

Ref: ICRA/Akara Capital Advisors Private Limited/18062025/1

Date: June 18, 2025

Ms. Shruti Aggarwal

Director

Akara Capital Advisors Private Limited

CRC-2, 1st Floor, Khasra 337,

Mehrauli-Gurgaon Rd, Sultanpur

New Delhi, Delhi 110030

Dear Ma'am,

Re: ICRA's credit rating for below instruments of Akara Capital Advisors Private Limited

Please refer to your email requesting ICRA Limited to revalidate the rating letter issued for the below mentioned instruments.

We confirm that the following ratings of the instruments rated by ICRA and last communicated to you vide our letter dated January 15, 2025, stands valid.

Instrument	Rated Amount (Rs. crore)	Rating ¹
Non-Convertible Debentures	976.50*	[ICRA]BBB(Stable)

yet to be placed Rs. 365.40 crore as on June 18, 2025*The other terms and conditions for the rating of the aforementioned instrument shall remain the same as communicated vide our letter **Ref: ICRA/Akara Capital Advisors Private Limited/09082024/1 dated **August 08, 2024** and **dated August 09, 2024**.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold long term debt/non-convertible debenture to be issued by you.

In line with SEBI Circular No. SEBI/HO/DDHS/DDHS-PoD-3/P/CIR/2024/160 dated November 18, 2024, issuers are encouraged to utilize the penny-drop verification service as provided by banks. This measure is intended to prevent payment failures when disbursing principal and/or interest to respective investors or debenture holders.

Penny-drop verification serves as an efficient method for confirming the bank account details of persons designated to receive payments. Once an account has been verified through this facility, it can be used for subsequent transactions related to interest and principal payments, thereby ensuring successful remittance and avoiding failure.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

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KARTHIK

Digitally signed
by AGAPPA
MANI KARTHIK
Date:
2025.06.18
18:31:51 +05'30'

A M Karthik

Senior Vice President

a.karthik@icraindia.com¹ Complete definitions of the ratings assigned are available at www.icra.in.

August 09, 2024

Akara Capital Advisors Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debentures	376.5	376.5	[ICRA]BBB (Stable); reaffirmed
Non-convertible debentures	0.0	600.0	[ICRA]BBB (Stable); assigned
Non-convertible debentures	89.5	0.0	[ICRA]BBB (Stable); reaffirmed and withdrawn
Long-term fund based – Term loan	125.0	0.0	-
Long-term fund based - others	0.0	200.0	[ICRA]BBB (Stable); reaffirmed/assigned for the enhanced amount
Long-term fund-based term loan	15.0	15.0	[ICRA]BBB+(CE) (Stable); reaffirmed
Commercial paper	80.0	80.0	[ICRA]A3+; reaffirmed
Total	686.0	1,271.5	

*Instrument details are provided in Annexure I

Rating without explicit credit enhancement	[ICRA]BBB
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Note: The (CE) suffix mentioned alongside the (provisional) rating symbol indicates that the rated instrument/facility is to be backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The above table also captures ICRA's opinion on (a) the rating if the pending actions/documents are not completed, and (b) the rating without factoring in the proposed explicit credit enhancement

Rationale

For the [ICRA]BBB (Stable)/ [ICRA]A3+ rating

To arrive at Akara Capital Advisors Private Limited's (ACAPL) ratings, ICRA has taken a consolidated view of the credit profiles of ACAPL and its Group company, EQX Analytics Private Limited (EQXAPL), owing to their business linkages, common management and shared infrastructure. ACAPL provides unsecured personal loans of up to Rs. 5 lakh (average ticket size of ~Rs. 53,000) to salaried individuals through the Group's technology platform and has a pan-India presence. The Group's in-house technology platform, known as StashFin, is a part of EQXAPL and is currently used by ACAPL and its co-lending partners. ACAPL and EQXAPL are both wholly-owned subsidiaries of Morus Technologies Pte. Ltd (MTPL), the Singapore-based holding company, which is backed by foreign investors like Blowfish Ventures, Divine Blessing Investments, Altara Ventures, Positive Moves Consulting, Fasanara Capital, Tencent Group, Uncorrelated Ventures etc.

