June 24, 2026

Nissan Renault Financial Services India Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
NCD	100.00	100.00	[ICRA]A (Negative); reaffirmed
Commercial paper	100.00	100.00	[ICRA]A1; reaffirmed
Long-term fund-based term loan	200.00	200.00	[ICRA]A (Negative); reaffirmed
Total	**400.00**	**400.00**	

**Instrument details are provided in Annexure II*

Rationale

The ratings reaffirmation takes into consideration Nissan Renault Financial Services India Private Limited's (NRFSI) status as a captive financier for Nissan and Renault vehicles, along with its comfortable asset quality and capitalisation. Its headline delinquencies remain range-bound, with the 90+ days past due (dpd) at 2.4% as of March 2026 vis-à-vis 2.3% as of March 2025. Further, given the decline in its scale of operations over the last three years, NRFSI's gearing remained comfortable at 1.3 times as of March 2026 vis-à-vis 1.7 times as of March 2025.

Nissan Motor Company Limited[1] (Nissan) is the majority shareholder in NRFSI, with a 70%[2] stake through its wholly-owned subsidiary – Nissan International Holdings B.V. Nissan is a global automobile manufacturer with a presence in major auto markets including North America, Japan and China. Nissan and Renault are part of a global strategic alliance. NRFSI is expected to continue receiving operational and managerial support from Nissan, in line with the past.

The Negative outlook reflects Nissan's weakened credit profile and Nissan-Renault's moderating sales volumes in India, which is impacting NRFSI's scale. The weakened profile of the parent entity is also expected to restrict incremental financial support. Further, the highly competitive nature of the auto financing industry has affected NRFSI's profitability. ICRA will continue to monitor the movement in Nissan's overall credit risk profile as well as the domestic market share movement of Nissan and Renault and will take appropriate rating action on NRFSI, if required.

Key rating drivers and their description

Credit strengths

Captive financier of Nissan-Renault vehicles – NRFSI is a captive financier for Nissan and Renault branded vehicles. It is strategically important to the Nissan-Renault Group, as reflected by the common branding and strong ownership. NRFSI has board representation from the Group with directors from Nissan/Renault. It aligns with the business requirements of the Group as a captive financier and receives benefits in the form of various subvention schemes. NRFSI has received Rs. 710-crore equity from the shareholders since inception and enjoys

[1] Moody's Investors Service has a Ba2 issuer rating with a negative outlook for Nissan
[2] The balance (30%) is held by RCI Banque, a wholly-owned subsidiary of Renault SA (Renault). Moody's has a Baa1 rating with a stable outlook for RCI's senior unsecured debt instruments

adequate funding lines from Group companies on favourable terms. Going forward, ICRA expects NRFSI to continue benefitting from operational and management support from the shareholders and Group entities.

Comfortable asset quality, notwithstanding moderation in FY2026 – NRFSI's portfolio delinquencies remained under control in FY2026, with the 90+dpd at 2.4% as of March 2026 vis-à-vis 2.3% as of March 2025, partially supported by write-offs. The company wrote off Rs. 28.4 crore in FY2026 and Rs. 22.5 crore in FY2025. ICRA expects NRFSI to keep its portfolio delinquencies range-bound in the near term, aided by tight control on its underwriting in the wholesale segment and steady augmentation of collection efforts in the retail segment. Further, comfort can be derived from the adequate provision cover of 58% maintained by the company as of March 2026.

Comfortable capitalisation profile – NRFSI has a comfortable capitalisation profile, characterised by a net worth and gearing of Rs. 1,229 crore and 1.3 times, respectively, as of March 2026. The company's portfolio has been on a declining trend over the last three years and its performance is expected to remain muted in the near term. Thus, it is not likely to require any external capital in the near term.

Adequate funding support from Group companies; however, funding profile needs to be strengthened to meet long-term growth plans – As of March 2026, 69.4% of the borrowings was in the form of inter-corporate deposits from a Group entity – Renault Nissan Automotive India Private Limited (RNAIPL), followed by term loans/working capital loans from banks (17.0%), external commercial borrowings (13.0%) and securitisation (0.6%). The company raises funds from a few international banks, leveraging its parentage and the Group's established relationships.

NRFSI currently enjoys favourable funding terms from RNAIPL, notwithstanding the recent group restructuring, whereby Nissan sold its stake in RNAIPL to Renault. Nissan and Renault continue to be closely tied through their global strategic alliance, and Nissan shall continue utilising RNAIPL for manufacturing its vehicles. However, considering its significant reliance on RNAIPL, NRFSI would need to diversify and secure funds at competitive rates in case of any change in the current stance or on inadequate funding support in relation to its future growth plans.

Credit challenges

Moderate track record of operations; competitive intensity impacting scale – NRFSI was incorporated in October 2013 and received a non-banking financial company (NBFC) licence in June 2014. The company is focussed on the sale of new vehicles of the Nissan and Renault brands. Its gross loan portfolio stood at Rs. 2,840 crore as of March 2026. NRFSI's portfolio has decreased over the past three years from the peak of Rs. 3,625 crore as of March 2023, mainly on account of reducing disbursements in line with the declining Nissan-Renault vehicle sales in India.

