January 28, 2026

Blacksoil Capital Private Limited: Ratings upgraded to [ICRA]A- (Stable)/ICRA]A2+ and outlook revised to Stable; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term/Short-term bank lines – Fund based*	650.00	955.00	[ICRA]A- (Stable)/ [ICRA]A2+; upgraded from [ICRA]BBB+ (Positive)/ [ICRA]A2; outlook revised to Stable from Positive and rated amount enhanced
Commercial paper programme	50.00	50.00	[ICRA]A2+; upgraded from [ICRA]A2
Total	**700.00**	**1,005.00**	

**Instrument details are provided in Annexure I*

Rationale

The ratings upgrade factors in Blacksoil Capital Private Limited's (BCPL) improving scale of operations, satisfactory financial profile with a consistent track record of adequate capitalisation and profitability, and the completion of its merger with Caspian Impact Investments Private Limited[1] (CII). The integration is expected to support BCPL's business profile by expanding its customer network and generating operational synergies through complementary capabilities across both entities. Besides, the capital structure has strengthened following the onboarding of CII's institutional shareholders and lenders. The merger, announced in September 2024, received Reserve Bank of India (RBI) approval in March 2025 and National Company Law Tribunal (NCLT) clearance in October 2025, with combined operations effective from October 31, 2025. Post merger, the unified business operates under the 'Blacksoil' brand, and CII's small and medium enterprise (SME) loan product has been rebranded as Udhyam Debt.

BCPL's post-merger capitalisation was marked by a net worth of ~Rs. 635 crore and gearing of 1.9 times as on October 31, 2025 compared to Rs. 485 crore and 1.4 times, respectively, as on March 31, 2025. Subsequent capital infusions of Rs. 60 crore by Dutch Entrepreneurial Development Bank (FMO) and Rs. 5 crore by Mr. V Prasad (promoter of CII) in December 2025 further strengthens the capitalisation profile. While ICRA notes that incremental growth will be largely debt-funded and the leverage is expected to rise over the medium term, the management has indicated their intent to operate with a gearing of less than 3.0 times in the medium term.

BCPL's headline profitability has been steady over the years with a consolidated return on managed assets (RoMA) in the range of 3.0-4.0% during FY2020-FY2024. However, the profitability moderated in FY2025 (RoMA: 2.8%), given the contraction in lending spreads following the marginal uptick in borrowing costs due to efforts to expand the lender base and the systemic interest rate trajectory in the period preceding December 2024. Additionally, investment income declined following the sale of investments in units of alternative investment funds (AIFs) managed by Blacksoil Asset Management Private Limited (BAMPL; wholly-owned subsidiary of BCPL)[2]. While the merger will gradually lead to benefits of economies of scale, BCPL's headline profitability will be impacted during the transition phase due to CII's relatively modest profitability.

[1] Previously rated [ICRA]BBB+ (Stable)/[ICRA]A2

[2] As per the RBI's notification dated December 19, 2023, if a regulated entity (RE) has invested in an AIF scheme and if the AIF has made a downstream investment in the RE's debtor company, the RE shall liquidate its investment in the scheme within 30 days from the date of such downstream investment by the AIF

ICRA continues to consider the relatively risky profile of the loan book with vulnerability to concentration risk. While the headline asset quality indicator, gross non-performing assets (GNPAs)/gross advances (excluding investment in units of AIFs), improved in recent years and stood at 2.1% as on October 31, 2025 compared to the high of ~6% in FY2023, this was partially driven by write-offs (~Rs. 8 crore in FY2025 and ~Rs. 2 crore in 7M FY2026). Nevertheless, ICRA takes note of the low level of write-offs made by BCPL since inception. Notwithstanding the same, the company's ability to maintain adequate asset quality and keep credit costs under control will remain monitorable, especially as the borrowers' credit profile in the merged entity continues to be modest. The credit guarantee scheme applicable to a portion of CII's loans will remain available to the merged entity, providing a cushion against potential credit losses. Although BCPL has reported a gradual improvement in its borrowing franchise, which is further strengthened by the merger, its ability to consistently raise funds at competitive rates from diversified sources remains imperative.

The Stable outlook reflects ICRA's expectation that BCPL's improving scale of operations and enhanced customer reach and investor/lender base will augur well for its credit profile. It is expected to witness a moderation in the concentration risk with the improvement in scale while continuing to benefit from the experience and business network of the sponsor companies and institutional investors.