The ratings factor in ACAPL's adequate capitalisation profile for the current scale of operations with a consolidated net worth of Rs. 688 crore (standalone net worth of Rs. 648 crore) and consolidated managed gearing of 1.6x¹ as on June 30, 2024 (Rs. 637 crore and 2.0x, respectively, as on March 31, 2024, on consolidated basis). The consolidated reported gearing, adjusted for the first loss default guarantee (FLDG) commitments from the net worth, stood at 1.3x as on June 30, 2024. The Group's capitalisation has been supported by regular capital raising with the most recent (about Rs. 91 crore) in FY2024. The ratings also consider ACAPL's granular retail portfolio, comprising small-ticket loans to individuals. The scale of operations, however, remains small with assets under management (AUM) of Rs. 1,767 crore as on June 30, 2024 (Rs. 1,839 crore as on March 31, 2024).

The ratings are constrained by the Group's modest profitability indicators² due to the high operating and credit costs. The operating expenses, on a consolidated basis, declined to 9.6% in Q1 FY2025 (12.2% in FY2024) because of share-based

¹ Managed gearing = (On-balance sheet borrowing + Off-book portfolio)/ Net worth. Reported gearing, on a consolidated basis, was 1.2x as on June 30, 2024

² Profitability ratios mentioned in relation to average managed assets

payments (which are non-cash in nature) and the Group being in the expansion phase, nevertheless remain high. Credit costs also remained high despite moderating to 11.6% in Q1 FY2025 from 20.3% in FY2024. At the same time, the net interest margin (NIM) stayed high at 23.3% in Q1 FY2025 (24.7% in FY2024) because of lower gearing, supporting the overall profitability. The Group reported a net profit on a consolidated basis, for the first time since inception, in FY2024. While its return on managed assets (RoMA) and return on net worth (RoNW) improved to 7.1% and 21.6%, respectively, in Q1 FY2025 (1.4% and 5.1%, respectively, in FY2024), the sustainability of the return indicators is yet to be established.

The ratings also factor in the inherent vulnerability associated with the Group's portfolio, given the unsecured nature of the loans. Nevertheless, the asset quality indicators have remained range-bound so far with 90+ days past due (dpd) of 2.7% as on June 30, 2024 (2.5% as on March 31, 2024). Credit costs, in relation to disbursements, stood at 7.2% in Q1 FY2025 (8.0% in FY2024), reflecting the riskiness in the portfolio and indicating that the risk-adjusted returns in the segment can be adequate once the operating efficiency improves. Further, the regulatory landscape for fintech lenders is currently evolving; thus, the impact of regulations on the company's business operations would be monitorable. Overall, ACAPL's ability to scale up the business profitably while maintaining prudent capitalisation and controlling the asset quality would be a key monitorable.

ICRA has reaffirmed and withdrawn the rating assigned to the Rs. 89.50-crore non-convertible debentures (NCDs) as no amount is outstanding against the same, in accordance with ICRA's policy on the withdrawal of credit ratings.

For the [ICRA]BBB+(CE) (Stable) rating

ICRA has reaffirmed the rating for ACAPL's Rs. 15-crore bank line programme as tabulated above. The rating is based on the strength of an unconditional and irrevocable guarantee provided by Northern Arc Capital Limited (NACL; rated [ICRA]AA-(Stable)/[ICRA]A1+).

Adequacy of credit enhancement

ICRA has assessed the attributes of the partial guarantee issued by NACL in favour of the said instrument. While the guarantee is legally enforceable, irrevocable, unconditional, covers the entire tenor of the rated facility, and has a well-defined invocation and payment mechanism, it does not cover the entire rated amount. The guarantee is 29.00% of the initial loan amount, guaranteeing the repayment of the principal and the payment of the interest amount in relation to the facility for six months. NACL has waived off all the suretyship rights available under the law. However, the credit enhancement provided in the guarantee shall cease to be available to the lender if any modification is done to the terms of the facility, without NACL's prior approval, and if the same adversely impacts NACL's obligations.

Taking cognisance of the above credit enhancement, ICRA had assigned a rating of [ICRA]BBB+(CE) (Stable) to the said facility against the unsupported rating of [ICRA]BBB (and in relation to the guarantor's rating of [ICRA]AA-(Stable)/[ICRA]A1+). Any change in the ratings of the guarantor or in the unsupported rating of ACAPL would have a bearing on the rating of the aforesaid facility as well.

