RATING RATIONALE

8 Dec 2025

Nightingale Finvest Private Limited

Brickwork Ratings reaffirms/assigns the long term rating for bank loan facilities aggregating to Rs. 72.89 Crores of Nightingale Finvest Private Limited

Particulars:

Facilities **	Amount in Crs		Tenure	Rating ^	
	Previous	Present		Previous Rating 02 Dec 2025	Present Rating
Fund Based: (Term Loan)	22.66	22.66	Long Term	BWR BB+/Stable (Assignment)	BWR BB+ / Stable Reaffirmation
Fund Based: (Term Loan)	0	50.23	Long Term	-	BWR BB+/Stable (Assignment)
Total	**22.66**	**72.89**	**Rupees Seventy Two Crores and Eighty Nine Lakhs Only**		

*** Details of facilities is provided in Annexure-II*
^Please refer to BWR website **www.brickworkratings.com/** for the definition of the ratings

RATING ACTION / OUTLOOK: ASSIGNMENT/ REAFFIRMATION/STABLE

Brickwork Ratings (BWR) reaffirms/assigns the long-term rating of BWR BB+/Stable for bank loan facilities aggregating to Rs 72.89 Crores of Nightingale Finvest Private Limited, as tabulated above

The rating reaffirmed/ assigned to the bank loan facilities of Nightingale Finvest Private Limited (NFPL or "Company") primarily factors in long track record of operations in its geography, its experienced team, ability to maintain relationship with its equity partners (NEDFi and SIDBI) and the company's comfortable capitalization, with a Capital to Risk Weighted Assets Ratio (CRAR) of 29.82% as of 31 Mar 2025. The rating also factors in the company's ability to scale up its operations through growth in both its own book and off book loan portfolio. However the rating is constrained by modest profitability, moderate scale of operations with geographical concentration .The company's ability to maintain its asset quality at existing levels while pursuing growth will be a key monitorable.

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The 'Stable' outlook indicates a low likelihood of rating change over the medium term.

Brickwork Ratings (BWR) has relied on the company's audited financial statements for FY23 to FY25, provisional financials for the half year ending 30 Sep 2025 and other information and clarifications provided by the company's management.

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED

The terms of sanction of the rated facilities include standard covenants normally stipulated for such facilities.

Key Rating Drivers

Credit Strengths:

- **Long Track Record and Established Presence in the Northeast :** NFPL was initially established in 2004 under the Ministry of Rural Development with a focus on the Northeastern states. It transitioned into an NBFC-MFI in 2015 after receiving its license from RBI. The company has a deep presence in remote regions, operating through 55 branches across Assam, West Bengal, Meghalaya, Mizoram, and Arunachal Pradesh. About 35 branches operate in areas with no competing MFI presence, strengthening customer loyalty and enhancing portfolio stability. NFPL has demonstrated steady scale-up over the past four years, with its AUM increasing from ₹62.67 crore in FY22 to ₹184.38 crore in FY25, driven by balanced growth in both its own book (which expanded from ₹50.15 crore to ₹76.10 crore) and its managed/BC portfolio, which grew significantly from ₹12.52 crore in FY22 to ₹108.28 crore in FY25, reflecting strong traction under its partnerships with Avanti, NEDFi, SIDBI and IDBI. The ability to scale up on its business growth with an improved income and profitability especially from the own book portfolio shall be the key rating monitorables

- **Comfortable Capitalization :** Comfortable capitalization relative to the existing scale of operations, reflected in a Net worth of Rs 24.39 Cr, CRAR of 29.82%, and gearing of 3.09x as on March 31, 2025. Comfortable capitalization with higher capital adequacy ratio of 29.82%, well above then regulatory requirement of 15% by RBI.

Credit Risks-:

- **Geographical Concentration:** Company's operations are concentrated, with Assam accounting for 89 percent of its AUM as on March 31,2025 followed by Mizoram at 6.68 per cent and Arunachal Pradesh at 3.30 percent. While the company is gradually expanding into other states such as West Bengal there is an overall concentration of the lending business in Assam. Thus, the company's performance is expected to remain exposed to the competitive landscape in these regions and the occurrence of events of nature, which may impact the credit risk profile of its borrowers. Besides geography, the company will be exposed to competition and any changes in the regulatory framework, thereby impacting the credit profile of NFPL. The Company although has been operating this segment for a longer period, the entrant of established entities in the segment shall remain competitive for the company.

- **Unsecured Nature of Portfolio :** The concerns in the microfinance industry especially in the asset quality has been challenging over the last few quarters, though there are expectations of stabilisation the industry continues to remain vulnerable to credit risk. BWR shall monitor the company's asset quality from the MFI segment due to borrower overleveraging, socio-political disruptions, and operational challenges. The risks associated with the unsecured nature of microfinance loans, the marginal borrower profile, which is susceptible to income shocks, and the political and operational risks inherent in the microfinance business. Further, there is scope for improvement in the geographical diversification of operations. The Company's asset quality has shown a steady GNPA and NNPA ratios below the industry average, and maintaining the same across its own book and off book with the growth in the portfolio shall be rating sensitivity.

ANALYTICAL APPROACH - STANDALONE

To arrive at its ratings, BWR has considered the company's standalone approach. BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

RATING SENSITIVITIES

Going forward, the company's improvement in overall loan portfolio, profitability and maintaining the stable asset quality will be key moniterables.

Positive :

- The company's ability to raise significant capital, expand and diversify the franchise
- scale up operations and maintain stable asset quality levels at present levels mainly in the new geographies.

