

March 31, 2025

Northern Arc Capital Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Non-convertible debentures	872.90	872.90	[ICRA]AA- (Stable); reaffirmed
Market linked debentures	150.00	0.00	PP-MLD[ICRA]AA- (Stable); reaffirmed and withdrawn
Long-term/Short-term bank facilities	6,788.15	7,139.15	[ICRA]AA- (Stable)/[ICRA]A1+; reaffirmed/assigned for enhanced amount
Long term – Non-fund based credit exposure limits	94.85	94.85	[ICRA]AA- (Stable); reaffirmed
Commercial paper	35.00	35.00	[ICRA]A1+; reaffirmed
	265.00	0.00	[ICRA]A1+; reaffirmed and withdrawn
Total	8,205.90	8,141.90	

*Instrument details are provided in Annexure I

Rationale

The ratings factor in Northern Arc Capital Limited's (NACL) track record of operations and its adequate earnings profile. Historically, NACL's exposures have been largely towards non-banking financial companies (NBFCs; for onward lending to retail customers) with moderate risk profiles. Over the last few years, the company has been gradually reducing its share of assets under management (AUM)¹ to these exposures by expanding into the retail segment, mostly via partnership arrangements with smaller NBFCs/digital platforms. Further, it has started diversifying by lending directly in the retail segments through its own branch network and via a business correspondent (BC) arrangement with its subsidiary (Pragati Finserv Private Limited; Pragati). NACL's AUM grew by 5% in 9M FY2025 and stood at Rs. 12,250 crore as of December 2024. Within this, retail segment exposures (including direct retail and via partnerships) continued to increase and stood at 48% compared to 45% as of March 2024. The company also lends to non-financial sector corporates, which accounted for 4% of the AUM as of December 2024 (6% as of March 2024).

ICRA takes note of the concentration of NACL's exposures, with the top 20 exposures accounting for 19% of the AUM (70% of net worth) as of December 2024 compared to 30% as of March 2022. ICRA notes that the company has been able to maintain its profitability at healthy levels in recent years, supported by higher margins. Profit after tax (PAT)/average managed assets (AMA)² stood at 2.8% in 9M FY2025 as well as FY2024 (2.7% in FY2023). One of NACL's exposures in the NBFC segment became delinquent in Q3 FY2025. While the company has taken steps to proactively resolve this account, the ultimate impact with respect to credit losses remains to be seen. In the near term, incremental credit costs, if any, from the aforesaid delinquency could impact the profitability to that extent.

The company received equity funding of ~Rs. 382³ crore in April 2024 and Rs. 500 crore through an initial public offering (IPO) in September 2024. Accordingly, NACL's capital profile improved with the consolidated managed gearing at 2.7 times and the capital-to-risk weighted assets ratio (CRAR) at 26.1% as of December 2024 (4.3 times and 18.3%, respectively, as of March 2024).

¹ Includes pooled bond issuance and guarantees

² Managed assets = Total assets + Off-book exposures + Impairment allowance

³ From International Financial Corporation (IFC) and others

The Stable outlook reflects the company's adequate capital profile and ICRA's expectation of range-bound asset quality and profitability.

ICRA has also reaffirmed and withdrawn the ratings for the Rs. 150.00-crore market linked debentures and Rs. 265.00-crore commercial paper 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 1,000 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 debt placements and securitisation transactions facilitated by the company. It also has partnerships with more than 300 originators.

The consolidated AUM grew by 5% in 9M FY2025 and stood at Rs. 12,250 crore as of December 2024 (compound annual growth rate (CAGR) of around 31% during FY2021-FY2024). As of December 2024, the AUM comprised advances to NBFCs and corporates (36.3%), investment in debt instruments and subordinated tranches of retail loan pools and DA (15.7%; directly and via AIFs), advances to retail via partners (27.0%), direct retail loans (15.5%), managed direct assignment (DA) book (5.4%) and guarantees (0.1%). On an asset class basis, NACL's exposure to the microfinance segment, including its own direct retail book, reduced to 19% as of December 2024 from 23% as of March 2024 (28% in March 2023). Other key asset classes, namely small business loans (including secured business loan book), vehicle finance and consumer finance (including direct exposures on loans originated by partners), stood at 39%, 8% and 29%, respectively, as of December 2024.

