

March 30, 2023

Northern Arc Capital Limited: Ratings upgraded; rated amount enhanced, Outlook revised to Stable

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debentures	280.00	280.00	[ICRA]AA-(Stable); upgraded from [ICRA]A+(Positive) and outlook revised to Stable
Market linked debentures	150.00	150.00	PP-MLD[ICRA]AA-(Stable); upgraded from PP-MLD[ICRA]A+(Positive) and outlook revised to Stable
	7.50	0.00	PP-MLD[ICRA]AA-(Stable); upgraded from PP-MLD[ICRA]A+ (Positive), outlook revised to Stable and withdrawn
Long term – Fund-based limits	82.00	72.00	[ICRA]AA-(Stable); upgraded from [ICRA]A+(Positive) and outlook revised to Stable
Long term – Term loans	3,401.50	4,503.00	[ICRA]AA-(Stable); upgraded from [ICRA]A+(Positive)/assigned for enhanced portion and outlook revised to Stable
Short-term bank Facilities	516.50	425.00	[ICRA]A1+; reaffirmed
Subordinated debt	40.00	40.00	[ICRA]AA-(Stable); upgraded from [ICRA]A+(Positive) and outlook revised to Stable
Commercial paper	300.00	300.00	[ICRA]A1+; reaffirmed
Total	4,777.50	5,770.00	

*Instrument details are provided in Annexure I

Rationale

The rating action factors in the improvement in Northern Arc Capital Limited's (NACL) earnings profile while it scaled up its portfolio and diversified to retail asset segments. NACL's profitability indicators improved further in 9M FY2023 with profit after tax (PAT)/average managed assets (AMA) at 2.8% vis-à-vis 2.6% in FY2022, supported by improved margins and lower credit costs. The assets under management (AUM) grew to Rs. 8,060 crore as of December 2022 from Rs. 7,111 crore in March 2022 (Rs. 5,225 crore in March 2021). The capital profile remained under control during this period as the consolidated managed gearing¹ stood at 3.5 times as of December 2022 (3.6 times as of March 2022).

However, NACL's exposures remain largely towards financial institutions (FI) with moderate risk profiles. Over the years, the company has been gradually reducing its exposure towards FIs by diversifying into the retail segment, mostly via partnership arrangements with smaller non-banking financial companies (NBFCs)/digital platforms, and by engaging in direct lending to the retail segments. NACL acquired the microfinance book of S.M.I.L.E. Microfinance Limited (SMILE) in April 2022 and scaled it up with a business correspondent (BC) arrangement through its subsidiary (Pragati Finserv Private Limited; Pragati). The company is also expected to focus on secured business loans, which it commenced in the recent past. NACL's overall non-FI exposure² continued to increase and stood at 30.7% of the AUM as of December 2022 compared to 23.4% as of March 2022 (18.6% as of March 2021). Within the non-FI segment, corporate finance accounted for 7.7% of the AUM as of December 2022.

ICRA takes note of the concentration of NACL's exposures, with the top 20 exposures accounting for 28% of AUM (120% of net worth) as of December 2022 compared to 30% as of March 2022. ICRA notes that the company has focused on gradually reducing its top 20 exposures over the last few years (60% of the AUM as of March 2015). Going forward, a steady improvement

¹ (Total borrowings+ off balance sheet exposures)/Net worth excluding minority interest

² Corporate finance, partnership arrangements and direct retail lending

in the concentration profile and the ability to maintain healthy asset quality, especially in the newer retail asset segments, would be key monitorables.

NACL has an established underwriting and risk management system, stemming from its track record and experience in these established asset segments, which would support its growth. It is also expected to derive benefits from Nimbus, its proprietary technology system, which provides a common system for many originator partners³ and investor partners⁴ to access fundraising and investment opportunities and execute transactions online. Nimbus enables the end-to-end processing of debt transactions (from loan application, credit evaluation, generation of legal documentation to transaction execution and closure).

ICRA notes that NACL raised sizeable equity in the past (Rs. 960 crore from FY2014 including Rs. 648 crore in FY2019 and FY2020) from investors such as Leapfrog Financial Inclusion India, IIFL Special Opportunities Fund, Affirma Capital, SMBC Bank, Eight Roads, etc. NACL is expected to maintain its leverage under 4x on a steady-state basis. Thus, managing growth and securing timely capital infusion, when required, would be crucial going forward.

ICRA has upgraded and withdrawn the long-term rating on the Rs. 7.50-crore market linked debentures (MLDs), in accordance with its policy on the withdrawal of credit ratings, as the instruments have matured and have been fully repaid.

Key rating drivers and their description

Credit strengths

Adequate track record in key target asset segments – NACL has a track record of more than 15 years in the placement (arranging funding for its clients via loan syndication, securitisation and assignment among others) and lending businesses. It provides diverse financing solutions to NBFCs operating in different segments and small & mid-sized corporates. NACL has built relationships with more than 400 investor partners, including NBFCs, banks, mutual funds, insurance companies, development finance institutions, private wealth institutions and alternative investment funds (AIFs) among others, which participate in the loan syndication and securitisation transactions facilitated by the company; it has also built partnerships with more than 350 originators. Well-established relationships with originators and investors have helped the company achieve cumulative business volumes of more than Rs. 1,20,000 crore since inception.

