

Dar Credit & Capital Limited

May 20, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	162.00	CARE BBB-; Stable	Reaffirmed
Non-convertible debentures	25.00	CARE BBB-; Stable	Reaffirmed
Non-convertible debentures	50.00	CARE BBB-; Stable	Reaffirmed
Non-convertible debentures	50.00	CARE BBB-; Stable	Assigned

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has assigned a rating of "CARE BBB-; Stable" to the proposed long-term instruments of Dar Credit & Capital Limited (DCCL) while reaffirming ratings assigned to existing facilities and instruments.

The rating assigned continues to favourably factor in comfortable capital structure, which was strengthened by a ₹23.05 crore equity raise in FY26, and its adequate liquidity profile. The rating also favourably factors in experienced management team and long-standing track record of operations. CareEdge Ratings expects the company to continue with similar growth momentum in FY27, considering its supportive gearing levels.

However, the rating remains constrained by DCCL's small scale of operations with high geographical concentration, exposure to relatively riskier borrower segment and rising delinquencies in micro, small and medium enterprise (MSME) portfolio. Going forward, the company's ability to keep asset quality under control while maintaining adequate capitalisation levels and liquidity buffers remains a key monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could, individually or collectively, lead to positive rating action/upgrade:

- Ability to significantly scale up revenues and secure long-term funding at competitive rates.
- Improvement in profitability with return on total managed assets (ROMA) above 3.00% on a sustained basis.

Negative factors: Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Inability to raise resources to fund revenue growth.
- Deterioration in liquidity position.
- Deterioration in asset quality with gross non-performing assets (GNPA; 90+ days past due [dpd]) above 3.00%.
- Significant deterioration in its profitability with ROMA below 1% on a sustained basis.

Analytical approach:

Standalone

Outlook: Stable

The 'Stable' outlook reflects CareEdge Ratings' expectation of consistent and profitable business growth, considering fund raising while maintaining adequate liquidity buffers.

Detailed description of key rating drivers:

Key strengths

Experienced management team with longstanding track record of operations

DCCL is jointly promoted and managed by Ramesh Kumar Vijay (Chairman; a qualified CA and CS) and his brother Rajkumar Vijay (Wholetime Director; an MBA [Finance]) since 1994, both having overall experience of over four decades in the financial sector. As on March 31, 2026, DCCL has presence in seven states with 36 branches across West Bengal, Rajasthan, Madhya Pradesh, Bihar, Jharkhand, Gujarat, and Chhattisgarh. DCCL's loan portfolio is moderately diversified with personal loan to individuals

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

(mainly class IV municipal employees – cleaners, sweepers, and peons) comprising 36% (PY: 45%), unsecured MSME loans (micro loans) – 34% (PY: 38%) and secured MSME loans –30% (PY: 18%) of total gross loan book as on March 31, 2026. CareEdge Ratings notes that the share of secured MSME loans has grown sharply in the recent past, and hence, remains largely unseasoned.

Comfortable capital structure supported by recent equity raise

In FY26, the company raised capital of ₹23.05 crore through initial public offer, augmenting its net worth to ₹103.43 crore as on March 31, 2026 (PY: ₹73.52 crore). The company has comfortable capitalisation level with capital adequacy ratio (CAR) of 41.09% as on March 31, 2026 (March 31, 2025: 38.78%), with Tier-I CAR being 40.37% (March 31, 2025: 37.96%). Supported by recent equity raise and healthy accruals, DCCL's gearing improved from 1.97x as on March 31, 2025, to 1.78x as on March 31, 2026. Going forward, the management intends to keep gearing in range of 2-2.5x in the medium term.

Improving profitability; sustainability to be seen

In FY26, DCCL reported ROMA of 3.78% in FY26, compared to 2.90% in FY25 due to improvement in net interest margins (NIMs) to 9.93% in FY26 from 7.59% in FY25 considering increase in the yields and moderation in the overall gearing from 1.97x as on March 31, 2025, to 1.78x as on March 31, 2026, despite increase in the marginal cost of funds.

DCCL's disbursements towards secured MSME loans increased sharply, whereas personal loan segment and unsecured MSME loans was modest. The change in product mix in FY26 resulted in higher yield as secured MSME loans are comparatively at a higher rate to personal loan. As a result, DCCL's yield on advances improved to 22.55% in FY26 compared to 20.97% in FY25.