NACL, via its subsidiary (Northern Arc Investment Managers Private Limited; NAIM), manages seven AIFs/funds with a total fund AUM of about Rs. 2,796 crore as of December 2024. Its exposure to these funds was minimal (2.2% of the fund AUM) as of December 2024, following the regulatory directive on investments in AIFs by regulated entities (REs).

Nimbus, the proprietary technology system, provides a common system to NACL's originator and investor partners to access fundraising and investment opportunities and execute the entire debt 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 financial institutions (FIs). Altifi, a bond trading platform, allows individual and small corporate investors to invest directly in fixed income instruments. 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's retail exposures, directly through branches as well as via partnerships, increased and stood at 48% as of December 2024 vis-à-vis 45% of the AUM as of March 2024 (17% in March 2022). The company 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), which currently limit the credit risk to an extent. The share of these loans stood at 27% of the AUM as of December 2024 vis-à-vis 25% as of March 2024 (15% in March 2022).

NACL took over SMILE's loan portfolio following its acquisition of SMILE's microfinance business in April 2022 and it commenced direct retail lending in the microfinance asset segment through Pragati's own branch network. As of December 2024, direct lending in the microfinance asset segment stood at 5.5% of the AUM, down from 6.4% as of March 2024 (7.2% as of March 2023). NACL also started providing secured business loans in Q4 FY2022, which stood at 9.4% of the AUM as of December 2024 vis-à-vis 5.2% of the AUM as of March 2024, spread across seven states. While the diversification in the retail

segment is high in the unsecured asset segments at present, the existence of FLDGs and NACL's internal sectoral exposure cap of ~30% of the AUM provide support to its risk profile.

Healthy profitability indicators – NACL's consolidated revenue includes income from the lending portfolio, fee income from placement services, and investment and management income from the AIFs. Income growth accrued predominantly from balance sheet expansion with the AUM increasing at a CAGR of about 31% during FY2021-FY2024. The yield on loans (adjusted for fees and commission) rose to 16.6% in 9M FY2025 from 15.4% in FY2024 (13.5% in FY2023), partly supported by the increase in the proportion of the high-yielding retail segment in the AUM, leading to improved margins during FY2023-9M FY2025. Correspondingly, the operating expense ratio (as a proportion of AMA) increased to 3.5% in 9M FY2025 and 3.7% in FY2024 from 3.0% in FY2023 (2.4% in FY2022). NACL's expected credit loss (ECL) provision increased to 2.0% of the on-book AUM as of December 2024 from 1.3% as of March 2024, resulting in comparatively higher credit costs of 2.2% in 9M FY2025 vis-à-vis 1.1% in FY2024. The net profitability remained stable at 2.8% of the AMA (2.8% in FY2024 and 2.7% in FY2023). ICRA takes note of the expected increase in the share of retail loans, including the direct retail lending business, which shall support profitability, though keeping credit costs under control would be key.

Adequate capitalisation profile – NACL's managed gearing (consolidated) declined to 2.7 times as of December 2024 from 4.3 times as of March 2024 (3.8 times as of March 2023 and 3.6 times as of March 2022). The capital adequacy ratio stood at 26.1% (Tier I of 25.7%) as of December 2024 compared to 18.3% (Tier I of 18.1%) in March 2024. The improvement was on account of the equity infusion of ~Rs. 382 crore in April 2024 from a new investor and Rs. 500 crore through the IPO in September 2024. 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, 360 One Special Opportunities Fund, Affirma Capital, SMBC, Eight Roads, etc.

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, given its sizeable exposure to small and mid-sized NBFCs and corporates. Its exposures are concentrated, with the top 20 entities accounting for about 19% of the AUM (70% of net worth) in December 2024 (28% in December 2022). NACL's unrated exposures stood at 22% (excluding co-lending, retail book, AIF, guarantees and DA) of the AUM as of December 2024. The company commenced direct lending in the secured business loan segment in Q4 FY2022, which had grown to 9% of the AUM as of December 2024 from 5% as of March 2024.