The AUM grew 18% (annualised) in 9M FY2023 (compound annual growth rate (CAGR) of around 26% from March 2020). As of December 2022, its AUM stood at Rs. 8,060 crore, comprising advances to NBFCs and corporates (52.0%), investment in debt instruments (20.6%; directly and via AIFs), advances to retail via partners (15.0%), direct retail loans (8.0%), subordinated tranches of retail loan pools and direct assignment (DA; 2.3%) and guarantees (2.1%). On an asset class basis, NACL's exposure to the microfinance segment was ~29% as of December 2022, including the direct retail book (34% in March 2021 and 24% in March 2022). Other key asset classes, namely small business loans, vehicle finance and consumer finance (including via partners), stood at 24%, 12% and 21%, respectively, as of December 2022.

NACL, via its subsidiary (Northern Arc Investment Managers Private Limited; NAIM), manages six AIFs with a total fund AUM of about Rs. 2,948 crore as of December 2022. NACL's exposure to these funds was about Rs. 224 crore (7.6% of the fund AUM).

The company has a 10-member board comprising four independent directors including the Chairman and three nominee members from the private equity (PE) investors/shareholders. NACL benefits from the experience of its senior management team across key business functions. Nimbus, the proprietary technology system, is expected to help NACL scale up its business operations backed by execution/functional efficiencies and data analytics. Nimbus provides a common system to NACL's

³ Financial institution corporates, technology platforms (such as fintechs), and other entities which originate financial exposure

⁴ NACL's network of investors, across different investor classes, which uses its platform to access opportunities to invest in under-served sectors in India

originator and investor partners to access fundraising and investment opportunities and execute transactions online. N-POS, an extension of Nimbus, is designed to support retail co-lending transactions with originator partners, including underwriting capabilities (Nu Score), as a platform service to FIs. It provides a straight through processing (STP) approach for retail lending partnerships in the consumer loan, microfinance loan, vehicle finance and small business loans. Alfiti, a bond trading platform, allows individual investors to invest directly in debt instruments. Overall, NACL's technology systems are expected to provide value-added services to both investors and partners, which can support fee-based income going forward.

Share of retail segment expected to increase – NACL increased its retail segment exposures, namely consumer loans, small business loans and microfinance, via partnership arrangements with other NBFCs/digital platforms. These exposures are generally covered by a first loss default guarantee (FLDG) from regulated entities, which limit their credit risk to an extent at present. The share of these loans stood at 15.0% of the AUM as of December 2022 vis-à-vis 15.4% as of March 2022 (10.2% in March 2021).

Post the acquisition of the microfinance business of SMILE on a slump sale basis in April 2022, SMILE's loan portfolio was taken over by NACL and it commenced direct retail lending in the microfinance asset segment with Pragati acting as its BC. As of December 2022, direct lending in the microfinance asset segment stood at 7.2% of the AUM, including the book acquired through the SMILE acquisition. NACL also started providing secured business loans, which stood at 0.8% of the AUM as of December 2022. This book is expected to remain regionally focussed on South India over the near-to-medium term to maintain tight control on the asset quality. While the diversification in the retail segments, at present, are largely in the unsecured asset segments, the existence of FLDGs and NACL's internal sectoral exposure cap of 30% of the AUM provide support to its risk profile.

Improvement in profitability indicators – NACL's consolidated revenue includes income from the lending portfolio, fee income from syndication services, and investment and management income from the AIFs. NACL's income growth accrued predominantly from balance sheet expansion with its AUM increasing at a CAGR of about 26% from March 2020. On the other hand, the contribution of placement fee income remained modest as a proportion of NACL's net interest income (8% in 9M FY2023 and 14% in FY2022). The yield on loans improved to 15.5% (provisional) in 9M FY2023 vis-à-vis 13.4% in FY2022, partly supported by the increase in the proportion of the high-yield retail segment in the AUM, thus resulting in a higher margin in 9M FY2023. Correspondingly, the operating expense ratio (as a proportion of average managed assets) increased to 4.6% in 9M FY2023 from 3.1% in FY2022 (2.3% in FY2021). The company has largely recovered from the asset quality issues in FY2021 and credit costs remained under control in FY2022 and 9M FY2023. NACL maintained its overall expected credit loss (ECL) provision at 1.1% and 1.2% of AUM as of March 2022 and December 2022, respectively. Accordingly, its net profitability improved further to 2.8% in 9M FY2023 from 2.6% in FY2022 (1.4% in FY2021). ICRA takes note of the expected increase in the share of retail loans, including the direct retail lending business. The company's ability to keep the operating and credits cost under control, in view of the above, while maintaining the margins given the increasing interest rate scenario, would be key from an incremental profitability perspective.

