September 18, 2023

Akara Capital Advisors Private Limited: Ratings withdrawn for PTCs issued under a pool of personal loan receivables transaction

Summary of rating action

Trust Name	Instrument*	Initial Amount Rated (Rs. crore)	Amount outstanding after last surveillance (Rs. crore)	Current Amount Outstanding (Rs. crore)	Rating Action
SCORPIO TRUST 08 2022	Senior Tranche PTC	17.64	17.64	0.00	[ICRA]A-(SO); Withdrawn

**Instrument details are provided in Annexure-I*

Rationale

ICRA has withdrawn the rating for pass through certificates (PTCs) issued under personal loan receivables securitisation transaction originated by Akara Capital Advisors Private Limited (ACAPL; rated [ICRA]BBB(Stable)/[ICRA]A3+), as tabulated above. All the payouts to the investors in the above mentioned instruments have been made and no further payments are due to the investors.

The key rating drivers, liquidity position, rating sensitivities have not been captured as the ratings assigned to the instruments have been withdrawn. The previous detailed rating rationale of previous rating exercise is available at the following link: Click here

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Policy on Withdrawal of Credit Rating
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the originator

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. It was started by Mr. Tushar Aggarwal, Ms. Shruti Aggarwal and Mr. Parikshit Chitalkar, who have several years of experience in the financial services industry. ACAPL is currently owned by MTPL, a Singapore-based neobanking startup backed by investors like Tencent Group, Fasanara Capital, Altara Ventures, 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 standalone basis (audited financials), ACAPL reported a PAT of Rs. 26 crore in FY2023 on a total asset base of Rs. 1,441 crore as on March 31, 2023 compared to a PAT of Rs. 6 crore in FY2022 on a total asset base of Rs. 634 crore as on March 31, 2022. On a standalone basis, the company reported GNPAs and NNPAs of 4.0% and 3.0%, respectively, as on March 31, 2023 compared to nil GNPAs and NNPAs as on March 31, 2022.

Key financial indicators

ACAPL (Standalone)	FY2021 (Audited)	FY2022 (Audited)	FY2023 (Audited)
Total Income	20	48	216
Profit after tax	2	6	26
Total managed assets	132	634	1,441
Gross stage 3	0.0%	0.0%	4.0%
Net stage 3	0.0%	0.0%	3.0%

Source: Company, ICRA Research; Amount in Rs. Crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Sr. No	Trust Name	Current Rating (FY2024)				Chronology of Rating History for the past 3 years			
		Instrument	Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2024	Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021
					September 18, 2023	**January 16, 2023**	**November 02, 2022**	**-**	**-**
1	**SCORPIO TRUST 08 2022**	Senior Tranche PTC	17.64	0.00	**[ICRA]A-(SO); Withdrawn**	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Senior Tranche PTC	Moderately Complex

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, is available on ICRA's website Click Here

Annexure-I: Instrument details

Trust Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date*	Amount Rated (Rs. Crore)	Current Rating and Outlook
SCORPIO TRUST 08 2022	Senior Tranche PTC	October 2022	10.00%	March 2025	0.00	[ICRA]A-(SO); Withdrawn

** Scheduled maturity at transaction initiation; may change on account of prepayment*

Source: Company

Annexure-II: List of entities considered for consolidated analysis

Not Applicable

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