One of NACL's exposures in the FI segment became delinquent in Q3 FY2025. The company has taken steps to proactively resolve this account. However, the ultimate impact with respect to the credit losses to be borne by the company remains to be seen. The overall 90+ days past due (dpd) stood at 0.7% of the AUM (excluding guarantees and DA) as of December 2024 vis-à-vis 0.3% in March 2024. The retail book originated via partnerships (27% of the AUM as of December 2024) has FLDG coverage, which is invoked once the assets become 90+ dpd. Thus, credit losses are likely to be minimal; the 90+ dpd in this book stood at 0.4% as of December 2024. It is noted that NACL has a relatively lower track record in the retail segment, which remains a monitorable, given the average risk profile of these borrower segments.

Environmental and social risks

Given the service-oriented business of the NACL, its direct exposure to environmental risks/material physical climate risks is not significant. While lending institutions can be exposed to environmental risks indirectly through their portfolio of assets, such risks are not material for the NACL as its lending operations encompass a well-diversified portfolio of products. Nevertheless, there is increasing interest from policymakers towards identifying the exposure of financing companies to carbon emissions through their financing activities. This process is, however, in an early stage and ICRA expects any adverse implications to manifest only over a longer time horizon, giving financing companies adequate time to adapt and minimise the credit implications.

With regard to social risks, data security and customer privacy are among the key sources of vulnerability for lending institutions as material lapses could be detrimental to their reputation and invite regulatory censure. Given the nature of its business, NACL’s exposure to this social risks are limited.

Liquidity position: Adequate

As on December 31, 2024, NACL had positive mismatches across all the buckets of the structural liquidity statement. The average tenor of the loan/investment portfolio is 18-24 months. On the other hand, it has secured a sizeable portion of its borrowings from longer-tenor loans (average tenor of ~3 years) while only 7% of the total borrowings was from short-term sources including commercial paper, cash credit and working capital demand loans as of December 2024. As of March 2024, term loans, working capital facilities from banks and FIs, non-convertible debentures (NCDs; including sub-debt), external commercial borrowings, commercial paper and pass-through certificates (PTCs) accounted for 65%, 4%, 16%, 10%, 3% and 2%, respectively, of the total borrowings.

NACL had cash and liquid investments of Rs. 390.9 crore and undrawn lines of Rs. 1,281.4 crore as of February 2025 against debt repayment obligation of Rs. 1,725.6 crore (including interest payments and excluding rollover of short-term debt) during March-May 2025. The monthly collection efficiency remained robust throughout 9M FY2025.

Rating sensitivities

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

Negative factors – A sustained deterioration in the asset quality (90+ dpd/AUM beyond 3.0%), impacting the earnings performance, could lead to a negative impact on the ratings. An increase in the managed gearing beyond 4.0 times 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 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 underserved 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 efficiency and data analytics.

NACL’s equity shares were listed on NSE and BSE in September 2024. As of December 2024, on a fully-diluted basis, 360 One Special Opportunities Fund was the largest shareholder with a stake of 17.9% in the company, followed by Leapfrog Financial

Inclusion India II Limited (16.2%), Augusta Investments II Pte Ltd (16.0%), Eight Roads Investments (Mauritius) (II) Limited (7.4%), Dvara Trust (5.1%), Accion (4.0%), SMBC (3.8%) and others (23.5%).

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 seven AIFs, at present, while it has already provided full exit from six other AIFs. It also 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 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 with NACL holding a 100% stake. 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% stake). In April 2022, NACL had acquired the microfinance business of SMILE. Pragati is operating as a BC for NACL's direct MFI lending.

Northern Arc Securities Private Limited

It was established to run the bond platform – Altifi, an alternative retail debt investment platform, which facilitates fixed income investments for individuals and small corporates. The company has applied for stockbroker registration in the debt segment with the NSE and BSE.

Key financial indicators (Ind-AS) – Consolidated

NACL	FY2023	FY2024	9M FY2025
Total income	1,311	1,906	1,749
Profit after tax	242	318	264
Total managed assets	9,841	12,549	13,075
Return on managed assets	2.7%	2.8%	2.8%
Managed gearing (times)	3.8	4.3	2.7
Gross stage 3[#]	0.8%	0.5%	1.0%
CRAR[#]	20.8%	18.3%	26.1%

Source: Company, ICRA Research; [#] Standalone; Amount in Rs. crore, All ratios as per ICRA's calculations

Status of non-cooperation with previous CRA: Not applicable

Any other information: A Member of the Board of Directors of ICRA Limited is also an Independent Director on the Board of Directors of Northern Arc Capital Limited (NACL). This Director was not involved in any of the discussions and processes related to the rating of the instruments mentioned herein.