Negative :

- Deterioration in profitability and capital impairment from deterioration in the asset quality
- The leverage exceeding 5 times on sustained basis

LIQUIDITY POSITION - ADEQUATE

Adequate liquidity characterized by a sufficient cushion in accruals vis-à-vis repayment obligations and a moderate cash and bank balance of Rs 3.40 crores, as of 30 Sep 2025 as against repayment obligations of Rs. 17 crores for next 6 months. As per the ALM statement of 30 Sep 2025, there were no negative cumulative mismatches across the Maturity bucket. The Company had annual collections of Rs. 140 crores for FY25 and for H1 FY26 were Rs. 80 crores, and similar collections of Rs. 80 crores expected for the second half of the year ending 31 Mar 2026

COMPANY PROFILE

Nightingale Finvest Pvt. Ltd established in 1987 is registered as NBFC-MFI with RBI since January 1998. It falls in the category of non-deposit taking and base layer in the revised scale-based regulation for NBFCs by RBI. Prior to the year 2011, the microfinance activities were carried out from the year 2004 with support and assistance from Rastriya Gramin Vikas Nidhi (RGVN) in the State of Assam in the name of Nightingale Charitable Society (NCS) which was formed in the year 1997 under the Societies Registration Act, 1860.

The company operates through branch networks across Assam, Meghalaya, Arunachal Pradesh, west bengal and Mizoram. Over the years, it has continued to expand its presence, reaching 55 branches in FY25 and 56 branches as of 30 Sep 2025. The company's number of active borrowers grew significantly by 26.53%, rising to 60,317 in FY25, in line with the increase in loan disbursements to Rs.163.79 crores in FY25 from Rs.131.28 crores in FY24. The growth momentum continued, with active borrowers further increasing to 62,252 as of 30 Sep 2025.

KEY FINANCIAL INDICATORS – Standalone

Key Parameters	Units	FY 23 Audited	FY 24 Audited	FY25 Audited	H1FY26 Unaudited
AUM	Rs in Crores	89	138	184	187
Own Book	Rs in Crores	55	65	76	45
Off Book	Rs in Crores	33	73	108	145
Total Income	Rs in Crores	19.85	17.48	23.02	11.43
PAT	Rs in Crores	1.94	2.09	2.44	1.34
Networth	Rs in Crores	18.90	20.74	24.39	25.30
Gearing	Times	3.03x	3.68x	3.09x	2.64x
GNPA	%	0.46%	0.28%	0.24%	0.39%

Net NPA	%	0.10%	0.05%	0.08%	0.06%
Total CRAR	%	31.75%	29.42%	29.82%	NA

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY: Yes. The Company has long-term rating of 'IVR BB+'/Negative/ ISSUER NOT COOPERATING based on best available information as of 17 Oct 2025.

Rating Agency	Instrument	Rationale Date	Rated Amount (Rs. Cr.)	Rating
Infomerics Ratings	Bank Loan	17 Oct 2025	80.00	IVR BB+/ Negative | Issuer not co-operating*

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

S. No	Facilities	Current Rating (Dec 2025)			Rating History		
		Type	Amount Outstanding (Rs in Cr)	Rating	FY24	FY23	FY22
1	Fund-Based Bank Loan	Long Term	50.23	BWR BB+/ Stable Assignment (8 Dec 2025)	NA	NA	NA
2	Fund-Based Bank Loan	Long Term	22.66	BWR BB+/ Stable Reaffirmation (8 Dec 2025) BWR BB+/ Stable Assignment (2 Dec 2025)	NA	NA	NA
	Total		**72.89**		**Rupees Seventy Two Crores and Eighty Nine Lakhs Only**		

COMPLEXITY LEVELS OF THE INSTRUMENTS: Simple
For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria:

- [General Criteria]
- [Approach to Financial Ratios]
- [Banks and Financial Institutions]

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Nightingale Finvest Private Limited

ANNEXURE I

Details of Bank Loan Facilities rated by BWR:

Lender Name	Type of Facility	Long Term (Rs. Crs.)	Short Term (Rs. Crs.)	Total (Rs. Crs)	Complexity Level#
Assam Gramin Vikash Bank	Term Loan	13.71	-	13.71	Simple
State Bank of India	Term Loan	8.95	-	8.95	Simple
Assam Financial Corporation	Term Loan	3.78	-	3.78	Simple
Avanti Finance Private Limited	Term Loan	3.61	-	3.61	Simple
Friends of Women's World Banking	Term Loan	1.77	-	1.77	Simple
Kaleidofin Capital Private Limited	Term Loan	4.17	-	4.17	Simple
MUDRA	Term Loan	0.36	-	0.36	Simple
North Eastern Development Finance Corporation Ltd	Term Loan	33.43	-	33.43	Simple
Shriram Finance Limited	Term Loan	0.38	-	0.38	Simple
The Assam Co-operative Apex Bank Limited	Term Loan	1.49	-	1.49	Simple

UC Inclusive Credit Private Limited	Term Loan	0.71	-	0.71	Simple
Total Fund Based Bank Loan Facilities		**72.89**	**Rupees Seventy Two Crores and Eight Nine Lakhs Only**		

Note: the aforesaid balances are outstanding as of 01 Dec 2025

#For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

ANNEXURE II

(NCD/Bonds/CP/FDs) DETAILS

Instrument	Issuance date	Amount (Rs Crs)	Coupon Rate	Maturity Date	ISIN number	Complexity Level
NA	NA	NA	NA	NA	NA	NA

ANNEXURE-III

List of Entities Consolidated - NA

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[hereafter referred to as “Instruments”]. BWR also rates NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations.

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