Salient covenants of the rated facility

- The tenure of the facility is 24 months with equated monthly interest and principal repayment.
- The guaranteed amount shall remain stable in absolute terms till it is reset. It can be reduced subject to the confirmation/affirmation of the rating agency.
- In addition to the partial guarantee, the borrower will maintain a pool of loan receivables, which would be at least 1.10x the outstanding amount of the facility. If ACAPL's senior secured long-term rating is downgraded below BBB or the rating of the facility is downgraded below BBB (CE) or any financial covenant is breached and the same is not cured within 90 days of the financial quarter in which the breach happened, then ACAPL shall make weekly repayments and shall transfer the collections from the pool to the Collection and Payment Account on a weekly basis.
- The security cover shall be met only with pool receivables that do not have any principal, interest, additional interest, fee or any other expected payments overdue. For this purpose, ACAPL shall, with the consent of the lender, replace any pool receivables that have one or more instalments of principal, interest, additional interest, fee or any other

expected payments overdue for more than 90 (ninety) days with performing loans that meet the eligibility criteria. Such replacement shall be done on or before the 15th of any calendar month.

- ACAPL shall report/file such list of pool contracts with the concerned Registrar of Companies (ROC) and the Central Registry of Securitisation Asset Reconstruction and Security Interest of India in relation thereto as soon as practicable and no later than 30 (thirty) days.

Key rating drivers and their description

Credit strengths

Adequate capitalisation profile for current scale of operations; committed capital support from parent – The ACAPL Group’s capitalisation profile is adequate for the current scale of operations with a consolidated net worth of Rs. 688 crore and a managed gearing of 1.6x (standalone net worth of Rs. 648 crore, managed gearing of 1.7x and a capital-to-risk weighted assets ratio (CRAR) of 34.9%) as on June 30, 2024, supported by regular capital raises from the parent. Most recently, the company raised about Rs. 91 crore in FY2024 from its parent.

Given the growth plans, the leverage is expected to increase from the current levels and ACAPL would need equity infusions from its parent over the medium term to maintain prudent capitalisation levels (managed gearing of less than 3x). In this regard, the parent, MTPL, had a net worth of about Rs. 930 crore with free cash of about Rs. 164 crore as on March 31, 2024, which can be infused as equity in ACAPL as and when required. In ICRA’s opinion, prudent capitalisation is one of the key mitigants against the credit risk associated with the Group’s business. In addition to capital support, the company has sanctioned limits from Fasanara Capital through existing investors in the form of external commercial borrowings (ECBs), which would support the business growth going forward as well.

Granular portfolio; demonstrated ability to grow the business – ACAPL’s portfolio is granular, comprising small-ticket loans to individuals with an average ticket size of about Rs. 53,000 spread across 2.8 million customers. About 6% of the AUM consisted of very small-ticket loans of less than Rs. 10,000 while the balance comprised loans of up to Rs. 5 lakh as on June 30, 2024. The short tenure of the loans (1-36 months) also supports the company’s liquidity profile. ACAPL has demonstrated the ability to scale up the business with the AUM increasing at a compound annual growth rate (CAGR) of 84% to Rs. 1,839 crore as on March 31, 2024 from Rs. 160 crore as on March 31, 2020. The growth rate, however, moderated in FY2024 to 25% and is expected to be relatively lower in the current fiscal as well owing to the tightening of the underwriting standards and the company’s more calibrated approach, given the overall concerns regarding small-ticket unsecured loans.

For the [ICRA]BBB+(CE) (Stable) rating

Presence of partial guarantee for credit-enhanced term loan of Rs. 15 crore – The Rs. 15-crore term loan is credit enhanced by an unconditional, irrevocable and payable on demand guarantee from NACL (partial credit guarantee (PCG) provider), amounting to 29.00% of the initial loan amount, guaranteeing the repayment of the principal and the payment of interest amounts in relation to the facility.

Credit challenges

Small scale of operations; ability to raise funds in a timely manner critical for growth – ACAPL’s AUM growth moderated to 25% in FY2024 from 162% in FY2023 because of faster amortisation with the reduction in the average tenor and the introduction of the free credit period product in the previous year. There was a sharp increase in disbursements to Rs. 5,075 crore in FY2024 from Rs. 2,860 crore in FY2023. However, the AUM growth moderated to 25% in FY2024 with AUM growing to Rs. 1,839 crore as on March 31, 2024 from Rs. 1,466 as on March 31, 2023 because of the short tenor of the product. As on June 30, 2024, the AUM shrunk by 16% (annualised basis) to Rs. 1,767 crore because of the calibrated approach adopted by the company. This was also due to the short tenure of the loans and hence faster amortisation. Though the company has a pan-India presence in terms of its borrowers, the scale of operations remains small.

