India Ratings & Research
A Fitch Group Company

India Ratings Affirms Greaves Finance’s NCDs and Bank Loan Facilities at ‘IND A-’/Stable; Rates Additional NCDs

Mar 25, 2026 | GREAVES FINANCE LIMITED | Non Banking Financial Company (NBFC)

India Ratings and Research Ltd (Ind-Ra) has taken the following rating actions on GREAVES FINANCE LIMITED’s (GFL) debt instruments:

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^	-	-	-	INR1,000	IND A-/Stable	Assigned
Non-convertible debentures*	-	-	-	INR1,300	IND A-/Stable	Affirmed
Bank loan facilities	-	-	-	INR1,000	IND A-/Stable	Affirmed

* Details in annexure
^Yet to be issued

Analytical Approach

Ind-Ra continues to factor in the financial and non-financial support provided by GFL’s parent company, Greaves Cotton Ltd (GCL; ‘IND AA-’/Stable; holds 100% stake) to arrive at the rating of GFL.

Detailed Rationale of the Rating Action

The ratings reflect GFL’s strong linkages with its parent, GCL, the likely support from the parent in terms of liquidity and equity, comfortable capitalisation, and growing franchise in the electric two-wheeler (E2W) financing business. The ratings, however, are constrained by the company’s limited track record of operations, loss-making operations, concentrated funding profile, and unseasoned portfolio.

List of Key Rating Drivers

Strengths

- Linkages and support from parent
- Growing franchise in E2W finance
- Comfortable capitalisation

Weaknesses

- Unseasoned portfolio
- Limited track record; loss-making operations

Detailed Description of Key Rating Drivers

Linkages and Support from Parent: GFL is a 100% owned subsidiary of GCL, which has infused capital worth around INR1.25 billion into GFL, including INR0.22 billion in 9MFY26. GFL plans to raise a substantial amount of debt and equity capital in the near term, which is higher than its current capital base. GCL is likely to maintain a majority shareholding in GFL over the medium term. GCL's chief financial officer is present on GFL's board. The companies share the name and brand, and furthermore, GFL benefits from the liquidity available from the parent for contingent needs at a short notice in the event of a challenging operation environment. GFL shares the treasury and compliance team with GCL. As a part of the overall group, GFL complements the group's strategy of having a presence across the e-mobility business value chain. The company is profitable on a post-tax basis after factoring in the accumulated deferred tax assets.

Growing Franchise in E2W Finance: GFL started operations in FY19 as a captive financier for the e-mobility business of GCL, and from 2023, it also began to cater to ten other original equipment manufacturers (OEMs). GFL's assets under management (AUM) grew to INR4.41 billion in 9MFY26 (FY25: INR2.59 billion; FY24: INR0.62 billion; FY23: INR0.2 billion), with an on-book portfolio of INR2.09 billion. The portfolio is spread across 14 states/60 cities, with the top states, including Kerala, Karnataka and Tamil Nadu, forming 71.5% of the overall portfolio. Furthermore, the top OEMs in the electric vehicles (EV) segment, such as Ather Energy Ola Electric and River, contributed 88.6% to the portfolio in 9MFY26. With a presence in 74 cities as of February 2026, the AUM is likely to cross INR5 billion by March 2026. The agency expects GFL's scale of operations to see continued growth, supported by a sizable and growing market opportunity. Furthermore, the agency expects GFL to tie up with more co-lending partners, supported by its existing investments in systems and processes aimed at enabling further growth.

Comfortable Capitalisation: GFL operated at a leverage (debt-to-tangible equity) of 1.5x as of December 2025 (March 2025: 0.1x). At end-December 2025, the company had raised incremental funding of INR1.55 billion from five lenders. Going forward, Ind-Ra expects GFL to raise bank funding from other lenders at competitive rates, given the backing of its strong parent. The company reported a Tier 1 capital of 38.5% as of December 2025. In the medium term, GFL is likely to witness a leverage of around 3x. Ind-Ra expects timely equity infusion from the parent and external investors to support portfolio expansion. The company is also looking to expand its co-lending partnership with other lenders and grow in a capital light manner.

Unseasoned Portfolio: In 2019, the company started operations as a completely captive financing for GCL and as a major co-lending partner, with the sourcing and ground operations being handled by the other co-lending partners. The company initially disbursed E2W and E3W loans; it was able to manage portfolio quality for E2W, but faced challenges in E3W collections, mainly due to collection challenges from dealerships, COVID-19 -related disruptions and high turn-around time (TAT) in the portfolio. Subsequently, the company stopped disbursements of E3W loans and revamped its strategy by developing digital process, improving process TAT, categorising asset, creating proprietary ev.fin score, addressing EV concerns by launching EV-specific loan products such as smart.fin (assured buyback and upgrade) and ride.fin, and it has been focused only on the top E2W OEMs since April 2023.

