# Five-Star Business Finance Limited
July 02, 2026

| Facilities/Instruments | Amount (₹ crore) | Rating[1] | Rating Action |
|---|---|---|---|
| Long-term bank facilities | 183.62 (Reduced from 497.00) | CARE AA-; Positive | Reaffirmed |
| Long-term / Short-term bank facilities | 3.00 | CARE AA-; Positive / CARE A1+ | Reaffirmed |
| Commercial paper | 25.00 | CARE A1+ | 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 bank facilities and debt instruments of Five-Star Business Finance Limited (Five-Star) continue to factor in the company's long track record of operations in the secured Micro, Small, and Medium Enterprises (MSME) lending segment, experienced management team, well-defined credit policy with established underwriting and collections framework, controlled growth in scale of operations in FY26, strong capitalisation levels supported by healthy internal accruals, and healthy profitability. Ratings also derive strength from the company's comfortable liquidity profile and improving diversification in its borrowing profile with increasing access to market borrowings and multilateral funding.

Asset quality moderated in FY26, with GS3 and NS3 increasing to 3.37% and 2.00%, respectively, as on March 31, 2026, from 1.79% and 0.88%, respectively, as on March 31, 2025. Softer bucket delinquencies also remained elevated during the year, although improvement in collection efficiencies and moderation in incremental slippages in Q4FY26 provide some comfort. The improvement in collection efficiencies and lower forward flows observed in recent months are expected to aid a gradual improvement in delinquency indicators in FY27.

However, ratings remain constrained by moderately diversified resource profile despite improvement over the years, geographic concentration of the portfolio towards southern India despite ongoing diversification efforts, concentration of the loan portfolio towards MSME borrowers in the informal segment, and moderate seasoning profile of the portfolio. The company's ability to maintain asset quality while scaling operations across newer geographies and sustain profitability amid elevated credit costs 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:**

- Significant improvement in the scale of operations, supported by enhanced geographical diversification.
- Diversification in the resource profile with improvement in the cost of borrowings.

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

- Weakening of delinquency levels and asset quality, with gross non-performing asset (GNPA) of above 4% on a sustained basis.
- Decline in profitability, with return on total assets (ROTA) falling below 3% on a sustained basis.

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

**Analytical approach:**
Standalone

**Outlook:** Positive
The Positive outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation of sustained growth in the company's loan portfolio while maintaining comfortable capitalisation, stable profitability and improving/maintaining asset quality, and continued strengthening of its resource profile. The outlook may be revised to Stable if the company is unable to achieve the envisaged growth in its loan portfolio, or if there is a further deterioration in asset quality, particularly in the early delinquency buckets, resulting in moderation in profitability.

## Detailed description of key rating drivers:

### Key strengths

**Long track record of operations and experienced management team**

Founded in 1984, Five-Star has over four decades' experience in the lending industry. The company initially focused on hire purchase and vehicle loans but has since transitioned to offering secured financial solutions tailored to small business owners and self-employed individuals, primarily in semi-urban regions.

As on March 31, 2026, Five-Star operated through a robust network of 844 branches across 10 states and one union territory, supported by a workforce of 14,159 employees. The company reported a gross loan portfolio of ₹13,225 crore. Notably, branch expansion moderated in FY26 amid heightened focus on collections, asset quality and operational stabilisation, with Five-Star adding 96 branches during the year to reach 844 branches across 11 states/UTs, while continuing to deepen its presence in Andhra Pradesh, Telangana, Tamil Nadu, Karnataka and Madhya Pradesh.

The company continues to benefit from an experienced leadership team led by Chairman and Managing Director D Lakshmipathy, who has over two decades of experience in the non-banking financial company (NBFC) sector and oversees the company's overall operations and strategic direction. He is supported by an established senior management team across business, credit, risk, technology, finance, compliance, and collections functions. The board currently comprises seven directors, including four independent directors, supporting a strong governance framework. Despite senior management exits in FY26, the company maintained operational stability and performance, reflecting the depth of its management team and institutionalised operating structure.

