

March 28, 2025

## Akara Capital Advisors Private Limited: Provisional [ICRA]A+(SO) assigned to PTCs backed by personal loan receivables issued by LoanX Silverbell Mar 2025

### Summary of rating action

Trust name	Instrument*	Current rated amount (Rs. crore)	Rating action
LoanX Silverbell Mar 2025	Series A1 PTCs	18.74	Provisional [ICRA]A+(SO); assigned

\*Instrument details are provided in Annexure I

Rating in the absence of pending actions/documents	No rating would have been assigned as it would not be meaningful
--	--

### Rationale

The pass-through certificates (PTCs) are backed by a pool of personal loan receivables originated by Akara Capital Advisors Private Limited {ACAPL/Originator; rated [ICRA]BBB (Stable)} with an aggregate principal outstanding of Rs. 22.30 crore (pool receivables of Rs. 28.78 crore). ACAPL would be the servicer for the rated transaction.

The provisional rating is based on the strength of the cash flows from the selected pool of contracts, the credit enhancement (CE) available in the structure as well as the integrity of the legal structure. The rating is subject to the fulfilment of all the conditions under the structure and ICRA's review of the documentation pertaining to the transaction.

### Transaction structure

As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout. The principal is expected to be paid on a monthly basis (100% of the pool principal billed) but is promised on the final maturity date. Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will flow back to the Originator on a monthly basis. Any prepayment in the pool would be used for the prepayment of the Series A1 PTCs principal.

However, on the occurrence of predefined trigger events, the 100% residual EIS every month shall be utilised for accelerating the principal payment due to Series A1 PTCs. The event is triggered on breach on any of the following conditions (i) PAR 90 of the pool exceeds more than 5%, (ii) cumulative Collection Efficiency of the Pool for any Collection Period falls below 90.0%, (iii) The rating of the Series A1 PTCs falls 1 notch or more below its rating, (iv) If the Cash Collateral is drawn to make any payments to the Series A1 PTCs holders (v) Rating downgrade of the Seller by any rating agency by two or more notches.

The CE available in the structure is in the form of (i) a cash collateral (CC) of 5.00% of the initial pool principal, amounting to Rs. 1.12 crore, to be provided by the Originator, (ii) subordination of 16.00% of the initial pool principal for Series A1 PTC, and (iii) the EIS of 22.44% of the initial pool principal for Series A1 PTCs.

### Key rating drivers and their description

#### Credit strengths

**Granular pool supported by presence of credit enhancement** – The pool is granular, consisting of 25,661 contracts, with top 10 contracts forming only 1.1% of the pool principal, thereby reducing the exposure to any single borrower. Further, the CE available in the form of the CC, subordination and EIS would absorb some amount of the losses in the pool and provide support in meeting the PTC payouts.

**No overdue contracts in the pool** – The pool has been filtered in such a manner that there are no overdue contracts as on the cut-off date. Further, none of the contracts in the pool have ever been delinquent, which is a credit positive.

**Healthy bureau score of borrowers** – In the pool, all the borrowers have a CIBIL score of atleast 700, which reflects their relatively better credit profile

**Adequate servicing capability** – The company has adequate processes for servicing the loan accounts in the securitised pools. It has a demonstrated track record of 4.5 years of regular collections and recoveries in the portfolio.

### Credit challenges

**High geographical concentration** – The pool has high geographical concentration with the top 3 states, viz Maharashtra, Jammu Kashmir and Karnataka, contributing ~29% to the initial pool principal amount. The pool's performance would thus be exposed to any state-wide disruption that may occur due to natural calamities, political events, etc.

**Risks associated with lending business** – The pool's performance would remain exposed to macro-economic shocks, business disruptions and natural calamities that may impact the income-generating capability of the borrowers and their ability to make timely repayments of their loans. The pool is exposed to the inherent credit risk associated with the unsecured nature of the asset class and that recovery from delinquent contracts tends to be lower.

### Key rating assumptions

ICRA's cash flow modelling for rating securitisation transactions involves the simulation of potential losses, delinquencies and prepayments in the pool. The losses and prepayments are assumed to follow a log-normal distribution. The assumptions for the losses and the coefficient of variation are considered on the basis of the values observed from the analysis of the past performance of the Originator's loan portfolio as well as the characteristics of the specific pool being evaluated. The resulting collections from the pool, after incorporating the impact of the losses and prepayments, are accounted for in ICRA's cash flow model, in accordance with the cash flow waterfall of the transaction.

For the current pool, ICRA has estimated the shortfall in the pool principal collection during its tenure at 8.00% with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 4.8% to 18.0% per annum. Various possible scenarios have been simulated at stressed loss levels and prepayment rates and the incidences of default to the investor as well as the extent of losses are measured after factoring in the CE to arrive at the final rating for the instrument.