ICRA believes that achieving economies of scale would remain pivotal for the Group to attain net profitability on a sustained basis. Therefore, its ability to raise further funds (both debt and equity) in a timely manner will be critical for growth. ICRA notes that ACAPL has sanctioned ECB lines of ~Rs. 600 crore from Fasanara Capital through existing investors, of which Rs. 375 crore has already been disbursed, in addition to free cash of about Rs. 161 crore at MTPL as on June 30, 2024, which is expected to be infused as equity or debt, when required.

Modest profitability on consolidated basis, albeit improving; sustainability of profitability yet to be established – ACAPL reported modest profitability during FY2021-FY2023 with average RoMA³ of 1.1% on a standalone basis. On a consolidated basis, the Group had reported losses till FY2023 due to the high operating and credit costs. However, with the increased scale of operations over the past three years and some changes in the product features, the company reported a net profit on a consolidated basis in FY2024 for the first time since inception.

The NIMs improved to 24.7% in FY2024 from 16.6% in FY2023, on a consolidated basis (audited financials for ACAPL and provisional financials for EQXAPL) because of higher fee income and lower gearing. At the same time, other operating income improved sharply to 9.3% in FY2024 from 2.9% in FY2023, driven by higher transaction fees during the year. The operating expenses remained elevated at 12.2% in FY2024 (consolidated basis; 13.5% in FY2023) due to the share-based payments (which are non-cash in nature) and the Group being in the expansion phase and investing in strengthening its teams and technology platforms. The credit costs increased sharply to 20.3% in FY2024 from 9.0% in FY2023 due to changes in the write-off policy as well as the higher provision cover. Overall, ACAPL reported a net profit, on a consolidated basis, for the first time since inception in FY2024 with RoMA and RoNW of 1.4% and 5.1%, respectively.

NIMs remained high at 23.3% in Q1 FY2025, on a consolidated basis, supported by lower gearing while other operating income stood at 8.2%. Operating expenses declined to 9.6% in Q1 FY2025 due to limited incremental business and sustained low employee base while the credit costs moderated to 11.6% with the improvement in delinquencies. While the profitability improved in Q1 FY2025 with RoMA and RoNW of 7.1% and 21.6%, respectively, the sustenance of the same with the improvement in the scale and control over the asset quality remains a monitorable.

Moderate asset quality indicators – The inherent riskiness in ACAPL's portfolio remains high due to the unsecured nature of the loans. The company's gross non-performing advances (GNPAs; recognised on 90+ dpd basis) stood at 4.1% as on June 30, 2024 (4.0% as on March 31, 2024) compared to 6.7% as on March 31, 2023. GNPAs, including write-offs/FLDG expenses on a consolidated basis, remained high at 16.4% (annualised basis) of the overall AUM as on June 30, 2024 (20.1% as on March 31, 2024) compared to 11.2% as on March 31, 2023. The 90+ dpd in relation to overall AUM stood at 2.7% as of June 30, 2024 (2.5% as on March 31, 2024).

Given the high churn nature of loan book, the underwriting quality is not fully reflected by the credit cost in relation to AUM. In this regard, the credit costs, in relation to disbursements, stood at 7.2% in Q1 FY2025 (8.0% in FY2024), reflecting the riskiness in the portfolio and indicating that risk-adjusted returns in the segment can be adequate once the operating efficiency improves. The cumulative credit costs, in relation to cumulative disbursements since FY2018, stood at 1.8% (on annualised basis) in Q1 FY2025 (4.1% in FY2024). The company's ability to control slippages, manage fraud risk and maintain good credit underwriting standards would be a key rating monitorable, going forward.

Liquidity position: Adequate

For the [ICRA]BBB (Stable)/ [ICRA]A3+ rating

ACAPL's liquidity position is adequate with no negative cumulative mismatches in the asset-liability maturity (ALM) statement, as on June 30, 2024, owing to the short tenure of the loan book. As per the ALM profile as on June 30, 2024, the expected inflow from advances in the next one year stood at Rs. 1,136 crore, which is sufficient to cover the debt repayment of Rs. 330 crore during this period. Further, the company's cash and bank balance stood at ~Rs. 41 crore as on June 30, 2024. Additionally,

³ Profitability ratios are given in relation to average managed assets. All figures and ratios as per ICRA's nomenclature/ definitions/ calculations

MTPL (the parent company) had free cash of about Rs. 161 crore as on June 30, 2024, which can be infused in ACAPL as and when required.