GFL has expanded significantly since February 2024 under its co-lending partnership with Muthoot Capital Limited, wherein GFL is the sourcing and collection partner and Muthoot Capital is the major funding provider partner. The company has tied up with collection agencies across cities for maintaining collection efficiencies. GFL has been able to manage its portfolio quality for its new E2W portfolio, with 90+dpd of 2.8% as of December 2025. Its provision coverage ratio on gross non-performing assets stood at 28.8% as of December 2025. The AUM scaled up by 107.6% yoy during 9MFY26 and by 16.1% qoq during 3QFY26. As the business is in the scale-up mode, the portfolio is yet to be seasoned and see cycles; hence, the portfolio quality is yet to be tested.

Limited Track Record of Operations; Loss-making Operations: Since GFL is in its growth phase, it has been incurring high operating expenses, which has negatively affected its profitability. The company reported a pre-tax loss of INR53 million in 9MFY26 (FY25: loss of INR80 million; FY24: loss of INR144 million; FY23: loss of INR29 million); however, factoring in deferred taxes of INR67 million, the company reported a modest profitability of INR14 million in 9MFY26. The operating cost/AUM though came down but remained elevated at 10.7% in 9MFY26 (FY25: 13.6%), primarily due to investments in technology, systems and processes and key personnels. Thus, the scaling up of GFL's portfolio remains critical for driving operational leverage benefits. Also, given the unseasoned loan book, GFL is yet to establish a steady credit cost to AUM (9MFY26: 0.94%; FY25: 1.25%; FY24: 8.41%), which also remains a key monitorable.

Liquidity

Adequate: As of December 2025, GFL had cash and cash equivalent of INR 214 million, against debt repayment obligations of INR 180 million over the next three months. The company also had un-utilised bank lines of INR 300 million as of December 2025. As per the asset-liability statement as of December 2025, GFL had cumulative positive surplus across tenor buckets. As a policy, the company maintains liquidity equivalent to 45 days of debt obligations and operational payouts at any point of time. Furthermore, GFL benefits from financial support from its parent company in case of exigencies.

Rating Sensitivities

Positive: A significant improvement in the scale of operations and the profitability, while maintaining adequate liquidity and capitalisation, all on a sustained basis, and maintaining strong linkages with the parent could lead to a positive rating action.

Negative: The following factors will collectively or individually lead to a downward rating action

- weakening of linkages with parent
- deterioration in the credit profile of the parent
- deterioration in the standalone credit profile of GFL
- debt-to-tangible equity exceeding 3x, on a sustained basis

Any Other Information

Not applicable

About the Company

GFL is a non-banking financial company (NBFC) and a wholly owned subsidiary of GCL. It focuses on providing financing solutions for electric vehicles through its dedicated platform, evfin. GFL operates in 74 cities, with an AUM of INR4.41 billion as of December 2025.

Key Financial Indicators

Particulars	9MFY26	FY25	FY24
Total assets (INR million)	2563	946	617
Total tangible equity (INR million)	944	788	248
Net profit (INR million)	14.3	-79.9	-144
Debt to tangible equity	1.5	0.1	1.2
Tier 1 capital (%)	38.49	86.75	37.9
Source: GFL, Ind-Ra			

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook		
	Rating Type	Rated Limits (million)	Current Rating	19 September 2025	1 April 2025	10 February 2025
Non-convertible debentures	Long-term	INR2,300.00	IND A-/Stable	IND A-/Stable	IND A-/Stable	
Bank loan facilities	Long-term	INR1,000.00	IND A-/Stable	IND A-/Stable	IND A-/Stable	IND A-/Stable

Bank wise Facilities Details

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low
Non-convertible debentures	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	Size of Issue (INR million)	Rating/Outlook
NCDs	INE1QWF07022	25-Apr-25	11.50%	30-Apr-27	300	Ind A-/Stable
NCDs	INE1QWF07014	29-Sep-25	10.50%	29-Sep-27	250	Ind A-/Stable
NCDs	INE1QWF07030	20-Oct-25	10.50%	20-Oct-27	250	Ind A-/Stable
NCDs	INE1QWF07048	23-Dec-25	10.50%	23-Dec-27	250	Ind A-/Stable
NCDs	INE1QWF07055	30-Jan-26	10.50%	30-Mar-28	250	Ind A-/Stable
Limit utilised					1,300	
Limit unutilised					1,000	
Total					2,300	
Source : GFL						

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APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Financial Institutions Rating Criteria

Non-Bank Finance Companies Criteria

Rating FI Subsidiaries and Holding Companies

The Rating Process