KrazyBee Services Limited

September 07, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term bank facilities	RBI	1,300.00 (Enhanced from 900.00)	CARE A+; Positive	Reaffirmed
Non-convertible debentures	SEBI	1,200.00	CARE A+; Positive	Assigned
Non-convertible debentures	SEBI	12.05	CARE A+; Positive	Reaffirmed
Non-convertible debentures	SEBI	300.00	CARE A+; Positive	Reaffirmed
Non-convertible debentures	SEBI	500.00	CARE A+; Positive	Reaffirmed
Non-convertible debentures	SEBI	665.00	CARE A+; Positive	Reaffirmed
Commercial paper	RBI	700.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings for bank facilities and debt instruments of KrazyBee Services Limited (KrazyBee) have been reaffirmed at 'CARE A+; Positive/CARE A1+'. Reaffirmation factors in the company's sustained strong growth in scale of operations, healthy profitability, improving asset quality and significant strengthening of its capitalisation profile following the recent equity infusion. The company reported strong operating performance in FY26, with loan disbursements growing by ~23% y-o-y to ₹30,330 crore and assets under management (AUM) increasing by 46% y-o-y to ₹14,783 crore as on March 31, 2026, and further to ₹16,682 crore as on June 30, 2026. As of March 2026, AUM comprised 33.8% co-lending book, where the company has partnered with a few large non-banking financial companies (NBFCs).

Growth in scale of operations resulted in ~39% growth in profit after tax (PAT) in FY26. Profitability remained healthy, with consolidated return on managed assets (ROMA) sustaining at 4.8% in FY26, despite the contraction in net interest margins (NIM) to 12.0% in FY26 from 15.2% in FY25. Drop in NIM followed a similar contraction in average portfolio yield, as the company started targeting relatively less-riskier customer segment, partly offset by a reduction in cost of borrowings. The profitability was supported by operating leverage (opex reduced to 7.6% of average total assets [ATA] in FY26 from 9.6% in FY25) and lower credit costs (6.6% of ATA in FY26 compared to 7.7% in FY25). The asset quality remains healthy, with the static pool data indicating steady improvements in cohort-level delinquencies over the quarters.

The company's capitalisation profile strengthened materially following the ₹2,029 crore Series E equity infusion from marquee institutional investors (including existing shareholders) through its Series E funding round in FY27 (till date). Krazybee's tangible net worth (TNW) increased from ₹3,746 crore as on March 31, 2026, to ~₹6,000 crore post this equity infusion, providing substantial capital buffers, and supporting its medium-term growth plans. Consequently, its leverage as reflected by AUM to TNW declined below 3x as on June 30, 2026, from 4x as on March 31, 2026. Ratings continue to derive strength from KrazyBee's scalable, technology-driven digital lending platform, established presence in the unsecured retail lending segment, demonstrated ability to raise equity from marquee institutional investors. Over the years, Krazybee's liability profile has also improved with an increasing share of bank borrowings and a steady reduction in incremental borrowing costs.

However, ratings remain constrained by the monoline personal loan portfolio (89% of the AUM as on March 31, 2026), the evolving nature of the company's personal loan portfolio, characterised by changes in product mix, ticket sizes and loan tenures, the inherent asset quality risks associated with unsecured lending, and regulatory risks pertaining to the digital lending ecosystem. The company's ability to sustain healthy asset quality, profitability, and funding diversification while executing its growth strategy remains a key monitorable.

[1]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.

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

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:
- Sizable growth in scale of operations while maintaining a healthy asset quality and profitability (ROMA sustaining above 4%)
- Significant diversification in resource profile with a sustained improvement in cost of borrowings.

Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:
- Weakening of capital profile with AUM/TNW sustaining above 4x.
- Significant weakening of asset quality leading to decline in profitability, with ROMA persisting below 3%.

Analytical approach: Combined
CareEdge Ratings has taken a combined approach of KrazyBee Services Limited and Finnovation Technology Solutions Private Limited, as both companies are integrated in terms of operations, infrastructure, and resources, including use of the technology platform, which forms the base for KrazyBee’s end-to-end process. Shareholders are common in both entities, holding equivalent proportion. These two entities are proposed to be merged, subject to necessary approvals. Combined companies are presented in Annexure-5.

Outlook: Positive
The 'Positive' outlook reflects the expectation of sustained growth in the company's scale of operations, while maintaining healthy profitability and asset quality. 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 material deterioration in its asset quality and profitability.

Detailed description of key rating drivers

Key strengths
Consistent business growth supported by scalable technology-driven business model
KrazyBee primarily operates in the unsecured personal loan segment through a combination of on-book lending and co-lending arrangements. Under the co-lending model, the company is fully integrated with its partner institutions across the loan lifecycle, including origination, underwriting, risk assessment and collections. Its technology-driven operating model, supported by advanced analytics and seamless digital customer onboarding, continues to provide scalability while enabling rapid customer acquisition and efficient portfolio management.