Key rating drivers and their description

Credit strengths

Adequate capitalisation, augmented by the merger and equity raise – BCPL's post-merger capitalisation was characterised by a net worth of about Rs. 635 crore, gearing of 1.9 times, and a capital adequacy ratio of 38% as on October 31, 2025 compared to a net worth of Rs. 485 crore and gearing of 1.4 times as on March 31, 2025. It has been further augmented by the capital infusions of Rs. 60 crore by Dutch Entrepreneurial Development Bank (FMO) and Rs. 5 crore from Mr. V Prasad (promoter of CII) in December 2025. The capitalisation profile also benefits from the onboarding of CII's institutional shareholders and lenders. It was previously supported by regular capital infusions by BCPL's promoters. While ICRA notes that incremental growth will be largely debt-funded and the leverage is expected to rise over the medium term, the management has indicated their intent to operate with a gearing of less than 3.0 times in the medium term.

BCPL has demonstrated an improvement in its borrowing profile in recent years with the same augmented further by the completion of the merger. Previously, BCPL's borrowing profile remained skewed towards unlisted non-convertible debentures (NCDs) issued to high-net-worth individuals (HNIs) and family offices. Nonetheless, it has improved with the share of banks/financial institutions increasing to 35% of the borrowings as of March 2025 from 12% as on March 31, 2023. On the other hand, given CII's institutional shareholding and the presence of a credit guarantee programme, it enjoyed sanctions from a diverse set of banks/non-banking financial companies (NBFCs), development finance institutions (DFIs) and had raised external commercial borrowings (ECBs) as well.

As on October 31, 2025, the merged borrowing profile comprised borrowings from banks and financial institutions (48%), NCDs (39%) and ECBs (13%). BCPL's ability to consistently raise funds at competitive rates from diversified sources remains imperative. The NCDs issued by the company are for three years with put/call options at two years, exposing it to refinancing risk. However, the put options exercised by investors remained limited at ~10% of the total NCDs since inception, despite the liquidity-related stress events in the market. ICRA also notes that ~32% of the loan book (excluding investment in AIFs) comprises funding extended in the form of NCDs, which may not be eligible for the security cover for bank funding.

Track record of adequate profitability, notwithstanding moderation in recent years – Despite the relatively small scale of operations and the asset quality pressure witnessed in the preceding years, BCPL has a track record of adequate profitability since inception. It reported steady profitability during FY2020-FY2024, with consolidated RoMA of 3.0-4.0%. Over the years, the consolidated revenue has also been supported by income from sponsor investment in the units of AIFs and management fees from the distribution of AIF units. However, the profitability moderated in FY2025 (RoMA of 2.8%) due to the contraction in lending spreads following the marginal uptick in borrowing costs on account of efforts to expand the lender base and the systemic interest rate trajectory in the period preceding December 2024. Additionally, investment income declined following the sale of investments in the units of AIFs managed by BAMPL[3]. While the merger will gradually lead to benefits of economies of scale, BCPL's headline profitability will be impacted during the transition phase due to CII's relatively modest profitability. The merged entity's RoMA is estimated to have been 2.0% in FY2025 with the 7-year (FY2019-FY2025) average estimated at 2.4%. Going forward, BCPL's ability to scale up the operations while raising debt regularly at competitive pricing will be critical for maintaining adequate spreads. Further, its ability to maintain adequate asset quality, and consequently keep the credit costs under control, will be imperative for sustaining the profitability trajectory.

Credit challenges

Relatively risky borrower profile – BCPL's loan book comprises lending to venture capital (VC)/private equity (PE) backed growth companies, impact-focussed lending and small and medium business loans (43% of the loan book[4] as on October 31, 2025), loans to financial institutions (28%)[5] and supply chain finance (29%). Additionally, it categorises its portfolio by the scale of the underlying borrower as micro, small and medium companies (MSM) based on the Reserve Bank of India (RBI) prescribed MSME criteria. As of September 2025, 56% of the growth companies and 29% of the financial institutions portfolio qualified under the MSM classification. BCPL remains sector agnostic in the growth company and supply chain segment. ICRA notes the risk associated with the underlying borrower segment as the businesses of these borrowers have limited track records and volatile cash flows. Further, in the supply chain segment, while BCPL has a right to recourse on the anchor companies, these anchors are also growth companies. In this regard, the interlinkage between the supply chain and the growth company lending segment is noted.