Credit challenges

Concentrated exposure to entities with moderate risk profiles; controlling asset quality in newer segments would be key monitorable – NACL remains exposed to moderate borrower profiles as it predominantly lends to small and mid-sized NBFCs and corporates. Its exposures are concentrated, with the top 20 entities accounting for about 28% of the AUM (120% of net worth) in December 2022 (30% in March 2022), because of the institutional nature of its exposure to NBFCs and corporates. NACL's unrated exposures stood at 19.8% (excluding co-lending, retail book, AIF, guarantees & DA) of the AUM as of December 2022. NACL's exposure to the microfinance segment was 29% as of December 2022, including the direct retail book (34% in March 2021 and 24% in March 2022). The company commenced direct lending in the secured business loan segment in Q4 FY2022.

ICRA notes that the company kept the asset quality under control in 9M FY2023, with minimal incremental slippages in its wholesale book. The overall 90+ days past due (dpd) stood at 0.44% of the AUM (excluding guarantees and DA) as of December 2022 vis-à-vis 0.39% as of March 2022. The co-lending book stood at 15.0% of the AUM as of December 2022 and it has some

FLDG coverage, which is typically invoked once the assets become 90+dpd. With the 90+dpd in the co-lending book at 1.6%, NACL is expected to be made good through the existing FLDG. Thus, the credit losses are expected to be minimal. ICRA notes that the share of pass-through certificates (PTCs; largely subordinated investments) has reduced steadily over the past few years and stood at 1.4% of the AUM in December 2022 vis-à-vis 1.9% in March 2022. The company's exposure to corporates (non-financial sector entities) stood at 7.7% of AUM as of December 2022 and is expected to remain around the same level. It is noted that NACL has a relatively lower track record and portfolio seasoning in the retail segment, which remains a monitorable, given the average risk profile of these borrower segments.

Capital infusion critical for medium-term growth plans – With the sizeable expansion in its AUM in recent years, NACL's managed gearing (consolidated) increased to 3.5x (3.6x as of March 2022 and 2.7x as of March 2021) while net worth/AUM (standalone) declined to 22.9% as of December 2022 vis-à-vis 24.2% as of March 2022 (30.2% as of March 2021). The company was planning to launch an initial public offering (IPO) in FY2022, but the same has been delayed due to adverse market conditions. ICRA notes that NACL has raised sizeable equity in the past (Rs. 648 crore in FY2019 and FY2020) from various investors. It is expected to maintain its managed gearing under 4x on a steady-state basis. Considering the moderate internal accruals in relation to the AUM growth expectations, timely capital infusion is crucial, going forward.

Liquidity position: Adequate

As of December 31, 2022, NACL had positive mismatches across all the buckets of the structural liquidity statement. The average tenor of the loan/investment portfolio is 1-2 years. On the other hand, NACL has secured a sizeable portion of its borrowings from longer-tenor loans (average tenor of ~3 years) while only 4% of the total borrowings is from short-term sources including commercial paper, cash credit and working capital demand loan as of December 2022. As of December 2022, term loans, working capital facilities from banks, non-convertible debentures (NCDs; including sub-debt), external commercial borrowings and commercial papers accounted for 59%, 3%, 21%, 16% and 1%, respectively.

NACL had cash and liquid investments of Rs. 430.0 crore and undrawn bank lines of Rs. 926.2 crore as on March 20, 2023, with payment obligation of Rs. 1,318.9 crore during March 21, 2023 to June 30, 2023. The monthly collection efficiency remained robust throughout 9M FY2023 at about 99-101%.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings on a significant increase in the scale and diversification to retail asset classes while keeping tight control over delinquencies. A sustained reduction in the exposure concentration could also positively impact the ratings.

Negative factors – ICRA could revise the outlook to Negative or downgrade the ratings if there is a sustained deterioration in the asset quality (90+ dpd/AUM beyond 3.0%), thereby impacting the earnings performance. An increase in the managed gearing beyond 4.0x on a sustained basis would also negatively impact the ratings.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA's Credit Rating Methodology for Non-banking Finance Companies Rating Approach - Consolidation ICRA's Policy on Withdrawal of Credit Ratings
Parent/Group support	Not Applicable
Consolidation/Standalone	Consolidated

About the company

Northern Arc Capital is a systemically important NBFC. It acts as a platform in the financial services sector with the objective of catering to the diverse credit requirements of under-served households and businesses by providing access to debt finance. This is done either through direct lending and investments or by providing syndication and structuring services. The company commenced its business by targeting microfinance institutions (MFIs) and has diversified into other sectors including micro, small, and medium enterprise (MSME) finance, vehicle finance (includes commercial vehicle and two-wheeler finance), consumer finance, affordable housing finance and agricultural supply chain finance. Further, over the years, NACL has steadily diversified across products, geographies, and borrower segments. Nimbus, NACL's proprietary technology system, forms the backbone of its growth as a platform and enables the scaling up of business operations with execution and functional efficiencies and data analytics.