**Well-defined credit policy with stringent norms and evolving MIS**

Five-Star primarily focuses on providing small business loans to borrowers in the MSME segment. These loans are fully secured by collateral and are mainly extended to service-oriented businesses, typically for repayment of debt taken from the informal sector for starting the business or for expanding operations, and to self-employed individuals. The company also provides loans for home renovation or modification and exigencies such as wedding expenditure, children's education, and medical emergencies among others. The typical loan ticket size ranges from ₹1 lakh to ₹10 lakh, with a smaller portion (1.66% as of March 31, 2026) comprising loans above ₹10 lakh.

The company targets middle and lower-middle-income segments in urban, semi-urban, and rapidly developing rural areas. This borrower base is generally characterised by marginal credit profiles. To mitigate risk, Five-Star maintains a conservative loan-to-value (LTV) ratio of up to 50%, offering a significant buffer against potential delinquencies.

As on March 31, 2026, a majority loan portfolio continued to carry an internal rate of return (IRR) of over 23%, supporting the company's healthy profitability metrics despite elevated asset quality pressures in FY26. Operationally, Five-Star enforces robust internal controls. Its internal audit team conducts biannual visits to all branches, reporting directly to the head of the internal audit function. Independent credit officers—granted approval limits based on their tenure and experience—are responsible for evaluating borrower income and property, and for determining loan amounts and tenures. Considering its future growth strategy, Five-Star has undertaken initiatives to enhance its IT infrastructure, management systems, and internal control frameworks.

**Controlled growth in scale of operations in FY26**

Five-Star reported a moderated growth in its gross loan portfolio in FY26, with assets under management (AUM) increasing by 11% y-o-y to ₹13,225 crore as on March 31, 2026, from ₹11,877 crore as on March 31, 2025, amid elevated asset quality pressures in the small-ticket secured lending segment. Disbursements in FY26 stood at ₹4,676 crore compared to ₹4,970 crore in FY25. The company also continued to witness a gradual increase in average ticket size as it focused on relatively higher-ticket and better-quality borrower segments.

The branch network increased to 844 branches as on March 31, 2026, from 748 branches as on March 31, 2025. Employee count increased to 14,159 from 11,934 over the same period, supporting business operations, collections infrastructure, and future growth plans.

**Strong capital adequacy levels**

Five-Star has consistently attracted capital over the years, which along with the healthy internal accrual generations continue to support its strong capitalisation despite elevated credit costs and asset quality pressures in FY26. The capital adequacy ratio (CAR) remained comfortable at 51.89% as on March 31, 2026, compared to 50.10% as on March 31, 2025, providing significant headroom for future growth and risk absorption. Overall gearing stood at 1.13x as on March 31, 2026, broadly stable compared to 1.12x a year earlier, while net gearing (excluding cash and cash equivalents) improved to 0.83x from 0.93x over the same period.

CareEdge Ratings expects the capitalisation levels to remain strong over the medium term considering the company's healthy internal accruals and gearing is expected to remain within 3x over the medium term.

**Healthy profitability**

In FY26, Five-Star reported a profit after tax (PAT) of ₹1,099 crore on a total income of ₹3,246 crore, compared to a PAT of ₹1,072 crore on a total income of ₹2,866 crore in FY25. Pre-provision operating profit (PPOP) improved to ₹1,679 crore in FY26 from ₹1,520 crore in FY25, supported by growth in the loan portfolio, although profitability growth remained moderated due to elevated credit costs and asset quality pressures during the year.