As on June 30, 2024, the Group's (ACAPL+EQXAPL) overall borrowing mix consisted of ECBs (47%), loans from non-banking financial companies (NBFCs)/financial institutions (FIs; 23%), NCDs (22%), commercial paper (CP; 3%), loans from banks (2%), inter-corporate deposits (ICDs; 1%) and others (2%).

For the [ICRA]BBB+(CE) (Stable) rating

Adequate liquidity is available for the rated term loan in the form of a PCG from NACL and the security pool. The PCG as well as the collections from the security pool can be utilised for meeting the scheduled payouts, if required.

For support provider (NACL)

As of March 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 13% of the total borrowings was from short-term sources including CP, cash credit and working capital demand loans as of March 2024. As of March 2024, term loans, working capital facilities from banks and FIs, NCDs (including sub-debt), ECBs, CP and pass-through certificates (PTCs) accounted for 66%, 7%, 11%, 8%, 5% and 3%, respectively, of the total borrowings. NACL had cash and liquid investments of Rs. 1,042.0 crore and undrawn credit lines of Rs. 1,405.0 crore as on April 30, 2024, against repayment obligations of Rs. 3,099.0 crore during May 2024 to October 2024. The monthly collection efficiency remained robust throughout FY2024.

Rating sensitivities

For the [ICRA]BBB (Stable)/ [ICRA]A3+ rating

Positive factors – An increase in the scale of operations along with an improvement in the profitability indicators, while maintaining good asset quality and a prudent capitalisation structure on a sustained basis, could lead to a rating upgrade.

Negative factors – A decline in the scale of operations or a deterioration in the asset quality indicators, resulting in pressure on the profitability indicators, could lead to a rating downgrade.

For the [ICRA]BBB+(CE) (Stable) rating

The rating assigned to the Rs. 15-crore term loan programme would remain sensitive to any movement in the ratings or outlook of ACAPL and NACL.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA's rating methodology for non-banking finance companies Rating methodology for partially guaranteed debt Policy on withdrawal of credit ratings
Parent/Group support	Not applicable
Consolidation/Standalone	Consolidation; ICRA has considered the consolidated financials of ACAPL and its Group company – EQXAPL, owing to their business linkages, common management and shared infrastructure.

About the company

ACAPL is a Delhi-based non-deposit taking NBFC registered with the Reserve Bank of India (RBI) since 2016. It started operations in 2017. The company primarily provides unsecured short-term personal loans to salaried individuals through web and mobile platforms. ACAPL is currently owned by MTPL, a Singapore-based neobanking start-up backed by investors like

Blowfish Ventures, Divine Blessing Investments, Altara Ventures, Positive Moves Consulting, Fasanara Capital, Tencent Group, Uncorrelated Ventures etc.

ACAPL is a 100% subsidiary of MTPL (holding company incorporated in Singapore). The Group has another wholly-owned subsidiary, EQX Analytics Private Limited (EQXAPL), which houses the technology platform known as StashFin and sources leads. The technology platform is used by ACAPL and other co-lenders for lending to customers.

On a consolidated basis (ACAPL+EQXAPL), the Group reported a profit after tax (PAT) of Rs. 27 crore⁴ in FY2024 on a total managed asset base of Rs. 2,059 crore as on March 31, 2024 compared to a net loss of Rs. 55 crore in FY2023 on a total managed asset base of Rs. 1,967 crore as on March 31, 2023. The Group's consolidated net worth stood at Rs. 637 crore with a managed gearing of 2.0x as on March 31, 2024 compared with Rs. 425 crore and 3.3x, respectively, as on March 31, 2023. The Group reported a PAT of Rs. 36 crore⁵ in Q1 FY2025 on a total managed asset base of Rs. 1,978 crore as on June 30, 2024. The net worth was Rs. 688 crore with a managed gearing of 1.6x as on June 30, 2024.

On a standalone basis, ACAPL reported a PAT of Rs. 69⁶ crore in FY2024 on a total managed asset base of Rs. 1,996 crore as on March 31, 2024 compared to a PAT of Rs. 8 crore in FY2023 on a total managed asset base of Rs. 1,871 crore as on March 31, 2023. The net worth stood at Rs. 593 crore with a managed gearing of 2.1x as on March 31, 2024 compared with Rs. 411 crore and 3.3x, respectively, as on March 31, 2023. The GNPA and net NPA (NNPA), as a percentage of the overall AUM, stood at 4.0% and 1.8%, respectively, as on March 31, 2024 compared with 6.7% and 5.7%, respectively, as on March 31, 2023. It reported a PAT of Rs. 50 crore⁷ in Q1 FY2025 on a total managed asset base of Rs. 1,920 crore as on June 30, 2024. ACAPL had a net worth of Rs. 648 crore with a managed gearing of 1.7x as on June 30, 2024. The company's GNPA and NNPA, as a percentage of the overall AUM, stood at 4.1% and 1.9%, respectively, as on June 30, 2024.