The company's scale has grown consistently over the years. Managed AUM increased by 46% to ₹14,783 crore as on March 31, 2026, from ₹10,102 crore as on March 31, 2025. The off-book portfolio accounted for 33.8% of AUM as on March 31, 2026 (March 31, 2025: 41.6%). While unsecured personal loans remain the core business, the company gradually diversified into business loans, loans against property (LAP) and two-wheeler loans, which together constituted 11.1% of AUM as on March 31, 2026 (March 31, 2025: 8.3%). CareEdge Ratings expects the company to maintain healthy growth, supported by the equity raise completed in FY27 (till date).

Comfortable capitalisation supported by regular equity infusions from strong investor profile
Capitalisation remains comfortable, supported by the company's demonstrated ability to attract capital from reputed domestic and global institutional investors. Since inception, the group has raised ~₹4,130 crore through multiple equity funding rounds. In FY27 (till date), the company successfully raised ₹2,029 crore under its Series E funding round with participation from both existing and new investors. The diversified investor base comprises leading private equity and institutional investors, including Premji Invest, Advent International, TPG NewQuest Capital, Motilal Oswal Alternates, MUFG Group entities, Hornbill Capital, WhiteOak Capital, and A.P. Moller Holding, among others. The successful fund raise reflects investors' continued confidence in the company's scalable business model, execution capabilities and long-term growth prospects.

Consequently, TNW increased to ~₹6,000 crore post the Series E equity infusion, from ₹3,746 crore as on March 31, 2026. Capital adequacy, which was at 22.0% as on March 31, 2026, has improved further with the equity raise. CareEdge Ratings expects the company's capitalisation, supported by strong investors and internal accruals, to adequately support the envisaged growth while maintaining the AUM/TNW ratio below 4x in the medium term.

Healthy profitability levels
The company continued to report healthy profitability despite moderation in lending yields. On a consolidated basis, PAT increased to ₹657 crore on a total income of ₹3,398 crore in FY26 from ₹473 crore on a total income of ₹2,712 crore in FY25.

NIM moderated to 12.0% in FY26 from 15.2% in FY25, reflecting the company's calibrated shift towards higher-ticket, relatively lower-risk borrowers. Moderation in yields was offset by improved operating efficiency and lower credit costs. Operating expenses declined to 7.6% of average managed assets in FY26 from 9.6% in FY25, supported by lower customer acquisition costs, high share of repeat customers and operating leverage. Improved customer selection also resulted in lower credit costs of 6.6% in FY26 (FY25: 7.7%). Consequently, consolidated ROMA remained healthy at 4.8% in FY26 (FY25: 4.8%).

CareEdge Ratings expects the company to maintain healthy profitability through sustained operating efficiencies, prudent underwriting and effective control over credit costs while supporting its growth trajectory.

Improving resource profile with increasing share of bank borrowings and decline in cost of funds

The company's funding profile has improved with increasing diversification across lenders and funding instruments. The share of bank borrowings increased to 33.8% of total borrowings as on March 31, 2026, from 28.8% a year earlier and 23.0% as on March 31, 2024. In the same period, borrowings from NBFCs declined to 16.0% from 19.2% and 27.0%, respectively. NCDs remained the largest source of funding, accounting for 38.5% of total borrowings as on March 31, 2026. Borrowings through pass-through certificates (PTCs) and commercial papers (CPs) constituted 6.3% and 5.3%, respectively.

The lender base has expanded in FY26 compared to FY25, reflecting improved funding diversification. The company’s cost of incremental borrowing has reduced y-o-y. CareEdge Ratings expects the company to continue improving its funding profile and cost of funds, which should support profitability and future business growth.

Key weaknesses

Moderate asset quality marked by high credit cost inherent to unsecured lending portfolio

The company's asset quality continues to reflect the inherently higher credit risk associated with its predominantly unsecured lending portfolio. It follows an aggressive write-off policy, with loans being written off after 180+ days past due (DPD), which supports reported delinquency levels. Asset quality improved in FY26, with gross non-performing assets (GNPA) and net NPA (NNPA) declining to 1.53% and 0.14%, respectively, as on March 31, 2026, from 2.83% and 0.74%, respectively, as on March 31, 2025. Credit costs (including off-book portfolio) improved to 6.6% in FY26 from 7.7% in FY25, reflecting improvement in portfolio performance.

CareEdge Ratings notes that the company has continued to refine its underwriting models and portfolio mix by increasing average ticket sizes and loan tenures while moderating exposure to smaller-ticket borrowers. The company has strengthened its underwriting framework through enhanced credit filters, higher average ticket sizes, and longer loan tenures. The company does not permit concurrent loans or top-up loans, limiting borrower leverage within its portfolio. The company's ability to sustain asset quality in the ongoing portfolio expansion, supported by the performance of newer borrower cohorts and prudent underwriting, amid intense competition in the unsecured lending segment, will remain a key monitorable.