Operating in the MSME segment, where borrowers are gradually transitioning from informal to formal credit channels, Five-Star has historically benefited from higher internal rates of return (IRR), supporting strong profitability metrics. While the company had reduced lending yields in FY25 to pass on the benefit of lower borrowing costs to customers, profitability in FY26 remained healthy despite elevated credit costs and asset quality pressures in the small-ticket secured lending segment. Net interest margin (NIM) remained strong at 15.94% in FY26, compared to 16.19% in FY25, supported by the company's high-yielding loan portfolio despite moderation in lending yields. Operating expenses as a percentage of average total assets increased moderately to 5.50% in FY26 from 5.20% in FY25, primarily considering investments towards business expansion and strengthening of collections and risk management functions amid the challenging asset quality environment. Credit costs increased to 1.44% in FY26 from 0.69% in FY25 due to elevated delinquencies and asset quality pressures in the small-ticket secured lending segment, while the stage 3 provision coverage ratio stood at ~41% as on March 31, 2026. Consequently, profitability moderated in FY26, with ROTA declining to 7.32% from 8.27% in FY25 and return on net worth (RONW) reducing to 16.28% from 18.94%, primarily considering higher credit costs and moderation in earnings growth. As on March 31, 2026, majority portfolio continued to carry IRRs above 21%, supporting healthy spreads and profitability, although the portfolio witnessed gradual moderation in IRR profile in FY26 following calibrated reduction in lending rates.

CareEdge Ratings expects profitability to remain healthy over the medium term, supported by strong spreads, healthy internal accrual generation and expected improvements in credit costs as asset quality stabilises.

## Key weaknesses

**Moderate asset quality and portfolio seasoning**

Although Five-Star has a longer operational track record, its significant growth trajectory commenced from FY16 onwards. The relatively rapid loan book expansion between FY16 and FY20 resulted in comparatively lower portfolio seasoning, considering the average loan tenure of five to seven years. Subsequently, moderation in disbursements in FY21 and FY22 supported improvement in the seasoning profile.

However, with continued growth in the loan portfolio over the past few years, the seasoning profile continues to remain moderate. As on March 31, 2026, ~34% of the portfolio had seasoning of less than one year, while ~16% had seasoning of over three years. Considering the company's ongoing growth and branch expansion plans, CareEdge Ratings expects the portfolio seasoning profile to remain moderate over the near term.

Gross stage-III assets increased to 3.37% as on March 31, 2026, from 1.79% as on March 31, 2025, considering elevated asset quality pressures witnessed across the small-ticket secured lending segment in FY26. Net stage-III assets also increased to 2.00% as on March 31, 2026, from 0.88% as on March 31, 2025. The Stage III provision coverage moderated to 41.4% as on March 31, 2026, from 51.3% as on March 31, 2025 due to utilisation of the provisions created for write-offs in FY26.

Delinquencies in the softer buckets remained elevated in FY26, with 0+, 30+ and 60+ delinquency levels increasing to 17.31%, 12.69% and 8.15%, respectively, as on March 31, 2026, from 15.72%, 9.65% and 5.55%, respectively, as on March 31, 2025. The company continues to benefit from its established underwriting and collections framework, granular secured portfolio and conservative LTV profile. Collection efficiencies improved in Q4FY26, with moderation in incremental slippages, which is expected to support gradual stabilisation in asset quality metrics over the medium term.

**Moderately diversified resource profile despite improvement**

As on March 31, 2026, term loans from banks and financial institutions (FIs) constituted ~68% of the company's overall borrowings against ~72% as on March 31, 2025, indicating gradual diversification in the borrowing profile towards market borrowings and external commercial borrowings (ECBs). The company also had sanctioned working capital limits of ~₹64 crore, with utilisation remaining low.

As on March 31, 2026, borrowings through non-convertible debentures (NCDs), pass-through certificates (PTCs) and ECBs constituted ~9.55%, 16.55%, and 6.27% of overall borrowings, respectively, against 9.87%, 16.80%, and 0.86%, respectively, as on March 31, 2025. Increase in ECB borrowings was supported by funding from multilateral institutions in FY26.

The company has diversified its lender profile over the years with funding support from banks, mutual funds, domestic financial institutions and multilateral agencies, reducing reliance on single source of funding. Going forward, the company's ability to further diversify its liability profile and mobilise funds at competitive rates would remain a key monitorable.

