

May 10, 2024^(Revised)

Akara Capital Advisors Private Limited: Rating withdrawn for matured NCDs

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debentures	466.0	466.0	[ICRA]BBB (Stable); outstanding
Non-convertible debentures	204.0	0.0	[ICRA]BBB (Stable); withdrawn
Long-term fund based – Term loan	125.0	125.0	[ICRA]BBB (Stable); outstanding
Long-term fund-based term loan	15.0	15.0	[ICRA]BBB+(CE) (Stable); outstanding
Commercial paper	80.0	80.0	[ICRA]A3+; outstanding
Total	890.0	686.0	

*Instrument details are provided in Annexure I

Rating without explicit credit enhancement **[ICRA]BBB**

Note: The (CE) suffix mentioned alongside the 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

ICRA has withdrawn the rating assigned to Akara Capital Advisors Private Limited's (ACAPL) Rs. 204.0-crore non-convertible debenture (NCD) as no amount is outstanding against the same. The rating has been withdrawn in accordance with ICRA's policy on the withdrawal of credit ratings.

The previous detailed rating rationale, which captures the key rating drivers and their description, liquidity position, rating sensitivities, and key financial indicators is available at the following link: [Click here](#)

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, EQX Analytics Private Limited (EQXAPL), owing to their business linkages, common management and shared infrastructure.

About the company

ACAPL is a Delhi-based non-deposit taking non-banking financial company (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 Morus Technologies Pte Ltd (MTPL), a Singapore-based neobanking start-up backed by investors like Tencent Group, Fasanara Capital, Altara Ventures, Uncorrelated Ventures, etc.

ACAPL is a 99.99% 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.

Basis the provisional financials, on a consolidated basis (ACAPL + EQXAPL), the Group reported a profit after tax (PAT) of Rs. 35 crore in FY2024 on a total asset base of Rs. 1,717 crore as on March 31, 2024 compared with a PAT of Rs. 27 crore in FY2023 on a total asset base of Rs. 1,540 crore as on March 31, 2023. As on March 31, 2024, the Group's consolidated net worth stood at Rs. 620 crore (Rs. 425 crore as on March 31, 2023) with a gearing of 1.4x (2.4x as on March 31, 2023). The company's gross non-performing assets (GNPAs; % of assets under management or AUM) and net NPA (NNPA; % of AUM) stood at 2.5% and 1.2%, respectively, as on March 31, 2024 compared to 3.0% and 2.2%, respectively, as on March 31, 2023.

On a standalone basis (provisional financials), ACAPL reported a PAT of Rs. 66 crore in FY2024 on a total asset base of Rs. 1,636 crore as on March 31, 2024 compared with a PAT of Rs. 26 crore in FY2023 on a total asset base of Rs. 1,441 crore as on March 31, 2023. As on March 31, 2024, the company's standalone net worth stood at Rs. 579 crore (Rs. 411 crore as on March 31, 2023) with a gearing of 1.5x (2.4x as on March 31, 2023). On a standalone basis, the company's GNPA (% of AUM) and NNPA (% of AUM) stood at 3.1% and 1.6%, respectively, as on March 31, 2024 compared to 4.0% and 3.0%, respectively, as on March 31, 2023.

Northern Arc Capital Limited (support provider)

Northern Arc Capital (NACL) 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 December 31, 2023, on a fully-diluted basis, IIFL 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 Rating (FY2025)			Chronology of Rating History for the Past 3 Years											
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)*	Date & Rating in FY2025				Date & Rating in FY2024			Date & Rating in FY2023			Date & Rating in FY2022	
					May 10, 2024	Aug 10, 2023	Jul 04, 2023	Apr 05, 2023	Dec 20, 2022	Oct 20, 2022	Oct 03, 2022	Mar 11, 2022	Dec 09, 2021			
1	Non-convertible debentures	LT	466.00	171.6	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB- (Stable)	-		
2	Non-convertible debentures	LT	204.00	-	[ICRA]BBB (Stable); withdrawn	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB- (Stable)	-		
3	Market linked debentures	LT	-	-	-	PP-MLD [ICRA]BBB (Stable); withdrawn	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	PP-MLD [ICRA]BBB (Stable)	-	-	-	-	-		
4	Long-term fund-based term loan	LT	125.00	19.17	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB- (Stable)	[ICRA]BBB- (Stable)		
5	Long-term fund-based term loan	LT	15.00	8.57	[ICRA]BBB+ (CE) (Stable)	[ICRA]BBB+ (CE) (Stable)	[ICRA]BBB+ (CE) (Stable)	Provisional [ICRA]BBB+ (CE) (Stable)	-	-	-	-	-	-		
6	Commercial paper	ST	80.00	0.00	[ICRA]A3+	[ICRA]A3+	[ICRA]A3+	[ICRA]A3+	[ICRA]A3+	[ICRA]A3+	[ICRA]A3+	[ICRA]A3	-			