### Liquidity position: Strong

The liquidity for the instruments is strong after factoring in the CE available to meet the promised payout to the investor. The total CE would be ~4.00 times the estimated loss in the pool.

### Rating sensitivities

**Positive factors** – The rating could be upgraded on the strong collection performance of the underlying pool (monthly collection efficiency >95%) on a sustained basis, leading to the build-up of the CE cover for the remaining payouts.

**Negative factors** – The sustained weak collection performance of the underlying pool (monthly collection efficiency <90%), leading to higher-than-expected delinquency levels and higher CE utilisation levels, would result in a rating downgrade. Weakening in the credit profile of the servicer could also exert pressure on the rating.

## Analytical approach

The rating action is based on the analysis of the performance of ACAPL's portfolio till December 2024, the key characteristics and composition of the current pool, the performance expected over the balance tenure of the pool, and the CE cover available in the transaction.

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Rating methodology for securitisation transactions</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

## Pending actions/documents required to be completed for conversion of the provisional rating into final

The assigned rating is provisional and would be converted into final upon the execution of:

1. Trust deed
2. Assignment agreement
3. Legal opinion
4. Trustee letter
5. Chartered Accountant's Know Your Customer (KYC) certificate
6. Any other documents executed for the transaction

## Validity of the provisional rating

The Trust is expected to complete the pending actions/execute the pending documents in the near term. However, in case of continued pendency of the actions/documents beyond one year of this publication, the provisional rating would be withdrawn for the transaction even if the instrument has been issued.

## Risks associated with the provisional rating

In case the issuance is completed, but the pending actions/documents are not completed for the transaction within one year (validity period) from the assignment of the rating, the provisional rating will be withdrawn in accordance with ICRA's Policy on Provisional Ratings available at [www.icra.in](http://www.icra.in).

## About the originator

Akara Capital Advisors Private Limited (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. ACAPL primarily provides unsecured short-term personal loans to salaried individuals through web and mobile platforms. It was started by Mr. Tushar Aggarwal and Ms. Shruti Aggarwal, who have several years of experience in the financial services industry.

ACAPL is currently owned (99.99% subsidiary) by Morus Technologies Pte Ltd (MTPL; holding company incorporated in Singapore), a neobanking start-up backed by investors like Tencent, Blowfish Ventures, Divine Blessings, Altara Ventures, Uncorrelated Ventures, etc. In terms of management bandwidth, the company has strengthened the second line of management and hired experienced professionals from the industry. The Group has another wholly-owned subsidiary, EQX Analytics Private Limited (EQXAPL), which provided technological solutions. The technology platform is used by ACAPL and other co-lenders for lending to customers.

### Key financial indicators

ACAPL (standalone)	FY2023	FY2024	9M FY2025*
Total income	216	784	536
Profit after tax	8	69	71
Total managed assets	1,871	1,996	1,915
Gross stage 3	6.7%	4.0%	4.0%
CRAR	29.0%	31.7%	33.2%

Source: Company, ICRA Research; Amount in Rs. crore; \*Limited Review

### Status of non-cooperation with previous CRA: Not applicable

### Any other information: None

### Rating history for past three years

		Current rating (FY2025)		Chronology of rating history for the past 3 years		
Trust name	Instrument	Amount rated (Rs. crore)	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022
			March 28, 2025	-	-	-
LoanX Silverbell Mar 2025	Series A1 PTCs	18.74	Provisional [ICRA]A+(SO)	-	-	-

### Complexity level of the rated instrument

Instrument	Complexity indicator
Series A1 PTCs	Moderately Complex

The Complexity Indicator refers to the ease with which the returns associated with the rated instruments 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

Trust name	Instrument	Date of issuance/ Sanction	Coupon rate (p.a.p.m.)	Maturity date	Amount rated (Rs. crore)	Current rating
LoanX Silverbell Mar 2025	Series A1 PTCs	March 28, 2025	11.85%	December 18, 2026	18.74	Provisional [ICRA]A+(SO)

Source: Company

#### Annexure II: List of entities considered for consolidated analysis

Not applicable

## ANALYST CONTACTS

**Abhishek Dafria**

+91 22 6114 3440

[abhishek.dafria@icraindia.com](mailto:abhishek.dafria@icraindia.com)

**Sachin Joglekar**

+91 22 6114 3470

[sachin.joglekar@icraindia.com](mailto:sachin.joglekar@icraindia.com)

**Himanshi Doshi**

+91 22 6114 3410

[himanshi.doshi@icraindia.com](mailto:himanshi.doshi@icraindia.com)

**Vishal Oza**

+91 22 61143472

[vishal.oza2@icraindia.com](mailto:vishal.oza2@icraindia.com)

**Ekta Baheti**

+91 22 61143423

[ekta.baheti@icraindia.com](mailto:ekta.baheti@icraindia.com)

## RELATIONSHIP CONTACT

**Mr. L Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## 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.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001  
Tel: +91 11 23357940-45



### Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.