Rating history for past three years

Instrument	Current (FY2025)			Chronology of rating history for the past 3 years							
	Type	Amount rated (Rs. crore)	Mar-31-2025	FY2025		FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Long term – Non-fund based	Long term	94.85	[ICRA]AA-(Stable)	Jun-06-2024	[ICRA]AA-(Stable)	Jul-23-2023	[ICRA]AA-(Stable)	-	-	-	-
				Jul-19-2024	[ICRA]AA-(Stable)	Aug-07-2023	[ICRA]AA-(Stable)	-	-	-	-
				-	-	Sep-27-2023	[ICRA]AA-(Stable)	-	-	-	-
				-	-	Jan-08-2024	[ICRA]AA-(Stable)	-	-	-	-
				-	-	Mar-27-2024	[ICRA]AA-(Stable)	-	-	-	-
Long term/ Short term – Bank facilities	Long term/ Short term	7,139.15	[ICRA]AA-(Stable)/ [ICRA]A1+	Jun-06-2024	[ICRA]AA-(Stable)/ [ICRA]A1+	Jun-23-2023	[ICRA]AA-(Stable)/ [ICRA]A1+	Jun-17-2022	[ICRA]AA-(Stable)	Sep-15-2021	[ICRA]A+(Stable)
				Jul-19-2024	[ICRA]AA-(Stable)/ [ICRA]A1+	Jul-25-2023	[ICRA]AA-(Stable)/ [ICRA]A1+	Jul-21-2022	[ICRA]A+(Positive)/ [ICRA]A1+	Mar-02-2022	[ICRA]A+(Stable)
						Aug-07-2023	[ICRA]AA-(Stable)/ [ICRA]A1+	Aug-29-2022	[ICRA]A+(Positive)/ [ICRA]A1+	Mar-18-2022	[ICRA]A+(Stable)
						Sep-27-2023	[ICRA]AA-(Stable)/ [ICRA]A1+	Mar-30-2023	[ICRA]AA-(Stable)/ [ICRA]A1+		
						Jan-08-2024	[ICRA]AA-(Stable)/ [ICRA]A1+				
						Mar-27-2024	[ICRA]AA-(Stable)/ [ICRA]A1+				
Commercial paper	Short term	35.00	[ICRA]A1+	Jun-06-2024	[ICRA]A1+	Jun-23-2023	[ICRA]A1+	Jun-17-2022	[ICRA]A1+	Sep-15-2021	[ICRA]A1+
				Jul-19-2024	[ICRA]A1+	Jul-25-2023	[ICRA]A1+	Jul-21-2022	[ICRA]A1+	Mar-02-2022	[ICRA]A1+
				-	-	Aug-07-2023	[ICRA]A1+	Aug-29-2022	[ICRA]A1+	Mar-18-2022	[ICRA]A1+
				-	-	Sep-27-2023	[ICRA]A1+	Mar-30-2023	[ICRA]A1+	-	-
				-	-	Jan-08-2024	[ICRA]A1+	-	-	-	-
				-	-	Mar-27-2024	[ICRA]A1+	-	-	-	-
MLD	Long term	150.00	PP-MLD[ICRA]AA-(Stable); withdrawn	Jun-06-2024	PP-MLD[ICRA]A-(Stable)	Jun-23-2023	PP-MLD[ICRA]A-(Stable)	Jun-17-2022	PP-MLD[ICRA]A+(Stable)	Sep-15-2021	PP-MLD[ICRA]A+(Stable)
				Jul-19-2024	PP-MLD[ICRA]A-(Stable)	Jul-25-2023	PP-MLD[ICRA]A-(Stable)	Jul-21-2022	PP-MLD[ICRA]A+(Positive)	Mar-02-2022	PP-MLD[ICRA]A+(Stable)