While the headline asset quality indicator, GNPAs/gross advances (excluding investment in units of AIFs), improved in recent years and stood at 2.1% as on October 31, 2025 compared to the high of ~6% in FY2023, this was partially driven by write-offs (~Rs. 8 crore in FY2025 and ~Rs. 2 crore in 7M FY2026). Nevertheless, BCPL's aggregate write-offs have been low since inception (aggregate net write-off of ~Rs. 22 crore compared to cumulative disbursements of Rs. 8,427 crore)[6], which reflects positively on its underwriting and credit monitoring track record, providing comfort. Notwithstanding the above, BCPL's ability to maintain adequate asset quality and keep credit costs under control will remain critical, especially as the borrowers' credit profile in the merged entity remains modest (including clients in impact-focussed sectors, including the food & agri sector and small business finance). However, the credit guarantee scheme[7] applicable to a portion of CII's loans will continue to be available to the merged entity, providing a cushion against potential credit losses. Also, BCPL's overall capitalisation profile provides sufficient cushion to absorb any losses.

Vulnerability to concentration risk – BCPL's loan book remains exposed to concentration risk, which makes it vulnerable to lumpy slippages. Such slippages from large exposures can adversely impact the headline asset quality and profitability. As on October 31, 2025, the top 10 exposures accounted for 23% of the loan book (27% as on December 31, 2024 and 38% as on December 31, 2023). ICRA notes that there is only a modest overlap of customers between BCPL and CCI's Udhyam Debt; hence, the merger has not exacerbated concentration risk. Further, while BCPL predominantly operates in a segment with a ticket size of Rs. 5-30 crore, CII's relatively lower ticket size of up to Rs. 15 crore has brought some granularity to the merged portfolio. Nonetheless, the overall portfolio mix remains wholesale oriented.

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[3] As per the RBI's notification dated December 19, 2023, if a regulated entity (RE) has invested in an AIF scheme and if the AIF has made a downstream investment in the RE's debtor company, the RE shall liquidate its investment in the scheme within 30 days from the date of such downstream investment by the AIF

[4] Excluding investment in units of AIFs

[5] Only for BCPL, excluding CII

[6] Gross write-off since inception Rs. 27 crore; excludes write-offs of CII

[7] Partial credit guarantees available from Rabo Foundation, United States International Development Finance Corporation (USDFC), Michael & Susan Dell Foundation (MSDF), Villgro, and National Credit Guarantee Trustee Company Limited (NCGTC) among others

Liquidity position: Adequate

BCPL's asset-liability management (ALM) statement shows positive cumulative mismatches in all the buckets, supported by low financial leverage and the adequate on-balance sheet liquidity maintained by it. As on October 31, 2025, it had on-balance sheet liquidity, including cash/bank balance and investment in mutual funds, aggregating Rs. 188 crore and sanctioned but undrawn bank lines of ~Rs. 34 crore. The available liquidity accounted for ~16% of its borrowings as on October 31, 2025, sufficiently covering the debt obligations for the next three months. However, ICRA notes that all the NCDs issued by BCPL provide investors with the right to exercise a put option after 24 months from the issuance date; thus, unforeseen put options exercised by the investors can impact liquidity. Nevertheless, the put options exercised by investors remained limited at ~10% of the total NCDs, since inception. Further, since the CII acquisition was settled through a share swap, BCPL's liquidity profile remains unimpacted.

Rating sensitivities

Positive factors – Continued scale-up of operations and meaningful improvement in profitability while maintaining healthy asset quality and capitalisation will be a credit positive. Reduction in loan book concentration will also be imperative.

Negative factors – A deterioration in the asset quality, affecting the company's profitability, solvency and liquidity profile, may lead to pressure on the credit profile. A sustained and material increase in the leverage, upwards of 3.5 times, will also be a credit negative.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	ICRA's Credit Rating Methodology for Non-banking Finance Companies (NBFCs)
Parent/Group support	Not applicable
Consolidation/Standalone	Consolidation

About the company

Blacksoil Capital Private Limited (BCPL) is a tech-enabled non-deposit accepting NBFC, registered with the Reserve Bank of India (RBI). It was formed in 2016 through the acquisition of a defunct NBFC, Sarvodaya Capital. The NBFC initiated its lending operations with real estate financing and gradually diversified to providing finance to growth companies (backed by venture capital and private equity) and financial institutions in the form of term loans and debt investments. It forayed into small and medium business loans and supply chain financing in 2021, following its acquisition of Saraloan Technologies Private Limited during this period. In FY2022, BCPL exited the real estate lending business and the legacy book was run down in FY2024. In September 2024, it announced its plan to merge with Caspian Impact Investments Private Limited (CII) and the required regulatory approvals were received in October 2025. W.e.f. October 31, 2025, the entities were merged and now operate under the 'Blacksoil'[8] brand name. Within Blacksoil, the book acquired from CII is reclassified as Udhyam Debt. The merged entity operates as an alternative credit platform, targeting emerging MSM.