**Concentration of its loan portfolio in terms of geography, where, diversification is under progress**

Five-Star commenced operations in Tamil Nadu and has gradually expanded its geographic footprint over the years through a calibrated branch expansion strategy. The company entered Andhra Pradesh and Karnataka in FY15, Telangana in FY17, Madhya Pradesh and Maharashtra in FY18, Chhattisgarh and Uttar Pradesh in FY20, Rajasthan in FY24 and Gujarat in FY25. As on March 31, 2026, the company operated through 844 branches across 10 states/UTs, with a strong presence in southern India and growing scale in Madhya Pradesh and other newer geographies.

Andhra Pradesh accounted for 36.19% of the portfolio as on March 31, 2026, compared to 37.63% as on March 31, 2025, while the top three states—Andhra Pradesh, Tamil Nadu, and Telangana—collectively contributed 83.14% of the portfolio, compared to 85.28% a year earlier, indicating gradual geographic diversification.

CareEdge Ratings expects the portfolio to remain geographically concentrated towards southern India over the medium term, given the company's established branch network, seasoned operations and strong franchise presence in the region. While the company has been gradually expanding into newer geographies, its ability to manage the growing scale of operations, maintain underwriting standards and preserve asset quality amid branch expansion and geographic diversification will remain critical for its growth prospects.

**Concentration of loan portfolio in MSME segment**

Five-Star primarily caters to the MSME segment, where borrowers generally have limited formal credit history and modest credit profiles. To mitigate the associated credit risks, the company follows a conservative underwriting approach with low LTV ratios. As on March 31, 2026, ~99% of the outstanding loan portfolio had an LTV of less than 50%, providing a comfortable collateral cushion. The company forayed into the affordable housing finance segment in late FY25. However, the housing loan portfolio remained at a nascent stage and did not constitute a meaningful share of the overall loan book as on March 31, 2026.

Given the relatively small ticket sizes and granular nature of the portfolio, the company primarily relies on settlement through self-liquidation of the mortgaged property by the borrower as the preferred recovery mechanism, which has historically resulted in minimal principal losses and limited loss of income.

**Liquidity**: Strong

The contracted tenure of the majority loan book ranges from six to seven years, while borrowings have a tenure of three to five years, which closely matches the behavioural tenor of its assets (after adjusting for prepayments). However, the company's asset and liability management profile remained comfortable, with no negative cumulative mismatches across time buckets as on March 31, 2026, as a significant portion of the portfolio is funded by equity. Five-Star has a contractual obligation (principal alone), including capital market borrowings, of ₹2,547 crore in FY27. Five-Star currently has a liquidity policy of maintaining liquidity of three months' expenses, three months' repayments, and one month's disbursement. Five-Star has been holding higher liquidity than per its internal policy with unencumbered cash and liquid investments of ₹2,295 crore as on March 31, 2026. It is further strengthened by its un-availed working capital limits, funds in the pipeline, and assets available for securitisation.

**Environment, social, and governance (ESG) risks**

Although Five-Star's service-oriented business model limits its direct exposure to environmental risks, credit risk may arise if the operations of borrowers, particularly small businesses and self-employed individuals, are adversely impacted by climate-related events or environmental disruptions. The company has undertaken initiatives such as distribution of solar lamps to remote tribal communities and installation of solar infrastructure under its CSR activities, reflecting increasing focus on sustainability and environmental responsibility.

Social risks in the form of cybersecurity threats, customer data breaches, unfair collection practices, or mis-selling could adversely impact the company's regulatory compliance and reputation, and therefore remain key monitorable. The company focuses on financial inclusion by extending secured credit access to underserved small business owners and self-employed individuals who are largely excluded from the formal lending ecosystem. The company has established Customer Service and IT Strategy Committees at the Board level and continues to invest in technology, risk controls, and responsible lending practices. Per the annual report, no material instances of data breach, regulatory penalties, or significant lapses relating to customer data/privacy were reported in FY25.

The Board of Five-Star comprised seven Directors as on March 31, 2025, including four Independent Directors and one female Independent Director. The company has constituted governance committees including Audit Committee, Risk Management Committee, Stakeholders' Relationship Committee, Customer Service Committee and IT Strategy Committee, supporting oversight and grievance redressal mechanisms.

