



Ref: PFL/ BSE/2026-27/ 11

April 17, 2026

To,
BSE Limited
The Corporate Relationship Department
P.J. Towers, 1st Floor,
Dalal Street,
Mumbai – 400 001

	Equity	Debt		
Scrip Code	544191	977452	977715	977718
Scrip ID	PURPLEFIN	1225PFL28	1250PFL31	PFL06426

Sub: Disclosure under Regulation 30 and 51 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) – Intimation of Credit Rating

Dear Sir/Madam,

Pursuant to Regulation 30 and Regulation 51 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, read with SEBI circular HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026, we would like to inform that Credit Rating Agency i.e. India Ratings and Research Private Limited (IND-RA) has affirmed the following ratings to the Company vide its letter dated April 17, 2026 to the below mentioned instrument of the Company.

Sr. No.	Instruments	Size of Issue (million)	Rating Assigned along with Outlook /Watch
1.	Non-Convertible Debentures*	INR 500	IND BBB-/ Stable

*yet to be issued

Purple Finance Limited



Further the ratings on Non-convertible Debentures has been reassigned as per the details mentioned below:

Sr. No.	Instruments	Size of Issue (million)	Rating Assigned along with Outlook /Watch
1.	Non – Convertible Debenture*	INR 500	IND BBB-/ Stable
2	Bank Loan Facilities	INR 1250	IND BBB-/ Stable

*yet to be issued

The details of the Credit Rating accorded and communicated to the Company by IND-RA is enclosed herewith as **Annexure A**. This intimation will also be available on the website of the Company at www.purplefinance.in.

This is for your information and records.

Thanking You,

Yours faithfully,

For Purple Finance Limited

Ruchi Nishar
Company Secretary & Compliance Officer

Encl: A/a

India Ratings Assigns Purple Finance's Additional NCDs 'IND BBB-/Stable, Affirms Existing Ratings

Apr 17, 2026 | Purple Finance Limited | Non Banking Financial Company (NBFC)

India Ratings and Research (Ind-Ra) has rated Purple Finance Limited's (PFL) debt instruments as follows:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Non-convertible debentures#	-	-	-	INR500	IND BBB-/Stable	Assigned
Non-convertible debentures*	-	-	-	INR500	IND BBB-/Stable	Affirmed
Bank loan facilities	-	-	-	INR1,250	IND BBB-/Stable	Affirmed

*Details in annexure

Yet to be issued

Analytical Approach

Ind-Ra has taken a standalone view of PFL to assign the rating.

Detailed Rationale of the Rating Action

The ratings reflect PSL's adequate capitalisation, its ability to raise capital, as demonstrated by the completion of two rights issues, and its prudent leverage profile. The ratings also take into consideration the company's plans to raise substantial equity capital within the next six-to-nine months, as articulated by the management, to support its growth and scaling up of the franchise. The ratings factor in the extensive experience of the promoters and senior leadership.

The company is currently in a growth and expansion phase, with a focus on secured lending (loan against property), which is likely to result in lower credit costs due to the inherently lower risk associated with collateral-backed assets. The ratings also reflect Ind-Ra's expectation of an increase in the company's scale of operations in a commercially viable manner.

However, the ratings are constrained by PSL's geographic concentration, particularly given its modest scale of operations. Additionally, the company has been incurring operating losses and is yet to achieve sustainable profitability; this is a key monitorable.

The ratings also factor in the limited seasoning of its loan portfolio, which restricts visibility into steady-state asset quality ratios and credit costs. Diversification of the funding base would also be a key monitorable as the franchise scales up in the future.

List of Key Rating Drivers

Strengths

- Adequate capitalisation supported by successful rights issue execution
- Growing franchise
- Experienced promoters and management team

Weaknesses

- Modest operational scale; limited geographic diversification
- Evolving profitability
- Asset quality yet to witness multiple business cycles
- Moderate funding profile

Detailed Description of Key Rating Drivers

Adequate Capitalisation Supported by Successful Rights Issue Execution: In FY24, PFL successfully completed a strategic merger with Canopy Finance Ltd, an entity that is listed on the BSE and Calcutta Stock Exchange. This merger enabled PFL, previously an unlisted company, to achieve stock exchange listings on 14 June 2024, thereby enhancing its visibility and access to capital markets. Following the listing, PFL demonstrated its capital-raising capability by executing two fully subscribed rights issues. The first, completed in October 2024, raised INR448.2 million, and the second, completed in June 2025, mobilised INR403.34 million. The combined proceeds of INR851.54 million were deployed to support lending portfolio growth, operational expansion, and working capital requirements. The board has approved warrants issue of INR390 million in October 2025, subject to the receipt of regulatory approvals; this will further increase the capital base. Out of this, the company received INR100 million in December 2025 and INR130 million in February 2026; balance amount will come in FY27.

