

July 02, 2025

Akara Capital Advisors Private Limited: Rating confirmed as final for PTCs backed by personal loan receivables issued by INFINITE_2024

Summary of rating action

Trust name	Instrument*	Current rated amount (Rs. crore)	Rating action
INFINITE_2024	Series A1 PTC	16.43	[ICRA]A(SO); provisional rating confirmed as final

*Instrument details are provided in Annexure I

Rationale

ICRA had assigned provisional rating to the pass-through certificates (PTC) issued by INFINITE_2024 under a securitisation transaction originated by Akara Capital Advisors Private Limited (ACAPL/Originator; rated [ICRA]BBB(Stable)). The PTCs are backed by personal loan receivables originated by ACAPL with an aggregate principal outstanding of Rs. 18.78 crore (pool receivables of Rs. 24.46 crore). ACAPL is also the servicer of the rated transaction. Since the executed transaction documents are in line with the rating conditions and the legal opinion for the transaction has been provided to ICRA, the said rating has now been confirmed as final.

Pool performance summary

Parameter	INFINITE_2024
Payout month	June 2025
Months post securitisation	5
Pool amortisation	35.3%
Series A1 PTC amortisation	39.5%
Cumulative prepayment rate	15.0%
Cumulative collection efficiency ¹	91.7%
Monthly collection	90.6%
Loss-cum 0+ days past due (dpd) ²	6.5%
Loss cum 30+ dpd ³	4.2%
Loss cum 90+ dpd ⁴	1.4%
Cumulative cash collateral utilisation	0.0%

¹ (Cumulative current collections and overdue collections) / (Cumulative billings + Opening overdues at the time of securitisation)

² Unbilled and overdue principal portion of delinquent contracts, as a % of Initial pool principal

³ Unbilled and overdue principal portion of contracts delinquent for more than 30 days, as a % of Initial pool principal

⁴ Unbilled and overdue principal portion of contracts delinquent for more than 90 days, as a % of Initial pool principal

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 PTC principal.

If the current collection efficiency in respect of the pool is less than 95% for any two consecutive payouts and/or the portfolio at risk (PAR) 90 of the pool exceeds 5% of the initial principal outstanding, the EIS shall be utilised towards the repayment of the principal payout to the Series A1 investor.

The credit enhancement 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. 0.94 crore, provided by the Originator, (ii) subordination in the form of an equity tranche of 7.50% and over-collateralisation of 5.00% of the initial pool principal for Series A1 PTC, and (iii) the EIS of 21.85% of the initial pool principal for PTC Series A1.

Key rating drivers and their description

Credit strengths

Granular pool supported by presence of credit enhancement – The pool is granular, consisting of 13,758 contracts, with the top 10 contracts forming only 1.5% of the pool principal, thereby reducing the exposure to any single borrower. Further, the credit enhancement available in the form of the CC, subordination and EIS would absorb a part 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 were no overdue contracts as on the cut-off date. Further, none of the contracts in the pool have been delinquent after loan disbursement. This reflects the relatively better credit profile of the borrowers, which is a credit positive.

Healthy bureau score of borrowers – Around 98% of the pool has a CIBIL score of at least 700 while none of the contracts are new to credit. This 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, Uttar Pradesh and Karnataka, contributing ~36% 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. Moreover, recoveries from delinquent contracts tend 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 6.75% 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.

Details of key counterparties

The key counterparties in the rated transaction are as follows:

Transaction Name	INFINITE_2024
Originator	Akara Capital Advisors Private Limited
Servicer	Akara Capital Advisors Private Limited
Trustee	Catalyst Trusteeship Limited
CC holding bank	HDFC Bank
Collection and payout account bank	ICICI Bank

Liquidity position: Strong

The liquidity for the instrument is strong after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement would be ~4.25 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 trustee confirming compliance with the terms of the transaction and the executed transaction documents being in line with the terms initially shared with ICRA.

Analytical Approach	Comments
Applicable rating methodologies	Rating Methodology for Securitisation Transactions
Parent/Group support	Not applicable
Consolidation/Standalone	Not applicable

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. 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, a Singapore-based 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.