Key financial indicators (consolidated)

ACAPL+EQXAPL	FY2022/Mar-22	FY2023/Mar-23	FY2024/Mar-24	Q1 FY2025/Jun-24
	Audited	Audited	Audited (ACAPL)/ Provisional (EQXAPL)	Provisional
Total income	155	341	834	192
Profit after tax	(10)	(55)	27	36
Total managed assets	730	1,967	2,059	1,978
Return on average managed assets	-2.2%	-4.1%	1.4%	7.1%
Managed gearing (times)	1.4	3.3	2.0	1.6
Gross NPA (% of overall AUM)	0.0%	6.7%	4.0%	4.1%

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

Key financial indicators (standalone)

ACAPL (standalone)	FY2022/Mar-22	FY2023/Mar-23	FY2024/Mar-24	Q1 FY2025/Jun-24
	Audited	Audited	Audited	Provisional
Total income	48	216	784	183
Profit after tax	6	8	69	50
Total managed assets	672	1,871	1,996	1,920
Return on average managed assets	1.6%	0.6%	3.6%	10.2%
Managed gearing (times)	1.3	3.3	2.1	1.7
Gross NPA (% of overall AUM)	0.0%	6.7%	4.0%	4.1%
CRAR	43.3%	29.0%	31.7%	34.9%

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

Northern Arc Capital Limited (support provider)

⁴ Consolidated PAT adjusting for non-cash share-based payments stood at Rs. 99 crore in FY2024.

⁵ Consolidated PAT adjusting for non-cash share-based payments stood at Rs. 53 crore in Q1 FY2025.

⁶ Standalone PAT adjusting for non-cash share-based payments stood at Rs. 91 crore in FY2024.

⁷ Standalone PAT adjusting for non-cash share-based payments stood at Rs. 55 crore in Q1 FY2025.

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.

As of March 2024, on a fully-diluted basis, 360 One Special Opportunities Fund was the largest shareholder with a stake of 25.6% in NACL, followed by Leapfrog Financial Inclusion India II Limited (22.5%), Augusta Investments II Pte Ltd (19.5%), Eight Roads Investments (Mauritius) (II) Limited (10.2%), Dvara Trust (7.5%), Accion (5.8%), SMBC (5.3%) and others (3.6%).

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2025)					Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs Crore)	09-AUG-2024	FY2025		FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Long term-term loan-fund based	Long Term	15.00	[ICRA]BBB+(CE) (Stable)	10-MAY- 2024	[ICRA]BBB+(CE) (Stable)	05-APR-2023	[ICRA]BBB (Stable)	03-OCT-2022	[ICRA]BBB (Stable)	09-DEC-2021	[ICRA]BBB- (Stable)
				10-MAY- 2024	[ICRA]BBB (Stable)	05-APR-2023	Provisional [ICRA]BBB+(CE) (Stable)	20-OCT-2022	[ICRA]BBB (Stable)	11-MAR- 2022	[ICRA]BBB- (Stable)
				-	-	04-JUL-2023	[ICRA]BBB+(CE) (Stable)	20-DEC-2022	[ICRA]BBB (Stable)	-	-
				-	-	04-JUL-2023	[ICRA]BBB (Stable)	-	-	-	-
				-	-	10-AUG- 2023	[ICRA]BBB+(CE) (Stable)	-	-	-	-
				-	-	10-AUG- 2023	[ICRA]BBB (Stable)	-	-	-	-
Long term- others-fund based	Long Term	200.00	[ICRA]BBB (Stable)	-	-	-	-	-	-	-	-
Long term-term loan-fund based	Long Term	0.00	-	10-MAY- 2024	[ICRA]BBB+(CE) (Stable)	05-APR-2023	[ICRA]BBB (Stable)	03-OCT-2022	[ICRA]BBB (Stable)	09-DEC-2021	[ICRA]BBB- (Stable)
				10-MAY- 2024	[ICRA]BBB (Stable)	05-APR-2023	Provisional [ICRA]BBB+(CE) (Stable)	20-OCT-2022	[ICRA]BBB (Stable)	11-MAR- 2022	[ICRA]BBB- (Stable)
				-	-	04-JUL-2023	[ICRA]BBB+(CE) (Stable)	20-DEC-2022	[ICRA]BBB (Stable)	-	-
				-	-	04-JUL-2023	[ICRA]BBB (Stable)	-	-	-	-
				-	-	10-AUG- 2023	[ICRA]BBB+(CE) (Stable)	-	-	-	-
				-	-	10-AUG- 2023	[ICRA]BBB (Stable)	-	-	-	-
Commercial paper	Short Term	80.00	[ICRA]A3+	10-MAY- 2024	[ICRA]A3+	05-APR-2023	[ICRA]A3+	03-OCT-2022	[ICRA]A3+	11-MAR- 2022	[ICRA]A3
				-	-	04-JUL-2023	[ICRA]A3+	20-OCT-2022	[ICRA]A3+	-	-