In 3QFY26, the company reported a tangible net worth of INR765 million, with a Tier 1 capital adequacy ratio (CAR) of 38.8% (FY25: 37.62%) and a leverage ratio of 1.21x (FY25: 1.9x). The management plans to operate at a leverage cap of 2.5x, which is considered sufficient to support its medium-term growth strategy. According to Ind-Ra's stress testing, the current capital buffers are adequate to absorb potential asset quality pressures over the near-to-medium term.

Growing Franchise: PFL, which commenced retail operations in 2022, primarily offers secured loans to micro, small, and medium enterprises (MSMEs) in India's Tier-II and Tier-III cities. Its operations are concentrated in underserved regions across Maharashtra, Gujarat, Madhya Pradesh, Uttar Pradesh, Odisha and Rajasthan. As of March 2026, PFL's assets under management (AUM) stood at INR2490 million, reflecting significant growth from the levels of INR305 million in FY24. As of March 2026, Maharashtra was the largest contributor to the portfolio, with a share of 40%, followed by Madhya Pradesh with 23% share.

PFL caters to self-employed professionals and non-professionals, formal or cash salaried and daily wagers and offers secured loans against residential property or commercial property. The average ticket size is INR0.6 million, with loans ranging from INR0.4 million to INR3 million; majority of the cases have a tenure of seven years, with interest rates ranging between 18%-24%. The average loan to value on these loans is around 44%.

PFL has an employee strength of over 450 and it operates with a sales team of 170–190 employees who are responsible for originating the loans. The company's sourcing strategy is reliant on external channels, with 23% of loans originated through connectors/direct selling agents, while the remaining 77% is sourced in-house.

Experienced Promoters and Management Team: PFL is anchored by the executive chairman and founder, who has over 30 years of experience in financial services. Each of the other senior leaders has more than 20 years of domain-specific expertise. PFL's governance framework is overseen by an eight-member board of directors, including four independent directors, with diverse industry experience.

Modest Operational Scale; Limited Geographic Diversification: PFL is in the early stages of its growth journey, with a relatively limited operational history and a modest scale of operations compared to industry peers. As of March 2026, the company had expanded its footprint across seven states, with Maharashtra accounting for 40% of its total AUM, indicating low geographic diversification. Ind-Ra expects geographical concentration in Maharashtra to persist over the medium term, given the company's nascent stage of operations and focused expansion strategy.

Ind-Ra believes that scaling up operations and diversifying the geographic footprint will be critical for mitigating concentration risk. The agency emphasizes that the successful execution of PFL's expansion strategy, coupled with sustainable portfolio growth, while maintaining asset quality, adequate capitalization, and liquidity, will be key rating monitorables.

Evolving Profitability: The company's profitability has been constrained by the elevated operating cost to average asset (9MFY26: 21.3%, FY25: 37.8%, FY24: 47.2%), which could improve over FY26-FY27 with the scaling of operations, driven by better branch vintage and productivity

PFL reported a loss after tax of INR64.5 million in 9MFY26 (FY25: loss of INR 155 million; FY24: INR 76 million). PFL's net interest margins (NIMs) remained modest at 9.3% (annualized) in 9MFY26 (FY25: 7.24%), as the overall NIMs were significantly impacted by the higher cost of borrowings (approximately 13% in 9MFY26). Incremental costs on systems, processes, and technology systems are likely to be lower, and new hiring will be limited to the branch level. This, in conjunction with improved size and scale, could alleviate cost pressures.

The company expects to break even in FY27 on a full year basis. The demonstration of steady state profitability is yet to be established. The company aims to achieve a return on assets (ROA) of 2%-3% over the short term. The agency believes that the company's ability to maintain sufficient control over its operating expenses as it expands its portfolio will be a key monitorable.

Asset Quality Yet to Witness Multiple Business Cycles: PFL's customers are typically a notch above microfinance customers; while the borrowers do have seasoning in their respective businesses, on the lenders book, the businesses remain susceptible to economic challenges.

PFL commenced operations in October 2022 and is in the early stages of its lifecycle. Given the long-tenure nature of its secured loan portfolio, the book is currently unseasoned, as it has not yet undergone multiple credit cycles. Notably, approximately 60.3% of the portfolio was originated within the past 12 months, further underscoring its limited seasoning. While the company has reported low gross and net non-performing assets (GNPA/NNPA) ratios—1.28% and 1.06%, respectively, in 3QFY26 (FY25: 0.74% and 0.67%, respectively)—these figures reflect the early-stage nature of the portfolio rather than a proven track record of asset quality performance. The secured structure of the loans, backed predominantly by self-occupied residential properties, has contributed to the currently low delinquency levels.