Key investors in pre-merger BCPL included the promoters of the Avvashya Group (managed by Mr. Shashi Kiran Shetty; Allcargo Logistics Limited is the flagship entity of the Group), the Navneet Group (managed by Mr. Gnanesh Gala; Navneet Education Limited is the flagship entity of the Group), Mahavir Agency (managed by Mr. Virender Gala; engaged in real estate advisory) and Blacksoil Group (the Bansals). CII's institutional investors included Gray Ghost Microfinance Fund LLC, Stichting Hivos-Triodos Fonds, Nederlandse Financierings and VSG Holdings. All the shareholders of both entities continue to be associated with the merged entity.

[8] *The three equity funds housed under erstwhile CII have not been acquired as part of this arrangement*

BCPL has two subsidiaries; Blacksoil Asset Management Private Limited (flagship company for managing AIF business) and Saraloan Technologies Private Limited (fintech platform used for evaluating small-ticket loans of up to Rs. 2-2.5 crore, primarily in the small and medium business loan segment).

BCPL reported a consolidated profit after tax (PAT) of Rs. 19 crore on total income of Rs. 111 crore in 7M FY2026[9].

Key financial indicators (audited)

BCPL (standalone)	FY2024	FY2025	7M FY2026[!]
	Ind-AS	Ind-AS	Ind-AS
Total income	139	166	100*
Profit after tax	33	29	16*
Total assets	957	1,217	1,918^
Total managed assets	1,047	NA	1,931^
Return on assets	3.8%	2.7%	-
Return on managed assets	3.4%	NA	-
Gross gearing (times)	1.1	1.5	1.9^
Gross NPA	1.7%	2.5%	2.1%^
CRAR	47%	39%	38%^

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; [!] Provisional; *For BCPL (excluding CII); ^For merged entity*

BCPL (consolidated)	FY2024	FY2025	7M FY2026[!]
	Ind-AS	Ind-AS	Ind-AS
Total income	157	190	111*
Profit after tax	33	33	19*
Total assets	989	1,249	1,937^
Total managed assets	1,078	NA	1,949^
Return on assets	3.8%	2.9%	-
Return on managed assets	3.4%	NA	-
Gross gearing (times)	1.1	1.4	1.9^

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; [!] Provisional; As on October 31, 2025, BCPL had two wholly-owned subsidiaries, i.e. Blacksoil Asset Management Private Limited and Saraloan Technologies Private Limited; *For BCPL (excluding CII); 7M FY2026 P&L of CII was directly absorbed in BCPL's net worth on the merged date; ^For merged entity; NA: Not available*

Status of non-cooperation with previous CRA: Not applicable

Any other information:

BCPL may face prepayment risk, given the possibility of debt acceleration upon the breach of covenants, including financial covenants and operating covenants. Upon failure to meet the covenants, if the company is unable to get waivers from the lenders or they do not provide it with adequate time to arrange for alternative funding to pay off the accelerated loans, the ratings would face pressure.

[9] *Excluding CII's income and profit*

Rating history for past three years

	Current (FY2026)				Chronology of rating history for the past 3 years					
					FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Jan 28, 2026	May 09, 2025	Date	Rating	Date	Rating	Date	Rating
Commercial paper	Short term	50.00	[ICRA]A2+	[ICRA]A2	May 17, 2024	[ICRA]A2	Jun 02, 2023	[ICRA]A2	Jun 02, 2022	[ICRA]A3 +
					Sep 12, 2024	[ICRA]A2				
Long-term/Short-term others – Fund based	Long term/ Short term	955.00	[ICRA]A- (Stable)/ [ICRA]A2+	[ICRA]BBB+ (Positive)/ [ICRA]A2	May 17, 2024	[ICRA]BBB+ (Positive)/ [ICRA]A2	Jun 02, 2023	[ICRA]BBB+ (Stable)/ [ICRA]A2	Jun 02, 2022	[ICRA] BBB (Stable)/ [ICRA]A3 +
					Sep 12, 2024	[ICRA]BBB+ (Positive)/ [ICRA]A2				
Long-term borrowing programme	Long term	-		-	May 17, 2024	[ICRA]BBB+ (Positive)	Jun 02, 2023	[ICRA]A2	Jun 02, 2022	[ICRA] BBB (Stable)
Long-term/ Short-term bank lines – Unallocated^	Long term/ Short term	-		-	-	-	Jun 02, 2023	[ICRA]BBB+ (Stable)/ [ICRA]A2	Jun 02, 2022	[ICRA]BB B (Stable)/ [ICRA]A3 +