Regulatory risk related to digital lending space

Ratings continue to factor in the regulatory risks associated with the digital lending ecosystem, where the regulatory framework remains evolving. Given the company's significant presence in unsecured digital lending, changes in regulations relating to lending practices, customer protection, digital lending guidelines or capital requirements could impact business growth, profitability, and operating flexibility.

Recently, Reserve Bank of India’s (RBI’s) actions adversely impacted growth and yields across the industry, underscoring vulnerability of the business model to regulatory interventions. CareEdge Ratings notes that the company has demonstrated its ability to adapt its operating model in response to evolving regulations. Given the dynamic regulatory landscape and heightened supervisory focus on digital lending and unsecured retail credit, regulatory developments will continue to remain an important rating monitorable.

Liquidity: Strong

The company's liquidity profile remained strong, supported by the short-tenor nature (less than two years) of its loan portfolio. Per the asset-liability maturity (ALM) profile as on March 31, 2026, there were no cumulative negative mismatches across time bucket up to one year. Scheduled inflows from advances in the next 12 months stood at ₹7,959 crore, against scheduled debt repayments of ₹5,438 crore. The company maintained cash and cash equivalents and investments of ₹1,708 crore on a consolidated basis as on March 31, 2026, providing additional liquidity cushion.

Applicable criteria

Definition of Default
Rating Outlook and Rating Watch
Financial Ratios - Financial Sector
Short Term Instruments
Non Banking Financial Companies
Criteria on Consolidation and Combined Approach

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Finance	Non-banking financial company (NBFC)

KrazyBee was incorporated on March 16, 2016, and received its NBFC license from the RBI in May 2017. The company provides unsecured personal loans up to ₹500,000 for a maximum period of 48 months. The company commenced operations in June 2017 with a focus on the niche segment of student personal loans. In April 2018, it diversified into offering unsecured loans to young professionals under brand 'KreditBee'. The loan tenure ranges from 6-48 months for unsecured personal loans. The average ticket size for unsecured personal loans is ~₹35,000. Apart from lending through the NBFC 'KrazyBee', the company also does co-lending with partners. KrazyBee has an overall AUM (including co-lending) of ₹14,783 crore as on March 31, 2026 (₹10,102 crore as on March 31, 2025). KrazyBee has its own book loan portfolio of ₹9,786 crore as on March 31, 2026 (₹5,898 crore as on March 31, 2025).

Combined financials

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	March 31, 2026 (A)
Total income	1,948	2,712	3,398
Profit after tax (PAT)	285	473	657
Assets under management (AUM)	7,644	10,102	14,783
On-book gearing (x)*	1.10	1.22	2.02
AUM / tangible net-worth (TNW) (x)	3.01	3.25	3.95
Gross non-performing assets (NPA) / gross stage 3 (%)	2.29	2.83	1.53
Return on managed assets (ROMA) (%)	4.04	4.80	4.80
Capital adequacy ratio (CAR) (%)	33.89	29.59	22.00

A: Audited; Note: these are latest financial results available; *Adjusted for Default Loss Guarantee (DLG)

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:
A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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)	RBI	Simple	Proposed	-	-	-	700.00	CARE A1+
Debentures-Nonconvertible debentures	SEBI	Simple	Proposed	-	-	-	2.05	CARE A+; Positive
Debentures-Nonconvertible debentures	SEBI	Simple	INE07HK07809	06-May-2025	10.65	06-Nov-2026	200.00	CARE A+; Positive
Debentures-Nonconvertible debentures	SEBI	Simple	INE07HK07809	19-Jun-2025	10.65	06-Nov-2026	70.00	CARE A+; Positive
Debentures-Nonconvertible debentures	SEBI	Simple	INE07HK07825	12-Aug-2025	10.65	12-Aug-2027	425.00	CARE A+; Positive
Debentures-Nonconvertible debentures	SEBI	Simple	INE07HK07833	10-Sep-2025	11.20	10-Mar-2027	100.00	CARE A+; Positive
Debentures-Nonconvertible debentures	SEBI	Simple	INE07HK07858	31-Oct-2025	11.50	29-Mar-2027	125.00	CARE A+; Positive
Debentures-Nonconvertible debentures	SEBI	Simple	INE07HK07833	25-Feb-2026	11.20	10-Mar-2027	30.00	CARE A+; Positive
Debentures-Nonconvertible debentures	SEBI	Simple	INE07HK07874	24-Jun-2026	10.33	24-Dec-2027	525.00	CARE A+; Positive
Debentures-Nonconvertible debentures	SEBI	Simple	Proposed	-	-	-	1200.00	CARE A+; Positive
Fund-based-Long Term	RBI	Simple	-		-	September 2028	907.07	CARE A+; Positive
Fund-based-Long Term	RBI	Simple	Proposed		-	-	392.93	CARE A+; Positive

