

December 19, 2025

Nomura Capital (India) Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Commercial paper	500.00	500.00	[ICRA]A1+; reaffirmed
Total	500.00	500.00	

*Instrument details are provided in Annexure I

Rationale

The rating factors in Nomura Capital (India) Private Limited's (NCIPL) strong parentage with Nomura Holdings, Inc. (NHI; rated Baa1¹ by Moody's) holding the entire stake in the company through its subsidiary – Nomura Asia Investments (Fixed Income) Pte Ltd (NAIPL). NHI's key operating subsidiary, i.e. Nomura Securities Co., Ltd. is rated A3² by Moody's. The rating also considers NCIPL's strategic importance to the Nomura Group, its close integration with the Group's global market operations, and management control. Given the ownership structure and the shared brand name, ICRA expects the company to receive timely support from the Group when required. The rating also takes into account NCIPL's comfortable capitalisation with a net worth of Rs. 983 crore and reported gearing of 0.9 times as on September 30, 2025. Considering the growth plans, ICRA expects the company's leverage to remain comfortable in the medium term. NCIPL uses commercial paper for bridge funding to fund lending opportunities and subsequently replaces these short-term borrowings with long-tenor borrowings. This, coupled with sizeable liquid investments, supports the adequate liquidity position.

The company's scale of operations remains modest with the overall loan and investment book at Rs. 1,743 crore (credit and credit substitutes of Rs. 693 crore) as on September 30, 2025. During the last 12 months, the credit book declined to Rs. 693 crore as on September 30, 2025 from Rs. 1,381 crore as on September 30, 2024, given the high prepayments witnessed by NCIPL amid elevated competition in the high-yield credit space. Accordingly, the scale is expected to remain volatile. Further, given the wholesale nature of the portfolio with concentrated and riskier structured investments, the portfolio is vulnerable to asset quality shocks. However, the stated leverage policy provides enough cushion to absorb such credit losses.

Key rating drivers and their description

Credit strengths

Strong parentage by virtue of being a part of Nomura Group – NCIPL benefits from being a part of the Nomura Group. It has strong linkages with the Group on the operational as well as management front. NHI, the ultimate parent, is a diversified financial services company that provides investment and financial services to individuals, corporations, institutions and government agencies in Japan, the US, Europe and Asia. Nomura Securities is the key operating subsidiary of NHI. The company's risk management and underwriting systems are aligned with the global operations. Considering the shareholding, shared brand name and oversight of the Group, ICRA expects support from the parent to be forthcoming as and when required.

¹ Long-term issuer rating with stable outlook

² Long-term issuer rating with stable outlook

Leverage expected to remain comfortable – NCIPL’s capitalisation is comfortable with a net worth of Rs. 983 crore and reported gearing of 0.9 times as on September 30, 2025. While the gearing is expected to increase further, considering the growth plans, ICRA expects it to remain comfortable in the medium term.

NCIPL reported healthy profitability with a 3-year (FY2023-FY2025) average return on managed assets (RoMA) of 4.3% and net profit of Rs. 75.9 crore in FY2025. Revenues comprise the interest earned on the loan and investment portfolio as well as the fair value changes on the investment book.

Credit challenges

Modest scale of operations with concentrated and riskier structured investments – NCIPL’s asset mix comprises investments in corporate bonds. The overall scale remains modest at present with a total loan and investment book of Rs. 1,743 crore as on September 30, 2025. This includes structured lending to corporates (Rs. 693 crore) and investments in high rated bonds (Rs. 1,050 crore, including mutual funds), which are held for trading and kept as a liquidity backup. Given the sizeable prepayments and the limited fresh exposure, structured lending to corporates declined by 50% YoY to Rs. 693 crore as on September 30, 2025. NCIPL’s ability to scale up its operations while managing credit costs is to be seen.

With the company looking to increase its structured lending investments, the borrowing levels will rise. However, the scale is expected to be volatile, with the episodic nature of opportunities and high competition leading to prepayments. As the contracted tenor of these investments is typically up to three years, NCIPL uses non-convertible debentures (NCDs) to fund these assets. Commercial paper could be used at the time of origination and subsequently replaced with long-term borrowings. Given the wholesale nature of the portfolio, credit concentration is likely to remain high. The top 5 investments accounted for 65% of the net worth as on September 30, 2025, which is unlikely to decline in the medium term. Further, the portfolio is vulnerable to asset quality shocks as incremental exposures are to the relatively riskier structured lending segment.

Liquidity position: Adequate

NCIPL did not have any cumulative mismatches in the structural liquidity statement (SLS) as on September 30, 2025, given the low gearing. It had free cash and investments in corporate bonds of Rs. 82 crore and Rs. 1,050 crore (including mutual funds), respectively, as on September 30, 2025. The nearest NCD repayment of Rs. 100 crore is due in April 2026.