LT – Long term, ST – Short term; * As on April 30, 2024 for NCDs and as on February 29, 2024 for bank facilities and commercial paper (CP)

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*

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE08XP07027	NCD	Mar-16-2022	14.55%	Mar-15-2024	20.00	[ICRA]BBB (Stable); withdrawn
INE08XP07019	NCD	Mar-31-2022	13.17%	Jul-03-2023	40.00	[ICRA]BBB (Stable); withdrawn
INE08XP07035	NCD	Oct-14-2022	13.05%	Apr-14-2024	27.00	[ICRA]BBB (Stable); withdrawn
INE08XP07043	NCD	Nov-01-2022	11.04%	Nov-08-2023	30.00	[ICRA]BBB (Stable); withdrawn
INE08XP07076	NCD	Dec-26-2022	12.55%	Mar-26-2024	69.00	[ICRA]BBB (Stable); withdrawn
INE08XP07084	NCD	Jan-25-2023	11.04%	Apr-25-2024	18.00	[ICRA]BBB (Stable); withdrawn
INE08XP07118	NCD	May-04-2023	11.05%	May-11-2024	49.50	[ICRA]BBB (Stable)
INE08XP07050	NCD	Dec-28-2022	11.75%	Jun-28-2024	30.00	[ICRA]BBB (Stable)
INE08XP07126	NCD	May-15-2023	12.00%	Jun-30-2024	10.00	[ICRA]BBB (Stable)
INE08XP07142	NCD	Jun-23-2023	11.50%	Oct-31-2024	30.00	[ICRA]BBB (Stable)
INE08XP07092	NCD	Dec-23-2022	14.00%	Dec-11-2024	75.00	[ICRA]BBB (Stable)
INE08XP07134	NCD	May-15-2023	14.00%	Dec-01-2024	30.00	[ICRA]BBB (Stable)
INE08XP07159	NCD	Jul-21-2023	10.01%	Jan-21-2025	20.00	[ICRA]BBB (Stable)
INE08XP07159	NCD	Aug-08-2023	10.01%	Jan-21-2025	20.10	[ICRA]BBB (Stable)
INE08XP07175	NCD	Dec-08-2023	11.50%	Feb-28-2025	20.00	[ICRA]BBB (Stable)
INE08XP07100	NCD	Apr-03-2023	14.00%	Mar-31-2025	25.00	[ICRA]BBB (Stable)
INE08XP07191	NCD	Apr-22-2024	13%	Apr-24-2025	5.00	[ICRA]BBB (Stable)
Yet to be placed	NCD	NA	NA	NA	86.40	[ICRA]BBB (Stable)
NA	Term loan - 1	Jun-29-2023	9.50%	Jun-30-2025	6.67	[ICRA]BBB (Stable)
NA	Term loan - 2	Jul-27-2023	14.00%	Aug-18-2024	12.50	[ICRA]BBB (Stable)
NA	Long-term fund-based term loan ^	NA	NA	NA	105.83	[ICRA]BBB (Stable)
NA	Term loan - 3	Mar-29-2023	12.00%	Mar-30-2025	8.57	[ICRA]BBB+(CE) (Stable)
NA	Long-term fund-based term loan ^	NA	NA	NA	6.43	[ICRA]BBB+(CE) (Stable)
Yet to be placed	Commercial paper	NA	NA	NA	80.00	[ICRA]A3+

Source: Company, ICRA Research; * As on April 30, 2024 for NCDs and as on February 29, 2024 for bank facilities and CP; ^ 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

Corrigendum

Document dated May 10, 2024 has been corrected with revisions as detailed below:

Page No.	Location on Page	Previous data	Revised data
4	Annexure I: Instrument details	ISINs INE08XP07068 and INE08XP07167 were mentioned in the annexure I	ISINs INE08XP07068 and INE08XP07167 are removed from the annexure I

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