Press Release

August 12, 2026

KEERTANA FINSERV LIMITED (ERSTWHILE KEERTANA FINSERV PRIVATE LIMITED)
Rating Assigned

Product	Quantum (Rs. Cr) (SEBI)	Quantum (Rs. Cr) (Other FSR)	Long Term Rating	Short Term Rating	Regulated By
Non Convertible Debentures (NCD)	300.00	0.00	ACUITE A- | Stable | Assigned	-	SEBI
Total Outstanding	300.00	0.00	-	-	-
Total Withdrawn	0.00	0.00	-	-	-

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

Rating Rationale

Acuité has assigned the long-term rating of **'ACUITE A-' (read as ACUITE A minus)** on the Rs. 300.00 crore proposed NCD facilities of **KEERTANA FINSERV LIMITED** (KFL). The outlook is '**Stable**'.

Rationale for rating
The rating assigned factors the experienced promoters and management, significant growth in the scale of operations and healthy asset quality metrics. The company's credit profile is supported by the extensive experience of its promoter, Ms. Padmaja Reddy. Her successful track record in building and scaling Spandana Sphoorty Financial Limited has helped Keertana expand rapidly while strengthening its operational and funding capabilities. The entity's AUM has grown from Rs. 2,348.50 Cr. as on March 31, 2025 to Rs. 4,023.97 Cr. as on March 31, 2026 owing to disbursements to the tune of Rs. 15,092 Cr. during FY2026. The company operates through 6 states with a network of 474 branches as on March 31, 2026. The promoters have infused capital of ~Rs. 644 Cr. since inception which has led to a strong networth of the company at Rs. 863.25 Cr. as on March 31, 2026. KFL has reported profits in the range of ~Rs. 66- 77 Cr. in the past three fiscals. The GNPA and NNPA stood healthy at 0.99 percent and 0.50 percent, respectively, as on March 31, 2026 and is marked by an on-time portfolio of 95.45 percent.
The rating is constrained by high geographical concentration, moderated capital structure and high credit costs in the unsecured book. The AUM is concentrated in mainly Andhra Pradesh (78.50%) and Telangana (18.70%) and has minimal exposure in other states such as Karnataka, Tami Nadu, Orissa and Pondicherry. In FY2025 and FY2026, the company had written off a majority of their MFI book which stood at Rs. 38.72 Cr. and Rs. 149.58 Cr. respectively. Further, the company's gearing stood at 3.92 times as on March 31, 2026 with a CRAR of 23.85 percent.
Going forward, Acuité believes that ability of the company to grow its loan portfolio while improving its profitability will be key monitorable.

About the company
Hyderabad based, Keertana Finserv Limited (Erstwhile Keertana Finserv Private Limited) was incorporated in 1996 as Rajshree Tracom Pvt Ltd and received its NBFC licence in 2001 from the RBI. Rajshree Tracom Private Limited was acquired by the current promoter in March '22 and subsequently acquired ~Rs 205 Cr worth of Gold Loan and Micro-Enterprise portfolio from Spandana Mutual Benefit Trust (SMBT) & Spandana Rural and Urban Development Organization (SRUDO). Rajashree Tracom's name was changed to Keertana Finserv Limited after necessary approvals in April '22.
The company is engaged in providing secured and responsible lending solutions, primarily catering to retail customers and micro, small, and medium enterprises (MSME) across rural and semi-urban areas in India. KFL has exposure in glod loans, MSME (HL/LAP) and MFI loans however the primary focus has been on gold loans from FY2026 onwards. Mr. Raghu Venkata Harish, Ms. Vara Prasad Chaganti, Ms. Padmaja Gangireddy, Ms. Vijaya Sivarami Reddy Vendidandi

and Mr. Mahesh Shivlingappa Payannavar are directors of the company. The company operates through 6 states with a network of 474 branches as on March 31, 2026.

Unsupported Rating

Not applicable

Analytical Approach

Acuité has considered standalone business and financial risk profile of KFL to arrive at the rating.

Key Rating Drivers

Strength

Experienced Promoters and Management team

Keertana Finserv Limited benefits from the extensive experience of its promoter and Managing Director, Ms. Padmaja Gangireddy, who has over two decades of experience in financial services and microfinance. She founded Spandana Sphoorty Financial Limited and successfully scaled it into one of India's leading microfinance institutions. Her ability to mobilise capital, build a robust distribution network and drive business growth has played a key role in the company's rapid expansion. The Board is further supported by experienced professionals including Mr. V. Vijaya Sivarami Reddy, who was part of the founding team of Spandana Sphoorty Financial Limited and has significant experience in retail lending operations; Mr. Raghu Venkata Harish, who has over 25 years of experience in rural banking and financial services; Mr. Vara Prasad Chaganti, who has extensive experience in banking and financial inclusion through his associations with IndusInd Bank, RBS, ICICI Bank and BASIX; and Mr. Mahesh Payyanavar, a seasoned banker with multi-decade experience across corporate lending, treasury, securitisation and capital markets. The senior management team, comprising Mr. Siva Kumar (COO), Mr. Revan Saahith Reddy V (CFO) and Mr. Manoranjan Biswal (Chief Compliance Officer), brings expertise across operations, finance, technology and compliance.
Acuité believes that the company's experienced Board and management team will continue to support its growth and operational performance.