As of December 2022, on a fully-diluted basis, IIFL Special Opportunities Fund was the largest shareholder with a stake of 25.6% in NACL, followed by Leapfrog Financial Inclusion India II Limited (22.6%), Augusta Investments II Pte Ltd (19.5%), Eight Roads Investments (Mauritius) (II) Limited (10.3%), Dvara Trust (8.0%), Accion (5.8%), SMBC (5.3%) and others (3.0%).

Northern Arc Investment Managers Private Limited

Incorporated in February 2014, Northern Arc Investment Managers Private Limited (NAIM) is a wholly-owned subsidiary of NACL, which provides investment management services to several AIFs. The company manages five AIFs, at present, while it has already provided full exit from four other AIFs. Additionally, it manages two portfolio management services (PMS) strategies.

Northern Arc Investment Adviser Services Private Limited

Incorporated in September 2012, Northern Arc Investment Adviser Services Private Limited (NAIAPL) is a wholly-owned subsidiary, which provides investment advisory services.

Northern Arc Foundation

It was constituted as a Section 8 company (not for profit) in FY2019. NACL holds a 100% stake in the company. Northern Arc Foundation is primarily engaged in the business of, inter alia, providing vocational training and skill training for the development of members of marginalised communities, conducting workshops, seminars and symposiums, carrying out educational programmes for social upliftment, and undertaking research to identify areas for improving the standard of living.

Pragati Finserv Private Limited

Pragati is a recently incorporated subsidiary of NACL (90% holding). In April 2022, NACL had acquired the microfinance business of SMILE. Pragati is operating as a BC for the direct MFI lending of NACL.

Key financial indicators (audited; IndAS) – Consolidated

	FY2021	FY2022	9M FY2023 (P)
Total income	684	917	960
Profit after tax	77	182	180
Net worth*	1,673	1,832	1,990
AUM (lending)	5,225	7,111	8,060
Total managed assets	5,969	8,211	8,862
Return on managed assets	1.4%	2.6%	2.8%
Return on net worth	4.7%	10.4%	12.6%
Managed gearing (times)	2.7	3.6	3.5
Gross stage 3	2.2%	0.5%	0.6%
Net stage 3	0.9%	0.2%	0.3%
Solvency (Net stage 3/Net worth) #	3.0%	0.7%	1.3%
CRAR#	27.9%	22.8%	22.1%

Source: Company, ICRA Research; *Including minority interest (IFMR FImpact Long Term Credit Fund); #Standalone Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument		Current Rating (FY2023)								Chronology of Rating History for the Past 3 Years					
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2023				Date & Rating in FY2022		Date & Rating in FY2021		Date & Rating in FY2020		
					Mar 30, 2023	Aug 29, 2022	Jul 21, 2022	Jun 17, 2022	Mar 18, 2022	Mar 02, 2022 Sep 15, 2021	Sep 25, 2020 Aug 14, 2020	Jul 30, 2020 Jul 20, 2020 Jun 16, 2020	Jan 10, 2020 Oct 10, 2019	Aug 30, 2019 Aug 5, 2019 Jun 13, 2019	
1	NCD	Long term	280.00	280.00	[ICRA]AA-(Stable)	[ICRA]A+(Positive)	[ICRA]A+(Positive)	[ICRA]A+(Stable)	[ICRA]A+(Stable)	[ICRA]A+(Stable)	[ICRA]A+(Negative)	[ICRA]A+(Negative)	[ICRA]A+(Stable)	[ICRA]A+(Stable)	
2	MLD	Long term	150.00	150.00	PP-MLD [ICRA]AA-(Stable)	PP-MLD [ICRA]A+(Positive)	PP-MLD [ICRA]A+(Positive)	PP-MLD [ICRA]A+(Stable)	PP-MLD [ICRA]A+(Stable)	PP-MLD [ICRA]A+(Stable)	PP-MLD [ICRA]A+(Negative)	PP-MLD [ICRA]A+(Negative)	PP-MLD [ICRA]A+(Stable)	-	
3	MLD	Long term	7.50	0.00	PP-MLD [ICRA]AA-(Stable); withdrawn	PP-MLD [ICRA]A+(Positive)	PP-MLD [ICRA]A+(Positive)	PP-MLD [ICRA]A+(Stable)	PP-MLD [ICRA]A+(Stable)	PP-MLD [ICRA]A+(Stable)	PP-MLD [ICRA]A+(Negative)	PP-MLD [ICRA]A+(Negative)	PP-MLD [ICRA]A+(Stable)	-	
4	Long term – Fund-based limits	Long term	72.00	72.00	[ICRA]AA-(Stable)	[ICRA]A+(Positive)	[ICRA]A+(Positive)	[ICRA]A+(Stable)	[ICRA]A+(Stable)	[ICRA]A+(Stable)	[ICRA]A+(Negative)	[ICRA]A+(Negative)	[ICRA]A+(Stable)	[ICRA]A+(Stable)	
5	Long term – term loan	Long term	4503.00	4,503.00	[ICRA]AA-(Stable)	[ICRA]A+(Positive)	[ICRA]A+(Positive)	[ICRA]A+(Stable)	[ICRA]A+(Stable)	[ICRA]A+(Stable)	[ICRA]A+(Negative)	[ICRA]A+(Negative)	[ICRA]A+(Stable)	[ICRA]A+(Stable)	
6	Long term – Unallocated	Long term	0.00	0.00	-	-	-	-	[ICRA]A+(Stable)	[ICRA]A+(Stable)	[ICRA]A+(Negative)	[ICRA]A+(Negative)	[ICRA]A+(Stable)	[ICRA]A+(Stable)	
7	Short-term bank facilities	Short term	425.00	425.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	-	-	-	-	-	-	-	
8	Subordinated debt	Long term	40.00	40.00	[ICRA]AA-(Stable)	[ICRA]A+(Positive)	[ICRA]A+(Positive)	[ICRA]A+(Stable)	[ICRA]A+(Stable)	[ICRA]A+(Stable)	[ICRA]A+(Negative)	[ICRA]A+(Negative)	[ICRA]A+(Stable)	[ICRA]A+(Stable)	
9	Commercial paper	Short term	300.00	300.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+ +	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	