			Current (FY2025)			Chronology of rating history for the past 3 years					
			FY2025			FY2024		FY2023		FY2022	
Instrument	Type	Amount rated (Rs. crore)	Mar-31-2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
				-	-	Aug-07-2023	PP-MLD[ICRA]A A- (Stable)	Aug-29-2022	PP-MLD[ICRA]A+ (Positive)	Mar-18-2022	PP-MLD[ICRA]A+ (Stable)
				-	-	Sep-27-2023	PP-MLD[ICRA]A A- (Stable)	Mar-30-2023	PP-MLD[ICRA]AA- (Stable)	-	-
				-	-	Jan-08-2024	PP-MLD[ICRA]A A- (Stable)	-	-	-	-
				-	-	Mar-27-2024	PP-MLD[ICRA]A A- (Stable)	-	-	-	-
NCD	Long term	872.90	[ICRA]AA-(Stable)	Jun-06-2024	[ICRA]AA-(Stable)	Jun-23-2023	[ICRA]AA-(Stable)	Jun-17-2022	[ICRA]A+(Stable)	Sep-15-2021	[ICRA]A+(Stable)
				Jul-19-2024	[ICRA]AA-(Stable)	Jul-25-2023	[ICRA]AA-(Stable)	Jul-21-2022	[ICRA]A+(Positive)	Mar-02-2022	[ICRA]A+(Stable)
				-	-	Aug-07-2023	[ICRA]AA-(Stable)	Aug-29-2022	[ICRA]A+(Positive)	Mar-18-2022	[ICRA]A+(Stable)
				-	-	Sep-27-2023	[ICRA]AA-(Stable)	Mar-30-2023	[ICRA]AA-(Stable)		
				-	-	Jan-08-2024	[ICRA]AA-(Stable)			-	-
				-	-	Mar-27-2024	[ICRA]AA-(Stable)			-	-
Subordinated debt	Long term	-	-	-	-	Jun-23-2023	[ICRA]AA-(Stable)	Jun-17-2022	[ICRA]A+(Stable)	Sep-15-2021	[ICRA]A+(Stable)
				-	-	Jul-25-2023	[ICRA]AA-(Stable)	Jul-21-2022	[ICRA]A+(Positive)	Mar-02-2022	[ICRA]A+(Stable)
				-	-	Aug-07-2023	[ICRA]AA-(Stable)	Aug-29-2022	[ICRA]A+(Positive)	Mar-18-2022	[ICRA]A+(Stable)
				-	-	Sep-27-2023	[ICRA]AA-(Stable)	Mar-30-2023	[ICRA]AA-(Stable)		
				-	-	Jan-08-2024	[ICRA]AA-(Stable)			-	-
				-	-	Mar-27-2024	[ICRA]AA-(Stable)			-	-
Long term – Unallocated	Long term	-	-	-	-	-	-	-	-	Sep-15-2021	[ICRA]A+(Stable)
				-	-	-	-	-	-	Mar-02-2022	[ICRA]A+(Stable)
				-	-	-	-	-	-	Mar-18-2022	[ICRA]A+(Stable)

Complexity level of the rated instrument

Instrument	Complexity indicator
NCD	Simple
MLD	Moderately Complex
Long-term/Short-term bank facilities	Simple
Long term – Non-fund based limits	Very Simple
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 (Rs. crore)	Current rating and outlook
Not placed	Commercial paper	NA	NA	NA	35.00	[ICRA]A1+
Not placed	Commercial paper	NA	NA	NA	265.00	[ICRA]A1+; withdrawn
INE850M07475	Non-convertible debentures	Jun-14- 2024	9.18%	Jun-14-2029	620.00	[ICRA]AA- (Stable)
INE850M07483	Non-convertible debentures	Aug-13-2024	9.17%	Nov-13-2025	50.00	[ICRA]AA- (Stable)
INE850M07467	Non-convertible debentures	Mar-28-2024	9.65%	Mar-27-2027	175.00	[ICRA]AA- (Stable)
Not placed	Non-convertible debentures	NA	NA	NA	27.90	[ICRA]AA- (Stable)
INE850M07426	Market linked debentures	Jul-27- 2022	Linked to IGB 5.85%	Jan 27-2025	114.10	PP-MLD[ICRA]AA- (Stable); withdrawn
Not placed	Market linked debentures	NA	NA	NA	35.90	PP-MLD[ICRA]AA- (Stable); withdrawn
NA	Long-term/Short-term bank facilities	Sep-30-2021 to Mar-28-2025	NA	Mar-11-2025 to Feb-28-2030	6922.54	[ICRA]AA- (Stable)/[ICRA]A1+
NA	Long-term/Short-term bank facilities – Proposed	NA	NA	NA	216.61	[ICRA]AA- (Stable)/[ICRA]A1+
NA	Long-term non-fund based – Credit exposure limits	NA	NA	NA	94.85	[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
Northern Arc Securities Private Limited	100.00%	Full consolidation
Northern Arc Foundation	100.00%	Full consolidation
Northern Arc Employee Welfare Trust	Not applicable*	Full consolidation
Finreach Solutions Private Limited		Equity method
IFMR Fimpact Long Term Credit Fund#		Full consolidation
Northern Arc Emerging Corporates Bond Fund#		Equity method