The opex has witnessed an uptick in FY26 to 5.86% from 5.20% in FY25, due to increase in the employee count from 223 as on March 31, 2025, to 325 as on March 31, 2026, mainly due to expansion of collection team and branch staff. Given the contractual benefit in the personal loan segment, small ticket size unsecured MSME portfolio with low tenor and unseasoned secured MSME book, credit cost for the company has been moderate at 0.10% in FY26 compared to 0.09% in FY25. CareEdge Ratings will continue to monitor performance of secured MSME segment as the asset class is relatively unseasoned and has been a key growth driver.

Key weaknesses

Moderate scale of operation with high concentration

DCCL was incorporated in 1994 and received license to operate as a non-banking financial company (NBFC) from Reserve Bank of India (RBI) in November 1998. Despite long track record of operations, DCCL's scale of operations remains relatively small with a gross loan book of ₹229.51 crore as on March 31, 2026 (March 31, 2025: ₹170.85 crore). The company mainly provides unsecured loans to low-income municipal employees (36% of gross loan book), unsecured loans to small MSME customers in rural and semi-urban areas (34%) and remaining being secured MSME loans backed by self-occupied residential property (30%) as on March 31, 2026. Growth in DCCLs secured MSME portfolio has largely happened in the last 1-2 years and hence portfolio remains largely unseasoned. DCCLs portfolio is geographically concentrated in West Bengal and Rajasthan with share of 57% and 25% (as a percentage of gross loan book, respectively, as on March 31, 2026, which exposes the company to region-specific risk.

Exposure towards unsecured and relatively riskier borrower segment

The company's asset quality is exposed to risks arising from unsecured nature of the loan portfolio and due to exposure to customers having greater vulnerability to economic shocks. As on March 31, 2026, unsecured loans to municipal employees comprised 35% of assets under management (AUM), where the company has tie-up with over 60 municipalities. Although these loans are completely unsecured in nature, the company has demonstrated track record of minimal asset quality issues in this segment given the arrangement with municipalities/corporations, where loan equated monthly instalments (EMIs) are directly deducted from employee salaries before payout. While this arrangement provides some comfort in terms of collection, recoveries are sometimes delayed due to administrative and operational issues, resulting in a rise in non-performing assets (NPAs) in the interim period. GNPA (90+ dpd) in personal loans to municipal employees segment as on March 31, 2026, stood at 0.97% (March 31, 2025: 0.96%).

The secured MSME segment grew sharply in the last few years with portfolio growing from ₹9.86 crore as on March 31, 2024, to ₹68.79 crore as on March 31, 2026. The company faced asset quality challenges in secured MSME and micro loan segments, driven by general rise in industry-wise delinquencies due to borrower overleveraging, which resulted increase in GNPA levels for secured MSME loan segment and unsecured micro loans. Overall GNPA for unsecured micro loans and secured MSME loans increased to 1.28% as on March 31, 2026 (March 31, 2025: GNPA: 1.11%). Going forward, given the unseasoned nature of secured MSME portfolio, the company's ability to maintain asset quality and control credit costs remains a key monitorable.

Liquidity: Adequate

As on March 31, 2026, the company had adequate liquidity position with no cumulative mismatches in all time buckets. DCCL reported cash and cash equivalent (unencumbered) of ₹26.28 crore as on March 31, 2026, and receivable from loan book (including interest) of ₹119.65 crore against the debt repayment obligation (including interest) of ₹104.46 crore for the next one year. The company also has unutilised bank sanction lines ₹10.00 crore as on March 31, 2026, as an additional cushion to the liquidity.

The company's ratings do not factor in rating-related trigger clauses per terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades.

Assumptions/Covenants

Not applicable

Environment, social, and governance (ESG) risks

Not applicable

Applicable criteria

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios - Financial Sector](#)

[Non Banking Financial Companies](#)

About the company and industry**Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Finance	Non-banking financial company (NBFC)

DCCL is a Jaipur-based RBI-registered non-deposit taking NBFC, engaged in financing of unsecured loans to individuals and small enterprises and secured MSME financing. DCCL was incorporated in 1994 by promoters Ramesh Kumar Vijay and Rajkumar Vijay as a closely held public limited company and received the license to operate as an NBFC from RBI in November 1998. DCCL's head office is situated in Kolkata while regional office is at Jaipur. As on March 31, 2026, it has presence in seven states with 36 branches across West Bengal, Rajasthan, Gujarat, Madhya Pradesh, Chhattisgarh, Bihar, and Jharkhand. The company's loan portfolio encompasses unsecured loans to municipal loans, unsecured micro loans, and secured MSME financing.