				-	-	10-AUG-2023	[ICRA]A3+	20-OCT-2022	[ICRA]A3+	-	-
				-	-	-	-	20-DEC-2022	[ICRA]A3+	-	-
Bonds/NCD/Long-term debt	Long Term	376.50	[ICRA]BBB (Stable)	10-MAY-2024	[ICRA]BBB (Stable)	05-APR-2023	[ICRA]BBB (Stable)	03-OCT-2022	[ICRA]BBB (Stable)	11-MAR-2022	[ICRA]BBB (Stable)
				-	-	04-JUL-2023	[ICRA]BBB (Stable)	20-OCT-2022	[ICRA]BBB (Stable)	-	-
				-	-	10-AUG-2023	[ICRA]BBB (Stable)	20-OCT-2022	[ICRA]BBB (Stable)	-	-
				-	-	-	-	20-DEC-2022	[ICRA]BBB (Stable)	-	-
Bonds/NCD/Long-term debt	Long Term	600.00	[ICRA]BBB (Stable)	10-MAY-2024	[ICRA]BBB (Stable)	05-APR-2023	[ICRA]BBB (Stable)	03-OCT-2022	[ICRA]BBB (Stable)	11-MAR-2022	[ICRA]BBB (Stable)
				-	-	04-JUL-2023	[ICRA]BBB (Stable)	20-OCT-2022	[ICRA]BBB (Stable)	-	-
				-	-	10-AUG-2023	[ICRA]BBB (Stable)	20-OCT-2022	[ICRA]BBB (Stable)	-	-
				-	-	-	-	20-DEC-2022	[ICRA]BBB (Stable)	-	-

LT – Long term, ST – Short term; * As on June 30, 2024

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term fund-based term loans	Simple
Non-convertible debentures	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 (as on June 30, 2024)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE08XP07118	NCD	May-04-2023	11.0500%	May-11-2024	49.50	[ICRA]BBB (Stable); withdrawn
INE08XP07050	NCD	Dec-28-2022	11.7500%	Jun-28-2024	30.00	[ICRA]BBB (Stable); withdrawn
INE08XP07126	NCD	May-15-2023	12.0000%	Jun-30-2024	10.00	[ICRA]BBB (Stable); withdrawn
INE08XP07142	NCD	Jun-07-2023	11.5000%	Oct-31-2024	30.0	[ICRA]BBB (Stable)
INE08XP07092	NCD	Nov-29-2022	14.0000%	Dec-31-2024	75.0	[ICRA]BBB (Stable)
INE08XP07134	NCD	Apr-23-2023	14.0000%	Dec-01-2024	30.0	[ICRA]BBB (Stable)
INE08XP07159	NCD	Jun-16-2023	10.0100%	Jan-21-2025	20.0	[ICRA]BBB (Stable)
INE08XP07159	NCD	Jul-28-2023	10.0100%	Jan-21-2025	20.1	[ICRA]BBB (Stable)
INE08XP07175	NCD	Nov-12-2023	11.5000%	Feb-28-2025	20.0	[ICRA]BBB (Stable)
INE08XP07100	NCD	Mar-14-2023	14.0000%	Mar-31-2025	25.0	[ICRA]BBB (Stable)
INE08XP07191	NCD	Apr-19-2024	13.0000%	Apr-24-2025	5.0	[ICRA]BBB (Stable)
INE08XP07209	NCD	May-10-2024	12.0000%	Jun-21-2025	5.0	[ICRA]BBB (Stable)
INE08XP07233	NCD	Jun-21-2024	10.0100%	Dec-21-2025	70.0	[ICRA]BBB (Stable)
INE08XP07217	NCD	May-31-2024	11.9000%	Dec-03-2026	20.0	[ICRA]BBB (Stable)
INE08XP07225	NCD	May-31-2024	12.0000%	Dec-03-2029	10.0	[ICRA]BBB (Stable)
NA	NCD^	NA	NA	NA	646.4	[ICRA]BBB (Stable)
NA	Bank line – 1	NA	NA	NA	5.00	[ICRA]BBB (Stable)
NA	Bank line – 2	NA	NA	NA	2.08	[ICRA]BBB (Stable)
NA	Bank line – 3	NA	NA	NA	3.15	[ICRA]BBB (Stable)
NA	Bank line – 4	NA	NA	NA	9.24	[ICRA]BBB (Stable)
NA	Bank line – 5	NA	NA	NA	20.00	[ICRA]BBB (Stable)
NA	Long-term fund-based others ^	NA	NA	NA	160.53	[ICRA]BBB (Stable)
NA	Term loan - 3	Mar-29-2023	12.00%	Mar-30-2025	5.41	[ICRA]BBB+(CE) (Stable)
NA	Long-term fund-based term loan^	NA	NA	NA	9.59	[ICRA]BBB+(CE) (Stable)
INE08XP14072	Commercial paper	Jun-26-2024	15.4500%	Aug-26-2024	12.5	[ICRA]A3+
INE08XP14064	Commercial paper	Jun-26-2024	15.5500%	Sep-26-2024	12.5	[ICRA]A3+
NA	Commercial paper^	NA	NA	NA	55.00	[ICRA]A3+