Complexity level of the rated instrument

Instrument	Complexity Indicator
NCD	Simple
MLD	Moderately Complex
Long term – Fund-based limits	Simple
Long term – Term loan	Simple
Short-term bank facilities	Simple
Subordinated debt	Complex
Commercial paper	Very 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	Date of Issuance/ Sanction	Coupon Rate	Maturity Date	Amount Rated	Current Rating and
		(Rs. crore)			Outlook	
INE850M14AT8	Commercial paper	Feb 03, 2023	7.99%	May 05, 2023	20.00	[ICRA]A1+
INE850M14AS0	Commercial paper	Mar 01, 2023	8.10%	May 31, 2023	15.00	[ICRA]A1+
Not placed	Commercial paper	NA	NA	NA	265.00	[ICRA]A1+
INE850M07251	Non-convertible Debentures	Jun 26, 2020	11.25%	Jun 26, 2023	25.00	[ICRA]AA-(Stable)
INE850M07269	Non-convertible Debentures	Jul 13, 2020	10.40%	Jul 13, 2023	33.33	[ICRA]AA-(Stable)
INE850M07178	Non-convertible Debentures	Dec 20, 2018	9.60%	Dec 20, 2023	71.43	[ICRA]AA-(Stable)
INE850M08085	Non-convertible Debentures	Sep 25, 2019	11.60%	Sep 25, 2023	0.24	[ICRA]AA-(Stable)
INE850M07251	Non-convertible Debentures	Jun 26, 2020	11.25%	Jun 26, 2023	25.00	[ICRA]AA-(Stable)
Not placed	Non-convertible Debentures	NA	NA	NA	125.00	[ICRA]AA-(Stable)
INE850M07285	Market linked debentures	Jul 30, 2020	Linked to BSE Sensex	Apr 30, 2022	7.50	PP-MLD[ICRA]A A-(Stable); withdrawn
INE850M07426	Market linked debentures	Jul 27, 2022	Linked to IGB 5.85%	Jan 27, 2025	114.10	PP-MLD[ICRA]A A-(Stable)
Not placed	Market linked debentures	NA	NA	NA	35.90	PP-MLD[ICRA]A A-(Stable)
NA	Term loan 1	Jun-28-2022	NA	Jul-03-2023	22.22	[ICRA]AA-(Stable)
NA	Term loan 2	Sep-30-2021	NA	Oct-01-2024	11.67	[ICRA]AA-(Stable)
NA	Term loan 3	Mar-25-2022	NA	Mar-31-2024	81.25	[ICRA]AA-(Stable)
NA	Term loan 4	Mar-25-2022	NA	Mar-31-2024	27.08	[ICRA]AA-(Stable)
NA	Term loan 5	Dec-16-2022	NA	Dec-16-2027	45.00	[ICRA]AA-(Stable)
NA	Term loan 6	Dec-29-2022	NA	Dec-29-2027	100.00	[ICRA]AA-(Stable)
NA	Term loan 7	Jan-18-2023	NA	Dec-16-2027	180.00	[ICRA]AA-(Stable)
NA	Term loan 8	Sep-21-2020	NA	Sep-21-2023	7.78	[ICRA]AA-(Stable)
NA	Term loan 9	Jul-30-2021	NA	Jul-30-2024	23.61	[ICRA]AA-(Stable)
NA	Term loan 10	Sep-28-2022	NA	Dec-05-2023	59.38	[ICRA]AA-(Stable)
NA	Term loan 11	Sep-30-2021	NA	Oct-01-2025	78.57	[ICRA]AA-(Stable)
NA	Term loan 12	Mar-30-2022	NA	Mar-29-2025	37.50	[ICRA]AA-(Stable)
NA	Term loan 13	Mar-30-2022	NA	Mar-29-2026	40.63	[ICRA]AA-(Stable)