However, the company's underwriting and risk management frameworks remain relatively untested and may require further refinement as the portfolio matures. The agency emphasises that the establishment of a seasoned loan book, alongside consistent asset quality, will be critical in assessing the company's long-term credit profile.

Maintaining the asset quality, expanding the franchise, and successfully replicating the business model across new geographies will be key rating monitorables.

Moderate Funding Profile: As of February 2026, PFL's funding base comprised eight lenders, including two commercial banks, one small finance bank, and five non-banking financial companies (NBFCs). The company's average cost of funds is approximately 12.5%, which is reasonable given its current scale of operations. PFL's borrowing profile remains highly concentrated, with five lenders accounting for approximately 35% of the total borrowings, which stood at INR380 million at end-February 2026. In terms of the instrument mix, bank term loans constituted 31% of the total borrowings, indicating reliance on term loan-based funding. PFL's ability to broaden its funding base by onboarding more banks and NBFCs, along with significantly reducing lender concentration, remains critical for the company to achieve scale-up.

Liquidity

Adequate: As per the asset and liability management (ALM) statement of 28 February 2026, PFL had cumulative liquidity surplus in all its buckets. As per the asset liability statement, the positive cumulative mismatch stood at 18% of the total assets in the up-to-one-year maturity bucket. At end-March 2026, PFL had unencumbered cash and cash equivalents of around INR232 million; this was more than sufficient to meet the debt obligations of INR170.68 million (total outflows) over the next three months.

Rating Sensitivities

Positive: The following developments could collectively result in a positive rating action:

- expansion of the franchise with adequate amount of equity infusion as per the management's articulation
- adequate control on credit cost, along with the seasoning of the portfolio,
- Improving profitability with ROA of 1.5% on sustained basis.
- further funding diversification.

Negative: The following developments, individually or collectively, could lead to a negative rating action:

- sustained deterioration in asset quality,
- continued losses on a sustained basis,
- the leverage (debt to tangible net worth) exceeding 3.0x on a sustained basis,
- challenges in raising funds and dilution of liquidity buffers.

Any Other Information

Not applicable

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on PFL, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click [here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click [here](#).

About the Company

PFL is a Reserve Bank of India-registered NBFC. It specialises in providing secured business loans to MSMEs, particularly in tier 2 and tier 3 cities. The company had 46 branches and AUM of INR2,490 million as of March 2026.

Key Financial Indicators

Particulars	9MFY26	FY25	FY24
Total tangible assets (INR million)	1,757	1,156.3	402
Total tangible equity (INR million)	765	383.6	146.6
Profit after tax (INR million)	-64.5	-155.5	-76.1
Tier 1 (%)	38.8	37.6	48.6
Source: PFL, Ind-Ra			

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical rating
	Rating Type	Rated Limits (million)	Rating	4 November 2025
Bank loan facilities	Long Term	INR1,250	IND BBB-/Stable	IND BBB-/Stable
Non-convertible debenture	Long Term	INR1,000	IND BBB-/Stable	IND BBB-/Stable

Bank wise Facilities Details

The details are as reported by the issuer as on (17 Apr 2026)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	NA	Bank Loan(Unutilised)	883.9	IND BBB-/Stable
2	IDFC First Bank	OD	0.001	IND BBB-/Stable
3	IDFC First Bank	Subordinated Debt - Unsecured	100	IND BBB-/Stable
4	AU Small Finance Bank Limited	Term loan	87.5	IND BBB-/Stable
5	IDFC First Bank	Term loan	178.6	IND BBB-/Stable

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low
Non-convertible debentures	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

Annexure

Instrument Type	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Issue Size (million)	Rating/Outlook
Non-convertible debentures	INE0CYK07012	12 January 2026	12.25	12 January 2028	INR250	IND BBB-/Stable
Non-convertible debentures	INE0CYK08077	6 April 2026	12.5	6 May 2031	INR 50	IND BBB-/Stable
Non-convertible debentures	INE0CYK08069	6 January 2026	12.5	6 February 2031	INR 50	IND BBB-/Stable
Total unutilised					INR650	IND BBB-/Stable
Total					INR1,000	IND BBB-/Stable

Source: NSDL, Company

List of instruments and names of regulators of the instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

A. Rating Activity

Sr. No.	Instrument / activity Name	Regulator of the instrument
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 and 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	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual 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

* 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 Press Release(s) subsequent to issuance(s), India Ratings shall separately capture the rated quantum details along with names of respective regulators.

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.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

B. Other activities:

Sr. No.	Activity Name	Regulator of the activity
1	Monitoring Agency	SEBI
2	Research activities, incidental to rating, such as research for Economy, Industries and Companies @	NA

@ permitted by SEBI vide SEBI Master Circular for CRAs.

Note: For instruments or activities falling under the purview of regulators other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

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APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Financial Institutions Rating Criteria

Non-Bank Finance Companies Criteria

The Rating Process

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