NRFSI faces competition from established players, including banks and other large NBFCs. This results in significant constraints on its lending yields and consequently its interest margins. The company has been taking steps, including increasing the share of higher-yielding loans such as loans to self-employed borrowers, used vehicle loans, etc. However, the impact of the same could be limited in the near term. Going forward, portfolio growth would be contingent on the success of the planned product launches of original equipment manufacturers, revision in vehicle prices and NRFSI's financing penetration levels.

Moderate profitability levels – NRFSI's net profitability declined to 1.4% in FY2026 from 1.5% in FY2025 (1.6% in FY2024). Credit costs increased modestly to 1.1% in FY2026 from 0.8% in FY2025 on account of write-offs. Operating costs also rose to 2.1% in FY2026 from 1.8% in FY2025 as the operating efficiency weakened with the declining assets under management (AUM). Nonetheless, it was supported by relatively stable net interest margins in FY2026 despite the competitive pressure on yields and the rising cost of funds, predominantly on account of the moderation in the leverage levels. Going forward, NRFSI's profitability would continue to face pressure, given the significant competition in the auto financing segment.

Liquidity position: Strong

NRFSI had ~Rs. 89 crore of free cash as on April 30, 2026 and Rs. 1,596 crore of sanctioned credit lines from banks as on March 31, 2026, which are available on immediate basis for utilisation. It has repayment obligations of Rs. 48 crore during May-September 2026. The company's collections continue to be relatively stable. Moreover, access to commensurate funding lines provides comfort from a liquidity perspective.

Rating sensitivities

Positive factors – NRFSI's ratings could be positively impacted in case of an improvement in Nissan's risk profile.

Negative factors – Further weakening in Nissan's risk profile or lower-than-expected support from Nissan could have a negative impact on the ratings. Substantial deterioration in NRFSI's scale of operations, earnings or asset quality, or weakening in its liquidity profile would also negatively impact the ratings.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Non-banking Finance Companies (NBFCs)
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financial statements of the company.

About the company

Incorporated in October 2013, NRFSI is a non-deposit taking NBFC. It provides financing for the Nissan and Renault brands of vehicles (retail loans) and extends term loans and inventory funding facilities to the automobile dealers (wholesale loans) of the above-mentioned vehicles. NRFSI is a 70:30 joint venture between Nissan International Holdings B.V., a wholly-owned subsidiary of Nissan, and RCI, a wholly-owned subsidiary of Renault.

NRFSI reported a net profit of Rs. 45.8 crore in FY2026 on a total managed asset base of Rs. 2,990.3 crore compared with a net profit of Rs. 53.2 crore on a total managed asset base of Rs. 3,452.1 crore in FY2025.

Key financial indicators

NRFSI – Standalone	Ind-AS Audited FY2025	Ind-AS Audited FY2026
Total income	387.4	353.3
Profit after tax	53.2	45.8
Total managed assets	3,452.1	2,990.3
Return on managed assets	1.5%	1.4%
Managed gearing (times)	1.7	1.3
Gross stage 3	2.3%	2.4%
CRAR	34.8%	42.3%

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; 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 (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
	Type	Amount rated (Rs. crore)	June 24, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based term loan	Long term	200.00	[ICRA]A (Negative)	Jun 19, 2025	[ICRA]A (Negative)	Sep 06, 2024	[ICRA]AA- (Stable)	Nov 24, 2023	[ICRA]AA- (Stable)
				-	-	Mar 04, 2025	[ICRA]A+ (Stable)	-	-
Commercial paper	Short term	100.00	[ICRA]A1	Jun 19, 2025	[ICRA]A1	Sep 06, 2024	[ICRA]A1+	Sep 15, 2023	[ICRA]A1+
				-	-	Mar 04, 2025	[ICRA]A1+	Nov 24, 2023	[ICRA]A1+
NCD	Long term	100.00	[ICRA]A (Negative)	Jun 19, 2025	[ICRA]A (Negative)	Sep 06, 2024	[ICRA]AA- (Stable)	Sep 15, 2023	[ICRA]AA- (Stable)
				-	-	Mar 04, 2025	[ICRA]A+ (Stable)	Nov 24, 2023	[ICRA]AA- (Stable)

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10, 2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ($)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI

12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

($) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
NCD	Simple
Commercial paper	Simple
Long-term fund-based term loan	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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
Yet to be placed	**Commercial paper**	NA	NA	NA	100.00	[ICRA]A1
Yet to be placed	**NCD**	NA	NA	NA	100.00	[ICRA]A (Negative)
NA	**Term loans**	30-Oct-2023 to 05-Aug-2024	NA	30-Apr-2026 to 05-Aug-2027	200.00	[ICRA]A (Negative)

Source: Company

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

Annexure III: List of entities considered for consolidated analysis

Not applicable

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ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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