NA	Term loan 14	Sep-30-2022	NA	Sep-29-2025	68.75	[ICRA]AA-(Stable)
NA	Term loan 15	Dec-31-2022	NA	Dec-31-2025	50.00	[ICRA]AA-(Stable)
NA	Term loan 16	Jan-31-2023	NA	Jan-31-2026	25.00	[ICRA]AA-(Stable)
NA	Term loan 17	Dec-30-2021	NA	Dec-30-2024	61.11	[ICRA]AA-(Stable)
NA	Term loan 18	Nov-30-2022	NA	Nov-30-2025	91.67	[ICRA]AA-(Stable)
NA	Term loan 19	Dec-08-2022	NA	Dec-08-2025	91.67	[ICRA]AA-(Stable)
NA	Term loan 20	Dec-26-2019	NA	Mar-31-2023	6.25	[ICRA]AA-(Stable)
NA	Term loan 21	Dec-31-2021	NA	Dec-31-2025	41.65	[ICRA]AA-(Stable)
NA	Term loan 22	Jan-29-2022	NA	Jan-29-2026	29.33	[ICRA]AA-(Stable)
NA	Term loan 23	Feb-21-2022	NA	Jan-29-2026	14.67	[ICRA]AA-(Stable)
NA	Term loan 24	Nov-30-2021	NA	Nov-30-2024	31.82	[ICRA]AA-(Stable)
NA	Term loan 25	Dec-30-2022	NA	Nov-30-2024	50.00	[ICRA]AA-(Stable)
NA	Term loan 26	Sep-27-2022	NA	Feb-29-2024	12.00	[ICRA]AA-(Stable)
NA	Term loan 27	Dec-23-2021	NA	Dec-23-2024	24.50	[ICRA]AA-(Stable)
NA	Term loan 28	Aug-13-2021	NA	Aug-13-2024	28.33	[ICRA]AA-(Stable)
NA	Term loan 29	Mar-12-2022	NA	Mar-11-2025	60.00	[ICRA]AA-(Stable)
NA	Term loan 30	Jun-30-2022	NA	Jun-30-2025	98.00	[ICRA]AA-(Stable)
NA	Term loan 31	Jun-30-2022	NA	Jun-30-2025	37.33	[ICRA]AA-(Stable)
NA	Term loan 32	Feb-14-2023	NA	Feb-14-2025	75.00	[ICRA]AA-(Stable)
NA	Term loan 33	Feb-14-2023	NA	Mar-13-2026	50.00	[ICRA]AA-(Stable)
NA	Term loan 34	Mar-30-2021	NA	Mar-30-2024	15.73	[ICRA]AA-(Stable)
NA	Term loan 35	Aug-31-2021	NA	Aug-31-2024	50.00	[ICRA]AA-(Stable)
NA	Term loan 36	Sep-01-2021	NA	Aug-31-2024	25.00	[ICRA]AA-(Stable)
NA	Term loan 37	Sep-28-2021	NA	Sep-28-2024	29.17	[ICRA]AA-(Stable)
NA	Term loan 38	Mar-25-2022	NA	Mar-25-2025	133.33	[ICRA]AA-(Stable)
NA	Term loan 39	Mar-30-2020	NA	Mar-31-2024	5.21	[ICRA]AA-(Stable)
NA	Term loan 40	Mar-30-2020	NA	Mar-31-2024	5.11	[ICRA]AA-(Stable)
NA	Term loan 41	Dec-15-2021	NA	Dec-15-2025	36.67	[ICRA]AA-(Stable)
NA	Term loan 42	Dec-15-2021	NA	Dec-15-2025	36.67	[ICRA]AA-(Stable)
NA	Term loan 43	Mar-31-2022	NA	Mar-31-2026	43.33	[ICRA]AA-(Stable)