Rating sensitivities

Positive factors – Not applicable

Negative factors – Deterioration in NHI’s credit profile or a decline in the strategic importance of NCIPL to NHI or in the expectation of support from NHI would be a negative factor.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Rating Methodology for Non-banking Finance Companies (NBFCs)
Parent/Group support	Parent – Nomura Holdings, Inc. The rating factors in the high likelihood of support from NHI and the Nomura Group, driven by reputational and strategic considerations.
Consolidation/Standalone	Standalone

About the company

Nomura Capital (India) Private Limited (NCIPL), incorporated on August 04, 2009, is a subsidiary of Nomura Asia Investment (Fixed Income) Pte Ltd. Nomura Holdings Inc. is the ultimate parent. NCIPL received its registration as a non-banking financial company from the Reserve Bank of India on April 28, 2010. It is primarily engaged in financing activities such as collateralised lending to various corporates, structured finance, and investment in highly rated corporate debt.

Key financial indicators

Nomura Capital (India) Private Limited	FY2024	FY2025	H1 FY2026
	Audited	Audited	Unaudited
Accounting as per	Ind-AS	Ind-AS	Ind-AS
Total income	134	201	112
Profit after tax	61	76	42
Total managed assets	1,509	1,943	1,870
Return on managed assets [^]	5.2%	4.4%	4.4%
Managed gearing (times)	0.7	1.0	0.9
Gross stage 3	0.0%	0.0%	0.0%
Capital adequacy ratio	61.2%	51.2%	58.2%

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: NCIPL faces prepayment risk, given the possibility of debt acceleration upon the breach of covenants, including financial, operating and rating-linked covenants. Upon failure to meet the covenants, if the company is unable to get waivers from the lenders/investors or they do not provide it with adequate time to arrange for alternative funding to pay off the accelerated loans, the rating would face pressure.

Rating history for past three years

Current (FY2026)				Chronology of rating history for the past 3 years					
Instrument	Type	Amount rated (Rs. crore)	Dec 19, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Commercial paper	Short term	500.00	[ICRA]A1+	Dec 20, 2024	[ICRA]A1+	Dec 27, 2023	[ICRA]A1+	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
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/ Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
Unutilised[^]	Commercial paper	-	-	-	500.00	[ICRA]A1+; reaffirmed

[^]As on December 10, 2025

Annexure II: List of entities considered for consolidated analysis

Not applicable

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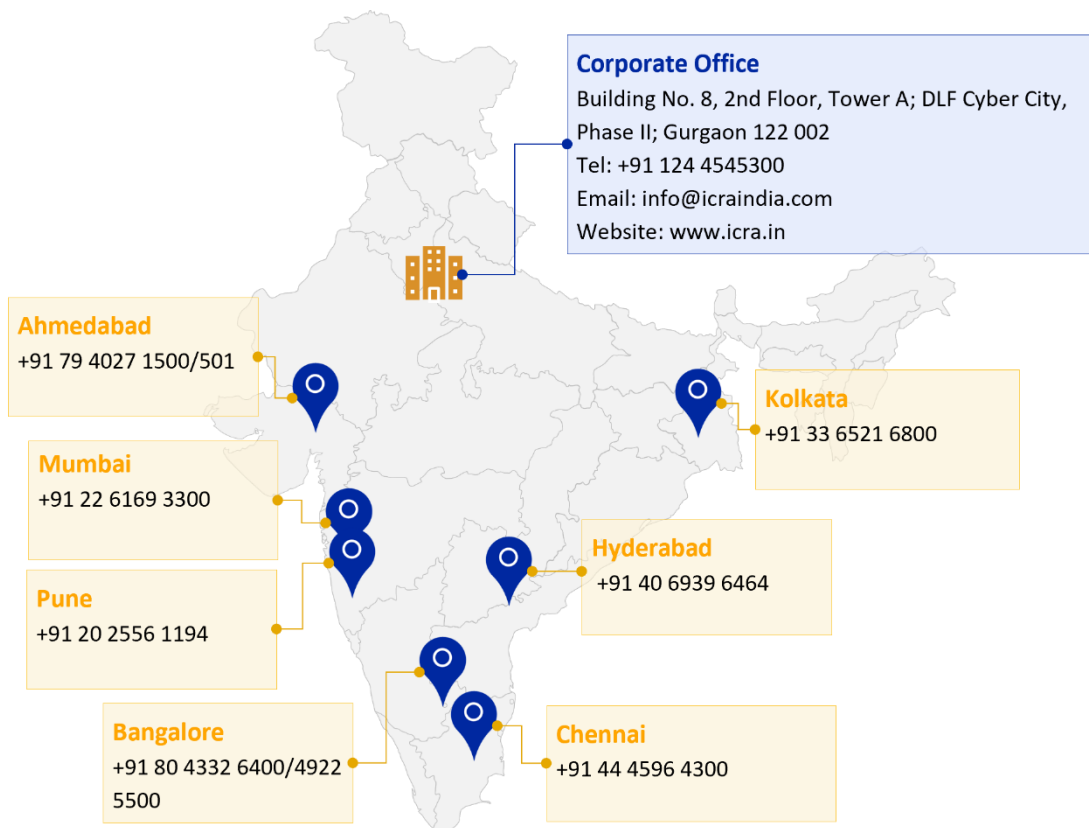
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