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	700.00	CARE A1+	1)CARE A1+ (19-Aug-26)	1)CARE A1 (19-Mar-26) 2)CARE A1 (12-Dec-25) 3)CARE A1 (29-Sep-25) 4)CARE A1 (14-Jul-25) 5)CARE A1 (09-Jul-25)	1)CARE A1 (15-Jan-25) 2)CARE A1 (09-Jan-25) 3)CARE A1 (05-Jul-24) 4)CARE A1 (16-May-24) 5)CARE A1 (18-Apr-24) 6)CARE A1 (04-Apr-24)	1)CARE A1 (12-Feb-24) 2)CARE A1 (27-Dec-23)
2	Fund-based-Long Term	LT	1300.00	CARE A+; Positive	1)CARE A+; Positive (19-Aug-26)	1)CARE A; Stable (19-Mar-26) 2)CARE A; Stable (12-Dec-25) 3)CARE A; Stable (29-Sep-25) 4)CARE A; Stable (14-Jul-25) 5)CARE A; Stable	1)CARE A-; Stable (15-Jan-25) 2)CARE A-; Stable (09-Jan-25) 3)CARE A-; Stable (05-Jul-24) 4)CARE A-; Stable	1)CARE A-; Stable (12-Feb-24)

						(09-Jul-25)	(16-May-24) 5)CARE A-; Stable (18-Apr-24) 6)CARE A-; Stable (04-Apr-24)	
3	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (12-Dec-25) 2)CARE A; Stable (29-Sep-25) 3)CARE A; Stable (14-Jul-25) 4)CARE A; Stable (09-Jul-25)	1)CARE A-; Stable (15-Jan-25) 2)CARE A-; Stable (09-Jan-25) 3)CARE A-; Stable (05-Jul-24) 4)CARE A-; Stable (16-May-24) 5)CARE A-; Stable (18-Apr-24) 6)CARE A-; Stable (04-Apr-24)	-
4	Debentures-Non Convertible Debentures	LT	12.05	CARE A+; Positive	1)CARE A+; Positive (19-Aug-26)	1)CARE A; Stable (19-Mar-26) 2)CARE A; Stable (12-Dec-25) 3)CARE A; Stable (29-Sep-25) 4)CARE A; Stable (14-Jul-25)	1)CARE A-; Stable (15-Jan-25) 2)CARE A-; Stable (09-Jan-25) 3)CARE A-; Stable (05-Jul-24)	-

						5)CARE A; Stable (09-Jul-25)	4)CARE A-; Stable (16-May-24)	
5	Debentures-Non Convertible Debentures	LT	300.00	CARE A+; Positive	1)CARE A+; Positive (19-Aug-26)	1)CARE A; Stable (19-Mar-26) 2)CARE A; Stable (12-Dec-25) 3)CARE A; Stable (29-Sep-25) 4)CARE A; Stable (14-Jul-25) 5)CARE A; Stable (09-Jul-25)	1)CARE A-; Stable (15-Jan-25) 2)CARE A-; Stable (09-Jan-25)	-
6	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (19-Aug-26)	1)CARE A; Stable (19-Mar-26) 2)CARE A; Stable (12-Dec-25) 3)CARE A; Stable (29-Sep-25) 4)CARE A; Stable (14-Jul-25) 5)CARE A; Stable (09-Jul-25)	1)CARE A-; Stable (15-Jan-25)	-
7	Debentures-Non Convertible Debentures	LT	665.00	CARE A+; Positive	1)CARE A+; Positive (19-Aug-26)	1)CARE A; Stable (19-Mar-26) 2)CARE A; Stable (12-Dec-25) 3)CARE A; Stable (29-Sep-25) 4)CARE A; Stable	-	-

						(14-Jul-25)		
8	Debentures-Non Convertible Debentures	LT	500.00	CARE A+; Positive	1)CARE A+; Positive (19-Aug-26)	1)CARE A; Stable (19-Mar-26) 2)CARE A; Stable (12-Dec-25)	-	-
9	Debentures-Non Convertible Debentures	LT	1200.00	CARE A+; Positive				

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Lender details

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

Annexure-5: List of entities consolidated

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	KrazyBee Services Limited	Full	Operational and financial linkages
2	Finnovation Technology Solutions Private Limited	Full	Operational and financial linkages

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 Shreekiran Rao Director **CARE Ratings Limited** Phone: +91-22-6754 3405 E-mail: Shreekiran.Rao@careedge.in Tony Mathew Assistant Director **CARE Ratings Limited** E-mail: tony.mathew@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

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