ACAPL is a 100% subsidiary of Morus Technologies Pte Ltd (holding company incorporated in Singapore). The Group has another wholly-owned subsidiary, EQX Analytics Private Limited, 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.

Key financial indicators (standalone; audited)

ACAPL (standalone)	FY2023	FY2024	FY2025
Total income	216	784	710
Profit after tax	8	69	85
Total managed assets	1,871	1,996	1,925
Gross stage 3	6.7%	4.0%	4.6%
CRAR	29.0%	31.7%	31.2%

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

Trust name	Instrument	Current rating (FY2026)		Chronology of rating history for the Past 3 Years			
		Initial rated Amount (Rs. crore)	Current rated amount (Rs. crore)	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023
				July 02, 2025	February 06, 2025	-	-
INFINITE_2024	Series A1 PTC	16.43	16.43	[ICRA]A(SO)	Provisional [ICRA]A(SO)	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Series A1 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 are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Trust name	Instrument type	Date of issuance / Sanction	Coupon rate (p.a.p.m.)	Maturity date	Current rated amount (Rs. crore)	Current rating
Not applicable	INFINITE_2024	Series A1 PTC	January 31, 2025	13.00%	June 17, 2027	16.43	[ICRA]A(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

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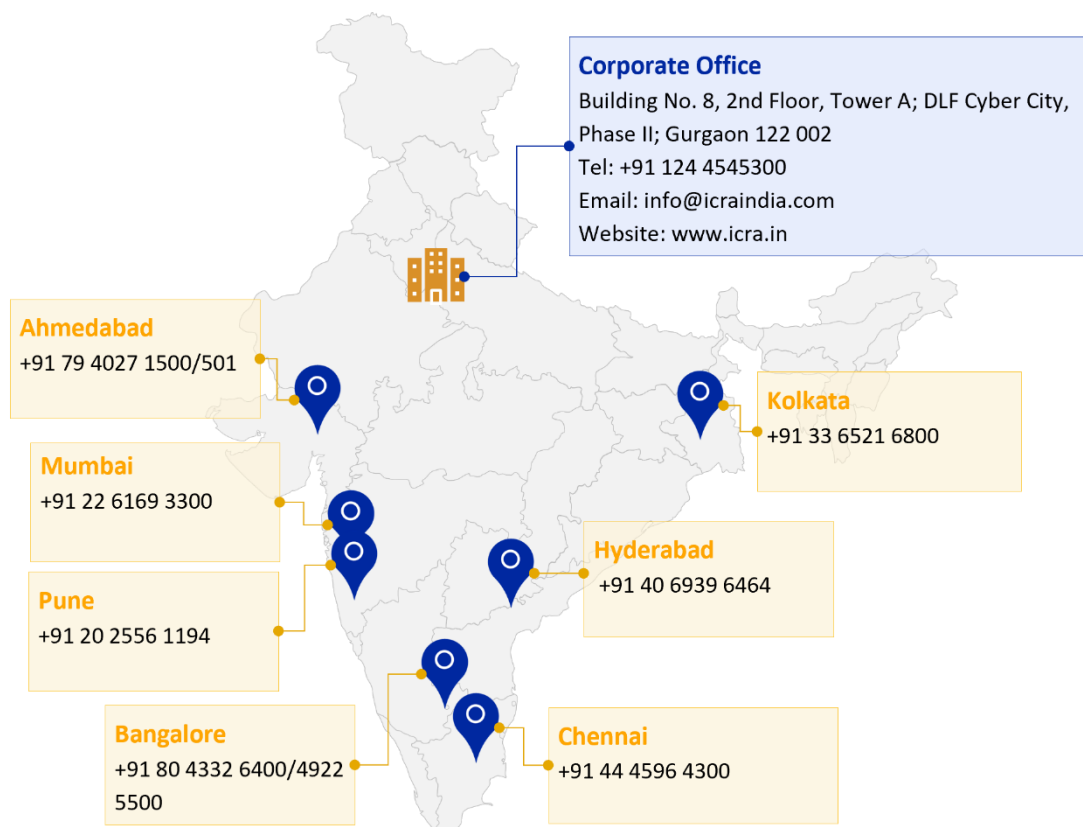


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