Brief Financials (₹ crore) – standalone - DCCL	March 31, 2024 (A)	March 31, 2025 (A)	March 31, 2026 (Prov.)
Total income	32.86	41.39	50.18
Profit after tax (PAT)	3.69	7.04	10.22
Assets under management (AUM)	181.57	187.89	238.06
On-book gearing (x)	2.51	1.97	1.78
AUM / tangible net-worth (TNW) (x)	2.73	2.56	2.30
Gross non-performing assets (NPA) / gross stage 3 (%)	0.55	1.11	1.03
Return on managed assets (ROMA) (%)	1.74	3.07	3.96
Capital adequacy ratio (CAR) (%)	36.79	38.78	41.09

A: Audited Prov.: Provisional; Note: these are latest available financial results

Status of non-cooperation with previous CRA:

Not applicable

Any other information:

Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Debentures-Non-convertible debentures	INE04Q907124	03-Feb-2026	14%	03-Feb-2031	10.84	CARE BBB-; Stable
Debentures-Non-convertible debentures	INE04Q907116	03-Feb-2026	14%	03-Feb-2031	6.91	CARE BBB-; Stable
Debentures-Non-convertible debentures	INE04Q907108	11-Dec-2025	12.25%	10-Dec-2027	10.00	CARE BBB-; Stable
Debentures-Non-convertible debentures	INE04Q907090	19-Sep-2025	12%	19-Mar-2027	10.00	CARE BBB-; Stable
Debentures-Non-convertible debentures	INE04Q907165	03-Feb-2026	12%	03-Feb-2029	0.50	CARE BBB-; Stable
Debentures-Non-convertible debentures	INE04Q907157	03-Feb-2026	12%	03-Feb-2029	1.75	CARE BBB-; Stable
Debentures-Non-convertible debentures	INE04Q907181	30-Mar-2026	12.75%	30-Sep-2028	15.00	CARE BBB-; Stable
Debentures-Non-convertible debentures	INE04Q907173	24-Mar-2026	13.00%	24-Mar-2029	10.00	CARE BBB-; Stable
Debentures-Non-convertible debentures - Proposed	-	NA	NA	NA	10.00	CARE BBB-; Stable
Debentures-Non-convertible debentures - Proposed	-	NA	NA	NA	50.00	CARE BBB-; Stable
Fund-based - LT-Cash Credit	-	-	-	-	2.00	CARE BBB-; Stable
Fund-based - LT-Term Loan	-	-	-	30-09-2027	160.00	CARE BBB-; Stable

NA: Not applicable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Fund-based - LT-Cash Credit	LT	2.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (06-Jan-26) 2)CARE BBB-; Stable (20-Aug-25)	1)CARE BBB-; Stable (24-Dec-24)	1)CARE BBB-; Stable (27-Dec-23)
2	Fund-based - LT-Term Loan	LT	160.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (06-Jan-26) 2)CARE BBB-; Stable (20-Aug-25)	1)CARE BBB-; Stable (24-Dec-24)	1)CARE BBB-; Stable (27-Dec-23)
3	Debentures-Non-convertible debentures	LT	-	-	-	-	1)Withdrawn (24-Dec-24)	1)CARE BBB-; Stable (27-Dec-23)
4	Debentures-Non-convertible debentures	LT	-	-	-	-	1)Withdrawn (24-Dec-24)	1)CARE BBB-; Stable (27-Dec-23)
5	Debentures-Non-convertible debentures	LT	-	-	-	1)Withdrawn (06-Jan-26) 2)CARE BBB-; Stable (20-Aug-25)	1)CARE BBB-; Stable (24-Dec-24)	1)CARE BBB-; Stable (27-Dec-23)
6	Debentures-Non-convertible debentures	LT	-	-	-	1)Withdrawn (06-Jan-26) 2)CARE BBB-; Stable (20-Aug-25)	1)CARE BBB-; Stable (24-Dec-24)	1)CARE BBB-; Stable (27-Dec-23)
7	Debentures-Non-convertible debentures	LT	25.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (06-Jan-26) 2)CARE BBB-; Stable (20-Aug-25)	-	-
8	Debentures-Non-convertible debentures	LT	50.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (06-Jan-26)	-	-

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
9	Debentures-Non-convertible debentures	LT	50.00	CARE BBB-; Stable				

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Non-convertible debentures	Simple
2	Fund-based - LT-Cash Credit	Simple
3	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments ²
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (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 Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutual Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI

²SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments ²
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	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.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the rating reports subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details and names of respective regulators.

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

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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