^Clubbed with fund-based bank lines

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term/Short-term fund-based bank lines	Simple
Commercial paper	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
-	**Long-term/Short-term bank lines – Fund-based bank lines**	Apr 2020 to Oct 2025	Various rates/ MCLR linked	Aug 2023 to Jul 2028	955.00	[ICRA]A- (Stable) /[ICRA]A2+
-	**Commercial paper programme***	-	-	-	50.00	[ICRA]A2+

*Source: Company; *Proposed*

[Please click here to view details of lender-wise facilities rated by ICRA]

Annexure II: List of entities considered for consolidated analysis

Company name	BCPL ownership	Consolidation approach
BCPL	Rated entity	Full consolidation
Blacksoil Asset Management Private Limited	100%	Full consolidation
Saraloan Technologies Private Limited	100%	Full consolidation

Source: Company; As on October 31, 2025

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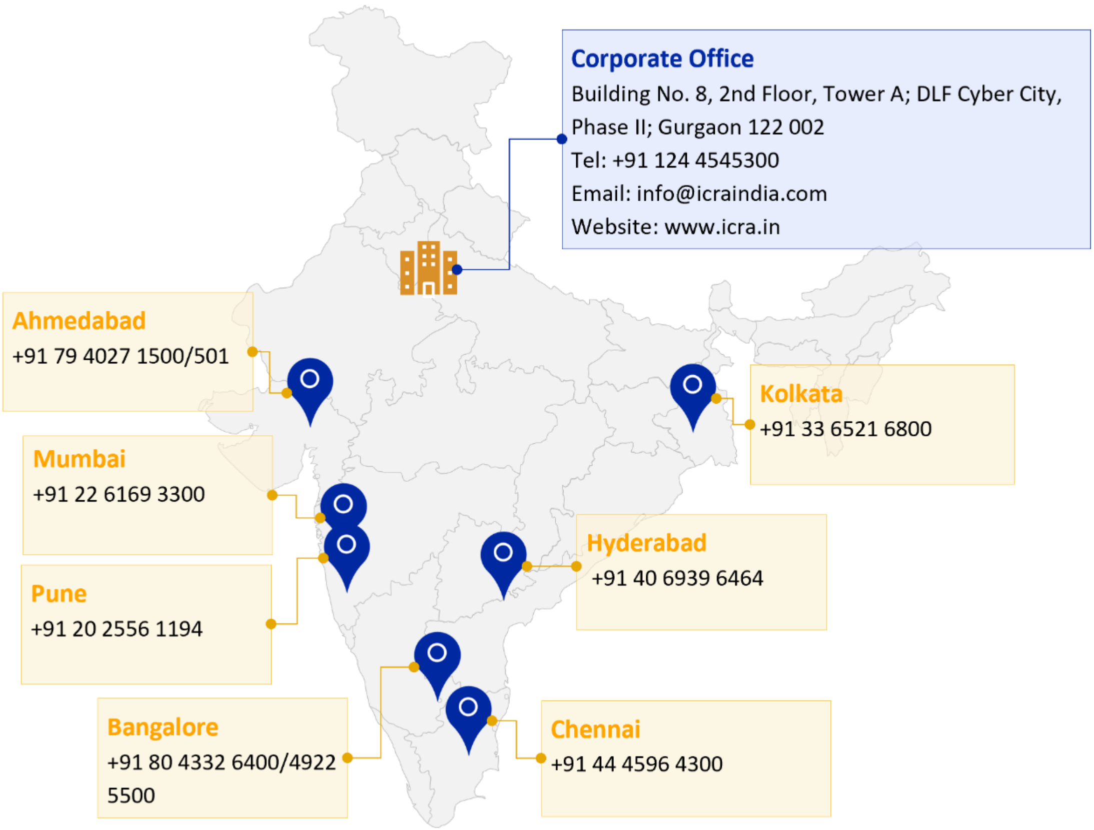

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