Source: Company, ICRA Research; ^ Yet to be placed/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	Ownership	Consolidation Approach
Akara Capital Advisors Private Limited	Rated entity	Full consolidation
EQX Analytics Private Limited	Group company with same parent	Full consolidation

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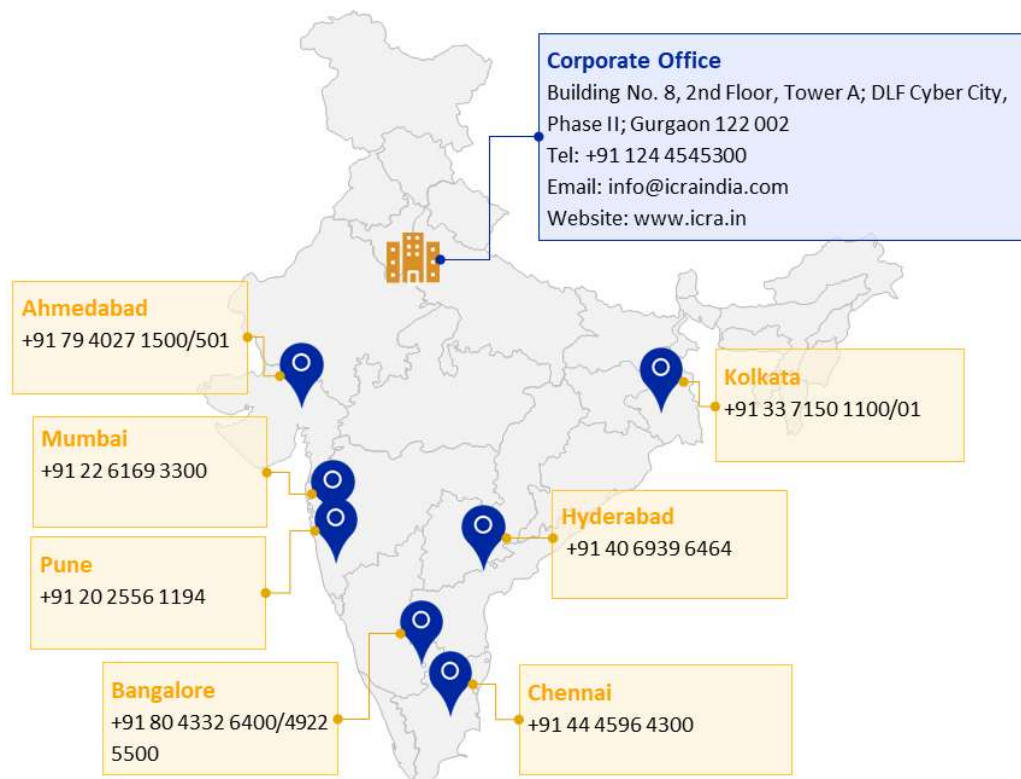


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