Significant growth in the scale of operations

The entity’s AUM has grown from Rs. 2,348.50 Cr. as on March 31, 2025 to Rs. 4,023.97 Cr. as on March 31, 2026 owing to disbursements to the tune of Rs. 15,092 Cr. during FY2026. The AUM and disbursements has had a CAGR of more than 80 percent in the past three financials years indicating the ability of company to scale its operations. As on March 31, 2026, ~94 percent of the AUM consists of gold loans which will remain the majority of the portfolio going forward. The company operates through 6 states with a network of 474 branches as on March 31, 2026. The company has 176 more gold branches which are in the process of being set up which will be operational in FY2027. KFL had entered into DA and PTC transactions which have an outstanding of Rs. 232.97 Cr. as on March 31, 2026.

Healthy asset quality metrics

The GNPA and NNPA stood healthy at 0.99 percent and 0.50 percent, respectively, as on March 31, 2026 (PY: GNPA and NNPA at 0.77 percent and 0.38 percent, respectively). It is pertinent to note that all loans in the 90+dpd are MFI and HL/LAP loans; the gold loan portfolio has never slipped into GNPA. In the past four financial years, the company’s on-time portfolio has been above ~89 percent and stood at 95.45 percent as on March 31, 2026.

Weakness

Moderate Capital structure

The promoters have infused capital of ~Rs. 644 Cr. since inception which has led to a strong networth of the company at Rs. 863.25 Cr. as on March 31, 2026. However, the company’s gearing has remained over 3 times from FY2023 onwards and stood at 3.92 times as on March 31, 2026 (The debt includes subordinated debt of Rs. 95 Cr. as on March 31, 2026). Further, the company will raise capital to the tune of ~Rs. 200 Cr. in the near to medium term. The entity’s CRAR of 23.85 percent with Tier 1 capital comprising of 21.92 percent as on March 31, 2026.
Acuite believes, the company’s ability to grow its scale of operation keeping a healthy leverage ration will remain a key monitorable.

Geographical Concentration and High Credit Costs

KFL's portfolio remains concentrated in mainly Andhra Pradesh (78.50%) and Telangana (18.70%) and has minimal exposure in other states such as Karnataka, Tami Nadu, Orissa and Pondicherry, exposing it to region-specific economic risks. In FY2025 and FY2026, the company had written off a majority of their MFI book which stood at Rs. 38.72 Cr. and Rs. 149.58 Cr. respectively. The company has run down its MFI book from ~Rs. 656 Cr. as on March 31, 2024 to ~Rs. 69 Cr. as on March 31, 2026. The net credit cost stand at 3.74 percent and 2.45 respectively for FY2026 and FY2025.
While asset quality indicators continue to remain comfortable, going forward, any increase in delinquencies could exert pressure on profitability.

Rating Sensitivity

Potential triggers (individual or collective) for an upward rating action:

- Significant growth in AUM and Disbursements while maintaining asset quality
- Sustained improvement in earning profile

Potential triggers (individual or collective) for a downward rating action:

- Deterioration in asset quality metrics
- High gearing above 5 times on a sustained basis and low liquidity buffers

All Covenants

Currently not available, since these are proposed NCD limits.

Liquidity Position

Adequate

The company's liquidity position is adequate as there are no cumulative mismatches in any of the buckets as per the ALM dated March 31, 2026. For FY2027, the company has projected total outflows of Rs. 2,259.10 Cr. against projected total inflows of Rs. 3,651.98 Cr. Additionally, the company has cash and bank balances of Rs. 270.23 Cr. as on March 31, 2026 with unutilized sanctions of Rs. 25 Cr.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials - Standalone / Originator

Particulars	Unit	FY26(Actual)	FY25(Actual)
Total Assets	Rs. Cr.	4361.88	2592.98
Total Income*	Rs. Cr.	384.42	242.33
PAT	Rs. Cr.	77.03	65.86
Net Worth	Rs. Cr.	863.25	595.75
Return on Average Assets (RoAA)	(%)	2.22	3.06
Return on Average Net Worth (RoNW)	(%)	10.56	13.40
Debt/Equity	Times	3.92	3.26
Gross NPA	(%)	0.99	0.77
Net NPA	(%)	0.50	0.38

**Total income equals to Net Interest Income plus other income*

Status of non-cooperation with previous CRA (if applicable):

None

Any other information

None

Applicable Criteria

• Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm
• Default Recognition: https://www.acuite.in/view-rating-criteria-52.htm
• Non-Banking Financing Entities: https://www.acuite.in/view-rating-criteria-44.htm

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History: Not applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Listing Status	Regulated By	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Proposed to be Listed	SEBI	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	300.00	Simple	ACUITE A- | Stable | Assigned

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

Contacts

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List of instruments and names of regulators of the instruments

As required by SEBI Circular (SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026) dated February 10, 2026, a list of activities or instruments falling under the purview of various Financial Sector Regulators (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)[1 6]	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)[1]	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)[1]	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 [2]	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11 a	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
11 b	Fixed Deposits raised by Banks	7
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 [3]	-
15	Issuer Ratings [4]	-
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 [6]	RBI
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)	7
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) [1]	Investor-side Regulator such as IRDAI, PFRDA [5]

[1] *Includes securitisation transactions involving assignee payout, acquirer's payout.*

[2] *Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.*

[3] *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), Acuite shall separately capture the rated quantum details along with names of respective regulators.*

[4] 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.

[5] These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side regulators have been included.

[6] By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

[7] To be finalized following a discussion with the regulatory authorities.

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 [8]	Not applicable

[8] permitted by SEBI vide SEBI Master Circular for CRAs.

Disclosure on instruments / activities and names of regulators:
A list of products/activities or ratings of instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has also been duly disclosed by Acuite on its website. A link to the same has been provided below for ready reference:
https://acuite.in/Activities-and-Regulators.html

About Acuité Ratings & Research
Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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