NA	Term loan 44	May-30-2022	NA	May-30-2026	130.00	[ICRA]AA-(Stable)
NA	Term loan 45	Mar-24-2022	NA	Mar-24-2026	21.43	[ICRA]AA-(Stable)
NA	Term loan 46	Sep-30-2021	NA	Sep-30-2024	36.94	[ICRA]AA-(Stable)
NA	Term loan 47	Sep-30-2022	NA	Oct-10-2025	43.21	[ICRA]AA-(Stable)
NA	Term loan 48	Oct-31-2022	NA	Oct-31-2025	44.59	[ICRA]AA-(Stable)
NA	Term loan 49	Mar-12-2021	NA	Dec-09-2023	11.81	[ICRA]AA-(Stable)
NA	Term loan 50	Mar-21-2022	NA	Dec-21-2024	17.50	[ICRA]AA-(Stable)
NA	Term loan 51	Dec-28-2022	NA	Dec-28-2024	50.00	[ICRA]AA-(Stable)
NA	Term loan 52	Sep-28-2021	NA	Sep-30-2024	13.19	[ICRA]AA-(Stable)
NA	Term loan 53	Sep-29-2022	NA	Sep-29-2025	64.58	[ICRA]AA-(Stable)
NA	Term loan 54	Sep-20-2021	NA	Oct-01-2023	20.00	[ICRA]AA-(Stable)
NA	Term loan 55	Mar-31-2021	NA	Mar-31-2024	14.44	[ICRA]AA-(Stable)
NA	Term loan 56	Dec-29-2021	NA	Dec-29-2023	41.67	[ICRA]AA-(Stable)
NA	Term loan 57	Sep-27-2022	NA	Sep-26-2024	40.42	[ICRA]AA-(Stable)
NA	Term loan 58	Mar-18-2020	NA	Jun-01-2023	1.67	[ICRA]AA-(Stable)
NA	Term loan 59	Jun-24-2021	NA	Jun-01-2024	10.42	[ICRA]AA-(Stable)
NA	Term loan 60	Jun-17-2022	NA	Jun-01-2025	22.50	[ICRA]AA-(Stable)
NA	Term loan 61	Mar-30-2022	NA	Mar-29-2025	15.63	[ICRA]AA-(Stable)
NA	Term loan 62	Mar-30-2022	NA	Mar-29-2025	15.63	[ICRA]AA-(Stable)
NA	Term loan 63	Sep-29-2021	NA	Sep-29-2024	57.58	[ICRA]AA-(Stable)
NA	Term loan 64	Mar-31-2022	NA	Feb-10-2025	111.86	[ICRA]AA-(Stable)
NA	Term loan 65	Mar-31-2022	NA	Mar-10-2025	40.24	[ICRA]AA-(Stable)
NA	Term loan 66	Jun-30-2022	NA	Jun-10-2025	86.67	[ICRA]AA-(Stable)
NA	Term loan 67	Sep-28-2021	NA	Dec-28-2023	50.00	[ICRA]AA-(Stable)
NA	Term loan 68	Oct-27-2022	NA	Apr-26-2024	46.67	[ICRA]AA-(Stable)
NA	Term loan 69	Oct-27-2022	NA	Jan-27-2025	44.44	[ICRA]AA-(Stable)
NA	Term loan 70	Jun-29-2021	NA	Jun-28-2024	4.55	[ICRA]AA-(Stable)
NA	Term loan 71	Dec-31-2021	NA	Dec-31-2024	20.00	[ICRA]AA-(Stable)
NA	Term loan 72	Feb-22-2021	NA	Dec-31-2023	36.37	[ICRA]AA-(Stable)
NA	Term loan 73	Feb-22-2021	NA	Dec-31-2023	36.37	[ICRA]AA-(Stable)

NA	Term loan 74	Jan-19-2022	NA	Jan-19-2025	105.00	[ICRA]AA-(Stable)
NA	Term loan 75	Feb-24-2022	NA	Jan-19-2025	36.40	[ICRA]AA-(Stable)
NA	Term loan 76	Feb-28-2022	NA	Jan-19-2025	33.60	[ICRA]AA-(Stable)
NA	Term loan 77	Dec-14-2022	NA	Dec-14-2025	25.00	[ICRA]AA-(Stable)
NA	Term loan 78	Dec-14-2022	NA	Dec-14-2025	25.00	[ICRA]AA-(Stable)
NA	Term loan 79	Dec-30-2022	NA	Dec-30-2025	75.00	[ICRA]AA-(Stable)
NA	Term loan 80	Dec-30-2022	NA	Dec-30-2025	75.00	[ICRA]AA-(Stable)
NA	Term loan 81	Feb-28-2023	NA	Dec-14-2025	100.00	[ICRA]AA-(Stable)
NA	Term loan 82	Feb-28-2023	NA	Dec-14-2025	50.00	[ICRA]AA-(Stable)
NA	Term loan 83	Jan-29-2021	NA	Apr-30-2024	14.52	[ICRA]AA-(Stable)
NA	Term loan 84	Mar-16-2020	NA	Apr-05-2023	4.03	[ICRA]AA-(Stable)
NA	Term loan 85	Mar-31-2022	NA	Mar-31-2025	15.00	[ICRA]AA-(Stable)
NA	Term loan 86	Mar-31-2022	NA	Mar-31-2025	15.00	[ICRA]AA-(Stable)
NA	Term loan 87	Jul-29-2021	NA	Jul-29-2023	3.13	[ICRA]AA-(Stable)
NA	Term loan 88	May-31-2022	NA	May-31-2024	18.75	[ICRA]AA-(Stable)
NA	Term loan 89	Mar-28-2022	NA	Mar-28-2025	40.91	[ICRA]AA-(Stable)
NA	Term loan 90	Mar-30-2022	NA	Mar-28-2025	40.91	[ICRA]AA-(Stable)
NA	Term loan 91	Jun-30-2021	NA	Jun-30-2024	11.00	[ICRA]AA-(Stable)
NA	Term loan 92	Mar-24-2022	NA	Mar-25-2025	20.49	[ICRA]AA-(Stable)
NA	Term loan 93	Mar-29-2022	NA	Mar-29-2024	27.08	[ICRA]AA-(Stable)
NA	Term loan 94	Mar-03-2023	NA	Mar-03-2027	25.00	[ICRA]AA-(Stable)
NA	Term loan 95	Mar-24-2023	NA	Dec-14-2025	50.00	[ICRA]AA-(Stable)
NA	Term loan 96	Mar-23-2023	NA	Mar-23-2026	120.00	[ICRA]AA-(Stable)
NA	Term loan 97	Mar-29-2023	NA	Mar-31-2025	50.00	[ICRA]AA-(Stable)
NA	Term loan 98	Jan-30-2023	NA	Mar-31-2027	150.00	[ICRA]AA-(Stable)
NA	Term loan 99	Mar-29-2023	NA	Mar-29-2026	75.00	[ICRA]AA-(Stable)
NA	Term loan 100	Jan-11-2023	NA	Mar-31-2025	90.00	[ICRA]AA-(Stable)
NA	Term loan - Proposed	NA	NA	NA	14.81	[ICRA]AA-(Stable)
NA	Cash credit	Mar-25-2022	NA	NA	10.00	[ICRA]AA-(Stable)
NA	Cash credit	Dec-23-2021	NA	NA	1.00	[ICRA]AA-(Stable)

