recent capital raise from TVS Capital Funds in April 2026 amounting to ~₹500 crore at a pre-money valuation of ~₹10,000 crore, out of which ~₹400 crore was received in April 2026 itself. The group's investors also comprise marquee institutional investors such as Peak XV Partners, MUFG, Euclidean Capital, and TVS Capital Funds.

On a standalone basis, AFSPL reported a tangible net worth (TNW) of ₹1,204 crore as of March 31, 2026. The company also maintained a strong capital position, with a capital-to-risk weighted assets ratio (CRAR) of 75.87%, including a Tier-I CRAR of 75.86% as on the same date. As the lending business commenced only in February 2026 following the receipt of the NBFC licence, AFSPL did not carry any debt on its books as of December 31, 2025. The group intends to raise funds at the standalone AFSPL level going forward to support the expansion of its lending business, while maintaining overall gearing below 3x in AFSPL (Standalone) over the near term.

Going forward, group's total borrowings are expected to be primarily utilized for the expansion of the lending book, while the remaining portion will be used to meet margin requirements with stock exchanges and for the temporary acquisition of securities intended for onward sale. Further, at the group level, gearing is expected to remain below 3x in medium term.

Experienced management team

NIVA has experienced professionals on its board and a key management team with strong experience in their respective business segments. As on March 31, 2026, there are five-members on board of NIVA. The board is ably supported by a senior management team, led by Nitin Jain, the Founder, Chairman and Managing Director (MD) of Neo Group. He is responsible for providing direction and leadership towards the achievement of the organisation's philosophy, mission, vision, and its strategic goals and objectives. Given AFSPL's strategic importance to the Neo Group as its sole entity engaged in lending business, the company continues to maintain strong managerial and operational linkages with NIVA. Furthermore, Nitin Jain, Chairman and Managing Director of the Neo Group, also serves on the board of AFSPL.

Demonstrated consistent growth trajectory since inception in wealth and asset Management

Since its inception, the Neo Group has demonstrated strong growth trajectory across its wealth and asset management businesses, steadily expanding its scale and client franchise. As on December 31, 2025 group reported total client assets of approximately ~₹93,000 crore (compared to ~₹52,000 crore as on March 31, 2025).

The Group's AUM, increased from ₹10,553 crore in March 2024 to ₹19,908 crore in March 2025, before more than doubling to ₹54,446 crore by December 2025. Within the total AUM, the wealth management business contributed ₹35,726 crore as of December 31, 2025, while the asset management business accounted for ₹18,720 crore.

In addition, Neo Group continued to strengthen its broader platform capabilities, with assets under administration growing to ₹38,359 crore as on December 2025, further underscoring the scale and breadth of its integrated financial services ecosystem. The Group's expanding base of long-term client relationships is also reflected in its annual recurring revenue-generating assets, which reached approximately ₹45,733 crore as of 31, March 2026.

The wealth management business primarily includes advisory services, distribution of financial products, equity and debt broking, estate planning, and management of financial products, largely advisory in nature. On the other hand asset management business focuses on managing pooled investment vehicles and structures such as alternative investment funds (AIFs), portfolio management services (PMS), and related offerings.

As of March 31, 2026, the group had a presence across more than 18 cities in India, along with an international office in Dubai, supported by growing employee base. The company serves the specialized financial needs of over ~6,000 clients through its wealth management business and ~5,000 clients via its asset management segment. The group primarily caters to high-net-worth individuals (HNIs), ultra-high-net-worth individuals (UHNIs), family offices, and institutional clients through a team of over 144 relationship managers (RMs). Further, group also have AFSPL, a systemically important, RBI-registered non-deposit-taking NBFC, provides lending solutions to wealth management clients and had a loan book of ₹85 crore as on May 11, 2026.

Key weaknesses

Limited track record in wealth management and lending business

The Neo Group's track record in the wealth management and lending businesses remains limited, given that NIVA was incorporated in 2021 and AFSPL, started disbursement only in 2026. Nevertheless, the group has demonstrated strong growth momentum, with its managed assets (AUA+AUM) increasing significantly to nearly ₹1 lakh crore as of March 31, 2026, from ₹18,946 crore as of June 30, 2023, reflecting a healthy CAGR of 81.32%. This growth underscores the group's rapid scale-up and expanding market presence despite its relatively short operating history.

Further AFSPL, incorporated on January 16, 2024, is a systemically important, RBI-registered non-deposit-taking NBFC and a subsidiary of NIVA. The company serves as the lending arm of the Neo Group, offering loan against securities to high-net-worth individuals (HNIs), Ultra HNI and family offices within the group's ecosystem. Being at an early stage of operations, AFSPL commenced lending operations only in February 2026 post receipt of NBFC license. As on May 11, 2026, the company reported a loan-against-securities (LAS) AUM of approximately ₹85 crore. Owing to the recent commencement of operations, the loan portfolio remains largely unseasoned.