#Based on an evaluation of the existence of control on these AIFs, in accordance with Ind-AS 110 (Consolidated Financial Statements), these funds have been included as a part of the consolidated financial statements of NACL; ceased to be subsidiaries as of March 2024

* NACL consolidated this entity based on de facto control with effect from April 1, 2021

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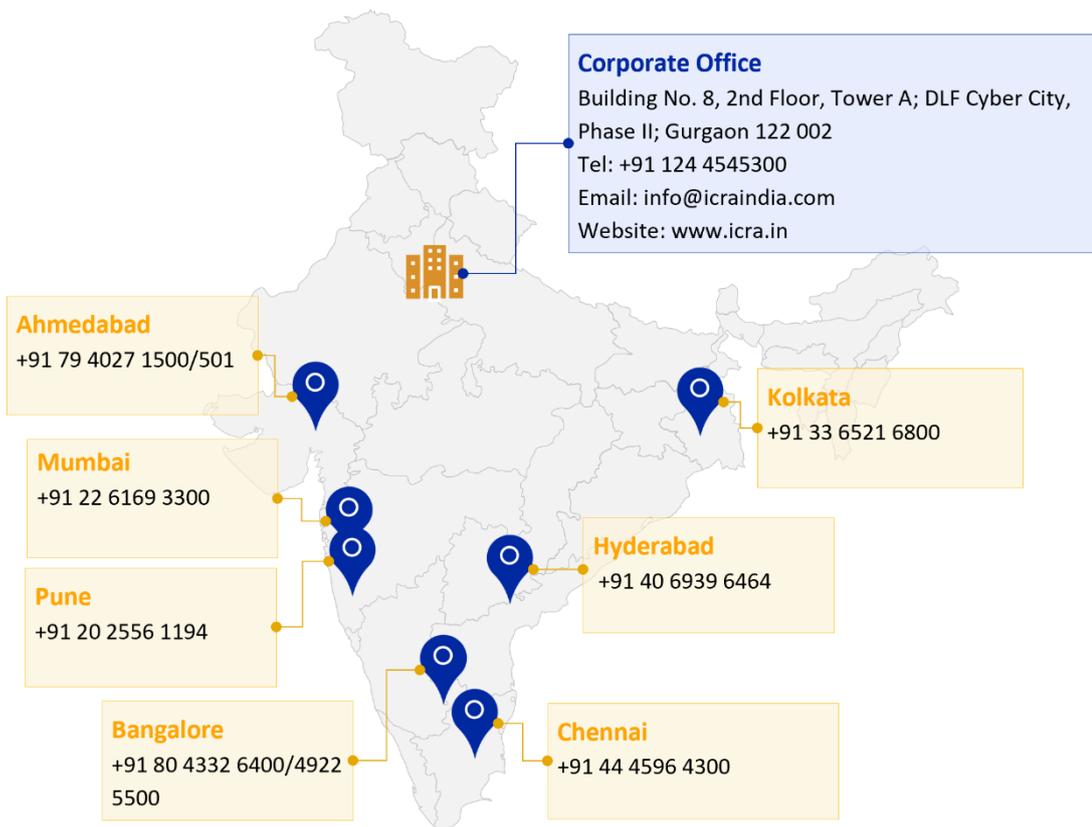
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