NA	Cash credit	Jun-27-2022	NA	NA	15.00	[ICRA]AA-(Stable)
NA	Cash credit	Mar-25-2022	NA	NA	20.00	[ICRA]AA-(Stable)
NA	Cash credit	Sep-20-2020	NA	NA	10.00	[ICRA]AA-(Stable)
NA	Cash credit	Mar-31-2022	NA	NA	10.00	[ICRA]AA-(Stable)
NA	Cash credit	Dec-31-2021	NA	NA	1.00	[ICRA]AA-(Stable)
NA	Cash credit	Dec-22-2021	NA	NA	5.00	[ICRA]AA-(Stable)
NA	WCDL	Mar-25-2022	NA	NA	15.00	[ICRA]A1+
NA	WCDL	Dec-29-2022	NA	NA	25.00	[ICRA]A1+
NA	WCDL	Dec-31-2022	NA	NA	25.00	[ICRA]A1+
NA	WCDL	May-13-2022	NA	NA	25.00	[ICRA]A1+
NA	WCDL	Feb-03-2023	NA	NA	50.00	[ICRA]A1+
NA	WCDL	Sep-05-2022	NA	NA	50.00	[ICRA]A1+
NA	WCDL	Dec-31-2022	NA	NA	30.00	[ICRA]A1+
NA	WCDL	Sep-26-2022	NA	NA	25.00	[ICRA]A1+
NA	WCDL	Sep-21-2022	NA	NA	80.00	[ICRA]A1+
NA	WCDL	Dec-31-2022	NA	NA	50.00	[ICRA]A1+
NA	WCDL	May-31-2022	NA	NA	50.00	[ICRA]A1+
Not applicable	Subordinated debt	Dec 28, 2017	NA	Jun 27, 2023	25.00	[ICRA]AA-(Stable)
Not applicable	Subordinated debt	Dec 29, 2017	NA	Jun 28, 2023	15.00	[ICRA]AA-(Stable)

Source: Company

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

Annexure II: List of entities considered for consolidated analysis

Name of the Entity	Ownership	Consolidation Approach
Northern Arc Investment Managers Private Limited	100.00%	Full Consolidation
Northern Arc Investment Adviser Services Private Limited	100.00%	Full Consolidation
Pragati Finserv Private Limited	90.10%	Full Consolidation
IFMR FImpact Long Term Credit Fund [#]		Full Consolidation
Northern Arc Money Market Alpha Trust Fund [#]		Full Consolidation (until Aug 8, 2019)
IFMR FImpact Medium Term Opportunities Fund [#]		Full Consolidation (until Dec 6, 2018)

[#]Based on an evaluation of the existence of control on these AIFs, in accordance with IndAS 110 (Consolidated Financial Statements), these funds have been included as a part of the consolidated financial statements of NACL

ANALYST CONTACTS

Karthik Srinivasan

+91-22-6114 3444

karthiks@icraindia.com

A M Karthik

+91-44-4596 4308

a.karthik@icraindia.com

R Srinivasan

+91-44-4596 4315

r.srinivasan@icraindia.com

Richardson Xavier J

+91-44-4596 4310

richardson.xavier@icraindia.com

RELATIONSHIP CONTACT

Mr. Jayanta Chatterjee

+91 80 4332 6401

jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



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