## Applicable criteria

Definition of Default
Rating Outlook and Rating Watch
Financial Ratios - Financial Sector
Short Term Instruments
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) |

Five-Star is a non-deposit taking NBFC (loan company), registered with the Reserve Bank of India (RBI). The company was founded by V. K. Ranganathan in 1984. Five-Star lends mortgage loans for commencement of new businesses / improvement of their existing businesses (primarily towards the service sector), construction, takeover, home repairs and improvements, and personal loans among others, to small business entrepreneurs and self-employed customers. All these loans are collateralised and secured against the residential property of the customers and are given targeting the middle and lower middle-class segment in urban, semi urban, and fast-growing rural geographies. As on March 31, 2026, Five-Star has a gross loan portfolio of ₹13,225 crore operating through 844 branches present across 10 states and one union territory with head office in Chennai, Tamil Nadu (TN). The company got listed in BSE and NSE in FY23. As on March 31, 2026, individual promoter and promoter group hold 18.61% of the shareholding.

| Brief Financials (₹ crore) | 31-03-2025 | 31-03-2026 |
|---|---|---|
| Standalone | A | A |
| Total income | 2,866 | 3,246 |
| Profit after tax (PAT) | 1,072 | 1,099 |
| Assets under management (AUM) | 11,877 | 13,225 |

| | | |
|---|---|---|
| On-book gearing (x) | 1.28 | 1.13 |
| AUM / tangible net-worth (TNW) (x) | 1.91 | 1.81 |
| Gross non-performing assets (NPA) / gross stage 3 (%) | 1.79 | 3.37 |
| Return on managed assets (ROMA) (%) | 8.27 | 7.32 |
| Capital adequacy ratio (CAR) (%) | 50.10 | 51.89 |

A: Audited UA: Unaudited; 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 | - | - | - | 25.00 | CARE A1+ |
| Fund-based - LT-Term Loan | - | - | - | September, 2029 | 154.12 | CARE AA-; Positive |
| Fund-based - LT-Working Capital Limits | - | - | - | - | 29.50 | CARE AA-; Positive |
| Fund-based - LT/ ST-Working Capital Limits | - | - | - | - | 3.00 | CARE AA-; Positive / 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 | Fund-based - LT-Term Loan | LT | 154.12 | CARE AA-; Positive | - | 1)CARE AA-; Positive (05-Jun-25) | 1)CARE AA-; Stable (07-Jun-24) | 1)CARE AA-; Stable (08-Jun-23) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2 | Fund-based - LT-Working Capital Limits | LT | 29.50 | CARE AA-; Positive | - | 1)CARE AA-; Positive (05-Jun-25) | 1)CARE AA-; Stable (07-Jun-24) | 1)CARE AA-; Stable (08-Jun-23) |
| 3 | Commercial Paper-Commercial Paper (Standalone) | ST | 25.00 | CARE A1+ | - | 1)CARE A1+ (05-Jun-25) | 1)CARE A1+ (07-Jun-24) | 1)CARE A1+ (08-Jun-23) |
| 4 | Debentures-Non-convertible debentures | LT | - | - | - | - | - | 1)Withdrawn (08-Jun-23) |
| 5 | Debentures-Non-convertible debentures | LT | - | - | - | - | - | 1)Withdrawn (08-Jun-23) |
| 6 | Fund-based - LT/ ST-Working Capital Limits | LT/ST | 3.00 | CARE AA-; Positive / CARE A1+ | - | 1)CARE AA-; Positive / CARE A1+ (05-Jun-25) | 1)CARE AA-; Stable / CARE A1+ (07-Jun-24) | 1)CARE AA-; Stable / CARE A1+ (08-Jun-23) |

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 |
| 2 | Fund-based - LT-Term Loan | Simple |
| 3 | Fund-based - LT-Working Capital Limits | Simple |
| 4 | Fund-based - LT/ ST-Working Capital Limits | Simple |

**Annexure-5: Lender details**

To view lender-wise details of bank facilities please click here

**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.

**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 |

[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] |
|---|---|---|
| 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 |
| 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), among others. 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 and 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 in 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.

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**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

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