Regulatory and attrition risks in wealth management business

Attrition risk and regulations are the two key risks influencing the business environment in the wealth management business. The increased regulation, volatile markets, and behaviour of clients remain key monitorable. The ability to retain key personnel is important in the wealth management business, as a change in relationship personnel may bring a change in the relationship with the client as well. The company had a total of 144 relationship managers as on March 31, 2026.

The wealth and asset management business is still in its nascent stage in the country, and thus, susceptible to regulatory changes. The time taken by the company to adapt to these changes is also critical while eventually balancing the earning profile, profitability, and stability of the group as a whole**.**

Liquidity: Strong

On a standalone basis, AFSPL has liquidity of ₹386 crore, which mainly comprised unencumbered cash and cash equivalents of ₹12 crore and liquid investments of ₹374 crore (10% haircut applied) as on March 31, 2026 against debt obligation for next 3 months amounting to ₹0.59 crore, leading to comfortably high Liquidity Coverage ratio (LCR). Further, there are no negative cumulative mismatches in any time buckets, per the asset liability maturity (ALM) profile of the company dated March 31, 2026.

On a consolidated basis, NIVA has overall liquidity of ₹1,600 crore, which mainly comprised cash and cash equivalents of ₹52 crore, liquid investments of ₹1,393 crore (10% haircut applied) and unutilised bank lines of ₹155 crore as of December 31, 2025.

Applicable criteria

Policy on default recognition
Factoring Linkages Parent Sub JV Group
Short Term Instruments
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)

Arvesta Financial Services Private Limited (AFSPL) was incorporated on January 16, 2024 and is a systemically important, RBI registered non-deposit taking NBFC and subsidiary of Neo Investment and Value Advisors (NIVA). It is going to serve as the lending arm of the Neo Group (hereinafter referred to as NIVA, the holding company of the group, along with its subsidiaries), catering to the financial needs of family offices, high-net-worth individuals (HNIs) and Ultra high-net-worth individuals (UHNIs). AFSPL is primarily engaged in Loan Against Securities (LAS) enabling clients including HNIs, UHNIs, family offices to leverage their existing assets and enhance capital for short- to medium-term funding needs. The company commenced disbursements in February 2026 and reported an AUM of ₹21.00 crore as on March 31, 2026 and the same increased to ₹85.00 crore as on May 11, 2026.

About the Group

Neo Group (NIVA along with its subsidiaries) is a privately held wealth and asset management organisation, headquartered in Mumbai, Maharashtra. Incorporated in 2021, group provides end-to-end solutions to ultra high-net-worth individuals (UHNIs), high-net worth individuals (HNIs), family offices, and institutional clients. Its offerings span distribution of financial products such as mutual funds, AIFs, and PMS, equity and debt broking, estate and succession planning, and credit solutions designed to complement overall wealth strategies. The firm also manages financial products in an advisory capacity and leads strategic initiatives across the group. As of December 31, 2025, the group manages total Asset under management (AUM) of ₹54,446 crore of which AUM under wealth management is of ₹35,726 crore while ₹18,720 crore in AUM within its asset management business and Asset under administration (AUA) of ₹38,359 crore.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (P)
Total income	28.75	91.37
Profit after tax (PAT)	5.98	15.04
Assets under management (AUM)	-	21.12
AUM / tangible net-worth (TNW) (x)	-	0.02
Gross non-performing assets (NPA) / gross stage 3 (%)	-	-
Return on managed assets (ROMA) (%)	0.56%	1.30%
Capital adequacy ratio (CAR) (%)	-	75.87

A: Audited P: Provisional; 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
Commercial Paper-Commercial Paper (Standalone)	Proposed	-	-	-	200.00	CARE A1+

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	Commercial Paper-Commercial Paper (Standalone)	ST	200.00	CARE A1+				

LT: Long term; ST: Short term; LT/ST: Long term/Short 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	Commercial Paper-Commercial Paper (Standalone)	Simple

Annexure-5: Lender details: Not applicable

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 Mutal 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

[2]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

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
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 press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ 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.

Contact us

Media Contact	**Analytical Contacts**
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Pradeep Kumar V Senior Director **CARE Ratings Limited** Phone: 044-28501001 E-mail: pradeep.kumar@careedge.in	Priyesh Ruparelia Director **CARE Ratings Limited** Phone: +91 22-6754-3593 E-mail: Priyesh.ruparelia@careedge.in Sudam Shrikrushna Shingade Associate Director **CARE Ratings Limited** Phone: +91 22-6754-3453 E-mail: sudam.shingade@careedge.in Sehdev Pahwa Analyst **CARE Ratings Limited** E-mail: Sehdev.pahwa@careedge.in

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

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

For detailed Rating Report and subscription information, please visit www.careratings.com